

Appendix 2 Gloucestershire County Council

Medium Term Financial Strategy Approved by County Council 17th February 2021

2021/22 to 2023/24

Budget 2021/22

A Context

1. This Medium Term Financial Strategy (MTFS) was presented to Cabinet for approval on 27th January 2021, prior to final approval of County Council on 17th February 2021. It has been prepared using best estimates from available data, based on the provisional settlement received in December 2020. The final Finance Settlement was published on 4th February 2021 and any amendments required have been included in this report.
2. The MTFS contains the approved budget for 2021/22 including the general fund revenue budget, the capital programme and the Dedicated Schools Grant. The general fund revenue budget totals £483.008 million and is based on an overall increase of 4.75% on Council Tax (this includes 1.99% Council Tax increase plus a 2.76% Adult Social Care Levy). This approved increase in the Levy is estimated to raise an additional £8.753 million for Adult Social Care services.
3. The MTFS (Appendix 2) should be considered in the context of the Council Strategy, Looking to the Future, which sets out the Council's ambitions, plans and priorities for Gloucestershire.
4. Commissioning Intentions for each service area which expand on the high level plans included in the Council Strategy are provided in Annex 1. The Commissioning Intentions highlight current achievements and future plans in relation to the different services provided by the Council. These detailed narratives cover Adults (Annex 1.1), Children and Families (Annex 1.2), Economy, Environment & Infrastructure (Annex 1.3), Community Safety (Annex 1.4), Prevention and Wellbeing (Annex 1.5) and Corporate Resources (Annex 1.6).

B Looking to the Future – Our Council Strategy 2019/22 (refreshed for 2021/22)

5. The Council Strategy – 'Looking to the Future' - is the key high-level document that, along with the MTFS, sets the Council's strategic policy direction. It was approved by the Council in February 2019 and sets out the Council's vision, its ambitions for the county and its priorities for addressing the challenges and opportunities it faces. The Council Strategy was updated following the public consultation exercise and was approved by County Council on 17th February 2021.
6. The Council's vision is to make the most of all that Gloucestershire has to offer, help improve the quality of life for every community, support businesses to be successful and make sure Gloucestershire is a place where people want to live, work and visit.
7. Our ambition is for Gloucestershire to be:
 - **A Magnet county** - A growing working age population, with more 18-40 year olds with high level qualifications choosing to live and work in the county
 - **An Innovative county** - More businesses starting up, growing and investing in research and innovation
 - **A Skilled county** - More people with high-level skills and jobs in skilled occupations
 - **A Prosperous county** - Rising productivity and household incomes offering higher living standards

- **An Inclusive county** - The economic and social benefits of growth to be felt by all
- **A Healthy county** - People to have a good work/life balance and improved health and wellbeing
- **A Connected county** - Improved transport and internet connections so that people and businesses can connect with each other more easily
- **A Sustainable county** - More efficient use of resources and more use of sustainable energy
- **A Resilient county** - Active, resilient local communities that keep people safe, provide them with support and help them to make a positive contribution

8. The updated Council Strategy is attached to this report as Appendix 1.

C Consultation

9. A formal budget consultation took place between 18th December 2020 and 15th January 2021 with the following groups:
- All Gloucestershire residents,
 - Key partners including Health, the Independent and Voluntary sectors and town and parish councils,
 - Trade Unions and professional associations,
 - Staff, via the usual communication channels,
 - Gloucestershire businesses,
 - Schools, via the schools forum, open meetings and Head Teacher groups
10. As well as targeted stakeholder engagement, the Council carried out a strong social media campaign, including Facebook advertising to target hard to reach groups.
11. Full details of the formal budget consultation are included as Appendix 3
12. The Corporate Overview and Scrutiny Committee have also undertaken their own budget scrutiny process on 7th January 2021. The Chair of the OSMC presented the findings of the scrutiny process to Cabinet 27th January 2021, and a copy of this report can be found in Appendix 4.

D Finance Settlement and Funding Assumptions

13. The overall funding assumptions for the Council are based on central governments 2020 Spending Review (SR20) and provisional settlement. A one year “roll over” type finance settlement was announced by SR20, and this was confirmed with the provisional settlement that was announced on the 17th December 2020. The final Finance Settlement was received on the 4th February 2021 and any changes are included in this report.
14. SR20 and the provisional settlement confirmed the following:
- 4.5% national increase in Core Spending Power
 - Flexibility to increase Council Tax – 2% general Council Tax limit plus up to 3% Adult Social Care Levy which can be spread over two years
 - Reimbursement of 75% of irrecoverable Council Tax and NNDR due to COVID, by way of a direct grant to the Council
 - Roll over of Adult Social Care Grant, Improved Better Care Fund, Public Health Grant and Troubled Families Grant

- Continuation of 75% lost Sales, Fees and Charges reimbursement scheme for 3 months in 2021/22
 - Better Care Fund (GCC / CCG Shared Pot) increased by 5.3%
 - Continuation of New Homes Bonus with two years legacy payments continuing and an additional years allocation.
 - Additional Social Care Grant of £300m, of which the Council's allocation is £1.8 million.
 - £1.55 billion nationally to fund additional COVID related spend in 2021/22 with an allocation of £11.5 million for the Council.
 - Local Roads Maintenance fund of £1.7 billion to tackle potholes, relieve congestion and boost connectivity. The GCC allocation is not currently known.
15. Funding beyond 2021/22 will be subject to another Spending Review in 2021, when it is also expected that a wider consultation will be implemented on the Fair Funding Review and the new Business Rates Retention System, both of which have been delayed as a result of the Covid-19 crisis.
16. The final settlement was published on 4th February 2021 and any amendments have been included in this report.

Financial Settlement 2021/22

17. The Council receives its funding through a number of sources; government grant, business rates retention income, council tax and charging for some of its services through fees and charges.
18. The financial settlement sets out the Settlement Funding Assessment (SFA) and Core Spending Power (CSP) calculation for each authority. The SFA includes the Revenue Support Grant (RSG) and the Baseline Funding Level (BFL), which is split between the Business Rate Top Up Grant and target business rates. RSG and the Top Up grant form the main grants received by the Council. The BFL is part of the Business Rates Retention Scheme (BRR).
19. The CSP as announced by SR20 will increase by 4.5% nationally. The CSP for the Council, as announced in the provisional settlement is shown below. It should be noted that this presentation is not directly comparable to the Budget presented. This is because our Budget is based on actual business rates received, and actual Council Tax raised whereas the CSP illustrates a BFL based on central governments view of our need and a maximum Council Tax increase per year and a national average increase in council taxbase. CSP also excludes Public Health funding and several other unringfenced funding streams that are included within the Council's Budget.

	2020-21	2021-22
	£ millions	£ millions
Settlement Funding Assessment	84.0	84.0
of which:		
Revenue Support Grant	8.2	8.2
Baseline Funding Level	75.8	75.8
Council Tax Requirement	313.5	335.2
Compensation for under-indexing the business rates multiplier	3.0	3.9
Improved Better Care Fund	19.4	19.4
New Homes Bonus	2.8	1.9
Social Care Grant	14.0	15.8
Core Spending Power	436.7	460.2

20. The BRR Scheme was introduced from 2013/14. The Scheme allows the Council to retain some of the business rates raised locally and currently the scheme is a 50% retention scheme. This means the business rate yield is divided equally between central and local government. The Council's share of the locally retained element is 20%. The Top Up grant is received in order to protect upper tier services (i.e. those with responsibility for children's and adults social care) with the BFL representing the "need" level of the Council. The Council does not receive this BFL as a grant, instead receiving an allocation of 10% of business rates raised from the district councils based on the estimate of total business rates to be collected.
21. The Council now has the final position from the district councils on the funding to be received from Business Rate income. Due to the Covid situation income collected by the districts was lower during 2020/21, however a grant will be received to help offset these losses. As a result of this additional grant total income will be £1.148 million more from Business Rates than presented in the draft Budget agreed for consultation by Cabinet on 16th December 2020.
22. During 2020/21 the Council, was part of a Business Rates Pool with all the district councils in Gloucestershire. This meant that an additional element of growth was retained locally. The Council, together with the district councils in Gloucestershire, have submitted an application to remain as a Business Rates Pool during 2021/22. This application has been approved and all the district councils have re-confirmed their desire to continue the arrangement in 2021/22.
23. Following modelling work the central case scenario is that gains can still be achieved, particularly as it is expected that the retail relief grants will continue into the next financial year. These gains are uncertain so are not included in the MTFS figures – any gains that do materialise during 2021/22 will be transferred to the Strategic Economic Development Fund.

	Pool Gain 2019/20 £m	Est. Pool Gain 2020/21 £m	Est. Pool Gain 2021/22 £m
District Share	3.1	2.5	1.7
GCC Share	0.8	0.6	0.4
SEDF Share	1.0	0.8	0.5
Total	4.9	3.9	2.6

24. The move to a 75% BRR scheme is currently on hold however it is assumed that this will be introduced in 2022/23, now two years later than originally expected. It is expected that consultation papers on how the new funding system will operate will be circulated during 2021. It has been verbally confirmed that there will be no business rates reset for 2021/22, which is good news for the Pool as it enables the councils within Gloucestershire to retain more business rates from “growth” than would otherwise be expected had the baseline been reset.

Other Funding Streams

25. In addition to the main un-ringfenced grants received as part of the BRR system, the Council also receives a number of other grants, which central government include in the CSP of local authorities. Following the SR19, many of the one off grants provided for 2019/20 were confirmed as continuing during 2020/21. SR20 confirmed that this rollover will happen once again in the absence of a longer term outlook by central government. As a result the following grants will be received for 2021/22:

- **Improved Better Care Fund**

This funding stream consists of several funding streams that were announced at different times, but have now been combined into one. This includes the original Improved Better Care Fund and additional money that was announced on a reducing balance basis from 2017/18. In addition, one off Winter Pressures grant announced for 2019/20 became part of this grant for 2020/21. In total for 2020/21 the Council received £19.4 million and this funding level will continue in 2021/22. The Council continues to work closely with Health partners to use this funding to facilitate more integrated working between health and social care.

- **Social Care Support Grant**

This funding included a new grant as part of SR19 for additional support for social care combined with existing 2019/20 social care funding. SR20 confirmed that this funding stream will continue at a similar level in 2021/22 (£14 million) to support adults and children social care. An additional £300 million nationally has been allocated and the Council's element of this additional grant funding is £1.8m.

- **New Homes Bonus (NHB)**

The Government introduced the NHB as a cash incentive scheme to reward councils for new home completions and for bringing empty homes back into use. This provided match funding for each new property. Over time the scheme has been amended and allocations reduced. SR20 confirmed that the legacy payment would continue for two of the three years and that an additional payment would be made. The Council's allocation for 2021/22 will be £1.9 million. This is a reduction on that received in 2020/21 and reflects the reducing funding from the scheme that was announced as part of SR19.

- **Public Health Grant**

It is expected that the Council will receive around £24.8million for Public Health in 2021/22.

26. Well over half of the Council's funding comes from Council Tax – in 2021/22 it is anticipated that the Council will generate £292.9 million from Council Tax and £36.4 million from the cumulative impact of the Adult Social Care levy (ASC). The general Council Tax referendum limit for upper tier authorities is set at 2% for 2021/22. SR20 also announced a 3% ASC precept, which can be spread over two years. County Council gave approval to use 2.76% for the 2021/22 budget, which gives an increase of £8.75 million on 2020/21 levels. The budget for 2021/22 therefore proposes to raise council tax by 4.75% - 1.99% from general council tax with an additional 2.76% from the Adult Social Care Levy.
27. The budget assumptions usually include an estimated increase in the tax base for the county. For the draft Budget presented to Cabinet this was set at 0% due to the uncertainties around receipts as a result of the impact of COVID-19. The Council now has confirmation of the final figure which is an overall small increase of 0.28% raising an additional £920k`.
28. Normally a council tax surplus is included within the Budget figures, however for 2021/22 no surplus is expected and a breakeven position was assumed in the draft MTFS. The risk of a deficit position in 2021/22 was highlighted and it was noted that legislation has been set by central government meaning that these deficits have to be spread over three years. The Council now has the final position and there is a deficit of £815k for the first year. The reason for this deficit is that more people have had to claim council tax support during the Covid-19 pandemic. This has an impact on the estimated taxbase that was calculated for 2020/21 and reduces collection levels. SR20 announced that a grant to cover 75% of irrecoverable losses would be available to support councils the remaining deficit not covered by this grant will be funded from the Rates Retention Fund.
29. Alongside the one year 2021/22 settlement there are still other significant longer term changes that will impact future local government funding. These potential changes include the proposed move to 75% BRR, the Fair Funding Review and proposals aimed at addressing the long term funding solutions for social care. It is anticipated there will be a multi year Comprehensive Spending Review in the autumn of 2021 to address these issues.

Fair Funding Review

30. The National Fair Funding Review will review the underlying needs formula and distribution methodology used for assessing need and allocating funding to Local Government. It has not been reviewed since 2013. MHCLG are looking for a formula based model with common cost drivers such as population, sparsity and deprivation, which are relevant, objective, distinct, stable and future proof. Originally, the review was expected to be completed in time to implement the new approach by 2019/20 however delays and postponements have meant that it is now expected to be implemented in 2022/23. As consultations are received the Council will review and feed back as necessary.

E Revenue Budget Proposal 2021/22

31. The following table shows the changes to council funding since the approval of the draft consultation budget by Cabinet in December 2020:

Detail	£m
Budget per Cabinet December 2020	480.458
Reduction in Settlement Funding (announced at provisional settlement 17/12/20)	-1.206
Increase in non ringfenced grant (announced at provisional settlement 17/12/20)	0.699
Increased from Additional Social Care Grant (announced at provisional settlement 17/12/20)	1.804
Budget per Cabinet January 2021	481.755

32. Increase in funding of £1.297 million as a result of provisional Finance Settlement.
33. As a result of this additional funding the following changes to the revenue budget proposals for 2021/22 were approved by Cabinet 27th January 2021;
- Additional £0.900 million added to the bed based and community inflationary assumptions in Adults services funded by a reduction in the Pay and Prices Contingency in Technical and Countrywide.
 - Removal of the unallocated savings proposals of £0.520 million within Adults services
 - Removal of the proposed cost pressure for parking income totalling £0.218 million as it is anticipated that this will be met through additional Covid-19 grant funding.
 - Removal of the proposed cost pressure for Libraries and Registration income targets of £0.244 million as it is anticipated that this will be met through additional Covid-19 grant funding.
 - Addition of £0.500 million to the proposed cost pressure for external placements within the Vulnerable Children's Service
 - Addition of £0.123 million for the provision of District Library Innovation Labs
 - Increase of £0.253 million to the proposed cost increase to Prevention and Wellbeing agenda for change.(From £0.344 million to £0.597 million)
 - Reduction in the MtC Contingency savings proposal by £0.363 million within the Technical & Countywide service area
34. In addition to the above changes approved by Cabinet 27th January 2021, the Council has now received more information on the council tax and NNDR collection fund figures from District Councils and this has indicated that an additional £1.253 million is available for 2021/22.

Detail	£m
Budget per Cabinet January 2021	481.755
Additional Council Tax Income	0.920
Deficit on the Council Tax Collection Fund	-0.815
Changes to Business Rates Income	1.148
Revised Budget	483.008

35. County Council at its meeting 17th February 2021 gave approval to utilise this additional funding for one off investments as follows:-
- 20 mph speed zones £0.100 million
 - Barriers to mobility report actions reserve £0.067 million
 - School Street pilot extension for remaining districts £0.100 million
 - Cancelling planned increase to parking permits, with enforcement funding maintained £0.033 million
 - Children at risk of Exclusion pilot fund £0.100 million
 - Preparation for school / early years fund (building on previous DfE funding) £0.100 million
 - Food projects £0.050 million
 - Highways Local Scheme (an additional £10k per County Councillor) £0.530 million
 - Apprenticeships £0.100 million
 - Funding to support Nuclear South West Fusion bid at Berkley/Oldbury £0.060 million
 - Transfer the balance of £0.013 million to the Rates Retention Reserve
36. The proposed allocations expected under the Dedicated Schools Grant for 2021/22 have been updated based on the Department for Education announcement on 17th December 2020. Further details of these changes can be found in Section G.
37. In addition to the above changes, the starting budget for individual services (shown in Annexes 2 and 3) has also been realigned to reflect permanent budget transfers occurring between November 2020 and December 2020.
38. The Council also receives a number of specific grants. The latest position is as follows:-

Revenue Grants, not included in Base Funding	Forecast 2020/21 £'000	Forecast 2021/22 £'000
Adoption Support Fund - SGO	180	180
Adult Education Budget (ESFA)	2457	2457
Adult Apprenticeships (ESFA)	226	226
Better Care Fund (joint funding with CCG)	39,453	39,650
Dedicated Schools Grant (DSG)	268,721	268,721
Extended Rights to Free Travel	503	503
Fire Link Grant	247	254
Fire Pensions Grant	1,093	1,093
Independent Living Fund	895	901
Lead Local Flood	52	52
Local Council Tax Support Grant	0	4,735
Local Reform and Community Voices	356	0
Music service	802	802
New Dimension Service and Maintenance Grant	80	80
Primary School PE and Sport Funding	3,524	3,524
Pupil Premium Grant	11,831	11,831
Rapid Rehousing Pathway	711	711
Responding to New Risks (Fire MTFA)	29	29
School Improvement Grant	784	784
Sixth Form Funding	1,493	1,493
Staying Put	260	260
Tackling Troubled Families & PbR	1,148	1,148
Teacher's Pay Grant	1,499	-
Teachers Pension Employer Contribution	3,803	-
The Private Finance Initiative (PFI)	4,875	4,875
Unaccompanied Asylum Seekers	1,000	1,000
Universal Infant Free School Meals Grant	5,376	5,376
Virtual School Head s31	77	77
War pension disregard grant	169	169
Youth Justice Board	490	485
Youth Justice Board - Remands	48	48
Total Ringfenced Grant	352,181	351,464

COVID-19

39. The Council also received a COVID Emergency Grant allocation of £11.526 million for 2021/22 and confirmation that the lost sales, fees and charges reimbursement scheme would continue for the first three months of 2021/22. It is anticipated that additional specific grants will be announced if the impacts of the pandemic continue beyond June 2021.

40. At its meeting 17th February 2021, County Council gave approval to utilise some of this COVID grant funding for a COVID community recovery fund, where each Councillor would be allocated £5,000 for community initiatives, totalling £0.265 million.

A summary of the approved budget (excluding specific grants) is provided below.

Medium Term Financial Strategy – 2021/22 Budget – Overall Summary

Budget Area	Approved 2020-21 Budget	Removal of 2020-21 One Off Budget Adjustments	Agreed Budget Transfers between Service Areas	MTFS 2020/21 Base Budget	Pay Inflation Costs	Cost Increases	Cost Reductions	Approved 2021/22 Budget	Cash Increase / Decrease	Percentage Increase / Decrease
	£'000	£000	£000	£'000	£000	£000	£000	£'000	£000	%
Programme Budget Areas										
Adults	150,490	-	341	150,831	1,031	7,864	-3,193	156,533	6,043	4.02%
Vulnerable Children	100,694	-1,761	-498	98,435	1,131	6,131	-4	105,693	4,999	4.96%
Other Children Services	17,970	-	139	18,109	281	2,600	-112	20,878	2,908	16.18%
Economy, Environment and Infrastructure	72,553	-4,505	2,660	70,708	453	5,174	-447	75,888	3,335	4.60%
Community Safety	19,519	-	-	19,519	374	129	-13	20,009	490	2.51%
Prevention & Wellbeing	34,387	-60	-61	34,266	45	1,426	-171	35,566	1,179	3.43%
Corporate Resources	35,066	-2,110	939	33,895	734	923	-961	34,591	-475	-1.35%
Technical & Countywide	37,504	498	-3,520	34,482	30	1,198	-1,860	33,850	-3,654	-9.74%
Total Budget	468,183	-7,938	-	460,245	4,079	25,445	-6,761	483,008	14,825	3.17%

41. The 2021/22 approved budget is funded as follows:

	£000
Original 2020/21 Budget	468,183
Removal of 2020/21 One Off Investments	-7,938
Revised 2019/20 Budget	460,245
Inflation	4,079
Cost and spending increases	25,445
Cost reductions	-6,761
Total 2021/22 Budget	483,008
Less:	
Top Up Grant	54,236
Business Rates Income	23,254
Revenue Support Grant	8,220
Public Health Grant	24,767
Improved Better Care Fund	19,436
New Homes Bonus	1,912
Social Care Grant	15,788
Other Non Ring Fenced Grants	6,119
Collection Fund Deficit	-815
Reserves	822
Budget to be met by Council Tax Payers	329,269

Council Tax at Band D = £1,409.22

42. The approved for 2021/22 contains provision to fund key budget pressures including estimates for unavoidable contractual inflation, pay (including the impact of the National Living Wage), demographic increases in demand led services and corporate priorities such as additional funding for Children & Families to fund the continuing improvement following the OFSTED inspection. There is uncertainty around the impact of the decision for a freeze on pay for parts of public sector. The current budget includes 2.75% increase for 21/22 – 0.75% relates to a catch up for the 2020/21 pay award.

F Financial Performance in 2020/21

43. The current forecast of the year end revenue position for 2020/21, based on actual expenditure at the end of November 2020 and forecasts made in December 2020, is a £1.730 million overspend. This overspend relates to non Covid-19 related spend, as it is expected that additional Government grants will fully fund the Covid-19 expenditure. The Executive Director of Corporate Resources is continuing to review all opportunities to reduce the overspend including a review of Reserves. Any

remaining overspend at the year end will need to be funded from General Reserves. Currently General Reserves are £18.846 million.

44. Details of the forecast year end position, analysed by service area, is provided in the table below.

Directorate Breakdown for Cabinet Report - Position December Forecasts 2020 (P9)

Service Area	Revised 2020/21 Budget	Forecast Outturn Position	Forecast Outturn Variance	Variance %	Covid-19 Forecast	Forecast excluding Covid-19
	£000	£000	£000	%	£000	£000
Adults	163,168	178,968	15,800	9.68%	15,800	0
Prevention & Wellbeing	34,659	35,828	1,169	3.37%	1,478	-309
Children & Families	130,191	143,955	13,764	10.57%	7,128	6,636
Economy, Environment & Infrastructure	81,243	88,595	7,352	9.05%	7,352	0
Community Safety	22,234	22,833	599	2.69%	462	137
Corporate Resources	36,652	40,697	4,045	11.04%	4,138	-93
Corporate Resources Recharges	-36,575	-36,575	0	0.00%	0	0
Total for Services	431,572	474,301	42,729	9.90%	36,358	6,371
Technical & Countywide	36,611	33,508	-3,103	-8.48%	1,538	-4,641
Total	468,183	507,809	39,626	8.46%	37,896	1,730
Additional Funding Covid-19 to be allocated	37,896	0	-37,896		-37,896	
Revised Total	506,079	507,809	1,730	0.37%	0	1,730

45. Further details of the forecast year end position can be found in the Financial Monitoring Report 2020/21 presented to Cabinet 27th January 2021. The assumption built into the MTFS is that in year pressures will be managed and the budget will be balanced at the end of 2020/21.

G Dedicated Schools Grant (DSG)

46. The Secretary of State for Education announced the DSG for 2021/22 on the 17th December 2020.
47. The 2021/22 position for Gloucestershire is as follows, this includes funding for teachers' pay and pension costs that were previously funded through separate grants:

DSG Block Funding:	Schools	High Needs	Central School Services	Early Years	Total DSG
2020/21 DSG (as at Dec 20)	£376.745m	£66.376m	£2.579m	£34.868m	£480.568m
Change	£34.626m	£8.246m	£0.205m	£0.469m	£43.546m
2021/22 DSG	£411.371m	£74.622m	£2.784m	£35.337m	£524.114m
<i>Total percentage change to 2020/21</i>	<i>9.2%</i>	<i>12.4%</i>	<i>7.9%</i>	<i>1.3%</i>	<i>9.1%</i>
<i>Note:</i>					
<i>Teachers pay & pension previously paid as a separate grant but now included within the above 2021/22 DSG figures</i>	<i>£18.285m</i>	<i>£2.255m</i>	<i>£0.108m</i>	<i>£0.000m</i>	<i>£20.648m</i>
	<i>4.9%</i>	<i>3.4%</i>	<i>4.2%</i>	<i>0.0%</i>	<i>4.3%</i>

48. This represents an increase in funding of £22.898m (4.8%) from the 2020/21 DSG, a further £20.648m (4.3%) has also been included for the movement of the teachers pay and pension funding from separate grants into the DSG, bringing the total change up to £43.546m (9.1%).

Schools Block and Delegated Schools Formula

49. Currently the DfE uses the national funding formula (NFF) to set notional allocations for each school, which are then aggregated, and used to calculate the total schools block received by each local authority (LA). LAs are then responsible for setting a local schools formula, in consultation with their schools and Schools Forum.
50. For 2021/22 the funds in the schools block settlement are enough to cover the £1.5m agreed by the schools forum for funding new and growing schools and to allow each formula factor rate and the minimum funding levels to be implemented 100% at the NFF level. This includes setting the minimum funding guarantee (MFG) at the same +2% level as the funding floor within the NFF which ensures each school is allocated at least 2% more pupil-led funding per pupil when compared to its 2020/21 NFF allocations.
51. The minimum per pupil funding (MPPF) levels have increased by £250 in primary and £150 in secondary. They have also been raised further to take account of the movement of the teachers pay and pension funding from separate grants into the DSG bringing them up to £4,180 primary and £5,415 secondary.
52. Other key changes and clarifications for 2021/22 are:
- The total Sparsity Factor funding for small and remote schools increases nationally by over 60%. By sectors the increase is 73% in primary from a maximum of £26,000 in 2020/21 to £45,000 in 2021/22 and for secondary an increase of 11% from the 2020/21 maximum of £67,600 to a 2021/22 maximum of £75,000. The DfE announcement says this is to reflect the financial

challenges that these schools can face, and the unique role they play in local communities.

- An update has been made to the Income Deprivation Affecting Children Index (IDACI) data used for deprivation funding, so that it is based on ranking rather than scores and so that it is based on the latest 2019 data rather than the previous 2015 data. A change has also been made to the allocation rate to reflect the data changes and further increases to the funding blocks.

53. The table below summarises how schools in each sector are now being funded in 2021/22 e.g. whether they are funded just by the funding formula factors, or needing an uplift to be funded at the minimum per pupil funding (MPPF) level, or receiving additional minimum funding guarantee (MFG) protection to ensure their pupil-led funding per pupil when compared to 2020/21 is at least 2% higher.

Sector	No of schools on Formula	% of schools	No of schools on MPPF	% of schools	No of schools on MFG	% of schools
Primary	114	45%	64	25%	74	29%
Secondary	23	56%	14	34%	4	10%
Total	137	47%	78	27%	78	27%

54. After implementing the NFF at its 100% level, this leaves a balance of £0.643m in the 2021/22 schools block. At the 14th January 2021 Schools Forum it was agreed that this balance should be used as a one off contribution to support the continued funding of the 1 in 40 High Needs model, as per the same agreement as 2020/21. Funding formula is shown in annex 9.

High Needs Block

55. The High Needs Block has been allocated an additional £8.246m, bringing the total funding for 2021/22 to £74.622m. Included within this figure is £2.255m of funding for teachers' pay and pension costs that were previously funded through separate grants.
56. Gloucestershire's high needs block, like most LAs nationally is currently in deficit. A deficit budget of £5.449 million was set for 20/21 to give realistic budgets within high needs services considering growth trends and existing activity demands. In-year there is significant demand for special school provision and this is putting financial pressure on both special school and independent special school provision. These trends will continue into 2021/22 and the additional funding will offset some of these pressures. The LA and Schools Forum are looking at proposals on how to resolve this deficit, and initiatives to tackle need more effectively and reduce costs in the long run.

Central School Services Block (CSSB)

57. The CSSB includes funding for on-going responsibilities of Local Authorities for the statutory duties that they hold for both maintained schools and academies. It

includes funding for Admissions, School Forum coordination, copyright licences and centrally retained duties. The allocation is based on a formula using pupil numbers (90%), free school meals (Ever 6, 10%) with an area cost adjustment applied. The rate per pupil for 2021/22 is £34.19 and there has been an increase of £0.205m related to the net increase in pupil numbers and for teachers' pension employer contributions funding for centrally employed teachers.

Early Years Block

58. The funding announcements on 17th December included an increase in the hourly funding rates by 6 pence for three and four year olds and 8 pence for two year olds resulting in an increase in the block of £476,895. In addition to this increase there was a reduction of £7,995 to the disability access fund, giving an overall increase to the early years block of £468,900 for 2021/22. There will be further updates in the summer 2021 and summer 2022 for the January pupil counts.

H Council Tax

59. The Council's current 2020/21 Band D Council Tax is £1,345.32, including the Adult Social Care Precept. For 2021/22 Council Tax will increase by 1.99% plus an additional 2.76% for the Adult Social Care Precept thereby making Band D Council Tax £1,409.22 (an increase of £63.90 or just over £5 per month).
60. Forecast Council Tax levels for each band are shown below.

Band	2021/22 Budget £	Increase on 2020/21 £
A	£939.48	£42.60
B	£1,096.06	£49.70
C	£1,252.64	£56.80
D	£1,409.22	£63.90
E	£1,722.38	£78.10
F	£2,035.54	£92.30
G	£2,348.70	£106.50
H	£2,818.44	£127.80

61. Nearly two-thirds of households in Gloucestershire are in Bands A, B or C.

I Robustness of the Budget Proposals

62. The MTFS and approved detailed budget for 2021/22 have been formulated in accordance with the medium term financial planning framework and budget principles as detailed in Annex 4.
63. The starting point for producing the MTFS for the next three years and the detailed budget proposals for 2021/22 is the 2020/21 MTFS.

64. The approved 2021/22 budget and future years' budgets takes into account forecast funding changes, new unavoidable commitments, strategic risks, the level of reserves, changes in legislation and Administration / Council Strategy priorities.

J Flexible Use of Capital Receipts

65. As part of the local government settlement for 2016/17 Government announced greater flexibility for councils in how they make use of capital receipts. Councils were previously only allowed to use capital receipts for repaying debt or funding further capital spend. The rules now allow new capital receipts to be used to fund the revenue costs of transformation projects designed to generate ongoing revenue savings in the delivery of public services or to transform service delivery in a way that reduces costs or demand for services in the future.
66. The approved budget 2021/22 does not anticipate the use of capital receipts in this way. However, given the on going transformation programme and the financial challenges faced by the Council as a result of the COVID-19 pandemic it may become necessary to consider using capital receipts in this flexible manner in future. Using capital receipts in this way will require the approval of the County Council.
67. When developing and adopting a Flexible Use of Capital Receipts Strategy the impact on the Council's Prudential Indicators will be carefully considered.

K Council's Financial Standing and Risks

68. Under the Local Government Act 2003 the Council has a responsibility to ensure that reserves are adequate. During 2020/21 all reserves have been examined in detail.
69. A summary of the Council's forecast reserves as at 31st March 2020, and movements since 31st March 2021 are as follows:

	31st March	31st March
	2020	2021
	£000	£000
Earmarked Revenue Reserves -Non Schools	101,807	63,275
Earmarked Reserves – School Related	8,625	909
General Fund Reserves	18,846	18,846

70. The current level of General Reserves is considered to be a satisfactory level by the Council's s151 officer following a risk based review – see Annex 5b.
71. Non School Revenue Earmarked Reserves are forecast to fall from £101.807 million as at 31st March 2020, to £63.275 million as at 31st March 2021, a reduction of £38.532 million. This is largely as a result of drawdowns from the Revenue Grants

Reserve (£15.987 million, relating to Tranche 1 Covid-19 Grant funding), Capital Fund (£5.193 million), Adults Reserve (£5.430 million), Transformation Reserve (£3.848 million), Rates Retention Reserve (£2.291 million), Economic Stimulus Reserve (£2.167 million), Strategic Waste Reserve (£1.497 million), A417 Missing Reserve (£0.987 million), Growing our Communities Reserves (£0.798 million), to support in year budget pressures.

72. School Related Reserves are forecast to reduce from £8.625 million at 31st March 2020, to £0.909 million as at 31st March 2021, as a result of the forecast over spend on the Dedicated School Grant. The DSG reserve is anticipated to be in a £14.432 million deficit position as at 31st March 2021, as a result a full recovery plan is currently being developed with the Schools Forum.
73. It is anticipated that Capital Reserves will remain at similar levels as those held at 31st March 2020.
74. Annex 5a provides further detail on the Earmarked Reserves, including all of the proposed and forecast reserve movements during the year.

L Section 151 Officer Review of the Budget

75. In October 2019 a new requirement to have regard to the CIPFA Financial Management Code (FM Code) was introduced, with the 2020/21 financial year being a shadow year before full implementation from April 2021. The Council has reviewed the new requirements of the FM Code and has concluded that processes are in place to ensure compliance.
76. The level of General Reserves needs to reflect the risks the Council is facing. These risks will depend upon the robustness of the budgets, the ability to generate planned savings / efficiencies, the adequacy of budgetary control and external factors such as inflation and interest rates. Other specific risks include the ability to find a solution to the high needs block overspend within DSG, increased demand for Adult and Children's social care, pay awards exceeding the level assumed in the budget and funding both the OFSTED and HMICFRS improvement plans. Further details of general reserve risk analysis can be found in Annex 5b.
77. In preparing the budget, and in the context that non schools earmarked reserves will fall during 2020/21, the following risks have been taken into account in the budget:
 - Account has been taken of current spending trends and, where known, additional unavoidable cost pressures have been built into the approved 2021/22 budget. Current spending trends, especially the volatility of expenditure in Children and Families and the emergence of new cost pressures will continue to be monitored as the budget is developed. This may result in the need to reprioritise resources prior to the final budget being approved by Council in February 2021.
 - Budget risks have been explicitly considered by all Directorates in preparing the budget and taken into account, particularly the funding constraints going forward.
 - The level of reserves has been examined and will continue to be closely monitored during the period of this MTFS, in the context of protecting the Council from existing and future liabilities.

- Balancing the Council's budget over this period of financial constraint requires a series of major challenges. Whilst robust programme management plans have been put into place to deliver these savings, as evidenced by performance over the last three years, there is inevitably some residual risk. It should be noted that the 2021/22 saving target of £6.761 million is significantly lower than the savings target for 2020/21 of £10.545 million.
 - The highest risk areas continue to be demand led services, especially care for older and vulnerable people including Children in Care where demand is continuing to increase. Additional resources are being invested in these areas under the approved 2021/22 budget options.
 - Provision has been made for pay awards, pension and national insurance increases, contractual inflationary pressures and the forecast impact of the National Living Wage.
 - The reserves held are invested and the interest received supports the Council's budget.
 - Consideration to the funding pressures within the DSG High Needs Block Funding has been made. Whilst the Council has a programme in place to resolve this issue and will benefit from additional funding in 2021/22 this issue will need to be closely monitored during 2021/22 and beyond.
78. The COVID-19 pandemic has resulted in significant financial pressures for the Council during 2020/21 however central government have provided additional funding and the latest forecast for 2020/21 is that the additional funding will be sufficient to cover the costs of responding to the pandemic. It is anticipated that the financial impact will continue beyond 31st March 2021 so in SR20 the Government announced the continuation of Sales, Fees and Charges reimbursement scheme for the first three months of the new financial year and announced a national funding pot of £1.55 billion. Gloucestershire share of this national pot was confirmed as £11.5 million in the provisional Finance Settlement.
79. On the basis of the above, the Section 151 Officer's advice is that the level of reserves, following the movements indicated earlier, are adequate and the financial standing of the Council is sound in the context of the key risks. Therefore the approved budget is robust and achievable. As mentioned earlier in the report the finance settlement only covers a single financial year so funding beyond 2021/22 is uncertain therefore making medium term financial planning more difficult.

M Public Sector Equality Duty

80. Cabinet Members are reminded that we have a legal duty to give due regard to the implications for people with protected characteristics. The Due Regard Statement before us today includes the relevant details.

N Forward Draft Plans for the Revenue Budget

81. The Council's plans are set for the three years covering 2021/22 to 2023/24. The approved detailed budget for 2021/22 is set out within the MTFS, whilst the current draft forecast budgets for 2022/23 and 2023/24 are:

	2022/23	2023/24
	£m	£m
Budget	490.99	503.42

82. Annex 6 gives outline financial proposals for 2022/23 and 2023/24, and will be updated as further information about funding and pressures becomes available.

P Capital Strategy and the Prudential Code

83. The prudential framework for local authority capital investment was introduced through the Local Government Act 2003. CIPFA developed the Prudential Code for Capital Finance in Local Authorities (the Code) as a professional code of practice to support local authorities in taking decisions on capital investments. The Code was fully updated in 2017 bringing in a new requirement for a Capital Strategy.
84. The Capital Strategy, Annex 7, has been developed in line with the CIPFA guidance. It gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.
85. The objectives of the Code are:
- To ensure that capital expenditure and investment plans are affordable.
 - For the Council to be accountable by providing a clear and transparent framework.
 - All external borrowing and other long-term liabilities are within prudent and sustainable levels.
 - Treasury management and other investment decisions are taken in accordance with professional good practice.
86. The Council's Capital Strategy sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and the impact on the achievement of priority outcomes. The capital strategy forms part of the Council's integrated revenue, capital and balance sheet planning.

87. The Council complies with the Prudential Code by:
- Having a Capital Strategy,
 - Having medium term plans (Corporate Strategy, Revenue and Capital budgets),
 - Complying with the Treasury Management Code of Practice, and
 - Producing indicators for affordability and prudence.
88. The capital programme has been developed in accordance with the Capital Strategy which is set out in Annex 7.

Q Capital Expenditure

89. Further to the consultation budget proposals, Cabinet on 27th January 2021 gave approval to an increase in new investments within the capital programme of £6.470 million as a result of additional funding now anticipated for the B4063 cycle route scheme.

Funding for New Capital Investment	£m
Budget per Cabinet December 2020	112.583
Infrastructure – Highways Grant 2021/22 (estimate)	6.470
Revised Budget	119.053

90. In addition to the above Cabinet on 27th January 2021 also approved increases in existing schemes within the capital programme of a further £3.086 million as follows:-

- the Council has received an additional £812k Disabled Facilities Grant allocation from the Ministry of Housing, Communities and Local Government for 2020/21. The additional grant has been added to the existing Disabled Facilities Grant capital budget.
- an increase of £2.274 million in the Highways capital programme budget as summarised below:
 - £692k Department of Transport Active Travel Fund (tranche 2) grant towards the B4063 Gloucester to Cheltenham Cycle Route scheme.
 - £173k from Highways revenue towards the B4063 Gloucester to Cheltenham Cycle Route scheme, this being the revenue element of the DfT Active Travel Fund (tranche 2) grant
 - £1.165 million Highways England grant towards the B4063 Gloucester to Cheltenham Cycle Route scheme
 - £219k from Highways Locals fund to support a number of Structural Maintenance schemes.
 - £25k Developer contribution towards a Moreton-in-Marsh footway scheme

91. The approved capital programme is set out in Annex 8a, with details of the financing of this programme being provided at the start of this Annex.
92. The capital programme provides investment in the county totalling £914.21 million. The main investment relates to Economy, Environment and Infrastructure (£581.53 million), Schools and facilities for children (£149.57 million), Corporate Resources (£143.04 million), Adults (£33.39 million) and Community Safety (£6.679 million).

New Capital Investment

93. The capital programme contains an estimate of £119.05 million of investment in new capital schemes, spread over a number of financial years financed from grants, revenue contributions and capital financing budgets, as set out in the table below.

New Capital Funding	£000
Adults – Disabled Facilities Grant 2021/22 (estimate)	6,030
Children's Services – Schools Condition Allocation 2021/22 (estimate)	4,500
Infrastructure – Highways Block Maintenance Grant 2021/22 (estimate)	14,350
Infrastructure – Highways Block Maintenance Grant - Incentive Element 2021/22 (estimate)	2,989
Infrastructure – Integrated Transport Block Grant 2021/22 (estimate)	2,861
Infrastructure – Pothole Action Fund 2021/22 (estimate)	1,435
Infrastructure – Highways Grant 2021/22 (estimate)	6,470
Total Grant	38,635
Internal Borrowing - Highways	4,000
Internal Borrowing - New MTFS Bids	75,918
Total Capital Financing Budgets	79,918
Revenue contributions – Highways (estimate)	500
Total Revenue Contributions	500
Total New Capital Funding 2021/22 onwards	119,053

94. Priority schemes not supported by grants or contributions, have been included within the new programme on the basis that they can be funded from internal borrowing, thereby avoiding the need for new external borrowing. These new schemes recommended for approval amount to £75.92 million, which are detailed in Annex 8b. The £4.00 million of internal borrowing, listed separately in the table above, is the future years' element of the £16.00 million approved last year to invest in Highways structural maintenance.

Adults

95. An indicative figure for the Disabled Facilities Grant of £6.03 million has been included for 2021/22 based on the original allocation received for 2020/21.

Children's Services

96. An indicative figure for the Schools Condition Allocation of £4.50 million has been included for 2021/22 based on the allocation received for 2020/21.

Economy, Environment and Infrastructure

97. The Council receives capital grants from the Department of Transport for Highways Maintenance Block and Integrated Transport Block.
98. Indicative figures for the Maintenance Block Grant allocations have been included based on the allocations received for 2020/21. £14.35 million for the main Maintenance Block Grant allocation and £2.99 million for the Incentive Element of the Maintenance Block Grant allocation.
99. An indicative figure for the Integrated Transport Block Grant of £2.86 million has been included for 2021/22 based on the allocation received for 2020/21.
100. An estimate of £1.44 million is included for the Pothole Action Fund.
101. An estimate of £6.470 million is included for the B4063 cycle route.

Overall Capital Programme

102. The Capital Programme will be updated during the financial year when actual allocations for the above estimates / indicative figures are confirmed.

R Borrowing

103. Total borrowing requirement at the end of 2020/21 (including the new Waste financing liability) is forecast to be £393.7 million, an increase of £3.9 million compared with the £389.8 million outstanding at the end of 2019/20. It is intended to use internal borrowing to meet this additional borrowing requirement.
104. If external borrowing is required it is usually obtained from the Public Works Loans Board (PWLb), usually at fixed rates of interest, over a set number of years.

105. In recent years, due to the significant differential between interest rates charged by the PWLB and interest earned on invested balances, the Council has internally funded borrowing from investment balances (mainly reserves). This strategy, currently followed by the majority of local authorities, essentially involves lending investment balances to ourselves to reduce overall interest costs.
106. In line with the Council's aim to reduce the level of external borrowing required, capital receipts are used where available to fund some capital expenditure or repay debt. A Disposal Schedule will be considered by Cabinet in March 2021 in line with the Disposal Strategy. All forecast capital receipts are currently being used to fund the existing capital programme so it is not anticipated that this will be a source of funding for new schemes approved in this MTFS.
107. The approved capital programme includes significant new investment – the vast majority of projects will be funded from government grants or capital financing budgets. In addition internal borrowing is also used. Three major investment projects have previously been agreed and included in the current capital programme - Cheltenham School, Quayside development and highway investment. From 2021/22 a number of additional schemes have been agreed which will be funded internally, totalling £75.92 million (see annex 8b).
108. The Council will remain open to the potential for capital investment opportunities arising from commercial activities linked to regeneration. Any such opportunities will be subject to a robust business case with the assumption that the scheme is self funding with no impact on the revenue budget. A provisional sum of £50 million has been included in the approved capital programme for such schemes. Such investments will be reviewed on a case by case basis and will be subject to Cabinet approval.

S Treasury Management and Investment Strategy

109. The approved Treasury Management Strategy Statement 2021/22 is shown in Annex 10.
110. It was considered by the Audit and Governance Committee in January 2021 alongside the Capital Strategy and Non Treasury Investment Strategy.
111. Annex 10 provides details of:
- Treasury Management Strategy for 2021/22.
 - Non Treasury Management Investment Strategy 2021/22.
 - Policy on the use of Financial Derivatives.
 - Minimum Revenue Provision (MRP) Statement.

T Risk Management Policy Statement and Strategy

112. The Risk Management Policy Statement and Strategy for 2018/21, which was approved by Cabinet in January 2018 is shown in Annex 11. The aims of this Strategy are to support the challenges that the Council may face, allowing it to react

dynamically to changing external circumstances by enabling the Council to handle risk effectively and deliver successful outcomes.

U Annexes

Annex 1	Commissioning Intentions
Annex 2	Budget Movements by Service Area
Annex 3	Budget Summaries by Service Area
Annex 4	Medium Term Financial Planning Framework
Annex 5a	Reserves and Balances Analysis
Annex 5b	General Fund Risk Analysis
Annex 6	Revenue Budget Forward Projections
Annex 7	Capital Strategy
Annex 8a	Capital Programme 2021/22
Annex 8b	New Schemes 2021/22 Funded from Capital Receipts
Annex 9	Dedicated Schools Grant – Schools Block
Annex 10	Treasury Management Strategy and Investment Strategy
Annex 11	Risk Management Policy Statement and Strategy

Annex 1.1 – Adults Social Care Commissioning Intentions 2021-22

Context

The 2021/22 net budget for Adult Social Care is £156.5 million, the single biggest area of expenditure of the County Council. We support approximately 25,000 people who have a disability, are vulnerable, or live with an age-related disorder, as well as commissioning services aimed at addressing social care and health inequalities, promoting health and well being. We work in partnership with our service users and carers, health, housing and the third sector to maximise people's potential for independence, meeting assessed need within a legal framework most notably as set out in the Care Act 2014.

The net budget does not include the Central Government grant funding to meet the cost to adult services of responding to the Covid-19 pandemic within the County. As the Local Government Association (LGA) wrote on its submission to the Health and Social Care Committee inquiry into Social care: funding and workforce: The Covid-19 pandemic has shone an important light on the work of our invaluable social care workforce, who are providing care and support to all who need it in the most challenging of circumstances. Adult social care and support is a vital service in helping people of all ages to live the life they want to lead. It binds our communities, helps sustain the NHS and provides essential economic value to our county.

Strategic Direction

Despite the additional pressure and restrictive nature of the Pandemic, our strategic ambition continues to be to support people to live independently. This reflects the national policy framework created by Think Local Act Personal, which built on the direction set by "Putting People First" with its focus on community support and involvement, early intervention, prevention and reablement services. This has also been reinforced by the detailed guidance released in support of the Care Act 2014. As part of this, and for those people who have ongoing needs, we want to ensure we put each individual service user in control of their care and support, offering choice, providing professional advice and enabling their voice to be heard, with the ultimate aim of improving outcomes for people.

We are reducing reliance on institutional care, creating innovative alternatives and encouraging the use of universal services, whilst recognising that there will always be a place for specialists too. We are also addressing the wider responsibilities in the Act for carers and for all people with care needs and not just those we support. We are also continuing to promote an ethos of early intervention and prevention as an integral element to our intentions. Improvements continue, including with reducing the reliance on residential and nursing care and the use of self directed support.

We continue to increase the numbers of people supported to live independently through the use of technology (telecare) and continue to make progress in supporting people with disabilities into employment. We have also devoted additional resources to ensuring timely hospital discharge and are actively addressing the timeliness of assessment work and the robustness of our intermediate care offer.

Although the focus in this document is on Adult Social Care, most of our commissioning work is carried out jointly with the Gloucestershire Clinical Commissioning Group (GCCG) and many of the intentions referred to reflect joint priorities. During 2021/22 and beyond the Council will also work with GCCG and other local Health partners on the developments needed to take full advantage of Gloucestershire's Integrated Care System (ICS) status.

Needs Analysis

The Impact of Covid:

Studies by the Local Government Association on the impact of Covid highlight 7 key pressure points on social care services:

1. Reduced care capacity due to services closing and workforce isolation/sickness
2. Covid-19 hospital discharges present new challenges for reablement/enablement providers and care providers
3. The challenge of communal living with high risk people in Covid hotspots, e.g. care home, including risks to staff
4. Workforce availability and challenges with supply of device and hardware to ensure telecare continuity
5. Detrimental impact of long-term social isolation on mental health and wellbeing
6. Digital exclusion of vulnerable residents/service users to maintain contact and daily living
7. Increased caring responsibilities of informal carers due to a reduction of availability of care and/or to support their family to remain isolated/shielded

The number of adults aged 18 and over in Gloucestershire is projected to rise from 505,400 to 600,800 between 2018 and 2043. The 18-64 age group is projected to increase by 6.6%, from 370,400 to 394,900 in this period whilst the 65 and over age group is projected to increase by 52.5% from 135,000 to 205,900. These increases are both higher than the projected increases for these age groups in England in the same period (3.5% for the 18-64 age group and 44.7% for the 65 and over age group).

In 2020, an estimated 28,000 older people in private households have a long-term illness or disability that limits their day-to-day activities a lot. The number will increase to nearly 37,000 by 2030, and most of this increase will be in the 75-84 and over-85s age groups.

Benefit claims data suggest that currently, the most common long-term health and disabling conditions among older people that require care and support were arthritis, dementia/neurological disease, heart disease and musculoskeletal disease. Projections for the next 10 years indicate that the biggest increases in numbers would be for cardiovascular disease and obesity.

The number of older people unable to manage at least one mobility activity on their own is projected to rise from 25,800 to 33,800 between 2020 and 2030. At the same time, the number unable to manage at least one self-care activity will increase from 40,000 to 51,800 in the same period.

In 2018/19, a total of 6,129 people of all ages in Gloucestershire were diagnosed with dementia, more than twice the number diagnosed in 2009/10. Modelled data estimates that as of 2020, a total of 9,900 people aged 65+ in Gloucestershire have dementia. This is projected to rise to 13,400 in 2030.

Studies suggest that the level of unmet social care need is higher among older people on low incomes than those on higher incomes. In Gloucestershire, 8 neighbourhood areas were ranked among the national top 10% income deprivations affecting older people. In November 2019, 5,644 people aged 65+ were receiving Guarantee Credit, a state benefit that tops up their weekly income.

Loneliness compounds the need for social care because of the link between persistent loneliness and increased health risk. Using national studies, it was calculated that around 6,000 older people in Gloucestershire feel lonely always or often. A local survey reveals that 5% of social care service users aged 65+ had little social contact with people and felt isolated, and a further 15% had some social contact but not enough.

Modelling suggests that currently around 12,100 older people in Gloucestershire have depression, with 3,800 of these suffering from the severe form. Both figures are projected to rise considerably in the next 10 years as the population ages.

Lack of access to a car presents particular problems in areas where public transport services to health care and community facilities are limited. In Gloucestershire, one in five over-65s did not have access to a car according to Census 2011. Among those with a long-term illness or disability that limited their daily activities a lot, the proportion with no access to a car nearly doubled.

An ONS study suggests older people's use of the internet has been consistently lower than the younger age groups, but the proportions using the internet are increasing. However, use of the internet remains low among the over-75s who have a disability, at 41%.

There are an estimated 20,200 informal carers aged 65+ in Gloucestershire in 2020, and the number is projected to increase to 25,100 in 2030. The largest rate of increase would be in the number providing 50+ hours of care a week.

The latest Carer Survey for Gloucestershire suggests that eight in ten carers aged 65+ receiving council-funded services were caring for an older person. They were also more likely than those in the general population to provide long hours of care and in poor health.

The same survey also suggests that quality of life most adversely impacted on by caring for older people was around social isolation, lack of encourage and support, lack of control over life and not doing things they enjoy with their time.

Various measures suggest that old-age in itself is not necessarily felt as a deficit among many older people. On personal wellbeing, a higher proportion of older people have reported very high level of life satisfaction, worthwhileness and happiness than the younger age groups. The 65-74 age group, in particular,

shows a relatively high level of social capital compared to other age groups e.g. to have volunteered in the past 12 months, be interested in politics, and be members of political, voluntary, professional or recreational organisations.

It is estimated that in 2020 there will be 3,400 people in Gloucestershire aged 18-64 who have a serious personal care need and 15,600 who have a moderate care need, as a result of a physical disability. Both numbers are expected to increase slightly between 2020 and 2025 and then to fall slightly between 2025 and 2030.

For both working-age and older people in Gloucestershire, arthritis and other musculoskeletal diseases are the most common physical disabling condition for claiming disability benefits. This is followed by neurological diseases for the under-65s, and heart disease and cerebrovascular disease for the over-65s.

Many people with a physical disability have complex needs. Some of the most common conditions that people with physical disabilities also experience are long-term pain, depression and mental health conditions.

A Gloucestershire survey by Barnwood Trust, carried out in 2013, found that 73% of local people with mobility impairments had a high level of sense of belonging to their local area. The proportion, however, dropped to 54% among those with a sensory impairment.

Around four-fifths of carers in England providing physical or sensory support have difficulty finding time to do the things they enjoy and around two-thirds say they do not have enough social contact with people.

People with learning disabilities have poorer health outcome than the general population, much of which is avoidable.

Modelled data estimates that currently nearly 12,000 adults in Gloucestershire have a learning disability, with those aged between 18 and 64 accounting for three-quarters of the total. However, the rate of increase in the next 10 years is predicted to be most steep in the older age groups as life expectancy improves.

People with a severe or moderate learning disability are more likely to have a social care need than those with mild conditions. Modelling suggest that in Gloucestershire, one in five adults who have a learning disability have a moderate or severe form of the condition, with the majority being under the age of 65.

Patient Register records show that the number of diagnosed cases for a learning disability of all ages in Gloucestershire rose by 15.8% between 2014/15 and 2018/19, from 3,403 to 3,941 people.

As of May 2019, a total of 3,163 people aged 16 or over in Gloucestershire were claiming a benefit for a learning disability condition. Nearly all of them (98%) were assessed as having a care or support need. Data shows that the majority of these (66.9%) were receiving the high or enhanced rate of the benefit, suggesting considerable, long-term personal care and support needs.

Autistic Spectrum Disorder (ASD) is not a learning disability, but around half of people with autism may have a learning disability. Modelled data and calculations suggest that in Gloucestershire, around 3,200 adults currently have a learning disability as a result of ASD. The number is expected to rise to 3,500 in 2030.

A person with Down's syndrome will have some degree of learning disability, but the level varies between individuals. Modelling suggests that in Gloucestershire, Down's syndrome affects around 255 adults aged 18 and over in 2020, and the majority are under the age of 65.

Challenging behaviour is not a learning disability, but people with a learning disability are more likely to show challenging behaviour, partly due to communication problems. Modelled estimates suggest that challenging behaviour affects around 170 adults aged 18-64 in 2020 in Gloucestershire, with the number projected to remain stable in the next 10 years.

Many people with learning disabilities have complex need, as they are likely to also develop other long-term health conditions, such as speech impairment, vision impairment, and hearing loss.

People with learning disabilities are also at an increased risk of developing dementia as they age, and they generally develop it at a younger age than the general population. This is particularly the case for people with Down's syndrome. Studies found that people with learning disabilities are less likely to receive a correct or early diagnosis of dementia.

The National survey of carers suggests that compared to other groups of carers, carers providing learning disability support were more likely to provide 100 or more hour of care each week, and more likely to have a learning disability themselves

The same survey also suggests that quality of life most adversely impacted on by caring for people with a learning disability was around worries about personal safety, lack of encouragement and support, social isolation, and self-neglect.

The PANSI model estimates that in 2020, around 70,000 people aged 18-64 in Gloucestershire will have a common mental disorder, 12,300 will have antisocial personality disorder, 8,900 will have borderline personality disorder and 2,600 will have a psychotic disorder.

There is a link between mental health and alcohol and drug use. It is estimated that in Gloucestershire, an estimated 16,500 people aged 18-64 are at higher risk of alcohol related health problems and a further 12,200 will be dependent on drugs in 2020. Research also shows an association between child sexual abuse and childhood and adult mental disorders. It is estimated that in 2020 there will be 42,700 adults aged 18-64 in Gloucestershire who experienced abuse as a child.

Long-term illness or disability can lead to mental health issues, making the needs more complex. It is estimated that in England 46% of people with a mental health problem have a long-term health condition and 30% of people with a chronic physical health condition have a mental health condition. An estimated 34% of

people who have sight loss report feeling unhappy or depressed. Research also shows that lonely people are more likely to experience depression, and the lonelier a person is, the more likely they are to experience increased depressive symptoms.

There were 172 suicides in Gloucestershire in the three year period from 2016 to 2018. The rate for males is consistently higher than that for females. 60% of carers providing support with memory and cognition and 63% of carers providing mental health support have a long-standing illness or disability. Carers providing mental health support are more likely than other carers to experience mental health problem themselves.

A survey by Barnwood Trust, carried out in Gloucestershire in 2013, found that people with mental health challenges were less likely to feel a sense of belonging to their local area compared with other disability groups; 43% of respondents with a mental health challenge said they felt they belonged to their area compared with, for example, 73% of people with a mobility impairment and 54% of people with a sensory impairment.

There were 62,644 unpaid carers (10.5% of the population) in Gloucestershire in 2011. A small proportion of carers were children under the age of 16 (1.7%) but the majority were aged 50 or over (64%). If the proportion of carers in the population stays the same, the number of carers aged 65 and over is predicted to rise from 20,157 in 2020 to 25,077 in 2030, a rise of 24.4%, with the greatest increase predicted for 80-84 year-olds (53.35%).

Census 2011 shows that 7.2% of the Black and Minority Ethnic (BME) population in Gloucestershire were carers, compared to 10.7% of the white population. This is mainly because BME groups have an age profile that is significantly younger than the white majority population. As the BME population ages, the proportion of BME carers is likely to increase.

National studies show that 40% of unpaid carers look after a parent, 18% look after a spouse, partner, or cohabitee, and 17% look after a son or daughter.

Research by Carers UK suggests that carers caring for long hours are more likely to experience poor health themselves and less likely to be economically active. Many carers face difficult financial situations due to their caring responsibilities. 39% of all carers are struggling to make ends meet and of these, 68% regularly use their own income or savings to pay for care or support services, equipment or products for the person they care for.

Medium Term Financial Strategy 2021/22

In line with the strategic direction set out above, we have a series of projects targeted at living within our means and adjusting to meeting demand differently. Most of these are designed around the implementation of national policy and good practice – expanding on the model of reablement, working in multidisciplinary teams whilst increasing our investment in the management of the social care function, avoiding crisis, commissioning differently, listening to our service users and improving the customer journey. We also continue to look at our processes.

Looking Forward

The approved net budget for 21/22 is £156.5m and includes funding to address the impact of demographic changes and cost pressures including the National Living Wage. Recognising that not all pressures can be addressed within the resources available and in the context of our intentions to improve outcomes, we will seek to achieve financial balance in adult services by:

- continuing to strengthen our assessment and care management function whilst also developing stronger links with primary care as part of the integrated multidisciplinary place based model
- supporting more people to live independently in the community
- develop our offer to carers in line with Care Act requirements
- improving transitions to adult services for children with special needs by ensuring they are prepared adequately for independence in adulthood from the age of 16
- being more responsive to potential demand through early intervention and prevention
- developing specialist services enabling people with behavioural issues to maintain their independence
- continuing with our cultural change work which supports both staff and service users to reflect on their attitude to managing risk in everyday life
- working with the NHS to better case manage people at risk of crisis or in need of urgent support, facilitate timelier discharges from hospital and reduce admissions and readmissions
- supporting a Population Health Management approach with a particular focus on making better use of data available across organisations to promote proactive case finding (people pre at a risk of crisis stage but where an intervention now will have significant medium and longer term health and well being gains)
- further improvements in the efficiency and effectiveness of services we commission including those commissioned jointly with the Clinical Commissioning Group (CCG)
- decommissioning services that are no longer peoples' preferred choice as they opt to meet their needs in different ways
- stimulating the market and empowering communities who want to be involved
- working with District Councils and Housing Associations to both enhance the specialist housing offer and future-proof new-build homes to enable all lives to be lived as independently as possible
- working with partners to develop new opportunities for volunteering
- building on our success with helping people into the workplace by exploring innovative employment links to increase the number of disabled people in paid work
- continuing to actively review high unit cost contracts to seek efficiencies including tighter management of voids in shared housing
- develop jointly with the CCG the Shared Lives service in the county
- ensuring our Telecare offer helps people to live independently through solutions which improve service and cost less than traditional care

- enabling people with a learning disability to live more inclusive and independent lives in the community improving quality of life and ensuring each person has a circle of support around them
- continuing to embed the use of Electronic Call Monitoring systems and ensuring we use the information that flows from the system to improve the quality of care and to inform our commissioning
- continuing the roll out of an outcomes based approach in the new domiciliary care service
- partnering with the CCG to ensure people with a learning disability in long stay hospitals are returned to independent living in their own community
- respond to the learning from the involvement of our mental health fieldwork services in the national integration accelerator pilot work
- Review In-house Services to ensure that we are using GCC managed resources to best meet the needs of vulnerable people in Gloucestershire whilst delivering good value for money.
- Review the four Partnership Boards to ensure that the views of people with “lived experience” help to shape the priorities across the Integrated Care System and help to deliver and effect positive change for vulnerable people living in Gloucestershire.

Delivering Change

Demographic changes indicate a rising demand for support from people with increasingly complex needs that requires us to better manage and respond to demand. This will involve a range of partnerships, many of which will be new relationships with communities. Whilst it will be challenging financially, it will result in investment in local communities and will provide opportunities to work with community and voluntary sector agencies in new ways and ensure we are sensitive to the communities in which many of our service users live.

The scale and pace of change continues at an unprecedented level and will create transitional issues as we all adjust to working in a different way. Communicating our intentions and listening to the voice of those we serve will be central to our thinking and will assist us to ensure all voices are heard and concerns and questions are actively addressed.

All activities will be subject to community impact assessments and specific consultation will be undertaken where appropriate with stakeholders. We will actively pursue opportunities to engage with service users and their carers to continue to build confidence in those partnerships.

At the heart of this work is culture change, based on a three tier conversation at the frontline in adult services that gives us a simple structure to help focus on helping people to help themselves.

Tier one – Help to help yourself.

Tier two – Help when you need it.

Tier three – Ongoing support for those that need it.

To ensure that we align this culture change work with our approach to communities, commissioning and other joint developments we will continue to operate a single programme governance structure for Adult Social Care.

Annex 1.2 - Children and Families Commissioning Intentions 2021/22

Introduction

The Council has wide ranging responsibilities for services for children, young people and families; this includes leading and co-ordinating all local partners to ensure outcomes for children and young people improve. In 2019/20 the total budget for Children's Services excluding the Dedicated Schools Grant was £118.6 million; this included other grants and funding from formula/Council Tax. The strategic direction for Children's Services is set by the local Families Framework, which is currently being replaced by a new Children and Families Plan when combined together with the Council Strategy, identifies a continuing need to improve outcomes for the most vulnerable.

Background

Since our last Ofsted inspection in February 2017, Gloucestershire's Children's Services have been on an improvement journey - 'Building the Best'. This improvement plan sets out how we are bringing about the necessary improvements to services for children and young people across Gloucestershire and to ensure clarity and direction for Children's Services, our partners and everyone who needs to be involved in our transformation journey.

Following seven subsequent monitoring visits and the most recent Ofsted Focus visit in October 2020, we are now in the final preparations for a full inspection within the next few months. It is acknowledged that Children's Services continue to be on a very structured improvement journey and whilst there are some strong signs of improvement, the recent Focus visit saw an improvement in the pace of change over the past six months, however there is still work to be done to ensure there is consistent practice and performance. The service is very clear as to the main areas that require focus in readiness for the full Ofsted inspection, and dedicated work is underway to ensure this remains a priority. There is a communication and implementation strategy to prepare all staff and partners for the pending inspection, so Gloucestershire has every opportunity to demonstrate all the improvement work that has taken place, how practice has changed, and the wider long term vision for Children's Services.

Strategic Direction

Strategic priorities within our commissioning intentions have been reshaped as an inevitable consequence of the ongoing COVID-19 pandemic. We have taken on additional responsibilities and ensured the market has been supported and managed, to allow services to continue where possible. For some areas within the market there has been a 40% reduction in capacity, GCC has worked hard to mitigate these enforced changes, by supporting providers to access additional funding, which in turn has provided much needed stability during these anxious times. This includes some contract extensions for 2021 which have been awarded following council processes.

Additional responsibilities taken on by Children's Integrated Commissioning in direct response to the pandemic include:

- PPE - co-ordination for the department, partners and providers for Children Services
- COVID-19 children fund
- Emergency assistance Grant - for GCC

In addition a Vulnerable Children Cell (VCC) chaired by the AD for integrated commissioning, brings together a number of agencies, partners and voluntary sector colleagues, to review the impact of COVID -19 on families and identify the "new Vulnerable " who's circumstances have changed due to the impact of COVID -19. The VCC highlights areas of need, delivers coherent messages to partners and families about support and resources available.

The following are activities coordinated through the VCC:

- Summer programme to support the reduction of 40% activity - by commissioning targeted provision
- Holiday hunger programme - local provision with Councillors, targeted work within the holiday programmes - developing a Food booklet for all families and professionals - FSM voucher scheme for Oct half term - “no child in Gloucestershire will go hungry”
- Fuel poverty - via the Emergency Assistance Grant
- Christmas programme - for food and activities
- Early years sufficiency - to support vulnerable families under 2yrs - especially babies
- ICON - champagne
- See Hear Respond - Barnardo's national programme
- Data review of new FSM - children accessing education and early years settings

Joint Commissioning

The County Council and the Clinical Commissioning Group are committed to an integrated commissioning model that spans both children and adult's services. Within the Children and Families Commissioning Hub we have much to be proud of with regards to how we approach commissioning across our children's health and social care systems. Our shared approach and commitment to jointly commission directly contributes to improving outcomes for our most vulnerable children, young people and their families. As part of the single vision for Gloucestershire, local partners are committed to the development of a highly aspirational vision for Gloucestershire's children and young people. It will be informed by the views of children and young people in both its development and delivery phases through the Child Friendly County project. The Health and Wellbeing Board provides strategic oversight and direction. This includes our strategic aspirations around improving outcomes for not only children, young people and their families, but for the wider partnerships and Children's Services workforce.

We are now just entering into the third year of our Placement Sufficiency Strategy for Gloucestershire, which initially set out our revised blueprint to improve Gloucestershire Children's Services over a three year period. The Sufficiency Strategy aligns with our improvement journey for improving front line practice, especially in planning for and where appropriate, preventing children and young people from coming into care. The number of children and young people in care has increased, and the strategy sets out how we intend to purchase placements, to achieve the best possible outcomes for children and young people, and use our resources in the most efficient and effective way.

We have made progress in some areas to implement the Sufficiency Strategy by embedding oversight and compliance through the implementation of a number of panels, which have been expanded to take on the additional challenges due to COVID -19. As part of this work and to ensure we embed commissioning into practice, a number of tools have been created to support practice and partners with this new approach.

The NHS Long Term Plan, 2019 – 2024 sets out the vision for the NHS redesign of services to better support, and properly join-up care at the right time in the optimal care setting. Our local commissioning intentions reflect the national priorities in the long term plan, in particular for children – reducing health inequalities for children and young people including children in care and care leavers, faster access to community and crisis mental health services; ensuring children with learning disabilities and/or autism live happier, healthier and longer lives with timely support to children and families; and improving the health of children and young people with long term conditions.

Gloucestershire Health and Wellbeing Board has published a new coherent narrative of change, (Gloucestershire Joint Health and Wellbeing Strategy 2019-2030), which creates a universal strategy for the county by setting out our future ambitions to improve the health and wellbeing

outcomes of all Gloucestershire residents and reduce inequalities. The Board oversees two linked strategic initiatives of particular relevance to our emerging Youth Support Strategy within the Children and Families Commissioning Hub:

- The development of a single, strategic shared plan/vision for all children and young people in Gloucestershire. This complements existing plans on social care practice, safeguarding and the welfare of the most vulnerable, with a wider focus on the safety, health and well-being of all children and young people.
- The Child Friendly Gloucestershire youth engagement and research project, which has been working closely with the third sector to engage a wide range of young people, host a platform for their diverse voices, and report back in 2020. The overarching aim is to create an infrastructure through which to have a continuing, authentic dialogue with young people on the scope and quality of our offer.

Working through its recently revised multi-agency child safeguarding and commissioning arrangements, Gloucestershire continues to review its approach towards Early Help, which will set out the vision with our partners to join up current activity and providers of early help to develop a coherent partnership plan that meets the needs of children and their families at a lower level of need to stop the escalation into specialist services.

The key drivers for this plan will be to intervene at the earliest point for the children or family, to be outcome focused in our approach, using evidenced based practice where possible, build resilience and above all keep families together where it is safe to do so. The Early Help Strategy once implemented will deliver some of the biggest changes to families, by identifying and responding to need in a timely and proportionate manner, which in turn will reduce the pressures on statutory services. Getting this element of the continuum right is critical to not only turning the curve on improving outcomes for children and families but also for the wider improvement journey in Gloucestershire.

Commissioning has a key role to play within early help services, not just with the external Children and Families Centres, but also to contribute towards a shared commissioning and investment strategy in this space, across all areas of the continuum including working with partners. Commissioning will scope the development of community hubs within children and family centres where midwifery, health visitors and family support services can be aligned and staff are co-located. This will support the development of family hubs identified within the Early Help Strategy.

Commissioning has reconfigured the composition and function of departmental panels to achieve better consistency of practice and decision making across children's and families. The revised panel configurations for 2020/21 are:

- Access to Resources – which oversees a range of spend and creates a framework of providers from auditing of needs against spend to commissioning high quality and efficient therapeutic services.
- Additional Emergency assistance grant - for individuals and families experiencing financial difficulties due to COVID -19
- Multi-Agency Panel – which actively monitors and reviews provision, through local services or out of authority placements for Children and Young people with exceptional needs.
- Transition Tracking Panel – for all placements where adult service assessments need to be undertaken.
- 16 Plus Panel – for all young people becoming care leavers, to review their placements. To also track young people at risk of Homelessness in B&B's, hotels, sofa surfing or at risk of being evicted. Also review all young peoples placements 18+ who have not been able to transition into independent housing due the impact of COVID-19

- High Risk, Cost and Unregulated Placements – this is the Corporate Parent's senior management and structural response to oversee and scrutinise those children and young people whose needs, risks and consequently costs are most acute.

Wider Drivers for Change

The Children and Families Act 2014 seeks to improve services for vulnerable children and support their families. It underpins wider reforms to ensure that all children and young people can succeed, no matter what their background. The changes in the law give greater protection to vulnerable children, better support for children whose parents are separating, a new system to help children with special educational needs and disabilities, and help for parents to balance work and family life. It also ensures vital changes to the adoption system can be put into practice, meaning more children who need loving homes are placed faster. Reforms for children in care can be implemented, including giving them the choice to stay with their foster families until their 21st birthday.

The Care Act 2014 is designed to bring the current laws relating to adult social care together into one Act. Whilst predominately focused on adults, the Care Act did introduce new legislation to support young people who find themselves caring for a parent or sibling. Gloucestershire Young Carers project was recommissioned in 2019, at this time it was expanded to include the development of new young adult care services to support young carers who want to remain in education or training.

Following on from the Keep on Caring Strategy 2016, the Children and Social Work Act 2017 is intended to improve support for children in care and care leavers, promote the welfare and safeguarding of children, and make provisions about the regulation of social workers. The Act reinforces the corporate parenting principles for the Council as a whole to be the best parent it can be to every child in its care. These are largely a collation of existing duties local authorities have towards children in care and those preparing to leave care, and are now extending our duties up to the age of 25 for all care leavers who require ongoing advice and support. For those who choose not to receive support post 21, we are keeping in contact to ensure they know their right to come back into the service if they wish to. We are required to publish our support offer to care leavers and to promote the educational attainment of children who have been adopted or placed in other long term arrangements. The legislation extends the current considerations of the court when making decisions about the long term placement of children to include an assessment of current and future needs and of any relationship with the prospective adopter. The Act makes changes to the arrangements for local child safeguarding partnerships and the serious case review process, including provision for a central Child Safeguarding Practice Review Panel for cases of national importance. It also establishes a new regulatory regime for the social work profession.

Commissioning has responded proactively to the statutory requirement in the 2017 act. We continue to work in partnership with our care leavers to publish a local offer by reviewing our corporate commitment to ensure care experienced young people are placed in the right placement first time (Sufficiency Strategy 2018-2021). In 2019 we reviewed the offer and updated it leading to the development of a revised Care Leavers Strategy which places greater emphasis on the voice of young people and committing to make every service we commission good enough for our children and care leavers, thereby giving them a positive experience of their transition to adulthood.

Liberty Protection Safeguards were introduced in the Mental Capacity (Amendment Act) 2019, replacing the Deprivation of Liberty Safeguarding system that is currently in place. The Safeguards will provide protection for people who are deprived of their liberty as part of their care or treatment, and don't have mental capacity to consent to their care arrangements. Groups who might have a Liberty Protection Safeguards authorisation include those with dementia, autism and learning disabilities. The amended act will have a significant impact on young people aged 16 years + in several key areas of children and families commissioning including health, placements, youth support and care assisted young people, which will drive change in the way we commission services for these groups in 2020/21.

The European Settlement Scheme

Commissioning has been mindful of the substantial impact the Brexit agenda and accompanying legislative changes will have on the services we provide for children and families in 2020/21. Commissioning has taken the departmental lead on Brexit and has been instrumental in the dissemination of Brexit related information across the department, to ensure adequate preparatory plans are in place for the anticipated legislative changes. The most pertinent legislative change affecting children and families is the European Settlement Scheme (EUSS), which sets out a new application process to be completed by EU citizens, their families and others currently working or residing in the UK post Brexit.

Commissioning has successfully bid for £114K to deliver practical support to Gloucestershire vulnerable or at-risk EU, EEA and Swiss citizens and their family members to help them make their EU Settlement Scheme application. Our EUSS project covers the whole of County of Gloucestershire, complimenting support provided in Tewksbury District by Tewksbury BC funded by the Home Office. It will provide information advice and practical registration support for the most vulnerable EU, EEA and Swiss citizens (and their non-EU family members) many of whom we believe are currently unaware of the Scheme or their need to register.

The staff and volunteers of the three VCSE delivery partners, North and West Gloucestershire CAB, Stroud and Cotswolds CAB and GARAS, will provide information, advice, support and technical assistance for vulnerable EU citizens and their families to register with the EU Settlement Scheme

We have designed a flexible and responsive programme, focusing on providing registration support out in our communities across the County, which is important in our rural areas which we know are sometimes hard to reach through our experience of supporting vulnerable residents.

Our Communications Strategy for the project will harness the networks of the County and District Councils, including social media, to reach local residents, business and community and voluntary sector. We will work with local media to ensure that regular consistent messages are provided to our residents about the need to register and the support for vulnerable EU citizens.

Needs Analysis

The Joint Strategic Needs Analysis (JSNA) identifies a number of areas that require review.

In 2018/19, despite decreasing numbers and rates, Gloucestershire had a higher rate of permanent school exclusions in comparison to national and statistical neighbour rates (and the same rate as regional). The proportion of secondary pupils excluded was the fourth highest among our statistical neighbours, and in the second quartile among authorities in England. Over half of these exclusions relate to children and young people with additional needs. Permanent exclusions in Gloucestershire reduced by 23% for the 2018/19 academic year, with significant reduction in the primary phase; putting us equal with statistical neighbours and national comparators for that phase, and below the regional comparator.

Fixed term exclusions have historically been relatively low in Gloucestershire compared to national and statistical neighbour averages but are now starting to rise as an alternative to permanent exclusion.

Over the past few years there has been a national increase in children being identified as having social, emotional and mental health needs: and this is no difference in Gloucestershire. From an education perspective, this has placed pressure on specialist SEMH places and has resulted in a rise in the number of children with such needs requiring independent specialist provision. A Commitment has therefore been made to build a new 75 place SEMH to meet such needs in county by 2021

Due to Covid-19 there is no assessment data for 2020, but for the Early Years Foundation Stage in 2019, 71.9% of children achieved a good level of development (GLD); this has been steadily improving since 2014 and for the first time Gloucestershire is slightly above the national average of

71.8% although more improvement is needed to bring us in line with statistical comparators. There remains a notable gap in gender with 78.4% of girls, and 65.4% of boys achieving a GLD (mirroring the national gender differences). The achievement gap between the lowest attaining 20% of children continues to reduce in Gloucestershire and is currently at 29%. This is compared to the national gap, which is increasing and currently at 32.4%.

In 2019 51.9% of the children in Gloucestershire who are eligible for free school meals have achieved a good level of development which although increased, is still slightly below the 56.4% national level. However the trend is upwards and has improved significantly from 30% in 2013. Since the first COVID related lockdown, the FSM figures have grown significantly. From 23rd March to 5th December 2020, we have an additional 2,754 young people currently entitled to FSM, bringing the total number of protected FSM to 17'006. It is important to note that included in the aforementioned figure are 1'869 new applications which have been received since the 1st of September 2020, 1'137 of these are current entitled protected.

The Joint Additional Needs Strategy brings together a multi-agency response to understanding and responding to children's needs. There have been noteworthy improvements to the support offered to such children; however this requires greater co-ordination and strategic multi-agency leadership moving forward. As such, a number of work streams to deliver the strategic priorities of the Joint Additional Needs and High Needs strategies have been established, with oversight from strategic leaders across the Council. This will form a key part of our work moving forward across the education, social care and health arenas; not only meeting our statutory duties but also providing the most appropriate and effective support for children and young people.

The 2018/19 rate of young people aged 10-24 admitted to hospital for self harm in Gloucestershire (536.4 per 100,000) is higher than England (444.0) but lower than all except for one of our statistical neighbours. Now rated as "Red", this represents an increase from 456 per 100,000 in 2017/18.

A review of the self-harm pathway has been completed, and a number of initiatives have been taken forward; supplementing the existing services and support already available in the county. These include:

- Introduction of an advice line for parents concerned about their child's emotional wellbeing (run by TIC+).
- Improved information resources on self-harm for young people, their parents/Carers, and health professionals.
- Commissioning of a new self-harm training course targeted at professionals working with people who may be self-harming,
- Development of 'Harmlessglos', an online planning and support tool for professionals working with children and young people who are self-harming.

It is unclear about the effects of the pandemic on children's mental health. However, an analysis of various sources including a survey run by Oxford University in which pupils from 88 schools in Gloucestershire took part and nationally, generated research estimate that there will be a rise in need and demand. Work is ongoing locally to better understand and monitor trends.

Gloucestershire County Council commissioned additional services to provide a range of support to children and young people. These included two open access, universal services for children and young people which do not require a referral from a health professional i.e. children and young people can access support directly. In addition, Gloucestershire Clinical Commissioning Group has commissioned a more targeted offer for vulnerable young people.

Education permeates across all aspects of children and families commissioning. As a result of the local area SEND inspection in 2016, Ofsted and CQC were pleased with the Council's initial response to the SEND reforms following implementation of the Children & Families Act.

The second round of inspections are being formulated for late 2021 and it is anticipated that these will focus more specifically upon; joint commissioning, impact for children and young people resulting from effective multi-agency working across social care, education and health, early help across all services and embedded co-production with parent and carers. Whilst there has been much progress in relation to supporting children and young people with SEND and additional needs in the county these areas have been identified as requiring greater leadership and impact prior to any future inspection regime.

We have a Joint Strategy for Children and Young People with Additional Needs (including SEND) agreed with the Clinical Commissioning Group and partners, and this outlines the county's approach to meeting the needs of these children and young people (0-25 years) between 2018-2021, across education, health and care. This supports the holistic assessment and provision for children and young people which holds them at the centre. This is further supported by our High Needs, Post 16 and Specialist Commissioning strategies which ensure that our commissioning provides value for money and meets emerging changes in children's needs whilst preparing them for effective transition into adulthood

Ofsted evaluation of the framework for the inspection of local area's effectiveness in identifying and meeting the needs of children and young people with SEND was published in July 2020. The report evaluates the fidelity of the framework's implementation and explores views on the impact of the framework on services for children and young people with SEND. However, at date of writing the SEND review was still being undertaken and options for consultation were yet to be finalised.

Our School Place Commissioning Strategy which sets out our educational requirements over the next five years is reviewed annually to ensure that all children have access to local, quality provision which meets their needs. This sets the expectation that most children will have their needs met in mainstream education settings and therefore underpins the Specialist Commissioning Strategy which focuses on specialist education settings for children with higher level of needs.

Following the academy agenda and the financial pressures on the education system, the increasing concerns for home educated children, those with SEND and those who have been excluded or off-rolled from schools has gained significant national coverage and parliamentary interest. The new Ofsted framework which came into place in September 2019 for schools which has a greater focus on outcomes for all children is therefore welcomed. It is also anticipated that there will be legislative changes made to how the education system responds to these challenges in 2021– with a greater expectation of inclusion and ability to meet children's needs across school systems and greater accountability in how schools provide for all children.

The focus of education during the COVID-19 pandemic has highlighted the importance for all children, and especially the most vulnerable, to have access to high quality face to face education which can be differentiated to meet their needs. Whilst all settings will continue to ensure that children and young people continue to receive a broad and balanced curriculum, they now have to respond to infection control measures, helping children catch up on any missed education and supporting the mental health and wellbeing of children whom have been away from formal schooling during the lockdown period. We are having to adapt our approach and offer to support the challenges created by COVID-19 for children, families and education settings alongside managing the system as our business as usual.

The Compliance and Quality Assurance Team

Commissioning is committed to ensuring that every Provision we commission for our vulnerable young people provides the best service possible. To ensure we continue to meet this obligation, we have now developed a Compliance and Quality Assurance Team (CQAT) which will lead on developing, implementing and monitoring a high quality compliance process for all existing and new providers. CQAT will lead on the development of a range of tools to allow Commissioners and Social

Workers to quickly identify the assessed position of every provider on compliance, inspection (where appropriate) and quality assurance and collate that into a single RAG rating.

The CQAT will also work alongside the wider GCC Quality Assurance team to gather in-depth, real time intelligence about the quality of commissioned services, to inform assurance activity and judgements with a focus on information from and about individual service user.

The CQAT are currently involved in the following tasks to support improving outcomes for children and young people;

- Single agency visits and assessments of providers of concern (as a result either of recent Inadequate judgements or where serious incidents have been reported)
- Joint visits with Education colleagues to Residential Schools where concerns have been raised on both education and care issues. This has included developing joint action plans between GCC Education, Social Care and the provider to improve quality;
- Attendance at Allegation Management Meetings and Complex Allegation Management Meetings as appropriate;
- Leading the Commissioning Hub response to the request by the Gloucestershire Safeguarding Executive for a section 11 Children Act 2004 audit of providers safeguarding policies and procedures;
- Completing all new Due Diligence requests to the Hub;
- Identifying lead contact points within CQAT for all providers these team members will also lead annual monitoring meetings with the provider;
- Developing a RAG rating for each provider based on inspection outcomes, s11 responses and service user feedback

Children's Social Care

Gloucestershire currently has an increasing cared-for population which currently stands at 782 children in care, which is a clear increase for 730 children in care at the same period last year (Oct 2020) and a substantial increase from previous level of 651 in March 2018. There are a number of possible reasons for this; the current improvement journey shows that our thresholds are not fully understood by all services, and therefore not consistently applied so, along with an improvement in practice and assessment; this could increase the number of children and young people becoming looked after. The Children and Social Care Act has also extended the statutory duties for young people leaving care up to the age of 25 (previously 21), irrespective of their educational, employment or training circumstances and this is likely to further increase our care population. We know our care leaving population will be one of our largest growth areas of the coming years.

Our work with children and young people who have additional needs as they transfer into adulthood will be a critical area of focus for the coming year. We are committed to developing and implementing a partnership approach to transitions, so that young people and their families get the right information, support and assessments at the earliest point, ensuring transitions are understood planned for and effective.

This will include tracking all young people who we believe might meet a threshold for adult services, from the age of 14 years or as early as possible post this age, so that joint planning, working and assessments can take place at the right point within a young persons journey.

Taking a collaborative and solution focused approach, our key ambition for all young people where possible is for them to remain in or return to county, with the appropriate support to fulfil their potential. To achieve this aspiration we will work together, make joint commissioning decisions, manage and develop our commissioning frameworks to allow for smooth transitions at 16 years as they journey to adulthood.

Single Point of Access for All placements:

To ensure we have a seamless process for all placements, in September 2019 the Children's commissioning hub took responsibility for all 18+ Placements that were held within the leaving care service.

. This included:

- All 18 + placements within semi-independent provision
- Staying Put arrangements
- Staying Close developments
- Crash Pads
- Two independent properties

Over the next year – we intend to drive this work further by:

- Developing a virtual estate agent for care leavers, to get advice on housing, report poor quality, concerns or repairs about property and also get advice and guide about moving on especially when they are leaving university, or secured employment
- Establish a housing forum, that will include, working with housing officers, districts, supporting people leaving care services and care experienced young people to develop and manage a housing offer for vulnerable young people, reducing /eliminating the risk of homelessness.
- Tender for a partner to manage and deliver our two semi – independent properties
- Expand our in county property portfolio to include dedicated accommodation for Edge of care provision, UASC and supported lodgings
- Expand our current Staying Put offer for young people in foster care to stay with their families post 18yrs
- To develop our residential market to offer our young people Staying Close arrangements for young people in placements post 18yrs.
- To test the Staying Close arrangements within Trevone House, and embed this within future placement developments.

Capital Projects

As part of GCC Sufficiency Strategy “Right Placement First Time” - our ambition is to develop quality provision in county using a partnership approach with providers. Trevone House is our pilot project, which has been well received within the market securing a well established provider as our delivery partner, as well as gaining national interest as a model of best practice:

The council is committed to expanding this work further with the intention to build on the success of Trevone House by Commissioning and developing a 3 year programme of capital projects which includes:

- Development of residential home within county using the existing Barnwood site, to development into a registered residential home, for two young people with additional capacity within the grounds for emergency provision -
- Reconfigure council assets to develop a second site similar to Trevone, to provide support for our care leavers into semi-independent accommodation.
- Reconfigure council assets to create a site of excellence for early years, offering residential parent and child assessments, a children centre and nursery

There are other capital projects being developed with the Department of Health and NHSE, to provide provision and support in county for some of our most complex children and young people so they can stay with their families or have a lifetime home in county.

Medium Term Financial Strategy (MTFS) 2021/22

While having a substantial increase to the agency budget for 2020/21 this still shows a large predicted overspend in addition to the increased funding. While some of this additional expenditure is due to the increase in the numbers of children in care, there has also been the impact of COVID-19, especially for young people who have reached their 18th birthday during 2020, but have been unable to transfer into independent provision. Efficiencies also need to be gained through better market management and purchasing. Commissioning continues to make savings through the review of packages of care for young people through High Cost Panel and 16 + panel which has made efficiencies during 2020/21 despite the new pressures. .

There were no efficiency targets for Children's Commissioning for 2021/22, but we have embarked on trying to capture some efficiencies, which was predominantly in relation to better management oversight and governance for corporate spend, high cost placements, access to recourses and applying a standardised assessment criteria to joint funding arrangements. There will also be a key focus on planning earlier for young people who transition to adult services, beginning this work earlier within a child's life, from the age of 14 years.

Over the duration of the next financial year, children and families will continually review services to ensure we manage demand in the most effective and efficient way.

Looking Forward

In preparation for the full Ofsted inspection, Children's Services are on a very structured improvement journey and the associated improvement plan has focused and driven our priorities.

We continue to strive to embed commissioning into practice and continue to work in partnership with internal and external partners to change practice and the overall outcomes for our children and young people. The implementation of our "How to guide" has provided clarity around practice and procedures relating to placement requests, writing a child or young person's profile, and how to make requests for both emergency and planned needs.

While the latest Ofsted monitoring feedback acknowledged some key areas of improvement, there are still clear priority areas in relation to assessment and risks, especially to young people, so it is important we continue to work at pace to embed change. While the focus is particularly on the children in care population, the Council will also need to continue to respond to changes in Government funding for core education services as responsibility for school improvement continues to transfer to schools and academies.

The new Children and Families Plan will underpin our wider strategic direction with our partners. During 2019/20 the Council reviewed our needs analysis and worked with all partners to develop both the Children and Families Plan and the Placement Sufficiency Strategy. Taking forward the priorities of our partnerships with a focus on prevention through to providing support for the most vulnerable and keeping children safe, the Children and Families Plan will have a family based focus and will frame the longer term commissioning strategy.

Delivering Change

The main drivers to our work in 2021/22 will be:

- To deliver against the OFSTED improvement plan pending full inspection
- Take forward the priorities identified in the forthcoming Children and Families Plan including areas identified in the JSNA.
- Implementing the changes in legislation outlined in the Children and Social Care Act 2017.
- Review transitions processes between children and adult services to develop a joint strategy for young people "preparing for adulthood" - in partnership with adult services, the Clinical Commissioning Group and partners.

- Continue to deliver on the key priorities identified in the Sufficiency Strategy “Right placement First Time” 2018-2021. Complete a full review and delivery a new Sufficiency Strategy for Gloucestershire 2022 - 2025
- Deliver on priorities in the NHS Long Term Plan 2019 -2024.
- The Joint Additional Needs and High Needs Transformation Programme.
- Implementation of the Liberty Protection Safeguards introduced in the Mental Capacity (Amended Act) 2019 – for young people aged 16 years+.
- Improve services around children with special education needs and disabilities including EHCP, learning disabilities service, positive behavioural support, medical needs in schools and personal health, early years, placement for children with disabilities and additional needs.
- Continued implementation of the new Positive Behaviour Service for children with additional needs
- Continued Implementation and mobilisation of Trevone House, and the capital programme linked to our sufficiency strategy.

Specific Planned Activities

1. Review the first year of the strategy and align this to the continued implementation of the Sufficiency Strategy for Children’s Services. This is a whole system change and will include extensive market management and the development and reconfiguration of provision across the continuum of need, which will include:
 - A new Early Help Strategy, to deliver a robust early help offer that is understood and implemented across all partners and services.
 - Support, scrutinise and challenge the Trevone House project in furtherance of our pledge to achieve the right placement first time for our care experienced young people.
 - Edge of Care Services - reconfigure provision and where appropriate, prevent children and young people from coming into care.
 - Improved placement stability – through better planning and market developments.
 - Increasing the capacity of in-house fostering provision by 100 new households over the next three years.
 - An increase in placements offered in county to support children and young people to remain in local schools, with improved access to health services allowing children to stay connected to their families and communities.
 - Development of placement and support services provision in county to meet the needs of children and young people with additional needs, so where possible they can stay at home, and purchase services through direct payments and personal budgets.
 - The development of emergency provision to meet current needs, including the Out Of Hours and PACE (Police and Criminal Evidence) placements.
 - Development of the market for accommodation of young people to meet the new Duty for Care Leavers which comes into force from January 2019 - this will include UASC (Unaccompanied Asylum Seeking Children) young people.
 - Redesign services for young people who are at risk of Missing and Exploitation, jointly with our partners.
 - Our commitment is to ensure young people are actively involved in the development, design and monitoring of ALL our contracts, services and tendering activities.
2. While in our latest Focus visits, inspectors confirmed that Commissioning is having positive impact on children’s and young people lives, this is still a key area of work for

the commissioning hub who will continue to work in partnership with practice and strengthen the relationships further.

3. Re-configuration and re-tendering of the Youth Support Service to achieve better more efficient focusing of youth provision for all young people in GCC. A one year contract extension was granted in response to the pandemic, with the intention of submitting a full retendering exercise in 2021.
4. Development of a preventative pathway for young people in vulnerable circumstances, by working in partnership with Supporting People tendering process for young people aged 16 years and beyond.
5. Continue to work with colleagues across the partnership to implement the Joint Strategy for Children and Young People with Additional Needs ensuring seamless support for children and young people's needs. This will include a focus on improving transitions to adult services for children with additional needs by ensuring they are supported to make a smooth transition into early adulthood.
6. The implementation of the new statutory guidance for young people leaving care, as stated within the new Children and Social Work Act 2017, which was required from January 2019. Requirements include:
 - To publish an annual re-fresh of the authority's "Leaving Care Offer".
 - Timely allocation of a Personal Advisor for all care leavers up to the age of 25 years - regardless of whether the young person intends to pursue education or training.
 - A duty to carry out an assessment of the young person's needs and to provide the necessary advice and support.
 - Meeting the requirements for care leavers within the new Reducing Homelessness Act 2018.
 - To support practice to embed the new "Preparing for Independence" tools into practice.
 - To create Gloucestershire's Leaving Care Strategy, and monitor progress.
 - Support the implementation of Gloucestershire's Trail Blazer in schools.
 - Work in partnership to monitor the delivery of wider young people's mental health services within Gloucestershire as described within the Clinical Commissioning Group's Long Term Plan. This will include extending the Mental Health in schools approach from Stroud into Gloucester City, working with partners on the self harm pathway and also looking at the mental health needs of children and young people who have suffered trauma and abuse.
7. Development of priorities in the NHS Long Term Plan, in particular,
 - Health screening and needs met for children and young people with a learning disability.
 - Working with partners to increase annual health checks for those over 14 years with a learning disability.
 - All children with learning disabilities and autism are supported by easily accessible ongoing care - this will encompass developing better pre diagnosis support, increased post diagnostic support and shorter waiting times for a diagnosis.

- Working with partners to ensure that there is a digital flag in patient records to ensure staff know a patient has an LD and/or autism.
 - Children and young people with LD/autism with most complex needs have designated keyworker implementing Lenehan recommendations.
 - Reduction of waiting times in learning disability services.
 - Development of an agreed collaborative approach to funding packages of care across social care, health and education through PBENG (Personal Budget Exceptional Needs Group) and the Multi-agency Resource Panel.
 - Development of the services to support medical needs in schools provision.
8. Update of the Childcare Sufficiency Strategy and associated action plan to deliver the anticipated rise in demand following the roll out of the free 30 hours entitlement.
 - Work with the market to increase the take up of achieving 2 year old funded places.
 - Roll out a new business and market management strategy to support the EY sector. This is especially key during and post COVID-19. (New additions)
 9. Supporting children and young people in care to promote their health and wellbeing, in particular ensuring:
 - Improved timeliness of initial and review health assessments.
 - A streamlined process across social care and health professionals to ensure timely health assessments.
 - A targeted approach to providing young people with a health passport to ensure they have their health information in one place.
 - The emotional wellbeing and mental health of children in care is fully addressed in health care assessments, reviews and health plans, and in doing so, conducting a review of the Strengths and Difficulty Questionnaire (SDQ) process and how this can be developed as part of a patient centred pathway for mental health.
 10. Work with Public Health Nursing and Education, to ensure the 2 – 2½ years integrated checks are fully embedded across the county.
 11. Continue to deliver the Council's statutory responsibilities for education which include:
 - A significant expansion of mainstream primary and secondary school provision in Cheltenham and Gloucester – mix of new schools and expansion of existing schools.
 - Building a new maintained special school for children with SEMH (Social, Emotional and Mental Health) needs and Autism.
 - Shift of support for children with additional needs to early help and creation of primary hubs – passporting more high needs funding to schools. This is subject to Schools Forum agreement.
 - Using the implementation of the Education Strategy to provide a whole system response to high quality education in the county.
 12. Continue to embed ACE's (Adverse Childhood Experiences) within all new Children's Services contracts; rolling out the refined ACE's tools, within services and partner agencies.

Embed ACES across the Social Work Academy and build on trauma informed practices

within commissioning and across Children's Services.

13. Following a successful pilot of the Family Plus Outcome Star within the Children and Family Centres Targeted Support offer in Stroud, Forest of Dean and Gloucester City, embed this practice and roll out to other providers in Cotswolds, Cheltenham and Tewkesbury areas to ensure they are meeting the threshold for support and families are having a consistent service and the service has measurable outcomes and impact of support.
14. Set up a process that will review the step up and step down work of the commissioned Children and Family Centres. This will involve auditing 10% of cases that have been open for over six months and or themes identified each month.
15. Continue to review the development of a Fostering Social Impact Bond (SIB) which will re-design fostering services in Gloucestershire and increase the number of foster carers recruited by the Council that will offer placements to children in Gloucestershire to enable children to stay close to their community, school and friends.
16. Continue to implement and monitor the suite of Panels, moving on to develop commissioning frameworks which will ensure procurement and governance requirements are met as well as achieving value for money and quality assurance, including the new spend for national COVID funding.
17. Scope the development of community hubs within Children and Family Centres where midwifery, health visitors and family support services can be aligned and staff are co-located. This will support the development of family hubs emerging from the Early Help Strategy.
18. Embed a range of strategic changes within placements for children in care alongside the IPC work and revamped panel work including:
 - Increase placement stability, continuity and sustainability throughout the child's life-long journey in care.
 - To have a sufficient number of beds in order to adequately meet the accommodation needs for the growing number of children in care.
 - To increase access and sustainability of more accommodation provisions, to further improve the quality of support required to better prepare children in care for their transition towards independence/leaving care.
 - To ensure that the voices, wishes and feelings of our children in care/care leavers that were ascertained throughout the development of the Sufficiency Strategy (Right Placement First Time), are embedded into practice to further improve the experiences children and young people are likely to encounter.
 - The implementation of measurable tools, i.e. (Young Peoples Outcome Star) is to be imbedded in placements so as to better monitor the outcomes for Children in Care/Care Leavers and to inform the commissioning of support packages so they are needs led to achieve good outcomes for our young people's journey to adulthood.

19. Children in Care and Edge of Care, our improvement plan includes building resilience by supporting families where appropriate to remain together with the right support:
 - Expansion of the Family Group Conference Services will support families earlier and be a county wide provision.
 - Additional resources will be available for special guardianships.
 - The Social Work Academy will continue to drive best practice, develop and grow our social work workforce, to give our children, young people and their families' continuity in practice, stability and a good Children's Services offer.
20. SEND needs analysis strategy to consider the development of additional specialist placements to meet increasingly complex needs.
21. Redesign of the alternative provision school system and approach for children at risk of exclusion from school.
22. A review of Speech and Language and Mental Health support provided to children and schools to identify and respond to emerging needs; including a review of the neurodisability diagnostic pathway.

Over the past year the Children and Families Integrated Commissioning Hub has developed a dynamic commissioning model that responds to both the longer term strategic needs of the departments as well as emerging needs of the service and complex individuals. This approach has allowed innovation to take place supporting Gloucestershire County Council's aspiration for a Good Children's Service.

Annex 1.3

Economy, Environment & Infrastructure Commissioning Intentions 2021/22

Context

The Economy, Environment & Infrastructure (EEI) Directorate supports the long-term delivery of sustainable economic growth across the county. We ensure communities can connect with, access and use local services; enable the delivery of new housing and employment sites; create opportunities for business innovation; support individuals to retrain and learn; protecting and enhancing the green, built and historic environment of the county and push for a carbon free future.

In addition to the delivery of place changing services which enable the county to grow and prepare for the future, the Directorate has a strong regulatory roll which is particularly important in terms of place making and ensuring that areas are pleasant to live and normal life can exist, services such as parking services, registration and planning enforcement have a large impact on peoples lives and have been heavily involved in the response to Covid-19.

The total budget for 2021/22 is £165.884 million (Revenue £75.888 million, Capital £89.996 million).

Essentially we ensure places are effective and efficient. We do this by:

- Helping to plan and provide the infrastructure and services needed to support long-term sustainable growth;
- Supporting people and communities to feel safe and empowered by creating a sense of place;
- Enabling people and communities to access essential services locally;
- Delivering opportunities for training, learning and upskilling to support inclusive growth;
- Providing choices for how people connect with and access places either by driving, walking, cycling or using passenger transport;
- Managing the municipal waste stream to Reduce, Reuse, Recycle and Recover waste; and
- Leading the strategy and actions to help address the climate emergency whilst building the resilience to adapt to climate change, protect homes and businesses in emergencies, and recover quickly when they happen.

We along with our partners are not only responsible for delivering today's services, but also designing those services and infrastructure requirements necessary to provide for and enable communities in the future. We engage and help implement a range of strategies including: the Joint Core Strategy, Local Industrial Strategy, Municipal Waste Management Strategy, Gloucestershire Energy Strategy, Digital Strategy, Air Quality & Health Strategy, Local Transport Plan and the Gloucestershire 2050 Vision.

Work at regional level is also of increasing importance as we build resilience into our economy and we will continue to work with colleagues across the Western Gateway economic and transport Bodies to support this.

Strategic Direction

It is essential we continue to plan for a sustainable future. As a Directorate we need to avoid taking actions in response to the immediate challenges posed by Covid-19 that may later negatively impact our ability to deliver sustainable growth.

Covid-19 has impacted all elements of work delivered across the Directorate and the legacy of Covid-19 will have a profound impact on how EEI operates in the long-term. This includes how transport is provided as use of passenger transport networks remains low and dependent on additional financial support both from the council and the Department for Transport.

As a Directorate we will steer the council's response to supporting the local economy and maintaining employment opportunities. We will manage this process by implementing the Covid-19 Economic Recovery Plan which focuses on targeted sectoral support; accelerated broadband roll out to improve connectivity and ease of trading; and the reorienting of skills. This will be supported by expanding our network of library growth hubs set up to make business support more simplified and accessible, to every corner of Gloucestershire.

In addition we will continue to meet the needs of our adult learners by delivering outstanding learning, inspiring individuals and transforming the lives of communities and employers. This will enable adults within Gloucestershire to improve their lives through life-changing education, providing a range of high quality programmes, leading to progressive learning and enhanced employment skills.

We will also continue to use libraries as expanded centres of learning with the roll out of the Innovation Labs and supporting our Adult Education service to provide localised training and research support facilities for businesses to better help rural isolation issues and address economic recovery due to Covid-19.

The decision taken during the first wave of the Covid-19 crisis to continue to progress, and in some cases accelerate, our ambitious major infrastructure projects portfolio has ensured that the county will benefit from significant inward investment during 2021/22 intended to remove barriers to the delivery of new homes and the creation of new employment opportunities.

Our expanded major projects team will focus across three different work streams – one team will concentrate on the strategic road network projects such as M5 J10 and J9, whilst a second team will be directed to large projects on the local network, such as West of Cheltenham Transport Infrastructure Scheme, and finally a third specialist team on major structures and geotechnical projects like A46 Coopers Hill and Lydbrook Bridge. There is a focus over the next 12 months on building and developing the permanent team with the skillset to deliver highway projects for GCC on an unprecedented scale.

The way people connect and use their local communities is likely to change during the recovery phase of Covid-19. It is important that we are able to be responsive to this change, while continuing to deliver the council's priorities. As a Directorate we will need to be brave to innovate and take risks where there is a strong case for influencing behaviours where they do not support sustainable behaviours. This is especially relevant as we manage our transport network to recover from the impacts of Covid-19 while balancing the need to reduce transport derived carbon emissions as part of commitment to be carbon 'Net Zero' by 2030.

During 2020/21 we continued to progress the Gloucestershire Climate Change Strategy which will now guide our priorities for 2021/22. This includes: managing the £1m Climate Change & Air Quality Action Fund; support delivery of the Gloucestershire Local Nature Partnership's Tree Strategy which includes a target of 20% tree canopy cover by 2030 through planting 35m trees; Develop the Gloucestershire Carbon Offsetting Scheme and implement the Electric Vehicle Infrastructure Strategy.

The planning of places is critical to successful developments and sustainable living and we will continue to work with our partners to support the production of long-term growth plans. It is not just how a development looks and feels, but how it connects and functions with its neighbouring areas when accessing education, culture, training and employment opportunities. If this is considered

early on it can have a long term positive impact on an individual's health and wellbeing, creating vibrant and resilient communities which are less dependent upon stretched public services.

Our commissioning strategy is to:

- Build positive relationships with partners, contractors and communities to enable us deliver a sustainable future;
- Use our network of library growth hubs and Adult Education Service to support Gloucestershire residents and businesses recover from the economic effects of Covid-19; and
- Provide leadership to tackle the challenges of climate change, demographics, community safety, housing and transport.

Needs analysis

Gloucestershire has a prosperous and resilient economy set within a highly attractive natural environment, which offers a high standard of living for local residents. The population of Gloucestershire was estimated to be around 637,070 in 2019¹. Assuming current population trends continue, ONS projections suggest that the population in Gloucestershire will reach 683,849 by 2028 and 738,482 by 2043². As the population continues to grow it brings with it an increased demand for services, jobs, houses and more, and opportunities for increased productivity and investment.

The dominating feature of population projections for 2018 to 2043 is the sharp increase in population in the age group 65 or over, which is projected to increase from 134,973 in 2018 to 205,865 in 2043 (an increase of 52.5%). The working age population (aged 20-64) is projected to rise by only 6.5% over the same period. This growth is slower than the national trend for this group and means that by 2043 the working population in Gloucestershire will have fallen from 56.2% of the population to 51.4% of the population³.

Although Gloucestershire generally benefits from a high standard of living, this is not evenly distributed across the county, and pockets of deprivation do exist particularly in the main urban areas and in some of the market towns⁴.

A strong economy is essential if we are to realise the potential that employment has to improve the health of the local population. Gross Value Added (GVA) is a measure of the value of goods and services produced in an economy and is the main indicator used to monitor the overall economic wellbeing of an area. The total GVA of the Gloucestershire economy was approximately £16.54 billion in 2018, representing 12% of the value of output in the South West and 1% of the UK economy. According to latest figures, GVA per head in Gloucestershire was £26,101, which was above the South West (£24,891) and below the UK average (£28,729)⁵.

There are around 29,885⁶ businesses in the county supporting a workforce of approximately 302,000 people⁷. The majority of the businesses in the county are small, with 89% employing less than 9 people⁸; this reflects the picture at national level. Both manufacturing and health are significant sectors in terms of employment accounting for 11.6% and 13.9% of employment respectively⁹. Other major sectors include education, construction and retail. There is a positive

¹Mid 2019 Population Estimates, ONS

²2018 based Sub National Population Projections, ONS

³Ibid

⁴Indices of Multiple Deprivation 2019, MHCLG

⁵Regional gross value added (balanced) per head and income components, ONS

⁶UK Business Counts 2020, ONS

⁷Business Register and Employment Survey, ONS

⁸UK Business Counts 2020, ONS

⁹Business Register and Employment Survey, ONS

entrepreneurial culture in Gloucestershire, businesses starting up have very high survival rates with 90.5% of businesses born in 2017 surviving 1 year and 46.6% of business born in 2013 surviving 5 years, this compares to a national average of 89.1% and 42.5% respectively¹⁰.

Essential services are those necessary to ensure the full social inclusion of people in society. Gloucestershire has around 3,300 miles of roads¹¹ and over a quarter of a million households. Over 40,000 households are without a car or van to enable them to access essential services¹².

The county's natural environment is a valuable resource. The rural nature of the county is what attracts many residents to the area and facilitates access to open space improving health and wellbeing; however it can also create problems of accessibility and isolation. This can affect all parts of the population, and is a particular problem for people who rely on public transport and the elderly. Managing bus service provision and ensuring internet access is essential to keep communities joined up to local essential services.

Pollution poses a threat to the natural environment and the health of the population. Air quality in Gloucestershire is generally good; however there are Air Quality Management Areas (AQMA) in place in all districts with the exception of Stroud. Whilst vehicles are getting cleaner vehicle trips have increased and little progress has been made towards reducing emissions here over the past decade. The AQMA's are located in urban areas or in the case of the Cotswold's at the A417 Air Balloon major road junction; three AQMA's are located in areas of high deprivation, with studies showing that those who pollute the least are affected the most.

There is evidence that noise pollution can lead to a range of health problems including increased stress, strokes, high blood pressure and heart attacks. The county has low levels of population exposed to road, rail and air transport noise pollution both during the day (3.4% of the population) and at night (5.9% of the population). This is broadly in line with the regional average and below the national average¹³.

Climate change predictions suggest incidences of flooding will become more frequent and pressure to provide more housing means new housing developments are being built on land vulnerable to flooding. In addition to increasing the frequency of flood events, predictions also suggest climate change will mean the UK will experience hotter, drier summers and warmer, wetter winters alongside more extreme weather events with floods, storms and heat waves of greater severity and frequency.

In 2018 Gloucestershire's carbon dioxide emissions stood at 5.3 tonnes per capita, this was slightly higher than the regional and national totals of 54.8 and 5.0 tonnes per capita¹⁴. Considerable work has been undertaken in recent years to reduce carbon dioxide emissions to mitigate the impact of climate change; this action has seen emissions in Gloucestershire fall from 8.2 tonnes per capita in 2005 to 5.3 tonnes in 2018.

The disposal of waste is an important environmental issue due to the pressures created by the use of transport and landfill sites, which includes the emission of methane, carbon dioxide and other greenhouse gases. Around 285,000 tonnes of household waste is produced in Gloucestershire each year. The projected increase in population and continued economic development means this figure is likely to increase over the coming years. The Javelin Park Energy from Waste facility will significantly reduce the county's dependence on landfilling, whilst recovering value from waste in the form of electricity, recyclable metals, and aggregate. A countywide recycling rate of 52% remains

¹⁰ Business Demography, ONS

¹¹ Draft LTP

¹² 2011 Census, ONS

¹³ Public Health Outcomes Framework, PHE

¹⁴ UK local authority and regional carbon dioxide emissions national statistics: 2005-2018, BEIS

above the national average of 44%¹⁵.

Medium Term Financial Strategy (MTFS)

While continuing to seek service efficiencies and delivering our savings plan, we will invest in initiatives that support inclusive growth by engaging with people and delivering improvements in social infrastructure (homes, education, library services and, vocational skills). This will ensure place based and wider social care services that are fit for today and prepared for the future. Similarly, we will continue to support the Employment and Skills Board to provide the workforce of the future, while attracting and retaining employers.

There is a need for strong collaborative partnerships with the Local Planning Authorities and GFirst LEP to ensure that infrastructure investment supports and enables planned housing and employment land. However, the scale of growth needs to be delivered in the context of reducing and mitigating the impacts of climate change and the delivery of council services; therefore in parallel with promoting growth our approach will need to include measures to more effectively influence consumer behaviour and manage future demand.

To support this we need to continue to invest in business case development for large strategic transport projects designed to enable growth by removing existing pinch points and separating strategic travel demand from local transport networks. The challenge of attracting government funding for these types of schemes is only going to be more competitive as we compete nationally for investment.

Looking Forward

The national landscape is uncertain as we recover from the Covid-19 pandemic and adjust to the UK's exit from the EU. To mitigate the impacts at a local level we must provide leadership when working with our partners to ensure local infrastructure, environment and industrial strategies align and strengthen the case for investment in Gloucestershire.

We will continue to work with government to make the case for investing in Gloucestershire - sharing our best practice to make a positive difference, creating solutions, bidding/securing funding, advising and advocating where needed. Our positive relationships with partners, contractors and communities are enabling us to deliver and transform our services targeting investment based on need.

Commissioning Intentions 2021/22

Highways

- Continue to maintain and operate the highway and Public Rights of Way networks effectively and efficiently
- Complete the delivery of the £150m highway improvements pledge
- Continue to deal proactively with ash die back across the network
- Deliver major transport projects to enable economic growth including M5 J10 and the wide ranging capital portfolio including bridge and geotechnical schemes as well as projects to support district councils across Gloucestershire
- Deliver major active travel schemes to facilitate the use of cycling when accessing key services and employment opportunities

¹⁵ Local Authority Collected Waste Statistics, DEFRA

- Continue to support apprentices and the growth of construction skills through the delivery of the Highways Skills Academy
- Strengthen governance arrangements between council and contractors to optimise collaborative working practices, improve delivery performance and increase customer satisfaction.

Strategic Infrastructure

- Influence Strategic Road Network & Rail Investment decisions
- Produce the Outline Business Case for M5 Junction 9 required by the Department for Transport by the end of 2021 to seek the necessary £300m required for delivery of the scheme
- Continue to support Highways England in the delivery of the A417 Missing Link scheme
- Ensure Cyber Park transport schemes are delivered to time and to budget
- Support the review of Local Plans including the Joint Core Strategy
- Deliver Broadband to isolated properties through Fastershire project
- Implement the Minerals Local Plan review & embark on a review of the Waste Local Plan
- Ensure that development is sustainable by protecting the natural and historic environment
- Continue to invest in flood alleviation schemes and measures throughout the county
- Take a leading role in the challenge and review of Community Infrastructure Levy policies with the districts to ensure that income from developments for the provision of strategic infrastructure and transport to mitigate against the negative impacts of development is maintained at an adequate level

Community Infrastructure

- Lead development of the Climate Change Strategy and action plan
- Deliver walking and cycling initiatives to maximise use including School Streets
- Deliver electric vehicle charging infrastructure
- Upgrade the existing Urban Traffic Control system for Cheltenham and Gloucester
- Deliver Bus Service Strategy to manage passenger transport demand during the Covid-19 recovery phase
- Provide Home to School transport for 5,800 children with personalised transport plans to create socially distanced travel bubbles to enable children to return safely to school

Library and Registration Service

- Develop new 5 year library strategy to replace the 2012 strategy
- Help businesses and individuals to support economic recovery through the introduction of an Intellectual Property service, promotion and marketing of The Growth Hub @ The Library and the creation of new Innovation Labs. Introduce Innovation Stations to libraries to provide access to increased online content.
- Expand digital and virtual services and activities available through Libraries and the Innovation Lab
- Introduce increased customer self service options to libraries and registration ensuring they operate as COVID secure environments.
- Expand the strong network between education/businesses and communities to enable increased digital growth through the network of library innovation labs
- Support the County Council's Climate Change Strategy through provision of information in local communities
- Introduce a Scheduled Marriage system and contribute to the Law Commission consultation on Weddings Law
- Support venues and couples to marry or form a Civil Partnership in COVID secure environments

Waste Management

- Manage and deliver waste treatment contracts to ensure that waste is managed in line with the waste hierarchy – reduced, reused, recycled or recovered. Key contracts include:
 - Green waste composting;
 - Anaerobic Digestion of food waste; and
 - Energy from Waste
- Review and renew the site management contract with Ubico for the operation of Household Recycling Centres
- Develop and support the new Gloucestershire Resources and Waste Partnership with district councils, working in partnership to deliver:
 - A new Resources and Waste Strategy for Gloucestershire; and
 - A shared communications plan for the promotion of waste prevention and recycling messages across the county
- Help reduce the transmission of Covid-19 and continue to protect public health by providing waste treatment infrastructure and a network of HRCs that have robust Covid-19 plans and control measures in place

Skills and Employment

- Widen our participation in learning by helping adults to overcome the barriers that prevent them from successfully taking part in learning – whether the learning is for personal development, family support or in connection with employment
- Provide high quality training and support for employers in the county that helps meet their business objectives
- Ensure that learning opportunities are flexible and responsive to people's needs so that they may participate, achieve their goals, and progress to further participation and achievement if they so wish
- Ensure that learning opportunities and the accompanying support for learners fit with local, regional and national priorities and are of high quality
- Deliver an efficient and effective service which maximises the resources available to pay for adult learning in the county
- Implement operational plans supporting the priorities of the Gloucestershire Employment and Skills Board
- Work with local employers to create new apprenticeships
- Devise and provide a digital skills strategy, building on the strengths of the Gloucestershire economy in terms of cyber and digital.

Annex 1.4

Community Safety Commissioning Intentions 2021/22

Context

As the Fire and Rescue Authority, Gloucestershire County Council has a legal duty to ensure that a highly effective Fire and Rescue Service is available to our communities at all times. The 2020/21 net revenue budget to run this service was £17.5m.

The Government outlines expectations of English Fire & Rescue Services through the Fire and Rescue National Framework for England. The key priorities set out in the Framework include:

- Identifying and assessing the full range of foreseeable fire and rescue related risks that Gloucestershire faces.
- Making appropriate provision for fire prevention and protection activities and response to fire and rescue related incidents.
- Collaborating with emergency services and other local and national partners to increase efficiency and effectiveness of service provision.
- Being accountable to the communities of Gloucestershire for the service we provide.
- Developing and maintaining a workforce that is resilient, skilled, flexible and diverse.

Locally, the direction is set by the Council Strategy 2019-2022 'Working with Communities and Localities'. The priorities include:

- Encouraging and extending the use of our fire stations as community hubs.
- Targeting community safety advice and support to 'at risk' groups.
- Further developing the innovative work of the Fire and Rescue Service in identifying vulnerable people and helping them to stay safe and well in their homes.

The Fire and Rescue Integrated Risk Management Plan (IRMP) 2018-21 is a statutory document outlining how we match our resources to risks within the county and detailing our objectives which are to:

- Increase the focus on prevention and protection initiatives.
- Explore, further develop and maximise opportunities to collaborate with partners and other stakeholders.
- Reconfigure and reform our Service.

The County Council has agreed that a one year Community Safety Plan for 21/22 will be published based on the current IRMP objectives. This will align the refresh of the IRMP to the Council Strategy which will then set the direction for 2022-2025.

The Fire and Rescue service will build on the recommendations from both the comprehensive audit carried out by Gloucestershire County Council and the recent inspection by Her Majesty's Inspectorate of Constabularies and Fire and Rescue Services (HMICFRS).

Needs Analysis

Our risk information comes from a variety of sources. Currently, the National Fire Chiefs Council are leading a project on identifying data sets that allow us to assess all of the risks to our county to ensure we have resources that can respond most effectively. We will review our data sources and ensure it informs our professional judgment when we decide on the most suitable protection, prevention and emergency response arrangements to put in place to maintain risk at an acceptable level.

What are the risks?

- Injury or death to residents and visitors
- Damage to property
- Disruption to business impacting on the economy of Gloucestershire
- Loss of built and / or natural heritage
- Social impact on communities
- Firefighter safety
- Loss of infrastructure
- Impact on our environment

Gloucestershire is a diverse county covering 2,653 square km and hosting a population of approximately 633,600.

The county is divided into six districts, City of Gloucester, Cheltenham, Forest of Dean, Tewkesbury, Cotswold and Stroud with the main urban centres being Gloucester and Cheltenham where approximately 40% of the county's population live.

It is an extremely attractive place to live and work, with many residents spread across a number of small market towns, villages and hamlets in areas surrounded by countryside.

Population growth remains steady and is predicted to rise by another 7.1% between 2016 and 2036. Gloucestershire is also predicted to have a higher than average number of over 65 year olds, rising by 30,500 to reach 160,200 by 2026. This increase in a higher risk group, coupled with the Government's desire to deliver 'personalised' services to the elderly will have a direct impact on the county's ability to support and deliver services, such as nursing and social care that support safe and independent living.

While the county has some wealthy areas, there are pockets of significant deprivation in Cheltenham and Gloucester with rural deprivation found in the Forest of Dean. There is a proven link between social deprivation and the occurrence of fire.

Over the last 10 years, population growth has been concentrated in the urban areas although there is now a growing tendency towards residential development in more rural locations.

There are a number of factors which contribute to the county's risk profile including:

- National Risk Assessment

The National Risk Assessment is intended to capture the range of emergencies that might have a major impact on all, or significant parts, of the UK. It provides a national picture of the risks we face and is designed to complement our local Community Risk Register. The driver for this work is the Civil Contingencies Act 2004, which defines the meaning of 'emergencies' and what duties and responsibilities are placed on us so that we can prepare for them. Risks covered in the assessment include: severe weather, pandemics, animal disease, major accidents and malicious attacks including cyber-attack and acts of terrorism.

- Local Community Risk Register

Our Local Community Risk Register looks at the likelihood and potential impact of a range of hazards occurring in specific areas. It is approved and published by our Local Resilience Forum (LRF), which includes representatives from local emergency services, public, private and voluntary organisations. In order to produce the Community Risk Register, the LRF use a combination of local knowledge about each risk, as well as guidance provided by central government drawn from the National Risk Assessment.

- Critical National Infrastructure

With its national resilience capability, the Service is part of the response to maintain critical infrastructure in the event of any of the identified risks becoming a reality. Joint working with utility companies and private businesses has been carried out with the LRF and Fire Safety Enforcement, to provide advice to promote business continuity and resilience.

- Severe Weather

As the devastating flood of 2007 demonstrated, communities in Gloucestershire are at risk from the on-going effects of climatic change. Plans to deal with these events are in place and reviewed on a regular basis.

Looking Forward

An extensive Improvement Plan is being prepared following the outcome of the HMICFRS report. There are two key areas of concern which we are currently focussing on, our protection strategy and improving the culture of the Service by embedding new values and identifying acceptable behaviours.

Our long-term expectations are captured in the national fire vision which all fire and rescue services are endeavouring to attain. This includes:

- Developing and broadening our role and partnerships, modernising the response, prevention and protection service for the 21st century.
- Increasing our range of interventions, building on experience in delivering prevention work based on local needs and risks.
- Continuing to play key roles in enforcing fire safety, maintaining a sustainable fire service and recognising the need for a staff establishment sufficient to manage fire risk.
- Recruiting, retaining and developing a workforce that reflects the communities it serves and developing an inclusive culture which supports everyone to do their best.

- Endeavouring to be the partner of choice, working with others to shape our places, delivering increasing value for money and exemplifying effective joint working to meet local and national risks efficiently.

Delivering change

Our commissioning intentions for 2021/22 are:

- Continued implementation of the Gloucestershire Fire and Rescue Service Integrated Risk Management Plan (2018-21) through the development of a one year Community Safety Plan 2021/22.
- Responding to the outcomes of the HM Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) report.
- Reviewing our fire appliance and light fleet strategy.

Specific planned activities for 2021/22 include:

- Further developing and maximising opportunities to collaborate with partners and other stakeholders.
- A complete review of risk across the county in order to publish an up to date IRMP in 2022.
- Implementation of the HMICFRS Improvement Plan in order to address concerns raised.
- Complete the update of the fire control room mobilising technology. The update will increase functionality, improve data capture and utilisation of resources.
- Undertaking a comprehensive review of the operational fleet to ensure that it meets current and future operational needs aligned to risk.
- Establishing and implementing an organisational development strategy to further improve the culture, inclusivity and behaviours of the Service
- Strengthening links with the wider County Council, particularly Corporate Resources.
- Evaluate and review the 20/21 restructure to ensure it meets the correct staffing levels required to effectively deliver the functions and strategic objectives of the Service.

Annex 1.5

Prevention, Wellbeing and Communities (PWC) Commissioning Intentions 2021-22

Responding to the pandemic

As we deal with the ongoing pandemic, the impacts of which are likely to be with us for some time to come, this will require all our resilience to protect our most vulnerable and drive up our economy. There is great strength within our communities, as we have seen again recently, and we must make the most of those strengths.

Covid-19 has shone a light on inequalities. We quickly saw evidence emerging of a disproportionate impact on different parts of society; for example, older people, men and some geographic areas. But by far the biggest impact was seen in people from Black, Asian and minority ethnic backgrounds. Sadly, we have seen a higher number of COVID-19 cases, deaths, hospitalisations and complications in members of these communities. Black and Asian people were between 2.5 and 3 times more likely to be admitted to hospitals in the county with Covid-19 than White people of the same age.

It is important that we seize this opportunity to focus on tackling inequalities and that the learning from the first wave informs not only GCC actions but those of the local system for the second wave. The 2020 Annual Report of the Director of Public Health focuses on the impact of Covid-19 on the BAME community and provides some clear recommendations. Work is also happening via the Health and Wellbeing Board and within the Integrated Care System.

The Covid-19 pandemic has provided an opportunity to not only strengthen existing community and voluntary groups but for new groups to flourish. The shared aim of supporting each other through a global crisis has brought about tangible gains in terms of the County's vibrant VCSE sector. The challenge now is to sustain this.

As part of our response to Covid-19 we have developed the Local Outbreak Management Plan (LOMP) which provides the local road map for the system to prevent, contain, monitor and respond to outbreaks of Covid-19, alongside our Gloucestershire partners. This also includes our work to address health inequalities through the Covid-19 BAME Task and Finish Group, to understand the impact of Covid-19 on these communities.

Whilst our usual priorities, including our mandated functions remain important, much of our resources have had to be re-focussed on the response to Covid-19. And we will be unlikely to make a complete return to 'business as usual' in the near future.

The Covid-19 crisis initiated a new wave of volunteer and community action across the county. The Gloucestershire Community Help Hub received 3500 individuals signing up to give help to their neighbours and communities. Voluntary sector and community groups swiftly switched to remote support for vulnerable people via digital platforms. Staff from all of the Gloucestershire local authorities were redeployed, including Firefighters volunteering for a range of other activities from delivery logistics to management of mobile testing units.

This demonstrated not only the dedication and commitment of both staff and the public to serving their communities but also the value of joint working to resource operations flexibly and the value of strong partnerships in delivering vital services.

Context – background to Prevention, Wellbeing and Communities

The three domains of public health; health improvement; health protection and health care public health, became part of local government's public health function in 2013. Gloucestershire County Council has a statutory duty to promote the health of the Gloucestershire population, and responsibility for commissioning specific public health services, supported by a ring-fenced grant, which was extended to include new responsibilities for 0-5 year olds (health visiting) in 2015.

In 2016 the commissioning hubs were formed and the public health function was aligned with the commissioning function for the provision of support for people in vulnerable circumstances. This provision had previously been commissioned both under the auspices of Public Health targeted services and the Supporting People Strategy 2011 – 2015 as overseen by the Supporting People Partnership Board, made up of district councils, health, Probation and the Council.

The learning and experience gained through the implementation of the Settled, Secure and Safe Lives in Gloucestershire Policy has informed the Council's approach to working with people, communities and partners to ensure provision of support to people in vulnerable circumstances and commits the Council to:

- a joined up and complementary approach to respond to need, providing information and support for people to do more for themselves and their families;
- investing in community capacity to provide support where people live;
- reconnecting adults with their community;
- using intensive support to promote recovery and long term stability; and making a lasting difference and targeting specialist help on those with complex needs

In 2020/21, the public health grant available was £24.281m which included an allocation for 'Agenda for Change' pay implications on contracts with NHS health providers. No details have been received on the provisional allocation for 2021/22 so the same grant total has been assumed at this point. The allocation is based on a national formula linked to health inequality and health need. The Prevention, Wellbeing and Communities Hub also holds £10.105m commissioning budget for people in vulnerable circumstances and wider hub activities. During 2020/21 additional grants were received to fund new responsibilities for test and trace activities in response to the COVID-19 pandemic with £2.221m being received to fund the Local Management Outbreak Plan and further funding being announced by the DHSC to support proactive containment and intervention measures linked to tier levels at £1 per head of population at the medium tier. Other additional expenditure for COVID-19 covers three main areas, shelter for the homeless, additional commissioned mental health services and mortuary planning costs at an estimated cost of £1.465m which will be offset by the COVID-19 general grant received by the Council.

The public health grant is spent on activities whose main or primary purpose is to positively impact on the health and wellbeing of the local population, with the aim of reducing health inequalities in local communities.

Specifically, Gloucestershire County Council is required to deliver a number of mandated functions:

- appropriate access to sexual health services
- health protection assurance functions delegated from the Secretary of State
- ensuring NHS commissioners receive population public health advice (CCG core offer)
- the National Child Measurement Programme (NCMP)
- ensuring those eligible are invited to receive an NHS Health Check
- five mandated points of contact through the health visiting (0-5) service

The conditions of the public health grant also identify further requirements, such as improving outcomes from drug and alcohol treatment services and oral health promotion.

The remaining budget is to ensure provision for those that have poor life experiences creating vulnerabilities from which they may or may not recover. The gap in living well, between them and others, can be wide and difficult to close without help from those around them to resolve issues and build on their strengths. This investment funds services which help support individuals and families to aspire to and achieve independent living and social and economic resilience; and being part of and sustained by their community connections and relationships.

Strategic Direction

Whilst our usual priorities, including our mandated functions remain important, much of our resources have had to be re-focussed on the response to Covid-19, and we won't make a full return to our usual activities in the near future.

Nationally, the strategy for Public Health in England was laid out in the Government's White Paper *Healthy Lives, Healthy People* (2010). More recently the Prevention Green Paper *Advancing Our Health – Prevention in the 2020s* (2019) and the *NHS Long Term Plan* (2019) drive the strategic direction.

Locally, our system's strategic ambition is reflected in the vision presented in Gloucestershire's Health and Wellbeing Strategy: that "Gloucestershire is a place where everyone can live well, be healthy and thrive". This strategy has been refreshed during 2019 and continues to focus on tackling inequalities but also maximising the resources available from the Health and Wellbeing Board member organisations to tackle 'wicked issues' in our system.

Another key strategic driver is the Integrated Care System. *One Gloucestershire: Transforming Care, Transforming Communities*, describes the vision for how publically funded health and social care services can support a healthier Gloucestershire, that is socially and economically strong and vibrant, to achieve an improved and more sustainable health and care system. The PWC Hub will continue to play a key role in influencing the Integrated Care System and will participate in the development and delivery of the Long Term Plan, in particular leading its prevention and self-care plan through both the commissioning of services that contribute to the prevention of health and care needs and providing systems leadership on key societal health issues. In addition the emerging enabling work stream of population health management means that all the constituent

organisations are working together to better understand the data and intelligence they hold, how this can be used to manage demand on the health and care system and therefore target preventative services.

Recent national strategic drivers to prevent the (repeat) risk of harm to people in vulnerable circumstances include:

- Ending Violence Against Women and Girls Strategy 2016 – 19; and impending legislation for domestic abuse – including provisions for male victims;
- Serious Violence Prevention Strategy 2018 – focusing on prevention and early intervention as one of the four main themes. This is also underpinned by guidance on public health approach to reducing violence;
- Rough Sleepers Strategy 2018 - The rough sleeping strategy sets out the government's vision for halving rough sleeping by 2022 and ending it by 2027;
- Homelessness Reduction Act 2017 - modifies and extends existing homelessness protection;
- Children Social Care Act 2017 – extension of duties for care leavers up to 25

The Prevention, Wellbeing and Communities Hub is undertaking piece of work to review our 'ways of working' including how we are configured as a team and how we allocate our officer resource. As part of this we have agreed the following vision and approach to guide our commissioning and wider influencing and enabling roles.

Our Vision:

Helping to make Gloucestershire a place where everyone can be healthy, feel safe, and flourish.

Our Approach:

1. Influencing and enabling colleagues, partners and communities to embed prevention, and reduce health inequalities, through all we do
2. Learning from experience and promoting evidence-based change
3. Collaborating with communities and other stakeholders to make the most of all of Gloucestershire's assets
4. Creative commissioning that enables individuals and communities to act for themselves; building confidence, aspiration and resilience
5. Tackling the root causes of problems to develop more sustainable solutions.
6. Balancing the allocation of resources with delivering improved quality and outcomes
7. Adopting a proportionate approach; being clear about where we can and where we should add value

The Prevention, Wellbeing and Communities Hub have identified the following principles to guide our commissioning intentions:

- We prioritise prevention, self-help/self-care and early intervention, with a view to improving health and wellbeing and changing demand for services;
- We take a strengths-based approach, to make the most of assets and resources within communities, help build community capacity and develop community safeguarding and resilience;
- We work to ensure the best start in life;

- We give equal weight to physical and mental health and wellbeing;
- We focus resources where the need is greatest, helping to address avoidable health inequalities; prevent health, social care and housing crises; reduce risk of harm; targeting the most vulnerable;
- We work across GCC and the wider system, with health, social care, housing and other partners.

The Local Government Association has identified that investment in public health leads to reduced pressure on national and local government and the NHS, saving money that can be further invested in prevention and early intervention. This, in turn, through improved health and wellbeing and health equality, leads to further reductions in pressure on care services. Systematic primary prevention is critical to reduce the overall burden of disease in the population. It is estimated that 80% of cases of heart disease, stroke and type 2 diabetes, and 40% of cases of cancer could be avoided if common lifestyle risk factors were eliminated (WHO, 2005). Secondary prevention, involving detecting the early stages of disease and intervening before full symptoms develop (for example through the NHS Health Check programme) is often cost effective, and if implemented at scale, would rapidly have an impact on life expectancy (Kings Fund, 2013).

Needs Analysis

The Joint Strategic Needs Assessment (JSNA) is a strategic planning tool that brings together the latest information on the health and wellbeing of people who live in Gloucestershire and people who use Gloucestershire public services and underpins the Health and Wellbeing Board's Strategy. It tells us that overall Gloucestershire is one of the healthiest counties in England. Health outcomes are above the national average and deaths from the major diseases like cancer, heart disease and strokes are below the national average and falling.

However the picture in Gloucestershire is not perfect. There are areas of Gloucestershire where residents experience poorer health than the England average. Additionally, the health of people living in Gloucestershire has not been improving over time as seen in other parts of the country. Although life expectancy at 65 years of age is better in Gloucestershire compared to England overall, it is not improving in line with the national trends for life expectancy, especially for females. The age to which men in Gloucestershire can expect to live with good health has been declining since 2010. This, coupled with the fact we have an ageing population, presents our biggest challenge.

The three leading causes of death in Gloucestershire are cancer (28.6%), circulatory disease (24.0%) and respiratory disease (13.2%). However, there are differences across the districts of Gloucestershire. When looking at age-standardised mortality rates for the county, Tewkesbury district has the highest cancer mortality rate, Cheltenham district has the highest circulatory disease mortality rate and Gloucester district has the highest rate for respiratory deaths.

Lifestyle factors such as smoking, poor nutrition, physical inactivity and alcohol misuse are important contributors to most preventable diseases. Unless we take early action to support individuals, families and communities to take steps to improve their own health and wellbeing now, we will not be able to resource the increases in people with ongoing care

needs in the future.

Through the improved co-ordination of services and monitoring of targeted services we have been able to identify a cohort of people in vulnerable circumstances with entrenched behaviours resulting from historic and/or long term adverse experiences. We have observed how this group often move in and out of services; have high level of involvement of health and the Police, and those who repeatedly fail to sustain accommodation due to their very high and complex needs. A co-ordinated partnership response to this evidence has resulted in attracting additional investment to jointly commission a person led and outcomes based response to better meet the needs of this cohort. We continue to explore in partnership opportunities to design and commission a model that could meet shared objectives of managing demand across the wider health, social care and housing system with a targeted focus on prevention and community capacity building.

Between the 1st March 2020 and 4th July 2020 (when lockdown was eased across England) the County Council's Community Help Hub received 4,598 requests for help. Some requests required multiple forms of support, making 6,738 separate support requests. The most common type of support requested involved help accessing food and general supplies, accounting for 82.1% of total support requests.

Medium Term Financial Strategy 2021/22

Approved investments of £1.169m have been submitted for 2021/22 to meet shortfalls in Agenda for Change pay uplifts, continuation of mental health contracts for a year following the impact of COVID-19, and pressure within services such as domestic abuse and substance misuse. One-off funding has been proposed to enable the completion of the child weight management pilot and it's evaluation which will inform future investment decisions. Savings of £0.327m were realised in 2020/21 and a further £0.171m will be achieved in 2021/22 through the planned reduction in contract values (healthy lifestyles, sexual health and mental health) as services are commissioned and provided in other ways.

Major recommissioning projects make up a significant portion of the allocated public health grant and, in 2021/22, the team's focus will continue the shift from recommissioning and remodelling activity to overseeing the implementation of new services, the 'core business' activity of contract management and developing the systems leadership role of public health and prevention, for example, working with the police to lead our local approach to addressing Adverse Childhood Experiences (ACEs) and implementing a whole systems approach to obesity prevention building on our learning as partners in the national whole systems obesity programme. This learning will also be applied to other agendas including the development of an oral health promotion strategy and supporting the implementation of Gloucestershire Moves, the countywide approach to improving physical activity levels, led by Active Gloucestershire.

Savings in the wider hub's commissioning activity have been realised through the continued reshaping of services that shifts towards developing more flexible, generic services that will help the programme to adapt to shifts in the pattern of needs; with a reduced reliance on accommodation-based services.

Again, as referenced earlier whilst these priorities remain important to us, whilst we are leading the response to the pandemic we are unlikely to return completely to non-covid

business.

Looking Forward

The public health grant allocation is a ring-fenced grant and the expectation is that it will be fully spent. However, the Comprehensive Spending Review (CSR) in 2015 brought about a reduction in the public health grant over the four-year period to 2019/20. Whilst the four major public health recommissioning projects were completed during 2019/20, further reductions will need to be met through the review of individual elements of spend in 2021/22 and will continue to focus on the PWC Hubs influencing and knowledge management and decision-making support roles. Helping people to stay healthy and live independently for longer and ensuring children have the best start in life are major contributors to reducing cost pressures in the medium and longer term. As such, our prevention activity plays a key role in supporting the new Council Strategy and therefore the commissioning intentions of other parts of Gloucestershire County Council, including children's and adult social care, as well as the wider system.

Contract arrangements for Community Based Support (CBS) and Accommodation Based Support (ABS) end dates have been aligned so that we can remodel and retender the entire provision of ABS and CBS to take a 'whole system approach' to develop those services and pathways that enable independent living and prevent homelessness. Savings will be realised during the programme through reductions in community based support in line with utilisation and reduce capacity of accommodation based support in line with demand. This will be undertaken in parallel with key partners regarding the opportunities to align investment and models to achieve shared outcomes and objectives.

Delivering Change

As mentioned above our commissioning intentions remain important to us, however whilst we are leading the response to the pandemic we are unlikely to return completely to non-covid business.

Our commissioning intentions for 2021/22 are:

1. Deliver mandated functions where they have not been paused by NHS England due to C:19
 - NHS Health Checks, Sexual Health, National Child Measurement Programme, Health Protection, Core Offer to the CCG & Health Visiting service
2. Deliver our driving change projects:
 - Local Outbreak Management Plan (LOMP)
 - Establishment of multi-purchaser, multi provider pseudo framework for Community and Accommodation Based Support services (CABS).
3. Engage and influence partners to improve the public's health and ensure support for people in vulnerable circumstances and the building and harnessing of communities' capacity
 - address health inequalities through the Covid-19 BAME Task and Finish Group

- support mental health and wellbeing through the Covid-19 Mental Health & Wellbeing Cell; working with partners to ensure support is available to people, especially those in vulnerable circumstances.

4. Develop and embed health and wellbeing in GCC business

Specific planned activities for 2021/22 include:

1. Delivering our mandated functions: add same comment

- NHS Health Checks –monitor the more targeted approach to the delivery of NHS Health Checks via GP practices
- Sexual Health – provision of STI testing and treatment; and contraceptive services
- National Child Measurement Programme
- Health Protection functions
- Core Offer to the CCG – supporting the implementation, monitoring and evaluation of initiatives delivered as part of the shadow integrated care system
- Health Visiting service – embed the reshaped public health nursing service.

2. Deliver our driving change projects:

- Continue to promote and deliver the integrated healthy lifestyles service including the implementation of targeted lifestyle support to pregnant women and young children (first 1001 days), the delivery of a healthy workplace accreditation scheme and rolling out the schools based peer support programme aiming to build resilience and reduce the uptake of 'risky' behaviours including smoking, drug taking and gambling. We will continue to offer Making Every Contact Count (MECC) and health coaching training We are also undertaking a review of the overall adult weight management offer (including CCG commissioned elements) with a view to improving the offer to meet wider needs.
- Continue to monitor and seek opportunities to strengthen the delivery of sexual health and contraceptive services in primary care; and work with the Specialist Sexual Health Service to roll out the routine commissioning of Pre-Exposure Prophylaxis for HIV.
- Embed the Maternity Contraception pilot in mainstream commissioning; enabling vulnerable women to access contraception postnatally as part of the maternity pathway.
- Recommission the Sexual Health: prevention service ('Developmental Services') focused on the provision of behaviour change and health education interventions for groups at risk of poor sexual health.
- Implement and evaluate the community based (tier 2) children's weight management services (joint commissioning activity with GCCG)
- Implement the new contract for the Pupil Wellbeing Survey (formally Online Pupil Survey) and support the delivery of the survey in 2021
- Continue to work with the Children and Families Hub and the CCG to scope out a health and care model for children and young people aged 0-19
- Implementation and mobilisation of call off contracts from community and accommodation based support framework
- Consolidate the changes made to drug and alcohol recovery services in 2017, with a particular focus on ensuring that there is coordinated harm reduction offer and a clear pathway for those with co-existing substance misuse and mental health conditions.

- Work with the Education Hub to review the Gloucestershire Healthy Living and Learning offer.
- Review our breastfeeding support offer, incorporating the outputs from the Breastfeeding Social Marketing project (October 2019 - September 2020).
- Complete the most recent Suicide Audit; and the refresh of the Gloucestershire Suicide Prevention Strategy. Alongside this, implement the local proposals approved under the NHS England Suicide Prevention Transformation programme, including the GloW (Gloucestershire Wellbeing) community grant scheme; and review and develop the support provided to those bereaved through suicide.

3. Engage and influence partners to improve the public's health.

- Deliver the Outbreak Management Plan to help prevent, contain, respond to and monitor Covid-19 in Gloucestershire;
- Working with partners to review our approach to make sure we are focussed on prevention and on reducing health inequalities, including through the impact of Covid19;
- Work with the Clinical Commissioning Group and other partners to ensure that Mental Wellbeing is available to those affected by COVID-19 & the lockdown restrictions and work with partners to make the promotion of mental wellbeing 'everyone's business'.
- Providing COVID19 support to high risk settings such as Care Homes, Schools, Universities & Supported Housing
- Actively working with the Clinical Commissioning Group and other partners to support the implementation of the NHS Long Term Plan including steps to embed prevention and to reduce health inequalities
- Support the implementation of the new Health and Wellbeing Strategy
- Work with community organisations to develop innovative approaches to addressing health inequalities in key population groups
- Continue to work across the system to implement a whole systems approach to reducing obesity
- Continue to support the implementation and evaluation of 'We Can Move' (formerly Gloucestershire Moves) countywide physical activity programme
- Supporting the development and implementation of Gloucestershire Moves – Gloucestershire's programme to promote active lifestyles
- Supporting the Health and Wellbeing Board as it seeks to embed our approach to Adverse Childhood Experiences (ACEs) and how an ACEs informed approach should be taken forward in Gloucestershire
- Lead the implementation of the countywide oral health promotion strategy and plan
- Work with our regional and national partners, such as Public Health England and the Association of Directors of Public Health, to support delivery of the national agenda to promote mental wellbeing and prevent suicide.
- Support the development of the ICS staff health and wellbeing agenda via the ICS OD delivery group
- Implementation and mobilisation of call off contracts from Domestic abuse multi purchaser and provider framework
- Continue to work across the system to implement our whole systems approach to supporting people in vulnerable circumstances

- Support the Children and Families Hub and wider agencies, to deliver a Gloucestershire strategy for children and young people, underpinned by a collaborative governance framework.

4. Develop and embed health and wellbeing in GCC business:

- Build on the feedback from the 2018 LGA Peer Review of Prevention to co-ordinate and develop the community offer across the whole care sector. Working within prevention and early intervention elements of the operating model and being cognisant of how the system works and how changes to the community offer can affect demand elsewhere.
- Further develop our growing influence on the wider determinants of health, specifically planning policy and the planning of new housing developments and the development and delivery of the Local Industrial Strategy.
- Continue to support implementation of GCC's workplace health and wellbeing plan.

Annex 1.6 - Corporate Resources Commissioning Intentions 2021/22

Context

Corporate Resources is the directorate of Council services which support governance, internal infrastructure and the smooth running of the organisations front line services. It is therefore impacted by most of the factors listed in the Commissioning Intentions of the other Directorates, but it also has to consider the wider outcomes of not just the Council, but also our partner organisations and national/regional policy networks.

- **Growing demand** - there is increasing demand for council services, which means we still have to make prudent decisions in order to make our money go further. We can't afford to do everything we want to do, so have to prioritise our resources to where they can have the greatest impact and continue to drive efficiencies at all levels of the organisation.
- **Growing expectations** - customers expect more choice in the way they interact and communicate with us; and services to be tailored and personalised to their needs and the way they want to live their lives. Customers are more empowered through social media and other means to make their views known, and better informed about their rights as citizens.
- **Partnership landscape** – all of our key challenges as a county and a council require us to work with partners across the public, private, voluntary and community sectors. The partnership landscape is increasingly complex to navigate. We need support services that enable and facilitate collaboration and joint working, and staff that are comfortable working across traditional boundaries of sector and specialism.
- **Impact of COVID-19** – we anticipate that this will continue to dominate much of our work for the first part of the year at least, but will also have much wider ramifications for the way we work in the longer term.
- **Financial uncertainty** – for the second year in a row the Finance Settlement for 2021/22 will only cover a 12 month period. This lack of certainty about the level of resources beyond this time horizon makes medium / longer term planning uncertain. The Fair Funding Review, the Business Rate Review and a long term solution to funding Social Care have all been put on hold.

Strategic Direction

These are the key themes of our organisational direction of travel:

- Digitalisation and modernisation:
 - Continuing our journey to be a Council that is modern and digitally-enabled. Supporting and enabling a greater range of council services to be available online.
 - Exploiting technology to improve customer choice and experience and promoting self-service to reduce demand.
- Data driven council:
 - Using data and analytics to develop a better understanding of our customers, their needs and preferences and the impact our services are having on their lives.
 - Better use of data as a corporate asset – making it easier for staff and customers to find the information they need, within a properly governed environment
 - Laying the foundations to be able to exploit machine learning and artificial intelligence in the future.
- A Customer-focussed, enabled workforce:
 - Ways of working that respond to the needs of our customers, but also allow our staff flexibility to maintain a healthy work-life balance
 - Managing for outcomes not for outputs
 - Agile working enabling staff to work wherever they are, and using that to drive productivity
 - Office and other accommodation that supports agile working and reduces the councils carbon footprint
- Customer:
 - Having a single view of our customers
 - More clear and consistent customer offer across services, supported by modern technology

Needs Analysis (What are the trends driving our business)

The trends that drive our business are the same ones that affect the Council as a whole and are described in the other commissioning intentions.

- Growing needs of vulnerable children:
 - Supporting Children's Services improvement
 - Increasing number of children and young people in legal proceedings or pre-proceedings
- Growing school-age population:
 - Increasing the physical capacity of our education system and supporting school building and expansion
- Ageing population:
 - Requires us to develop better use of data to manage demand and target preventative activity more effectively

- Increasing number and complexity of information requests
- The recruitment and retention of employees in hard to fill, critical positions
- Tackling issues in recruiting and retaining qualified and experience staff in certain critical positions. There are a number of factors influencing this including a shortage of those with the right skills and experience; our salaries falling behind other councils and the private sector; the perception of local government; the aging profile of our workforce means that there is an ongoing loss of key experienced workers.
- Impact of COVID:
 - In the short term, has placed significant additional demands on most if not all of our services:
 - **Communications** – Keeping our communities and stakeholders informed and advised
 - **HR / Occ Health** – supporting the wellbeing of staff
 - **Performance, Data & Analysis** – supporting decision-makers with accurate data to understand the development of the pandemic and target our response
 - **AMPS / Health & Safety** – adapting our estate and ensuring our buildings and facilities are COVID secure
 - **ICT** – responding with pace to support the vast majority of our staff to work remotely
 - **Finance** – managing additional grants, government reporting and monitoring requirements, as well as responding to the extra pressures put on service budgets as a result of the pandemic
 - **Procurement** – working with commissioners to ensure that the market is able to provide the services that the council needs and with our key providers to support their resilience
 - **Legal** – supporting the implementation and use of new powers of direction and enforcement.
 - **Internal Audit** - Covid-19 has resulted in an increase in fraud referrals to the Counter Fraud Team within Internal Audit.
ARA Shared Service has been providing independent assurance that the key new/emerging covid-19 risks to organisational objectives are being managed efficiently & effectively and supports improvement & good governance.
 - **Insurance Services** – responding accordingly to the council's service operating model changes and risk profiles.
 - **All services** – supporting business continuity and providing flexible additional capacity as required to respond to the changing demands on the Council's services

Medium Term Financial Strategy

List major areas of growth and savings

- Investment in:
 - Digital to achieve a step forward in the capability, capacity and stability of our systems
 - Investment in Legal services to meet growing demands for Children's legal proceedings
- Savings from:
 - Efficiencies from digitalisation / automation across all areas
 - More efficient use of our estate and agile working

Looking Forward

Specific areas of activity for next year:

- Continue delivery of our Worksmarter Digital Programme:
 - Implementation of redesigned ICT service
 - Mobilisation of new ICT support contracts
 - Roll out of Office 365
 - Roll out of software to provide electronic signatures
 - Improve facilities for online storage
- Roll out agile working across the Council:
 - Design the 'office of the future'
 - Ensure all staff have the equipment and skills they need to work flexibly
- Develop the capacity of our Legal Services team:
 - Recruit and develop Paralegals and Legal Assistants through our 'Grow our Own' programme
 - Implement a quality practice model and a new case management system
- Manage the 2021 election and the induction of new members:
- Streamline and modernise governance processes:
 - Complete the end-to-end review of the council's constitution
 - Continue to streamline the Council's decision-making processes
 - Launch and disseminate Procurement Toolkit
- Develop a stronger Information Governance culture
 - Implement the recommendations of the ICO audit
 - Review capacity and processes for managing requests
 - Achieve N3 compliance
 - Develop a business case for scanning of physical records
- Continue to review, rationalise and maximise income from our property estate
 - Deliver £150k savings
 - Quayside development phase 2
- Roll out the next phase of Power BI dashboards
- Upgrade our core system for finance, HR, procurement and employee/manager self service
- Develop our Equality, Diversity and Inclusion Plan

Annex 2 – Budget Movements by Service Area

Medium Term Financial Strategy – 2021/22 Budget – Overall Summary

Budget Area	Approved 2020-21 Budget	Removal of 2020-21 One Off Budget Adjustments	Agreed Budget Transfers between Service Areas	MTFS 2020/21 Base Budget	Pay Inflation Costs	Cost Increases	Cost Reductions	Approved 2021/22 Budget	Cash Increase / Decrease	Percentage Increase / Decrease
	£'000	£000	£000	£'000	£000	£000	£000	£'000	£000	%
Programme Budget Areas										
Adults	150,490	-	341	150,831	1,031	7,864	-3,193	156,533	6,043	4.02%
Vulnerable Children	100,694	-1,761	-498	98,435	1,131	6,131	-4	105,693	4,999	4.96%
Other Children Services	17,970	-	139	18,109	281	2,600	-112	20,878	2,908	16.18%
Economy, Environment and Infrastructure	72,553	-4,505	2,660	70,708	453	5,174	-447	75,888	3,335	4.60%
Community Safety	19,519	-	-	19,519	374	129	-13	20,009	490	2.51%
Prevention & Wellbeing	34,387	-60	-61	34,266	45	1,426	-171	35,566	1,179	3.43%
Corporate Resources	35,066	-2,110	939	33,895	734	923	-961	34,591	-475	-1.35%
Technical & Countywide	37,504	498	-3,520	34,482	30	1,198	-1,860	33,850	-3,654	-9.74%
Total Budget	468,183	-7,938	-	460,245	4,079	25,445	-6,761	483,008	14,825	3.17%

2021/22 Adults Budget including the National Adult Social Care Levy

	Cost Increases	Cost Reductions	
	£000	£000	£000
Approved MTFS 2020/21 Budget			150,490
Removal of 2020/21 One Off Budget Increases			-
Additional Ring Fenced Grant Funding now rolled into Base Budget			-
Agreed Service Budget Transfers			341
Starting Budget (2020/21 Revised Budget)			150,831

Budget Changes:

Cost Increases

Pay Inflation (2%)	764
Additional Pay Inflation (0.75%)	267
National Living Wage (Providers)	875
Bed Based and Community Based inflationary assumptions	2,826
Demand Pressures linked to net demographic growth	4,022
Learning Disabilities Transforming Care Programme	141

Cost Reductions

Adult Single Programme: supporting the strategic direction of keeping people safe and independence, ideally within their own home. Continuing supporting prevention to delay and avoid more expensive care support and supporting the integration of Health and Social Care to deliver positive outcome for individuals. There are continued targets to manage future demand expanding the model of reablement, working in a multi-disciplinary way and also investing in social care to avoid crisis. As well as listening to our service users and improving the customer journey through the three tier conversation at the frontline of adult services.	-3,193
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TOTAL NET CHANGE	8,895	-3,193	5,702
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2021/22 Adults Budget including National Adult Social Care Levy	156,533
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2021/22 Children and Families Budget - Vulnerable Children

	Cost Increases £000	Cost Reductions £000	£000
<u>Budget Changes:</u>			
Approved MTFS 2020/21 Budget			100,694
Removal of 2020/21 One Off Budget Increase			-1,761
Agreed Service Budget Transfers			-498
Starting Budget (2020/21 Revised Budget)			<u>98,435</u>
<u>Cost Increases</u>			
Pay Inflation	859		
Additional Pay Inflation (0.75%)	272		
Agency Social Workers additional costs - Based on an average of 65 agency staff in established posts across the year, reduced from 100 agency staff last year. The funding was allocated on a one-off basis in 20/21 so a further one-off bid is required to cover the on-going costs	1,000		
External Placements. Rise in number and cost of placements - the increase is based on a total children in care population of 760 with 39%, 296 in external placement at a unit price of £103,600. This requires an additional £4.017m to be added to the current budget. Current placement numbers are 317, excluding C19, and will be linked to the in-house fostering service which should reduce the number of external placements. £1m to be found from 20/21 MTFS bids held back	3,500		
Child Protection Conference Chairs/IRO's. Cost pressure to cover staff regrading to bring them into line with team managers (£111k); also covers the cost of ICT equipment for student social workers in the academy (£30k)	141		
Fostering/Adoption/SGO & Child Arrangement Allowances. Child allowances based on 20/21 increase 2.05%, carers fees 0.7% (May CPI), contract 2%. Increase is against the budget which will cover number of allowances as follows:- Fostering 417, Child Arrangement Orders 23, SGOs 390, Adoption 174.	233		
SGO'S Increased Numbers. Forecast July £340k O/S. Activity increased from 40 starters estimated to 73 in 19/20. 70 new SGOs assumed in 20/21 and on-going. The model is based on the actual numbers at the start of the year 20/21 (390) less estimated leavers (17) and starters (70) which are profiled over the year. This has reduced by £78k equivalent to 9 SGOs	875		
Child Protection Case costs - Increase required in the non-legal disbursement budget for child protection cases. Cost of legal fees for expert advice has increased due to an increase in care proceedings. Overspend in 19/20 £236k with £100k added into the budget through the MTFS in 20/21.	100		
<u>One Off Cost Increases</u>			
Interim Commissioning /Operational Staff (One-off). Delayed recruitment to posts due to Ofsted inspection being delayed due to COVID-19 - timing of recruitment will impact on funding required.	282		
<u>Cost Reductions</u>			
Income Target		-4	
TOTAL NET CHANGE	7,262	-4	7,258
Children & Families - Vulnerable Children Budget 2021/22			<u>105,693</u>

2021/22 Children and Families Budget - Other Children Services

	Cost Increases £000	Cost Reductions £000	£000
Approved MTFS 2020/21 Budget			17,970
Removal of 2020/21 One Off Budget Increase			-
Agreed Service Budget Transfers			139
Starting Budget (2020/21 Revised Budget)			<u>18,109</u>
<u>Budget Changes:</u>			
<u>Cost Increases</u>			
Pay Inflation	210		
Additional Pay Inflation (0.75%)	71		
Home to School Transport Inflation - Costs have been increasing as routes are retendered and this will have included the new living wage (NLW) potential costs since no increases have been given out to providers. A 2% increase in costs would require £239k.	200		
Home to School Transport - Current overspend is forecast at £1.6m (excluding COVID-19 costs), market is struggling to maintain standards and new contracts are submitted at a higher cost. SEN routes are predicted to increase by 236 between Jan 20 and Jan 22. Measures being taken to reduce over-spend include reviewing high cost transport for alternative providers/options; cutting any discretionary services, potential for in-house service; solo routes; ticket prices and also to develop the market	2,000		
Supporting Children with SEND - Increase in number of Education, Health and Care Plans (EHCPs) assumed at 300 to 350 a year and 450 CYP with SEN support - additional staff required to support this need and will include 1 FTE SEN support (RB1), 2 FTE EHCPs (Grade 10), 2 FTE Assistant Education Psychologist	200		
<u>One Off Cost Increases</u>			
Children at risk of Exclusion pilot fund	100		
Preparation for school / early years fund (building on previous DfE funding)	100		
<u>Cost Reductions</u>			
Education Pensions: Reduce the budget based on an assessment of the reduction in no. of pensioners and spouses based on age and trends		-100	
Income Target		-12	
TOTAL NET CHANGE	2,881	-112	2,769
Children & Families - Other Services Budget 2021/22			<u>20,878</u>

* This budget excludes the ringfenced Dedicated Schools Grant (DSG).

2021/22 Economy, Environment and Infrastructure Budget

	Cost Increases £000	Cost Reductions £000	£000
Approved MTFS 2020/21 Budget			72,553
Removal of 2020/21 One Off Budget Increase			-4,505
Agreed Service Budget Transfers			2,660
Starting Budget (2020/21 Revised Budget)			<u>70,708</u>
Budget Changes:			
<u>Cost Increases</u>			
Pay Inflation	339		
Additional Pay Inflation (0.75%)	114		
NLW Inflation (Providers)	6		
Contract Inflation	3,067		
Revenue costs associated with EE&I Capital Bids	17		
Railway Partnership	50		
Reduced income from commercial waste landfill royalties due to increased recycling options available. Reducing waste to landfill is part of GCC's climate change strategy so although we are receiving less income on commercial landfill royalties we are inline with the overall Climate strategy.	60		
In house traffic Mgt. (Walking, cycling, bus priorities & road safety urban traffic work)	350		
Strengthen the senior management team within EE&I Structure	441		
Libraries District Innovation Labs	123		
<u>One Off Cost Increases</u>			
Carbon reduction pathway	70		
20 mph speed zones	100		
Cancelling planned increase to parking permits, with enforcement funding maintained.	33		
Highways Local- Additional £10k per Councillor	530		
Apprenticeships	100		
Nuclear South West Fusion bid at Berkley/Oldbury	60		
School Street pilot extension for remaining districts	100		
Barriers to mobility report actions reserve	67		
<u>Cost Reductions</u>			
Reduce Food Waste Agreements payments to WCAs.		-72	
Income Target		-375	
TOTAL NET CHANGE	5,627	-447	5,180
Economy, Environment and Infrastructure Budget 2021/22			<u><u>75,888</u></u>

2021/22 Community Safety

	Cost Increases £000	Cost Reductions £000	£000
Approved MTFS 2020/21 Budget			19,519
Removal of 2020/21 One Off Budget Increase			-
Agreed Service Budget Transfers			-
Starting Budget (2020/21 Revised Budget)			<u>19,519</u>
<u>Budget Changes:</u>			
<u>Cost Increases</u>			
Pay Inflation (2%)	334		
Additional Pay Inflation (0.75%)	40		
Continual professional development (CPD) increase for grey book staff to ensure parity with those paid by similar Fire and Rescue Services.	43		
Increase to Civil Protection Team staffing to allow provision of 24/7 cover in case of county wide emergencies and provide sufficient resource to cover the wider range of duties the team are responsible for.	86		
<u>Cost Reductions</u>			
Income Target		-13	
TOTAL NET CHANGE	<u>503</u>	<u>-13</u>	<u>490</u>
Community Safety Budget 2021/22			<u><u>20,009</u></u>

2021/22 Prevention & Wellbeing Budget

	Cost Increases £000	Cost Reductions £000	£000
Approved MTFS 2020/21 Budget			34,387
Removal of 2020/21 One Off Budget Increase			-60
Agreed Service Budget Transfers			-61
Starting Budget (2020/21 Revised Budget)			<u>34,266</u>

Budget Changes:

Cost Increases

Prevention staff - Pay Inflation	42
Additional Pay Inflation (0.75%)	3
Full year effect of integrated maternity contraception service approved in 20/21. This is the full year effect of the service agreed by full Council in February 2020 to secure the continuation of the Maternity Contraception Programme which helps prevents repeat unplanned pregnancies in vulnerable women.	42
Agenda for Change Costs. Contract inflation for NHS pay awards - included in grant but not passed on to the Prevention service in 20/21. This affects circa 250 FTEs mostly Health Visitors and School Nurses. Figures are still under review awaiting actual costs from Gloucestershire Health and Care NHS Foundation Trust	597
Domestic Abuse Services as a result of C19 impact. All national and local assumptions point to an increased demand on the Domestic Abuse system. The pressure includes additional support into 4 areas – support to the MASH (£30k 1 FTE), core service provided by Gloucestershire Domestic Abuse Support Service (£60k 2 FTEs), perpetrator programme (£27k 1 FTE) and STREET Gloucestershire which supports Young people who have witnessed Domestic Abuse (£50k 1.8 FTE).	167
Support for repeat rough sleepers and homeless clients. This investment will contribute to the joint funding (with District Councils) of a support service targeting those who have been rough sleeping or are long-term homeless, and face complex and overlapping barriers to accessing and staying in accommodation, such as drug/alcohol misuse, offending history, or mental ill health. It is aimed at people who will have suffered large amounts of trauma within their lives, with this trauma manifesting itself in challenging behaviour. A number of individuals have been identified during the 'Bring Everyone in' activity during the pandemic who need bespoke housing and support solutions to enable them to successfully sustain accommodation.	50

2021/22 Prevention & Wellbeing Budget Continued

	Cost Increases	Cost Reductions	
	£000	£000	£000
Intensive substance misuse treatment (residential rehab or inpatient detox) for Housing First clients - This additional investment will provide dedicated intensive substance misuse treatment to enable clients to sustain accommodation through the Housing First model. Whilst they will be receiving the standard level of commissioned support and treatment from CGL, this will enable support workers to quickly access additional, targeted residential rehabilitation, inpatient alcohol detox and other specialist solutions where they are considered to be a vital part of the package that helps sustain accommodation.	100		
One Off Cost Increases			
Mental Health Services commissioned due C19 impact (One Off). The funding will enable the recommissioning for up to 12 months of some of the additional mental health support for adults and CYP put in place to increase capacity in the system to deal with the expected increase in mental health issues during the pandemic. The services fill a gap in the county's existing commissioned mental health services with respect to early intervention, open access, anonymous universal support. The short contract period will enable a fuller assessment to be made of ongoing need/demand to inform future commissioning decisions.	250		
Children's weight management service (pilot continuation) One Off - In the absence of an off-the-shelf children's weight management intervention, and difficulties in engaging families in weight management, GCC commissioners have co-produced an offer with a specialist provider (BeeZee Bodies) and local families. The resulting offer, the first of its kind in the UK, was to be piloted and evaluated during 2020, but the core face-to-face element has been paused due to COVID-19. Early learning from the pilot has highlighted the complexity of needs among local families affected by obesity and the scope for an intervention of this nature to benefit both families and wider council services. This one-year investment would fund the completion of the pilot during 2021/22 and the current independent evaluation and cost/benefit will be undertaken to underpin the case for recurrent investment into a countywide service from April 2022.	170		
Food projects	50		
Cost Reductions			
Reduce research fund within Healthwatch contract		-16	
Mentalk/Girl talk decommissioning - Current contracts were coming to an end and the requested investment will provide a service to a wider range of young people (including those not in schools) than the numbers reached via the Mentalk/GirlTalk programme		-40	
Sexual health: release prevention fund - Overall investment in prevention across the sexual health portfolio has increased due to GCC funding for the maternity contraception programme (approved in 19/20) and DHSC funding for PrEP (the HIV prevention drug). This means we can release some uncommitted prevention funding from the separate 'sexual health prevention' cost centre; while still increasing overall investment in preventative interventions.		-35	
Agreed changes to funding for Gloucestershire Money Advice Service (GLOMAS) - Planned withdrawal of grant agreed with provider across 2 years.		-5	
Renegotiate scope & focus of healthy lifestyles service - Planned reductions in the healthy lifestyles contract across 4 years		-25	
Reduction in the nicotine replacement therapy (NRT) budget as current activity is below budget in 19/20 and 20/21.		-50	
TOTAL NET CHANGE	1,471	-171	1,300
Prevention & Wellbeing Budget 2021/22			35,566

2021/22 Corporate Resources Budget

	Cost Increases	Cost Reductions	
	£000	£000	£000
Approved MTFS 2020/21 Budget			35,066
Removal of 2020/21 One Off Budget Increase			-2,110
Agreed Service Budget Transfers			939
Starting Budget (2020/21 Revised Budget)			<u>33,895</u>

Budget Changes:

Cost Increases

Pay Inflation (2%)	533
Additional Pay Inflation (0.75%)	201
Legal - Additional Child Protection Legal Resource. This is assist with the growth in children Social Care and the partial suspension of court activity during COVID. Legal resource was referenced in the recent focussed visit.	373
ICT - Estimated increase in cost of operating core ICT services. A new operating model will also develop in-house services from April 2021. A strategy has been produced which includes Enterprise Support (2nd, 3rd line technical support), Systems Management (tooling) delivery and support, Security Operations, LAN / WAN management and support, Cloud Hosting and Operations. The strategy also includes an ITSM tool to support the in-house service desk. £2.111m was added to the base budget in 20/21 of which £487k is permanent and £1.635 million is one off. Included in the £1.635 million was a one off £1m Developing & procuring the right ICT service for the future	500

One Off Cost Increases

ICT - Upgrading remote sites connectivity . One off cost improve connections to key locations, ensuring they are developed to an equivalent standards to Shire Hall with regard to enabling telephony, broadband, wifi.	50
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Cost Reductions

20/21 AMPS Building efficiencies for reduction in use	-150
Reduce capacity for one-off projects	-103
ICT: savings from WAN upgrade	-175
AMPS: savings / additional income from Quayside House phase one	-110
Operational Efficiencies	-321
Income Target	-102

TOTAL NET CHANGE	1,657	-961	696
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Corporate Resources Budget 2021/22			<u>34,591</u>
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2021/22 Technical and Countywide Budget

	Cost Increases	Cost Reductions	
	£000	£000	£000
Approved MTFS 2020/21 Budget			37,504
Removal of 2020/21 One Off Budget Increase			498
Agreed Service Budget Transfers			-3,520
Starting Budget (2020/21 Revised Budget)			<u>34,482</u>
<u>Budget Changes:</u>			
<u>Cost Increases</u>			
Pay Inflation (2%)	22		
Additional Pay Inflation (0.75%)	8		
MRP - Highways. This accounts for the debt charge in the highways capital programme. The actual charge will depend on the capital spent. The expected borrowing for the programme is £39m and the useful life of this asset is 25 years. This gives a charge of £1.56m. £1.08m has already been set aside in previous budget setting.	480		
MRP- Cheltenham School. This accounts for the debt charge of capital cost. The actual charge will depend on the capital spent. The expected borrowing is £15m and the useful life of this asset is 50 years. This gives a charge of 0.3m, £0.2m is has already been set aside in previous budget setting.	100		
MRP Quayside Development. This account for the debt charge of capital cost. The actual charge will depend on the capital spent . The borrowing is £7.55m and the useful life of this asset is 50 years. This gives a charge of 0.151m.	151		
Pay and Price Contingency – the impact of Covid on future price increases is uncertain therefore a pay and price contingency has been created from the lower than anticipated increase in National Living Wage. This contingency will be available to fund higher than anticipated in year price increases.	454		
Transfer to Rates Retention Reserve	13		
<u>Cost Reductions</u>			
<u>Customer - Property Disposals</u>			
LGPS savings generated from reductions in employers contribution rates agreed with actuaries following tri-annual valuation		-1,700	
Reduction in MtC Savings Contingency in line with reduced savings target in 2021/22		-160	
TOTAL NET CHANGE	1,228	-1,860	-632
Technical and Countywide Budget 2021/22			<u>33,850</u>

Annex 3 – Budget Summary by Service Area

Medium Term Financial Strategy – 2021/22 Budget – Overall Summary

	2020/21 Employee Related Budget	2020/21 Non - Employee Expenditure Budget	2020/21 Gross Expenditure Budget	2020/21 Income	2020/21 Revised MTFS Base Budget	Pay Inflation Costs	Cost Increases	Cost Reductions	Approved 2021/22 Budget	Proposed Employee Budget 201/22	Proposed Non - Employee Budget 2021/22	Proposed Gross Expenditure Budget 2021/22	Proposed Income Budget 2021/22	Approved MTFS Budget 2021/22
Budget Area	£000's	£'000s	£'000s	£'000s	£'000s	£'000	£'000	£'000	£'000	£000's	£000's	£000's	£000's	£000's
Adults	37,951	142,707	180,658	-29,827	150,831	1,031	7,864	-3,193	156,533	38,982	147,378	186,360	-29,827	156,533
Vulnerable Children	41,597	57,431	99,028	-593	98,435	1,131	6,131	-4	105,693	44,121	62,169	106,290	-597	105,693
Other Children Services	9,879	9,226	19,105	-996	18,109	281	2,600	-112	20,878	10,260	11,626	21,886	-1,008	20,878
Economy, Environment & Infrastructure	17,019	72,677	89,696	-18,988	70,708	453	5,174	-447	75,888	18,031	77,220	95,251	-19,363	75,888
Community Safety	16,673	3,492	20,165	-646	19,519	374	129	-13	20,009	17,176	3,492	20,668	-659	20,009
Prevention & Wellbeing	2,110	32,372	34,482	-216	34,266	45	1,426	-171	35,566	2,185	33,597	35,782	-216	35,566
Corporate Resources	26,012	15,051	41,063	-7,168	33,895	734	923	-961	34,591	26,746	15,013	41,759	-7,168	34,591
Technical and Countywide	9,864	27,853	37,717	-3,235	34,482	30	1,198	-1,860	33,850	8,194	28,891	37,085	-3,235	33,850
Total Budget	161,105	360,809	521,914	-61,669	460,245	4,079	25,445	-6,761	483,008	165,695	379,386	545,081	-62,073	483,008

The split of the 2021/22 approved budget to employee and non employee budget areas is estimated based on initial plans, however this is subject to further change when these initiatives have been developed further.

Adults MTFS 2021/22

	2020/21 Employee Related Budget	2020/21 Non - Employee Expenditure Budget	2020/21 Gross Expenditure Budget	2020/21 Income	2020/21 Revised MTFS Base Budget	Pay Inflation Costs	Cost Increases	Cost Reductions	Approved 2021/22 Budget	2021/22 Proposed Employee Related Budget	2021/22 Proposed Non - Employee Expenditure Budget	2021/22 Proposed Gross Expenditure Budget	2021/22 Proposed Income Budget	Approved 2021/22 MTFS Budget
Budget Area	£000	£000	£000	£000	£'000	£000	£000	£000	£'000	£000	£000	£000	£000	£'000
Services for Older People	17,078	49,384	66,462	-16,628	49,834	437	3,497	-1,351	52,417	17,515	51,530	69,045	-16,628	52,417
Services for People with Physical Disability	2,034	11,857	13,891	-1,765	12,126	54	598	-329	12,449	2,088	12,126	14,214	-1,765	12,449
Services for People with a Learning Disability	6,988	57,644	64,632	-10,024	54,608	180	2,515	-1,513	55,790	7,168	58,646	65,814	-10,024	55,790
Services for People with Mental Health Issues	-	10,452	10,452	-20	10,432	-	878	-	11,310	-	11,330	11,330	-20	11,310
Community Equipment/Telecare	3,173	1,023	4,196	-245	3,951	80	115	-	4,146	3,253	1,138	4,391	-245	4,146
Adults Safeguarding	1,060	505	1,565	-60	1,505	29	38	-	1,572	1,089	543	1,632	-60	1,572
Carers Services	-	1,160	1,160	-	1,160	-	-	-	1,160	-	1,160	1,160	-	1,160
Occupational Therapy Service	-	2,183	2,183	-	2,183	-	75	-	2,258	-	2,258	2,258	-	2,258
Other Direct Services	2,563	775	3,338	-	3,338	70	-	-	3,408	2,633	775	3,408	-	3,408
Adults Management,Commissioning & Support Services	5,031	1,411	6,442	-1,085	5,357	181	148	-	5,686	5,212	1,559	6,771	-1,085	5,686
Funding for Allocation	24	6,313	6,337	-	6,337	-	-	-	6,337	24	6,313	6,337	-	6,337
Total: Adults	37,951	142,707	180,658	-29,827	150,831	1,031	7,864	-3,193	156,533	38,982	147,378	186,360	-29,827	156,533

Children & Families MTFS 2021/22

	2020/21 Employee Related Budget	2020/21 Non - Employee Expenditure Budget	2020/21 Gross Expenditure Budget	2020/21 Income	2020/21 Revised MTFS Base Budget	Pay Inflation Costs	Cost Increases	Cost Reductions	Approved 2021/22 Budget		2021/22 Proposed Employee Related Budget	2021/22 Proposed Non - Employee Expenditure Budget	2021/22 Proposed Gross Expenditure Budget	2021/22 Proposed Income Budget	Approved 2021/22 MTFS Budget
Budget Area	£000	£000	£000	£000	£'000	£000	£000	£000	£'000		£000's	£000's	£000's	£000's	£000's
Vulnerable Children	41,597	57,431	99,028	-593	98,435	1,131	6,131	-4	105,693		44,121	62,169	106,290	-597	105,693
Other Children Services	9,879	9,226	19,105	-996	18,109	281	2,600	-112	20,878		10,260	11,626	21,886	-1,008	20,878
Total: Children & Families	51,476	66,657	118,133	-1,589	116,544	1,412	8,731	-116	126,571		54,381	73,795	128,176	-1,605	126,571

Economy, Environment & Infrastructure MTFS 2021/22

	2020/21 Employee Related Budget	2020/21 Non - Employee Expenditure Budget	2020/21 Gross Expenditure Budget	2020/21 Income	2020/21 Revised MTFS Base Budget	Pay Inflation Costs	Cost Increases	Cost Reductions	Approved 2021/22 Budget		2021/22 Proposed Employee Related Budget	2021/22 Proposed Non - Employee Expenditure Budget	2021/22 Proposed Gross Expenditure Budget	2021/22 Proposed Income Budget	Approved 2021/22 MTFS Budget
Budget Area	£000	£000	£000	£000	£'000	£000	£000	£000	£'000		£000	£000	£000	£000	£'000
Community Infrastructure	1,057	11,168	12,225	-1,006	11,219	35	213	-	11,467		1,092	11,381	12,473	-1,006	11,467
Libraries & Registration Services	5,175	819	5,994	-2,760	3,234	166	123	-	3,523		5,459	824	6,283	-2,760	3,523
Highways	7,159	14,940	22,099	-2,889	19,210	131	1,815	-	21,156		7,290	16,755	24,045	-2,889	21,156
Parking	418	1,805	2,223	-5,556	-3,333	10	78	-	-3,245		428	1,883	2,311	-5,556	-3,245
Waste	530	39,215	39,745	-6,531	33,214	25	1,543	-72	34,710		555	40,686	41,241	-6,531	34,710
Strategic Infrastructure	1,500	3,046	4,546	-66	4,480	35	50	-	4,565		1,535	3,096	4,631	-66	4,565
Flood Alleviation	272	1,085	1,357	-180	1,177	10	-	-	1,187		282	1,085	1,367	-180	1,187
EE&I Central Costs	908	599	1,507	-	1,507	41	1,352	-375	2,525		1,390	1,510	2,900	-375	2,525
Total: Economy Environment & Infrastructure	17,019	72,677	89,696	-18,988	70,708	453	5,174	-447	75,888		18,031	77,220	95,251	-19,363	75,888

Community Safety MTFS 2021/22

	2020/21 Employee Related Budget	2020/21 Non - Employee Expenditure Budget	2020/21 Gross Expenditure Budget	2020/21 Income	2020/21 Revised MTFS Base Budget	Pay Inflation Costs	Cost Increases	Cost Reductions	Approved 2021/22 Budget		2021/22 Proposed Employee Related Budget	2021/22 Proposed Non - Employee Expenditure Budget	2021/22 Proposed Gross Expenditure Budget	2021/22 Proposed Income Budget	Approved 2021/22 MTFS Budget
Budget Area	£000	£000	£000	£000	£'000	£000	£000	£000	£'000		£000	£000	£000	£000	£'000
Fire & Rescue Service	14,892	2,959	17,851	-471	17,380	324	43	-9	17,738		15,259	2,959	18,218	-480	17,738
Coroners	755	409	1,164	-	1,164	21	-	-	1,185		776	409	1,185	-	1,185
Trading Standards	822	110	932	-81	851	23	-	-2	872		845	110	955	-83	872
Civil Protection Team	204	14	218	-94	124	6	86	-2	214		296	14	310	-96	214
Total: Community Safety	16,673	3,492	20,165	-646	19,519	374	129	-13	20,009		17,176	3,492	20,668	-659	20,009

Prevention & Wellbeing MTFS 2021/22

	2020/21 Employee Related Budgets	2020/21 Non - Employee Expenditure Budgets	2020/21 Gross Expenditure Budgets	2020/21 Income	2020/21 Revised MTFS Base Budget	Pay Inflation Costs	Cost Increases	Cost Reductions	Approved 2021/22 Budget	2021/22 Proposed Employee Related Budget	2021/22 Proposed Non - Employee Expenditure Budget	2021/22 Proposed Gross Expenditure Budget	2021/22 Proposed Income Budget	Approved 2021/22 MTFS Budget
Budget Area	£000	£000	£000	£000	£'000	£000	£000	£000	£'000	£000	£000	£000	£000	£'000
Public Health - Ringfenced Grant (See below for Service Breakdown)	1,622	24,047	25,669	-100	25,569		1,159	-150	26,578	1,622	25,056	26,678	-100	26,578
Supporting People	94	8,124	8,218	- 116	8,102		217	-	8,319	124	8,311	8,435	- 116	8,319
Other Prevention & Wellbeing Activities	394	201	595	0	595	45	50	-21	669	439	230	669	0	669
Total: Prevention & Wellbeing	2,110	32,372	34,482	-216	34,266	45	1,426	-171	35,566	2,185	33,597	35,782	-216	35,566

Public Health - Ring Fenced Grant 2021/22

	2020/21 Employee Related Budgets	2020/21 Non - Employee Expenditure Budgets	2020/21 Gross Expenditure Budgets	2020/21 Income	2020/21 Revised MTFS Base Budget	Pay Inflation Costs	Cost Increases	Cost Reductions	Approved 2021/22 Budget	2021/22 Proposed Employee Related Budget	2021/22 Proposed Non - Employee Expenditure Budget	2021/22 Proposed Gross Expenditure Budget	2021/22 Proposed Income Budget	Approved 2021/22 MTFS Budget
Budget Area	£000	£000	£000	£000	£'000	£000	£000	£000	£'000	£000	£000	£000	£000	£'000
Sexual Health	-	3,647	3,647	-	3,647	-	138	-35	3,750	-	3,750	3,750	-	3,750
Health Behaviours	-	1,917	1,917	-	1,917	-	-	-75	1,842	-	1,842	1,842	-	1,842
Drugs and Alcohol	-	6,182	6,182	-100	6,082	-	113	-	6,195	-	6,298	6,298	-100	6,195
Children 0-19 (incl. Health Visiting & School Nursing)	-	10,795	10,795	-	10,795	-	658	-	11,453	-	11,450	11,450	-	11,450
Public Mental Health	-	250	250	-	250	-	250	-40	460	-	460	460	-	460
NHS Health Checks	-	470	470	-	470	-	-	-	470	-	470	470	-	470
PH function incl. staffing and intelligence	1,622	786	2,408	-	2,408	-	-	-	2,408	1,622	786	2,408	-	2,408
Total: Public Health	1,622	24,047	25,669	-100	25,569	-	1,159	-150	26,578	1,622	25,056	26,678	-100	26,578

Corporate Resources MTFS 2021/22

	2020/21 Employee Related Budget	2020/21 Non - Employee Expenditure Budget	2020/21 Gross Expenditure Budget	2020/21 Income	2020/21 Revised MTFS Base Budget	Pay Inflation Costs	Cost Increases	Cost Reductions	Approved 2021/22 Budget	2021/22 Proposed Employee Related Budget	2021/22 Proposed Non - Employee Expenditure Budget	2021/22 Proposed Gross Expenditure Budget	2021/22 Proposed Income Budget	Approved 2021/22 MTFS Budget
Budget Area	£000	£000	£000	£000	£'000	£000	£000	£000	£'000	£000	£000	£000	£000	£'000
Asset Management & Property Services	2,926	6,031	8,957	-3,502	5,455	81	-	-303	5,233	3,007	5,728	8,735	-3,502	5,233
Digital & People Services	4,556	8,853	13,409	-543	12,866	139	550	-295	13,260	4,695	9,108	13,803	-543	13,260
Strategic Procurement	823	97	920	-	920	21	-	-23	918	844	74	918	-	918
Communications	900	49	949	-89	860	24	-	-20	864	924	29	953	-89	864
Strategic Finance	7,319	-914	6,405	-2,158	4,247	186	-	-77	4,356	7,505	-991	6,514	-2,158	4,356
Policy Performance & Governance	9,332	739	10,071	-876	9,195	248	373	-140	9,676	9,580	972	10,552	-876	9,676
Executive Support & Information	156	196	352	-	352	35	-	-103	284	191	93	284	-	284
Total: Corporate Resources	26,012	15,051	41,063	-7,168	33,895	734	923	-961	34,591	26,746	15,013	41,759	-7,168	34,591

Technical & Countywide MTFS 2021/22

	2020/21 Employee Related Budget	2020/21 Non - Employee Expenditure Budget	2020/21 Gross Expenditure Budget	2020/21 Income	2020/21 Revised MTFS Base Budget	Pay Inflation Costs	Cost Increases	Cost Reductions	Approved 2021/22 Budget	2021/22 Proposed Employee Related Budget	2021/22 Proposed Non - Employee Expenditure Budget	2021/22 Proposed Gross Expenditure Budget	2021/22 Proposed Income Budget	Approved 2021/22 MTFS Budget
Budget Area	£000	£000	£000	£000	£'000	£000	£000	£000	£'000	£000	£000	£000	£000	£'000
County Council Contingencies	9,209	4,170	13,379	-	13,379	-	467	-1,860	11,986	7,509	4,477	11,986	-	11,986
Corporately Controlled Budgets	495	1,463	1,958	-	1,958	-	-	-	1,958	495	1,463	1,958	-	1,958
Capital Financing & Interest Credits	-	21,018	21,018	-3,235	17,783	-	731	-	18,514	-	21,749	21,749	-3,235	18,514
Members and Elections	160	1,202	1,362	-	1,362	30	-	-	1,392	190	1,202	1,392	-	1,392
Total: Technical & Countywide	9,864	27,853	37,717	-3,235	34,482	30	1,198	-1,860	33,850	8,194	28,891	37,085	-3,235	33,850

Context

The purpose of the Medium Term Financial Strategy (MTFS) is to give financial expression to the Council Strategy for the next three year period. The MTFS sets out the Council's high-level funded plan, for achieving its goals and priorities, balancing available financing and spending ambitions. It highlights the financial projections for financing, spending (revenue and capital), and reserves. The MTFS is prepared annually and covers the three year period 2021/22 to 2023/24. It links decisions on resource allocation with decisions on policy priorities as set out in the Council Strategy.

Principles

The principles underlying the MTFS are:

- Stable and sustainable budgets.
- Ensures resources are focused on the Council's highest priorities
- Demonstrates value for money.
- Recognises risk and ensures an adequate level of financial protection against risk by maintaining a prudent, but not excessive, level of financial reserves.
- Secure understanding of sources of potential finance.
- Builds financial capacity for organisational change.
- Is flexible – to allow shifts in spending should circumstances change.
- Does not overburden the Council with future financial commitments, with a key aim being to continue to reduce debt over the period of the new MTFS, thereby releasing on going debt related revenue savings.
- Aligns on-going financing resources with on-going spending commitments.

Budget Assumptions

The 2021/22 Budget and MTFS has been produced using the following assumptions

- Council tax will increase by 1.99%.
- The Adult Social Care Levy of 2.76% will be applied in 2021/22
- A 0.28% growth in taxbase is assumed.
- An assumed pay increase of 2% plus any National Living Wage impact will apply to all Council employees, together with an additional provision of 0.75% for the 2020/21 pay award above that previously approved within the 2020/21 Budget.
- Inflation – budgets will only be adjusted for inflation where there is a contractual commitment
- Fees and charges will be increased by inflation and any subsidies removed.
- The level of General Reserves will be assessed on a risk based approach
- External Borrowing will be repaid as it matures and no new external borrowing is anticipated during the lifetime of this MTFS
- A limited amount of central contingency will be held to cover potential risk of unachievable savings

Reserves & Balances Analysis

Annex 5a

Forecast of Projected Reserve Balances for 31st March 2021

Reserve Detail	Balance at 31st March 2020	Forecast Transfers Out 2020/21	Forecast Transfers In 2020/21	Forecast Balance at 31st March 2021	Notes
	£,000s	£,000s	£,000s	£,000s	
Earmarked Reserves					
Capital Fund	15,776	- 7,205	2,012	10,583	1
Strategic Waste Reserve	3,809	- 1,497	-	2,312	2
Transformation Reserve	4,554	- 4,108	260	706	3
Invest to Save	2,465	-	-	2,465	4
Insurance Fund	13,566	- 700	-	12,866	5
Public Health	32	- 32	269	269	6
County Elections	700	-	200	900	7
Fire Joint Training Centre	1,040	- 51	-	989	8
Economic Stimulus Reserve	3,944	- 2,167	-	1,777	9
Fire PFI Reserve - GFRS	3,711	-	106	3,817	10
Revenue Grant Reserves	28,767	- 15,987	-	12,780	11
Rates Retention Reserve	8,454	- 2,291	-	6,163	12
Education Funding Risk Reserve	216	- 216	-	-	13
Vulnerable Children Reserve	151	- 151	36	36	14
Home to School Transport Reserve	28	-	-	28	15
A417 Missing Link	2,791	- 1,032	45	1,804	16
Adult Care	5,430	- 5,430	-	-	17
Communities & Infrastructure Reserve	831	- 822	800	809	18
Traded Services & Shared Audit Service Reserve	427	- 262	-	165	19
LED Renewables Reserve	675	- 170	-	505	20
Other Reserves	303	- 1	-	302	21
Growing Our Communities	798	- 798	-	-	22
People Services Reserve	281	- 40	-	241	23
Minimum Wage Reserve	1,000	-	-	1,000	24
Highways Act - Commuted Sum Reserve	2,058	-	-	2,058	25
Ash Die Back Reserve	-	-	700	700	26
Earmarked Reserves (Non School)	101,807	- 42,960	4,428	63,275	
Schools Related					
School Balances	15,248	-	-	15,248	27
Other Schools Related	93	-	-	93	27
Dedicated Schools Reserve	-6,716	- 7,716	-	-14,432	27
School Related	8,625	-7,716	-	909	
Earmarked Reserves Total	110,432	-50,676	4,428	64,184	
General Fund Balances	18,846	-	-	18,846	28
Total Revenue Reserves	129,278	-50,676	4,428	83,030	
Earmarked Capital Reserves					
Capital Grant & Contributions Reserves	94,522	-	-	94,522	29
Capital Receipts Reserve	20,544	-	-	20,544	30
Total Capital Reserves	115,066	-	-	115,066	
Useable Reserves Total	244,344	-50,676	4,428	198,096	

Notes on Reserves

1. This is an earmarked reserve to provide funding for capital expenditure to prevent the need for external borrowing. All funds are earmarked for specific capital projects as agreed under the capital programme.
2. The strategic waste reserve is a smoothing reserve relating to the full contract life of the Energy from Waste project.
3. The transformation reserve was set up in 2009/10 to fund liabilities to pay for redundancy and one-off transformation costs associated with the MtC programme.
4. The invest to save reserve supports projects that are designed to deliver on-going savings in the future by providing “pump priming” funding.
5. Levels are based on external professional actuarial review and advice to mitigate the Council's insurance liability.
6. The public health reserve holds any unused balances from the Public Health Grant received by Government.
7. The county elections reserve acts as a smoothing reserve to fund the costs associated with county council elections held every four years. A budgeted annual contribution of £0.2 million is annually made to this fund.
8. The fire joint training reserve acts as an equalisation fund to smooth out revenue implications over the course of the PFI contract. PFI credits are received within the early years of the contract and need to be held to fund anticipated costs in the later years of the contract. Reserve balances are now expected to slowly reduce for the remaining of the contract to 2028.
9. The economic stimulus reserve is committed to fund a series of initiatives to support economic growth within Gloucestershire i.e. fastershire rural broadband and apprenticeship initiative.
10. The fire PFI reserve acts as an equalisation fund to smooth out revenue implications over the course of the PFI contract. PFI credits are received within the early years of the contract and need to be held to fund anticipated costs in the later years of the contract. Reserve balances are therefore expected to peak in 2025, but then reduce over the next 13 years.
11. The revenue grants reserve is a technical reserve established, as required under accounting policies, for specific unapplied revenue grants where conditions related to the grant have been fully met.

12. The Council receives part of its base funding through the Business Rates Retention system (BRR). As a result the Council is subject to volatility around Business Rate collections. To smooth this volatility this reserve was created to top up any deficits. This reserve is also used to manage the operation of the Business Rates Pool (and Pilot during 2018/19). Surplus cash generated, or deficits needing to be funded, are managed via this reserve to ensure that there is no in year impact on the Budget. Part of this reserve is ring fenced for economic development projects across the county, funded from surplus Pool money allocated to the Strategic Economic Development Fund, held by the Council on behalf of all Pool members. An approved transfer of £1.534 m was approved as part of the 2020/21 revenue budget.
13. The education funding smoothing reserve was established to finance any in-year funding adjustments made in relation to Academies. A proposal was agreed at Cabinet in Jan 19 to use this reserve balance to pump prime hubs in 2019/20. The seven primary Local Inclusion Clusters have produced proposals to deliver inclusion projects across their local areas. For example, Tewkesbury District Partnership will run a pilot project that will focus upon improving pupil wellbeing, achievement and attendance through support programmes targeted at identified mental health needs that are most prevalent for the vulnerable pupils within primary schools. The programme provides training to build and develop local expertise in 'build happy hidden needs', focussing specifically on dealing with loss, handling emotions and hidden needs. It is anticipated that the remaining balance within the reserve will be fully utilised in this financial year.
14. The vulnerable children's reserve was established to cover the budgetary risks associated with the fluctuations in demand led Children Services, such as agency placements, fostering allowances, special guardianship and care allowances
15. The home to school transport reserve was created in order to smooth out the budgetary pressures caused by the fluctuations in school transport days between financial years.
16. This reserve was established to support the upgrading of a section of the A417.
17. Adult care reserve was established to cover the budgetary risks associated with the fluctuations in demand led adult services.
18. This reserve was created to hold a number of small revenue carry forwards for Economy, Environment and Infrastructure services.
19. The traded services & shared audit reserve was created to support activities to generate further traded income.
20. This is the smoothing reserve for the repayment of the SALIX/SEELs repayments over 7 years.
21. This relates to a small number of specific reserves.
22. The Growing our Communities Reserve was established in 2018/19 to provide an annual contribution of £10,000 to each councillor to fund community based investments over a three year period (2018/19 to 2020/21).

23. Reserve was established in 2017/18 to mitigate volatility risk to the service budgets within Adult and Children Services.
24. Reserve was established in 2017/18 to mitigate volatility risk to the Adult Services budgets following Government changes to minimum wage legislation.
25. This Reserve holds Highways Act Commuted sums and will be used to support future years revenue costs.
26. New Reserve to support the Ash Die Back protection programme as approved by Cabinet November 2020
27. It has been assumed that balances for Schools will remain at similar levels to those held at 31st March 2020. Following considerable funding pressures relating to the high needs services it is forecast that the Dedicated Schools Grant Reserve will be in a £14.4 million deficit at the end of 2020/21. A recovery plan is currently being developed and consulted with Schools Forum to rectify this position.
28. Assuming a balanced outturn position on the revenue budget for 2020/21 general reserves are forecast to remain at £18.86 million at 31 March 2021. In the event of an over spend position a draw down on general reserves will be required.
29. The capital grants & contributions reserve is a technical reserve established, as required under accounting policies, for specific unapplied capital grants & contributions where conditions related to the grant have been fully met. These fully committed funds will be used to support the capital programme from 2020/21 onwards.
30. The capital receipts reserve holds capital receipts which have been received from approved property disposals. These receipts are held to finance the approved capital programme.

General Reserves Risk Analysis

Annex 5b

Risk	Risks & Quantification	Likelihood & Value of Potential Call on Reserves
Inadequate Reserves and Provisions	Reserves and provisions are assessed each year and are considered sufficient to cover known risks.	<u>Low</u> <u>£0m</u>
Overspend on Service Expenditure	An amount is included for the potential risk of overspends in future years (excluding the risk on deliverability of budget proposals covered below). Volatility of between +\ - 1% is possible given service delivery demand pressures.	<u>High</u> <u>£4.8m</u>
Covid-19 Pandemic	Additional costs associated with the Covid-19 Pandemic, not matched with additional Government support grants will need to be funded to support the Council's revenue budget.	<u>High</u> <u>£2.0m</u>
Major Emergency	The Government has confirmed that the Bellwin Scheme will continue thereby limiting certain costs to be borne by the Council. It is assumed that only costs in excess than a £1m would be applicable under the scheme.	<u>Medium</u> <u>£1.0m</u>
Robustness of 2021/22 savings proposals	The 2021/22 budget proposals include £7.5m of savings proposals. It is prudent to include a risk regarding the deliverability of these proposals to allow for potential slippage on delivery. The £1.4m is based on a potential non achievement of 25% of the savings target – less £500k already in base budget.	<u>Medium</u> <u>£1.4m</u>
Known Contingent Liabilities – Pension Guarantees	The Council has guaranteed to cover the liabilities associated with the pensions of ex-employees following the transfers of council services to external bodies. These arrangements are monitored and future liabilities assessed. Any liabilities that occur would need to be funded from the General Fund.	<u>Low</u> <u>£0.5m</u>
Grant Funding	The Council receives grant funding to undertake one off projects both capital and revenue. There is a risk of grant clawback where projects do not meet their outputs, where they do not proceed, or the Council subsequently breaks the grant conditions. There is also a risk that expenditure will slip beyond the period of the grant so becoming ineligible and require financing from alternative resources.	<u>Low</u> <u>£1.0m</u>
Treasury Management	Whilst the Council attempts to minimise the risks when making treasury management investment decisions there is still a potential risk of a bank or financial institution in which the Council has invested collapsing or has a lower than anticipated yield.	<u>Low</u> <u>£0.5m</u>

Risk	Risks & Quantification	Likelihood & Value of Potential Call on Reserves
Contractual Issues	The Council has a wide range of contractual arrangements that could see unexpected financial pressures in the event of the bankruptcy of a supplier or compensation due as a result of a breach of procurement rules.	<u>Medium</u> <u>£1.0m</u>
Pay awards and other employee related changes	The risk of the pay award exceeding the 2% provision included in the base budget for 2021/22 is considered extremely low. However an allowance has been included for and unexpected increases in NI – based on 0.5% of staffing costs...	<u>Low</u> <u>£0.7m</u>
Collection of Council Tax / NNDR	Fluctuations in council tax base figures could result in considerable pressure on the Councils revenue budget.	<u>Medium</u> <u>£2.0m</u>
Financial penalties as a result of a breach of GDPR / PCIDSS / HMRC rules	Increasingly local authorities are subject to a much tighter regulatory framework and breaches can potential attract large fines if the Council is deemed to have acted negligently	<u>Medium</u> <u>£1.0m</u>
Improvement Plans	The Council is subject to a variety of statutory inspections. A poor inspection judgement may require the Council to implement immediate in year changes.	<u>Medium</u> <u>£0.5m</u>
Estimated total risks		£17.8m
Current level of Reserves		<u>£18.8m</u>

Revenue Budget Forward Projections

Annex 6

MTFS 2021/22 – 2023/24 – Forecast draft budgets based on funding assumptions

	2021/22	2022/23	2022/23
	Forecast	Forecast	Forecast
	£m	£m	£m
Original Base Budget	468.18	483.01	490.99
One off Budget Adjustments	-7.94	-0.82	0.00
Revised Budget	460.24	482.19	490.99
Pay Inflation	4.08	3.14	3.21
Cost and Spending Pressures	25.45	18.39	20.33
Cost Reductions	-6.76	-12.73	-11.10
Net Operating Budget	483.01	490.99	503.43
Less:-			
Top Up Grant	54.24	56.86	57.95
Business Rates Income	23.25	21.95	22.35
Revenue Support Grant	8.22	8.51	8.68
Public Health Grant	24.77	25.27	25.27
Improved Better Care Fund	19.44	19.83	19.83
New Homes Bonus	1.91	0.56	0.56
Social Care Grant	15.79	13.99	13.99
Other Non Ring Fenced Grants	6.12	5.52	5.52
Collection Fund Deficit	-0.82	-0.90	-0.90
Reserves	0.82	0.90	0.90
Budget to be met by Council Tax Payers	329.27	338.50	349.28
<u>Council Tax Calculation</u>			
Council Tax Base (Est)	233,653	235,522	238,282
Council Tax Band D Equivalent)	£1,409.22	£1,437.26	£1,465.87
% Increase in Council Tax	4.75%	1.99%	1.99%

Capital Strategy 2021/22

Introduction

This capital strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this annex.

Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. Subject to all Financial Regulations and Accounting Instructions, Directors have the authority to incur expenditure provided in the capital programme approved by the County Council.

Expenditure may not be incurred if it is contrary to, or not wholly in accordance with, the Policy Framework or Capital Programme. Virements and changes to approved capital schemes can be made in accordance with the Accounting Instructions.

In 2021/22, the Budget set for planned capital expenditure is £221.9 million– planned capital expenditure for other financial years is summarised below.

Table 1: Estimates of Capital Expenditure

Estimates of Capital Expenditure	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
General Fund services	88.460	123.473	221.948	78.985	222.168
PFI and Finance Leases	80.369	0.000	0.000	0.000	0.000
TOTAL	168.829	123.473	221.948	78.985	222.168

Governance:

For the majority of service areas service managers bid annually to include projects in the Council's capital programme. The Council's project appraisal process will be the methodology employed to evaluate schemes included in the MTFS. The elements are:

- Scheme description
- Fit against the Council's priorities
- Costs including whole life costs and scheme phasing
- Available funding and source

- Revenue consequences
- Risk assessment
- VAT issues
- Planning and site issues
- Target dates

Analysis of existing approved schemes will be carried out at each MTFS refresh to identify all “non-committed” schemes. If necessary these will be re-prioritised against other priority schemes awaiting approval. Capital resources will be made available to deliver schemes that meet the Council’s “invest to save” criteria.

All Highway related projects, with a few limited exceptions are subjected to a mathematical assessment process applicable to the area of the service involved. The exceptions are the allocations that are set aside for reactive works which relates to urgent work necessary to keep the network in a safe and operational state, Community Offer where we match contributions from the community and low cost minor works where we react on a local basis to needs.

The Council has a statutory obligation to ensure there are sufficient local school places available across the County. The capital and grant funding it receives is prioritised against schemes which have been identified to meet forecast growth (basic need) in areas where additional places are required and where the condition of the school’s infrastructure needs updating and replacing. Annual monitoring of pupils forecasts and housing, together with annual inspections of school site and premises ensure the information is up to date to inform planned decisions. The Council produced a draft School Places Strategy document (2018- 2023). The strategy, which was approved by Cabinet in December 2018, is a key framework document for the Council in considering any statutory proposals for changes to school organisation including the commissioning of new schools and will inform future capital investment priorities.

The final capital programme is presented to Cabinet in January and to Council in February each year.

Full details of the Council’s current capital programme can be found in the MTFS: <https://www.gloucestershire.gov.uk/council-and-democracy/performance-and-spending/budget-and-medium-term-financial-strategy/>

Financing Capital Expenditure

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council’s own resources (revenue, reserves and capital receipts) or debt (including internal borrowing), leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Financing the Capital Programme

Capital Financing	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
External Sources	58.087	84.190	138.670	36.614	200.018
Internal Resources, Capital	12.602	20.068	34.951	11.304	2.001
Internal Resources, Revenue	5.786	6.900	10.309	2.667	0.949
Debt	11.985	12.315	38.018	28.400	19.200
Sub Total	88.460	123.473	221.948	78.985	222.168
PFI and Finance Leases	80.369	0.000	0.000	0.000	0.000
Total	168.829	123.473	221.948	78.985	222.168

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as the minimum revenue provision (MRP) and leased PFI assets are financed via lease payments. Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP, PFI and lease payments are as follows (there are no plans to use capital receipts in this way at the current time):

Table 3: Replacement of Debt Finance

Replacement of Debt Finance	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Minimum Revenue Provision	6.600	7.079	7.570	8.600	9.374
PFI and Finance Leases	1.098	1.338	1.177	1.468	1.268
Total	7.698	8.418	8.747	10.067	10.642

MRP is increasing due to additional unfunded capital spend included as part of the approved capital programme, details of which can be found in the MTFS. The Council's full MRP statement is available within the Treasury Management Strategy, Annex 10 of the MTFS.

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP payments and capital receipts used to replace debt. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Capital Financing requirement

Capital Financing Requirement	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
General Fund services	291.436	296.671	327.119	346.919	356.746
PFI and Finance Leases	98.408	97.070	95.893	94.425	93.157
TOTAL CFR	389.844	393.741	423.012	441.345	449.903

Asset management:

To ensure that capital assets continue to be of long-term use, the Council has an asset management strategy in place. This document seeks to align the asset portfolio with the needs of the Council.

The Council's asset management strategy is available on the Council's website, www.gloucestershire.gov.uk

Asset disposals:

When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Since 2016/17 new capital receipts can also be used to fund the revenue costs of transformation projects designed to generate ongoing revenue savings in the delivery of public services and / or to transform service delivery in a way that reduces costs or demand for services in the future. The approved budget 2021/22 does not anticipate the use of capital receipts in this way, however given the on going transformation programme and the financial challenges faced by the Council as a result of the COVID-19 pandemic it may become necessary to consider using capital receipts in this flexible manner in future. Using capital receipts in this way will require the approval of the County Council.

Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive £21.5 million of capital receipts in the coming financial year as follows:

Table 5: Capital Receipts

Capital receipts	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Asset sales	12.602	9.962	21.502	17.962	3.750
Investment Platform	0.037	0.035	0.028	0.000	0.000
TOTAL	12.639	9.997	21.530	17.962	3.750

Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

Due to decisions taken in the past, the Council currently has £261.8 million borrowing as at the end of March 2021 at an average interest rate of 4.72% and £362.3 million treasury investments at an average rate of 1.273%, projected as at the end of March 2021.

Borrowing strategy:

The Council is currently holding all new long term external borrowing requirements internally. However, should the Council need to externalise this debt or take short term debt for cash flow purposes the main objectives when borrowing will be to achieve a low but certain cost of finance, while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.15%) and long-term fixed rate loans where the future cost is known but higher (currently 1.5 to 2.5%).

Projected levels of the Council's total outstanding debt (which comprises borrowing and PFI liabilities) are shown below, compared with the capital financing requirement (see above).

Table 6: Gross Debt and the Capital Financing Requirement

Gross Debt and the Capital Financing Requirement	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Debt (incl. Other Liabilities)	368.194	358.893	347.771	334.203	324.935
Capital Financing Requirement	389.844	393.741	423.012	441.345	449.903

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council complies with this in the medium to longer term.

Liability benchmark:

To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing minimum level of borrowing required to keep investments at a minimum level. This benchmark is currently -£13.0 million as a result of the historical borrowing portfolio of the Council and the level of balances and reserves. The benchmark is forecast to increase to £44.5 million over the next three years due to the additional borrowing proposed. In effect, this is saying that if we had no additional

investment balances / surplus cash during 2020/21 the Council would not need to borrow currently to support the capital programme.

Table 7: Borrowing and the Liability Benchmark

Borrowing and the Liability Benchmark	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Outstanding borrowing	269.786	261.823	251.878	239.778	231.778
Liability benchmark	-38.964	-13.029	15.019	34.719	44.546

The table shows that the Council expects to remain borrowed above its liability benchmark in the medium term. This is because the Council has a large historic debt portfolio, and due to the high premiums that would be incurred on the early repayment of this debt, it is not currently feasible to reduce the level of borrowing. Any new debt requirements are currently held internally, reducing the cost of carry and this additional debt results in the Council being above the liability benchmark from 2021/22. This new debt would only be externalised if it become uneconomical to hold it internally.

The purpose of the liability benchmark is to assist the Council when making decisions about affordability of the capital programme and the need to borrow in the future.

Affordable borrowing limit:

The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 8: Authorised Limit and Operational Boundary for External Debt

Authorised limit and operational boundary	2019/20 Limit £m	2020/21 Limit £m	2021/22 Limit £m	2022/23 Limit £m	2023/24 Limit £m
Total Authorised Limit for External Debt and Other Liabilities	440.000	455.000	500.000	500.000	495.000
Split: External Debt	341.592	357.930	404.107	405.575	401.843
Other Liabilities	98.408	97.070	95.893	94.425	93.157
Total Operational Boundary for External Debt	420.000	435.000	480.000	480.000	475.000
Split: External Debt	321.592	337.930	384.107	385.575	381.843
Other Liabilities	98.408	97.070	95.893	94.425	93.157

Further details on borrowing are available within the treasury management strategy at Annex 10 below. The Council’s approved capital programme will be contained within these affordability limits.

Treasury Investment strategy:

Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management however MHCLG guidance requires that a non treasury management Investment Strategy is maintained and can be included as part of the Treasury Management Strategy.

The Council's policy on treasury investments is to prioritise security and liquidity over yield that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Following the Motion agreed by Council in November 2019 the Council has developed and implemented a Responsible Investment Policy, which rules out new investments in fossil fuel companies.

Table 9: Treasury Management Investments

Treasury Management Investments	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Near-term investments	180.4	146.5	108.5	76.7	58.8
Longer-term investments	121.9	121.9	121.9	121.9	121.9
TOTAL	302.3	268.4	230.4	198.6	180.7

Further details on treasury investments are within the Treasury Management and Investment strategy, Annex 10.

Governance:

Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Section 151 Officer and staff, who must act in line with the treasury management strategy approved by annually by Council in February. Regular reports on treasury management activity are presented to Audit and Governance Committee. The Audit and Governance Committee is responsible for scrutinising treasury management decisions.

Investments for Service Purposes

The Council makes investments to assist local public services; this could include making loans to local service providers, small businesses to promote economic growth and Council subsidiaries that provide services. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to break even after all costs.

Governance:

Decisions on service investments are made by the relevant service manager in consultation with the Section 151 Officer and must meet the criteria and limits laid down in Accounting Regulations and the Treasury Management and Investment Strategy. Most loans and shares are capital expenditure and significant purchases will be approved as part of the capital programme.

Further details on service investments are within the Treasury Management and Investment Strategy, Annex 10.

Commercial Activities

With central government financial support for local public services declining, many local authorities have invested in commercial property for financial gain.

With financial return being the main objective, Council's will generally accept higher risk on commercial investment, in line with business cases, than it would for treasury investments. The principal risk exposure includes gaps in rental income, falls in capital value, delays in occupation. Should the Council choose to pursue commercial activities, the risks will be managed in line with a comprehensive business case.

Governance:

Decisions on commercial investments will be made by the Section 151 Officer in line with the criteria and limits approved by full Council in the Treasury Management and Investment Strategy. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.

Further details on commercial activities are within the Treasury Management and Investment Strategy, Annex 10.

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP payments are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 10: Proportion of financing costs to net revenue stream

	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Proportion of Financing Costs to Net Revenue Stream	5.78%	6.20%	6.23%	6.63%	6.70%

Further details on the revenue implications of capital expenditure are within Annex 8 of this MTFS.

Sustainability:

Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Section 151 Officer is satisfied that the approved capital programme is prudent, affordable and sustainable because new schemes are robustly challenged through the capital bid process.

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Council pays for staff to study towards relevant professional qualifications.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers.

Asset valuations are co-ordinated internally by the Council's Valuation Service Team, with valuations carried out through a combination of the Council's internal valuers and, where necessary, external valuers (RICS qualified). The Valuation Service Team ensures all valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Annex 8a

Capital Programme 2020/21

MEDIUM TERM CAPITAL PROGRAMME - COUNTY COUNCIL SERVICES FINANCING STATEMENT

	Profiled Budget					Total	Prior	Total
	2020/21	2021/22	2022/23	2023/24	Future	Still	Years	Scheme
	£000	£000	£000	£000	Years	Required	Actual	Investment
	£000	£000	£000	£000	£000	£000	£000	£000
GROSS PAYMENTS								
<u>Adults</u>	9,757	12,587	1,800	0	0	24,144	9,245	33,389
<u>Children's Services:</u>								
Schools	21,232	63,780	12,373	1,507	200	99,092	41,339	140,431
Non Schools	450	1,686	2,500	1,250	0	5,886	3,254	9,140
<u>Economy, Environment & Infrastructure :</u>								
Highways	68,415	85,882	35,292	202,321	2,300	394,210	163,935	558,145
Strategic Infrastructure	2,881	2,766	2,534	2,540	0	10,721	8,793	19,514
Waste Disposal	580	316	51	0	0	947	338	1,285
Libraries	408	1,032	0	0	0	1,440	1,141	2,581
<u>Community Safety:</u>								
Fire & Rescue Service	1,426	2,720	1,520	0	0	5,666	974	6,640
Trading Standards	39	0	0	0	0	39	0	39
<u>Corporate Resources:</u>								
AMPS	12,304	27,656	7,255	0	0	47,215	7,309	54,524
ICT Projects	4,271	10,041	2,900	2,050	2,550	21,812	9,421	31,233
Business Service Centre	831	12,787	12,720	12,500	12,500	51,338	13	51,351
Archives & Information Management	51	25	0	0	0	76	3,504	3,580
Customer	828	670	40	0	0	1,538	819	2,357
Total	123,473	221,948	78,985	222,168	17,550	664,124	250,085	914,209
AVAILABLE RESOURCES								
Revenue Contributions	832	627	0	0	0	1,459		
Section 106 Contributions	3,849	5,066	0	0	0	8,915		
Capital Fund	3,675	8,164	2,862	876	0	15,577		
Other External Contributions	1,269	277	0	73	0	1,619		
External Grant - including Government	79,072	133,327	36,414	200,018	0	448,831		
Other Reserves	2,393	1,518	5	0	0	3,916		
Capital Receipts	20,068	34,951	11,304	2,001	0	68,324		
Internal Borrowing	12,315	38,018	28,400	19,200	17,550	115,483		
Other - including Borrowing	0	0	0	0	0	0		
Total	123,473	221,948	78,985	222,168	17,550	664,124		
Surplus/deficit (-)	0	0	0	0	0	0		

Capital Programme 2021/22	Budget							Financing for Remaining Life (2020/21 onwards)										Funding of budget total £000	
Scheme Name	Total Scheme Budget £000	Prior Years Actuals £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Future Years £000	Revenue Contrib £000	S106 External Contrib £000	Capital Fund £000	Other External Contrib £000	External Grant £000	Other Reserves £000	Capital Receipts £000	Internal Borrowing £000	Other incl. Borrowing £000	Total for Remaining Life £000		Prior Years Funding £000
Summary by service area																			
Adults	33,389	9,245	9,757	12,587	1,800	0	0	0	0	0	0	20,467	0	3,677	0	0	24,144	9,245	33,389
Schools	140,431	41,339	21,232	63,780	12,373	1,507	200	0	3,633	183	0	79,276	0	0	16,000	0	99,092	41,339	140,431
Children's Services - Non-Schools	9,140	3,254	450	1,686	2,500	1,250	0	0	0	0	0	131	0	380	5,375	0	5,886	3,254	9,140
Highways	558,145	163,935	68,415	85,882	35,292	202,321	2,300	1398	4,777	2,974	1,546	348,297	0	7,203	28,015	0	394,210	163,935	558,145
Strategic Infrastructure	19,514	8,793	2,881	2,766	2,534	2,540	0	0	17	1,731	73	360	3,763	4,777	0	0	10,721	8,793	19,514
Waste Disposal	1,285	338	580	316	51	0	0	0	0	0	0	0	104	743	100	0	947	338	1,285
Libraries	2,581	1,141	408	1,032	0	0	0	0	478	0	0	21	0	941	0	0	1,440	1,141	2,581
Fire & Rescue	6,640	974	1,426	2,720	1,520	0	0	61	0	82	0	124	38	5,361	0	0	5,666	974	6,640
Trading Standards	39	0	39	0	0	0	0	0	0	39	0	0	0	0	0	0	39	0	39
AMPS	54,524	7,309	12,304	27,656	7,255	0	0	0	10	4,555	0	154	0	34,946	7,550	0	47,215	7,309	54,524
ICT Projects	31,233	9,421	4,271	10,041	2,900	2,050	2,550	0	0	5,913	0	1	0	7,455	8,443	0	21,812	9,421	31,233
Archives & Information Management	3,580	3,504	51	25	0	0	0	0	0	20	0	0	11	45	0	0	76	3,504	3,580
Customer	2,357	819	828	670	40	0	0	0	819	80	0	0	0	1,458	0	0	1,538	819	2,357
Business Service Centre	51,351	13	831	12,787	12,720	12,500	12,500	0	0	0	0	0	0	1,338	50,000	0	51,338	13	51,351
Total Capital Programme	914,209	250,085	123,473	221,948	78,985	222,168	17,550	1,459	8,915	15,577	1,619	448,831	3,916	68,324	115,483	0	664,124	250,085	914,209
Adults																			
ERIC Replacement	1,897	1,482	415	0	0	0	0	0	0	0	0	415	0	0	0	0	415	1,482	1,897
Community Capacity Grant	290	0	0	290	0	0	0	0	0	0	0	290	0	0	0	0	290	0	290
Supported Living Accommodation Fairford	730	2	100	628	0	0	0	0	0	0	0	728	0	0	0	0	728	2	730
H.O.L.D. Scheme	654	122	250	282	0	0	0	0	0	0	0	532	0	0	0	0	532	122	654
Transitions for Life	450	0	0	450	0	0	0	0	0	0	0	450	0	0	0	0	450	0	450
Community Capacity/Market Management	5,100	123	200	3,050	1,727	0	0	0	0	0	0	1,300	0	3,677	0	0	4,977	123	5,100
Disabled Facilities Grant 19/20	9,076	5,495	3,581	0	0	0	0	0	0	0	0	3,581	0	0	0	0	3,581	5,495	9,076
Disabled Facilities Grant 20/21	6,843	0	5,096	1,747	0	0	0	0	0	0	0	6,843	0	0	0	0	6,843	0	6,843
Schemes under £250,000 20/21 onwards	2,319	2,021	115	110	73	0	0	0	0	0	0	298	0	0	0	0	298	2,021	2,319
New Starts 2021/22 onwards																			
Disabled Facilities Grant 2021/22 (estimate)	6,030	0	0	6,030	0	0	0	0	0	0	0	6,030	0	0	0	0	6,030	0	6,030
Total Adults	33,389	9,245	9,757	12,587	1,800	0	0	0	0	0	0	20,467	0	3,677	0	0	24,144	9,245	33,389
Schools																			
Alderman Knight expansion	1,900	0	1,040	810	50	0	0	0	0	0	0	1,900	0	0	0	0	1,900	0	1,900
Battledown expansion	550	0	300	250	0	0	0	0	0	0	0	550	0	0	0	0	550	0	550
Belmont expansion	450	0	60	390	0	0	0	0	0	0	0	450	0	0	0	0	450	0	450
New SEMH Special School	9,750	2	498	9,250	0	0	0	0	0	0	0	9,748	0	0	0	0	9,748	2	9,750
Chipping Campden School Performing Arts	722	186	236	300	0	0	0	0	536	0	0	0	0	0	0	0	536	186	722
Rednock School sports hall	309	38	200	71	0	0	0	0	271	0	0	0	0	0	0	0	271	38	309
The Cotswold School expansion	5,800	185	2,200	3,365	50	0	0	0	0	0	0	5,615	0	0	0	0	5,615	185	5,800
Winchcombe School expansion	4,700	164	2,000	2,536	0	0	0	0	107	0	0	4,429	0	0	0	0	4,536	164	4,700
New Secondary School, Cheltenham	30,000	1,234	4,766	15,000	9,000	0	0	0	0	0	0	13,766	0	0	15,000	0	28,766	1,234	30,000
Healthy Pupils Capital Fund 18/19	409	0	409	0	0	0	0	0	0	0	0	409	0	0	0	0	409	0	409
Basic Need Grant 2020/21	5,035	0	0	5,035	0	0	0	0	0	0	0	5,035	0	0	0	0	5,035	0	5,035
Schools Condition Allocation 2020/21	3,640	0	0	3,640	0	0	0	0	0	0	0	3,640	0	0	0	0	3,640	0	3,640
Ashchurch Primary replace temps	1,000	60	750	150	40	0	0	0	236	0	0	704	0	0	0	0	940	60	1,000
Bourton-on-the-Water Primary expansion	1,004	522	442	40	0	0	0	0	0	0	0	482	0	0	0	0	482	522	1,004
Parton Manor Junior additional classbase	300	20	250	30	0	0	0	0	0	0	0	280	0	0	0	0	280	20	300
Warden Hill Primary expansion	6,503	46	600	2,150	2,500	1,207	0	0	0	0	0	6,457	0	0	0	0	6,457	46	6,503
St. David's Primary expansion	1,500	203	150	850	297	0	0	0	997	0	0	300	0	0	0	0	1,297	203	1,500
The John Moore Primary expansion	2,188	1,526	662	0	0	0	0	0	349	0	0	662	0	0	0	0	662	1,526	2,188
Winchcombe Abbey Primary expansion	1,500	109	5	1,386	0	0	0	0	0	0	0	1,391	0	0	0	0	1,391	109	1,500
Leckhampton Primary expansion	4,287	1,190	1,527	1,570	0	0	0	0	0	0	0	3,097	0	0	0	0	3,097	1,190	4,287
Hunts Grove, ICT/FFE	406	34	125	125	122	0	0	0	0	0	0	372	0	0	0	0	372	34	406
Bishops Cleeve New Primary School	11,000	30	50	10,920	0	0	0	0	0	0	0	10,970	0	0	0	0	10,970	30	11,000
Capital Maintenance Contingency 20/21	1,930	0	1,930	0	0	0	0	0	0	0	0	1,930	0	0	0	0	1,930	0	1,930
Schemes under £250,000 20/21 onwards	40,048	35,790	3,032	1,112	114	0	0	0	1,137	183	0	2,938	0	0	0	0	4,258	35,790	40,048

<u>Capital Programme 2021/22</u>		<u>Budget</u>							<u>Financing for Remaining Life (2020/21 onwards)</u>										Funding of budget total £000
Scheme Name	Total Scheme Budget £000	Prior Years Actuals £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Future Years £000	Revenue Contrib £000	S106 External Contrib £000	Capital Fund £000	Other External Contrib £000	External Grant £000	Other Reserves £000	Capital Receipts £000	Internal Borrowing £000	Other incl. Borrowing £000	Total for Remaining Life £000	Prior Years Funding £000	
New Starts 2021/22 onwards																			
Carbon Reduction support for education projects	1,000	0	0	300	200	300	200	0	0	0	0	0	0	0	1,000	0	1,000	0	1,000
Schools Condition Allocation 2021/22 (estimate)	4,500	0	0	4,500	0	0	0	0	0	0	0	4,500	0	0	0	0	4,500	0	4,500
Total Schools	140,431	41,339	21,232	63,780	12,373	1,507	200	0	3,633	183	0	79,276	0	0	16,000	0	99,092	41,339	140,431
Children's Services - Non-Schools																			
Trevone House	2,854	2,474	380	0	0	0	0	0	0	0	0	0	0	380	0	0	380	2,474	2,854
Schemes under £250,000 20/21 onwards	911	780	70	61	0	0	0	0	0	0	0	131	0	0	0	0	131	780	911
New Starts 2021/22 onwards																			
Barnwood Residential home	375	0	0	375	0	0	0	0	0	0	0	0	0	0	375	0	375	0	375
Southfields – Semi Independent Accommodation	2,500	0	0	0	1,250	1,250	0	0	0	0	0	0	0	0	2,500	0	2,500	0	2,500
Townsend House	2,500	0	0	1,250	1,250	0	0	0	0	0	0	0	0	0	2,500	0	2,500	0	2,500
Total Children's Services - Non-Schools	9,140	3,254	450	1,686	2,500	1,250	0	0	0	0	0	131	0	380	5,375	0	5,886	3,254	9,140
Highways																			
PROW Capital Works - MTFS 2020-21	750	0	150	150	150	300	0	0	0	750	0	0	0	0	0	0	750	0	750
A435 Charlton Hill Cheltenham Phase 2	1,031	169	432	430	0	0	0	0	0	0	0	862	0	0	0	0	862	169	1,031
A46 Coopers Hill South - Site 2 Slip	2,021	183	1,475	363	0	0	0	0	0	0	0	1,838	0	0	0	0	1,838	183	2,021
London Road Gloucester - Active Travel	296	0	86	210	0	0	0	0	0	0	0	296	0	0	0	0	296	0	296
B4063 Gloucester to Chelt Cycle Route	2,030	0	1,165	865	0	0	0	173	0	0	0	1,857	0	0	0	0	2,030	0	2,030
Support for Stroud Water Canal Reopening	466	175	0	291	0	0	0	0	0	0	0	291	0	0	0	0	291	175	466
M5 Junction10 Improvement Schemes	249,132	0	5,935	11,362	33,114	198,721	0	0	0	0	0	249,132	0	0	0	0	249,132	0	249,132
Lydney Harbour Project	1,400	0	1,221	179	0	0	0	0	0	0	1,400	0	0	0	0	0	1,400	0	1,400
A38 Canal Bridges	4,500	1,392	3,061	47	0	0	0	0	0	0	0	3,108	0	0	0	0	3,108	1,392	4,500
Gloucester South West Bypass - Llanthony	7,462	1,269	1,256	4,937	0	0	0	0	128	0	0	6,065	0	0	0	0	6,193	1,269	7,462
Cross Keys Roundabout Improvements	3,809	2,783	100	926	0	0	0	0	0	0	0	1,026	0	0	0	0	1,026	2,783	3,809
Cheltenham to Bishops Cleeve Cycle Track	1,027	289	650	88	0	0	0	0	738	0	0	0	0	0	0	0	738	289	1,027
Honeybourne Cycle ext A40 Lansdown	417	50	0	367	0	0	0	0	307	0	0	60	0	0	0	0	367	50	417
A419 Improvements (Stonehouse to M5)	5,588	4,223	1,225	140	0	0	0	0	0	0	0	1,365	0	0	0	0	1,365	4,223	5,588
Arle Court - WCTIS Ph1	9,231	2,237	4,622	2,372	0	0	0	0	0	0	0	6,994	0	0	0	0	6,994	2,237	9,231
Junction 11 - WCTIS Ph2	4,480	946	766	2,768	0	0	0	0	0	0	0	3,534	0	0	0	0	3,534	946	4,480
Telstar Way - WCTIS Ph3	8,063	558	2,866	4,639	0	0	0	0	0	0	0	7,505	0	0	0	0	7,505	558	8,063
Pedestrian & Cycle Works – WCTIS Ph5	1,600	74	561	965	0	0	0	0	0	0	0	1,526	0	0	0	0	1,526	74	1,600
A435 Bishops Cl' to Racecourse Capacity	1,234	151	522	561	0	0	0	0	1,083	0	0	0	0	0	0	0	1,083	151	1,234
Telstar Way/Hubble Road	456	0	80	376	0	0	0	0	456	0	0	0	0	0	0	0	456	0	456
LED Streetlighting Major Project	20,974	18,860	1,314	400	400	0	0	0	0	0	0	0	0	2,114	0	0	2,114	18,860	20,974
Street Column Structural Test & Repair	2,167	1,894	273	0	0	0	0	0	0	0	0	273	0	0	0	0	273	1,894	2,167
Column Replacement - LED Project	4,003	3,141	662	200	0	0	0	0	0	0	0	862	0	0	0	0	862	3,141	4,003
Highmasts - A430 Metz Way Gloucester	1,077	351	70	328	328	0	0	0	0	687	0	39	0	0	0	0	726	351	1,077
StLight Column Replacement	800	0	200	200	200	200	0	0	0	800	0	0	0	0	0	0	800	0	800
Concrete Road Renewal Unallocated	3,000	0	0	3,000	0	0	0	0	0	0	0	3,000	0	0	0	0	3,000	0	3,000
Tintern Wireworks Bridge B575	1,540	9	61	1,470	0	0	0	0	0	0	0	1,531	0	0	0	0	1,531	9	1,540
Winchcombe Station Bridge 775 Bearings	378	1	377	0	0	0	0	0	0	0	0	377	0	0	0	0	377	1	378
Cleveland Bridge - 557	1,058	459	599	0	0	0	0	0	0	0	0	599	0	0	0	0	599	459	1,058
Bamfurlong Depot - BadgeworthTEWKS	4,629	0	0	4,629	0	0	0	0	0	0	0	0	0	4,629	0	0	4,629	0	4,629
Gouda Way/Hare Lane TS-016	265	4	203	58	0	0	0	0	0	0	0	261	0	0	0	0	261	4	265
GIRR Worcester St Junction 1 TS-131	283	4	279	0	0	0	0	0	0	0	0	279	0	0	0	0	279	4	283
North Place/Portland	298	0	298	0	0	0	0	0	0	0	0	298	0	0	0	0	298	0	298
Minor Works	1,944	0	1,944	0	0	0	0	0	0	0	0	1,944	0	0	0	0	1,944	0	1,944
C'Ways - Class A Roads: Struct Maint	6,996	0	6,796	200	0	0	0	0	0	0	0	1,996	0	0	5,000	0	6,996	0	6,996
C'Ways - Class B Roads: Struct Maint	4,405	0	4,205	200	0	0	0	0	0	0	0	1,405	0	0	3,000	0	4,405	0	4,405
C'ways - Class 3 Roads: Struct Maint	8,053	0	7,853	200	0	0	0	0	0	0	0	5,038	0	0	3,015	0	8,053	0	8,053
C'ways - Unclassified: Struct Maint	3,311	0	3,111	200	0	0	0	0	0	0	0	1,311	0	0	2,000	0	3,311	0	3,311
Footways: Structural Maintenance	2,458	0	2,458	0	0	0	0	0	0	0	0	2,458	0	0	0	0	2,458	0	2,458
Reactive Works	3,381	0	2,594	787	0	0	0	0	0	0	0	3,381	0	0	0	0	3,381	0	3,381
Bulk Lining and Studs	1,000	435	115	450	0	0	0	0	0	0	0	565	0	0	0	0	565	435	1,000
Advance Design	587	323	238	26	0	0	0	0	0	0	0	264	0	0	0	0	264	323	587
Schemes under £250,000 20/21 onwards	136,940	123,955	8,592	4,393	0	0	0	725	2,065	737	146	8,852	0	460	0	0	12,985	123,955	136,940

Capital Programme 2021/22	Budget							Financing for Remaining Life (2020/21 onwards)										Total for Remaining Life £000	Prior Years Funding £000	Funding of budget total £000
Scheme Name	Total Scheme Budget £000	Prior Years Actuals £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Future Years £000	Revenue Contrib £000	S106 External Contrib £000	Capital Fund £000	Other External Contrib £000	External Grant £000	Other Reserves £000	Capital Receipts £000	Internal Borrowing £000	Other incl. Borrowing £000				
New Starts 2021/22 onwards																				
Life Expired Steel Lighting Columns	600	0	0	100	100	100	300	0	0	0	0	0	0	0	600	0	600	0	600	
Inflationary pressures on structural Maintenance delivery	2,000	0	0	0	1,000	1,000	0	0	0	0	0	0	0	0	2,000	0	2,000	0	2,000	
B4063 cycle route	9,470	0	0	9,470	0	0	0	0	0	0	0	6,470	0	0	3,000	0	9,470	0	9,470	
M5 Junction 10 improvements	4,000	0	0	0	0	2,000	2,000	0	0	0	0	0	0	0	4,000	0	4,000	0	4,000	
Bamfurlong replacement highway depot	400	0	0	400	0	0	0	0	0	0	0	0	0	0	400	0	400	0	400	
A Roads Struct Maint 2021/22	5,882	0	0	5,882	0	0	0	0	0	0	0	3,867	0	0	2,015	0	5,882	0	5,882	
B Roads Struct Maint 2021/22	1,701	0	0	1,701	0	0	0	0	0	0	0	1,118	0	0	583	0	1,701	0	1,701	
Class 3 Roads Struct Maint 2021/22	2,828	0	0	2,828	0	0	0	0	0	0	0	1,859	0	0	969	0	2,828	0	2,828	
Unclassified Roads Struct Maint 2021/22	497	0	0	497	0	0	0	0	0	0	0	327	0	0	170	0	497	0	497	
Reactive Works	3,685	0	0	3,685	0	0	0	0	0	0	0	2,422	0	0	1,263	0	3,685	0	3,685	
Data collection inc SCRIM data and signing	130	0	0	130	0	0	0	0	0	0	0	130	0	0	0	0	130	0	130	
Coring & Assessment 2021/22	200	0	0	200	0	0	0	0	0	0	0	200	0	0	0	0	200	0	200	
Capital Minor Works (MTC3) 2021/22	2,000	0	0	2,000	0	0	0	0	0	0	0	2,000	0	0	0	0	2,000	0	2,000	
Footway and Cycleway Maint 2021/22	550	0	0	550	0	0	0	0	0	0	0	550	0	0	0	0	550	0	550	
PROW resurfacing	25	0	0	25	0	0	0	0	0	0	0	25	0	0	0	0	25	0	25	
Highway Safety Features 2021/22	240	0	0	240	0	0	0	0	0	0	0	240	0	0	0	0	240	0	240	
Bridges and Walls 2021/22	1,663	0	0	1,663	0	0	0	0	0	0	0	1,663	0	0	0	0	1,663	0	1,663	
Street Lighting 2021/22	800	0	0	800	0	0	0	0	0	0	0	800	0	0	0	0	800	0	800	
Drainage 2021/22	500	0	0	500	0	0	0	500	0	0	0	0	0	0	0	0	500	0	500	
Traffic Signals 2021/22	1,000	0	0	1,000	0	0	0	0	0	0	0	1,000	0	0	0	0	1,000	0	1,000	
Slips 2021/22	1,500	0	0	1,500	0	0	0	0	0	0	0	1,500	0	0	0	0	1,500	0	1,500	
Large and Miscellaneous Schemes 2021/22	2,400	0	0	2,400	0	0	0	0	0	0	0	2,400	0	0	0	0	2,400	0	2,400	
Parking 2021/22	250	0	0	250	0	0	0	0	0	0	0	250	0	0	0	0	250	0	250	
Public Transport Infrastructure 2021/22	150	0	0	150	0	0	0	0	0	0	0	150	0	0	0	0	150	0	150	
Cycle Infrastructure 2021/22	100	0	0	100	0	0	0	0	0	0	0	100	0	0	0	0	100	0	100	
Safety Schemes 2021/22	400	0	0	400	0	0	0	0	0	0	0	400	0	0	0	0	400	0	400	
Accessibility & Community 2021/22	150	0	0	150	0	0	0	0	0	0	0	150	0	0	0	0	150	0	150	
Support for Stroud Water Canal Reopening	234	0	0	234	0	0	0	0	0	0	0	234	0	0	0	0	234	0	234	
High Street Cheltenham - Pedestrian Area	250	0	0	250	0	0	0	0	0	0	0	250	0	0	0	0	250	0	250	
Total Highways	558,145	163,935	68,415	85,882	35,292	202,321	2,300	1,398	4,777	2,974	1,546	348,297	0	7,203	28,015	0	394,210	163,935	558,145	
Strategic Infrastructure																				
Fastershire Broadband Strategy	13,701	6,046	2,192	1,821	1,821	1,821	0	0	0	0	0	0	3,301	4,354	0	0	7,655	6,046	13,701	
Flood & Water Management Act	523	15	0	146	146	216	0	0	0	360	73	75	0	0	0	0	508	15	523	
Priors & Oakley FAS - FDGiA	2,933	2,623	200	80	15	15	0	0	0	167	0	143	0	0	0	0	310	2,623	2,933	
Coleford Flood Alleviation Project	350	0	0	20	240	90	0	0	0	350	0	0	0	0	0	0	350	0	350	
Pittville Flood Alleviation Project	450	0	0	0	174	276	0	0	0	300	0	0	0	150	0	0	450	0	450	
Schemes under £250,000 20/21 onwards	995	109	276	355	133	122	0	0	17	454	0	142	0	273	0	0	886	109	995	
Strategic Transport Model 2020-21-22	562	0	213	344	5	0	0	0	0	100	0	0	462	0	0	0	562	0	562	
Total Strategic Infrastructure	19,514	8,793	2,881	2,766	2,534	2,540	0	0	17	1,731	73	360	3,763	4,777	0	0	10,721	8,793	19,514	
Waste Disposal																				
Mobile Compactors	252	1	0	200	51	0	0	0	0	0	0	0	54	197	0	0	251	1	252	
Fosse Cross HRC (Cirencester)	281	31	250	0	0	0	0	0	0	0	0	0	0	250	0	0	250	31	281	
Schemes under £250,000 20/21 onwards	652	306	330	16	0	0	0	0	0	0	0	0	50	296	0	0	346	306	652	
New Starts 2021/22 onwards																				
CCTV at HRC sites	80	0	0	80	0	0	0	0	0	0	0	0	0	0	80	0	80	0	80	
Bodycams at HRC sites	20	0	0	20	0	0	0	0	0	0	0	0	0	0	20	0	20	0	20	
Total Waste Disposal	1,285	338	580	316	51	0	0	0	0	0	0	0	104	743	100	0	947	338	1,285	
Libraries																				
Customer Services Programme	1,519	578	270	671	0	0	0	0	0	0	0	0	0	941	0	0	941	578	1,519	
Schemes under £250,000 20/21 onwards	1,062	563	138	361	0	0	0	0	478	0	0	21	0	0	0	0	499	563	1,062	
Total Libraries	2,581	1,141	408	1,032	0	0	0	0	478	0	0	21	0	941	0	0	1,440	1,141	2,581	

<u>Capital Programme 2021/22</u>		<u>Budget</u>							<u>Financing for Remaining Life (2020/21 onwards)</u>								Total for Remaining Life £000	Prior Years Funding £000	Funding of budget total £000
Scheme Name	Total Scheme Budget £000	Prior Years Actuals £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Future Years £000	Revenue Contrib £000	S106 External Contrib £000	Capital Fund £000	Other External Contrib £000	External Grant £000	Other Reserves £000	Capital Receipts £000	Internal Borrowing £000	Other incl. Borrowing £000			
Fire & Rescue																			
ERV - Fire Appliances & Equipmnt 18/19	3,913	0	165	2,228	1,520	0	0	0	0	13	0	0	0	3,900	0	0	3,913	0	3,913
ERV - Light Fleet Vehicles	580	0	150	430	0	0	0	0	0	0	0	0	0	580	0	0	580	0	580
ECR - Mobilising System Upgrade	343	60	255	28	0	0	0	43	0	0	0	0	0	240	0	0	283	60	343
Personal Protection Equipment	616	10	606	0	0	0	0	16	0	0	0	0	0	590	0	0	606	10	616
Schemes under £250,000 20/21 onwards	1,188	904	250	34	0	0	0	2	0	69	0	124	38	51	0	0	284	904	1,188
Total Fire & Rescue	6,640	974	1,426	2,720	1,520	0	0	61	0	82	0	124	38	5,361	0	0	5,666	974	6,640
Trading Standards																			
Schemes under £250,000 20/21 onwards	39	0	39	0	0	0	0	0	0	39	0	0	0	0	0	0	39	0	39
Total Trading Standards	39	0	39	0	0	0	0	0	0	39	0	0	0	0	0	0	39	0	39
AMPS																			
Area Based Review	3,572	0	200	3,372	0	0	0	0	0	0	0	0	0	3,572	0	0	3,572	0	3,572
Locality Solutions (Stroud)	345	21	100	224	0	0	0	0	0	324	0	0	0	0	0	0	324	21	345
Refurbishment of Service Properties	562	0	44	318	200	0	0	0	0	1	0	102	0	459	0	0	562	0	562
Shire Hall - Planned External maint	640	50	590	0	0	0	0	0	0	0	0	40	0	550	0	0	590	50	640
Shire Hall - Block 2 Windows	400	89	311	0	0	0	0	0	0	0	0	0	0	311	0	0	311	89	400
Shire Hall - External Blk 6 ind Parking	821	462	359	0	0	0	0	0	0	0	0	0	0	359	0	0	359	462	821
Cotswold Hub - Lewis Lane	578	32	100	400	46	0	0	0	0	0	0	0	0	546	0	0	546	32	578
Quayside - Health Hub	16,030	1,451	6,500	8,000	79	0	0	0	0	0	0	0	0	14,579	0	0	14,579	1,451	16,030
Quayside - Multi-Storey Car Park	7,550	0	100	6,900	550	0	0	0	0	0	0	0	0	0	7,550	0	7,550	0	7,550
Automatic Doors - Corp Prop MTFS 19-20	300	10	110	90	90	0	0	0	0	0	0	0	0	290	0	0	290	10	300
Access Control - Corp Prop MTFS 19-20	300	34	145	121	0	0	0	0	0	145	0	0	0	266	0	0	266	34	300
Planned Capital Maintenance - MTFS 19-20	932	160	400	372	0	0	0	0	0	0	0	0	0	772	0	0	772	160	932
Coroners Court Refrigeration Replacement	450	4	346	100	0	0	0	0	0	0	0	0	0	446	0	0	446	4	450
County Offices Chelt - Refurb & Reconfig	8,056	27	200	2,829	5,000	0	0	0	0	200	0	0	0	8,029	0	0	8,029	27	8,056
Corporate Property Condition Data Works	4,150	0	500	2,500	1,150	0	0	0	0	4,150	0	0	0	0	0	0	4,150	0	4,150
Social Care Service Remodelling	2,000	0	500	1,500	0	0	0	0	0	0	0	0	0	2,000	0	0	2,000	0	2,000
Schemes under £250,000 20/21 onwards	6,204	4,161	1,549	354	140	0	0	0	10	80	0	12	0	1,941	0	0	2,043	4,161	6,204
Rural Estates - Farm Investment	1,634	808	250	576	0	0	0	0	0	0	0	0	0	826	0	0	826	808	1,634
Total AMPS	54,524	7,309	12,304	27,656	7,255	0	0	0	10	4,555	0	154	0	34,946	7,550	0	47,215	7,309	54,524
ICT Projects																			
ICT Strategy - Telephony	2,236	1,871	330	35	0	0	0	0	0	269	0	1	0	95	0	0	365	1,871	2,236
ICT Strat - Network Strategy Upgrade	1,313	223	212	878	0	0	0	0	0	893	0	0	0	197	0	0	1,090	223	1,313
ICT Strat - End User Device O/S	2,350	411	321	1,618	0	0	0	0	0	1,939	0	0	0	0	0	0	1,939	411	2,350
Secure WiFi Solution 2 All Council Sites	2,200	234	351	1,615	0	0	0	0	0	0	0	0	0	1,966	0	0	1,966	234	2,200
Endpoint Devices Replacement	5,424	2,768	1,656	1,000	0	0	0	0	0	224	0	0	0	2,432	0	0	2,656	2,768	5,424
Contact Centre solution enhancement	368	110	83	175	0	0	0	0	0	0	0	0	0	258	0	0	258	110	368
Hware Refresh Unsupported Servers	272	17	155	100	0	0	0	0	0	0	0	0	0	255	0	0	255	17	272
Microsoft databases upgrade	367	76	104	187	0	0	0	0	0	0	0	0	0	291	0	0	291	76	367
ICT Critical and Core Systems Upgrade	1,685	0	0	1,685	0	0	0	0	0	1,685	0	0	0	0	0	0	1,685	0	1,685
C&F ICT Systems Rationalisation	500	0	0	250	250	0	0	0	0	500	0	0	0	0	0	0	500	0	500
Schemes under £250,000 20/21 onwards	5,015	3,711	1,059	145	100	0	0	0	0	403	0	0	0	901	0	0	1,304	3,711	5,015
Upgrading remote site connectivity	1,060	0	0	1,060	0	0	0	0	0	0	0	0	0	1,060	0	0	1,060	0	1,060
New Starts 2021/22 onwards																			
Delivery of the Technical Digital and ICT Roadmap	8,443	0	0	1,293	2,550	2,050	2,550	0	0	0	0	0	0	0	8,443	0	8,443	0	8,443
Total ICT Projects	31,233	9,421	4,271	10,041	2,900	2,050	2,550	0	0	5,913	0	1	0	7,455	8,443	0	21,812	9,421	31,233
Archives & Information Management																			
Schemes under £250,000 20/21 onwards	3,580	3,504	51	25	0	0	0	0	0	20	0	0	11	45	0	0	76	3,504	3,580
Total Archives & Information Management	3,580	3,504	51	25	0	0	0	0	0	20	0	0	11	45	0	0	76	3,504	3,580

<u>Capital Programme 2021/22</u>	<u>Budget</u>							<u>Financing for Remaining Life (2020/21 onwards)</u>											
Scheme Name	Total Scheme Budget £000	Prior Years Actuals £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Future Years £000	Revenue Contrib £000	S106 External Contrib £000	Capital Fund £000	Other External Contrib £000	External Grant £000	Other Reserves £000	Capital Receipts £000	Internal Borrowing £000	Other incl. Borrowing £000	Total for Remaining Life £000	Prior Years Funding £000	Funding of budget total £000
<u>Customer</u>																			
Digital Transformation Unallocated	650	0	0	650	0	0	0	0	0	0	0	0	0	650	0	0	650	0	650
Business Analytics	950	148	802	0	0	0	0	0	0	0	0	0	0	802	0	0	802	148	950
Schemes under £250,000 20/21 onwards	757	671	26	20	40	0	0	0	0	80	0	0	0	6	0	0	86	671	757
Total Customer	2,357	819	828	670	40	0	0	0	0	80	0	0	0	1,458	0	0	1,538	819	2,357
<u>Business Service Centre</u>																			
Procure to Pay Digital Project	900	13	600	287	0	0	0	0	0	0	0	0	0	887	0	0	887	13	900
Schemes under £250,000 20/21 onwards	451	0	231	0	220	0	0	0	0	0	0	0	0	451	0	0	451	0	451
New Starts 2021/22 onwards																			
Investing in self funded income schemes	50,000	0	0	12,500	12,500	12,500	12,500	0	0	0	0	0	0	0	50,000	0	50,000	0	50,000
Total Business Service Centre	51,351	13	831	12,787	12,720	12,500	12,500	0	0	0	0	0	0	1,338	50,000	0	51,338	13	51,351

Annex 8b

Capital Programme New Schemes 2021/22 onwards funded from Internal Borrowing					
Scheme Name	Total Scheme Budget £000	2021/22 £000	2022/23 £000	2023/24+ £000	Scheme Description
Economy, Environment & Infrastructure					
Highways Depots - Cirencester Depot	400	400	0	0	Completion of the refurbishment works at Cirencester Depot.
Life Expired Steel Lighting Columns	600	100	100	400	Asset replacement programme for "life expired" steel street lighting columns that have exceeded their useful service life.
Capital Structural Maintenance Delivery	3,000	1,000	1,000	1,000	To cover inflationary pressures on structural maintenance works to enable delivery expectations to be met rather than reduced.
B4063 Cycle Route	3,000	3,000	0	0	Contribution to enable delivery of the 11km cycle route between Cheltenham and Gloucester, along the B4063. Walking and cycling schemes are widely seen as a key component in the transport sector's contribution to encouraging active travel as well as the Covid-19 economic recovery.
CCTV at HRC sites	80	80	0	0	Replacement of CCTV at the five Household Recycling Centre sites as the current CCTV infrastructure is no longer fit for purpose
Bodycams at HRC sites	20	20	0	0	The use of body cams will help to defuse potential situations of conflict and provide valuable evidence to verify and respond to complaints and allegations against members of staff.
M5 Junction 10 Improvements	4,000	0	0	4,000	This project is forecast to cost £253.131 million, of which Homes England will be providing capital grant funding for £249.131 million and the remaining £4 million will need to be funded by GCC in the last two years of the contract - 2023/24 and 2024/25 respectively.
Economy, Environment & Infrastructure Total	11,100	4,600	1,100	5,400	
Children's Services					
Carbon Reduction financial support for education capital projects	1,000	300	200	500	Current education capital projects can be enhanced to help the council meet carbon reduction target
Barnwood Residential home	375	375	0	0	Residential provision for Children in Care, including Emergency / PACE provision.
Southfields – Semi Independent Accommodation	2,500	0	1,250	1,250	Accommodation for the 16 – 25 age groups is particularly needed and whilst COVID-19 has temporarily exacerbated the demand for Semi Independent placements, we have also seen a steady increase in demand over the past 2 years.
Townsend House: Parent & Child assessment centre, Nursery & Children Centre.	2,500	1,250	1,250	0	This project would create a centre of Best Practice for parent and child assessments. Alongside an Early Years service for local vulnerable families
Children's Services Total	6,375	1,925	2,700	1,750	
ICT					
Delivery of the Technical Digital and ICT Roadmap (10 Schemes)	8,443	1,293	2,550	4,600	Part of the "Technical Digital and ICT Roadmap" additional funding needed for a five year period. A Technical Digital & ICT roadmap has therefore been developed to provide GCC with a clear and concise roadmap for a future state of the ICT Service and Infrastructure. The roadmap sets out the change and investment profile required to meet GCC's digital and ICT ambition.
ICT Total	8,443	1,293	2,550	4,600	
Corporate					
Investing in self funded income schemes	50,000	12,500	12,500	25,000	Funding for regeneration / commercial self funding schemes. Approval of these schemes will be dependant on a successful business case, with the assumption the scheme is self funding and there is no impact on revenue.
Corporate Total	50,000	12,500	12,500	25,000	
Total New Schemes 2021/22 onwards	75,918	20,318	18,850	36,750	

Annex 9

Schools and academies budget allocations before de-delegation

	<u>Units</u>	<u>Rate</u> £	<u>Primary</u> £	<u>Secondary</u> £	<u>Total</u> £	<u>% of delegated budget</u>
Pupil led Factors:						
Basic Entitlement Primary (Age Weighted Pupil Unit)	47,532	£3,143.00	149,392,814		149,392,814	36.5%
Basic Entitlement KS3 (Age Weighted Pupil Unit)	21,222	£4,432.00		94,055,904	94,055,904	23.0%
Basic Entitlement KS4 (Age Weighted Pupil Unit)	12,918	£4,994.00		64,512,492	64,512,492	15.8%
Total AWPUP (October 2019 pupils)	81,672		149,392,814	158,568,396	307,961,210	75.3%
Deprivation Primary (FSM ever 6)	8,542	£579.00	4,945,787			
Deprivation Secondary (FSM ever 6)	6,089	£845.00		5,145,334	10,091,121	2.5%
Deprivation Primary (FSM)	7,289	£463.00	3,374,655			
Deprivation Secondary (FSM)	4,455	£463.00		2,062,690	5,437,345	1.3%
IDACI F Primary	4,523	£216.00	976,955			
IDACI F Secondary	2,911	£312.00		908,179	1,885,135	0.5%
IDACI E Primary	3,610	£262.00	945,782			
IDACI E Secondary	2,464	£418.00		1,030,135	1,975,917	0.5%
IDACI D Primary	1,360	£413.00	561,712			
IDACI D Secondary	835	£584.00		487,660	1,049,373	0.3%
IDACI C Primary	1,808	£448.00	810,117			
IDACI C Secondary	1,092	£634.00		692,472	1,502,590	0.4%
IDACI B Primary	1,833	£478.00	876,131			
IDACI B Secondary	1,067	£684.00		729,710	1,605,841	0.4%
IDACI A Primary	171	£624.00	106,854			
IDACI A Secondary	99	£870.00		86,270	193,125	0.0%
Prior Attainment (Y1-6 Early Years Foundation Stage Profile)	14,276	£1,102.00	15,732,058			
Prior Attainment (Y7 - Y11 LPA)	6,922	£1,670.00		11,560,531	27,292,590	6.7%
English as Additional Language (3 year EAL)	2,274	£553.00	1,257,786			
English as Additional Language (3 year EAL)	358	£1,494.00		534,388	1,792,174	0.4%
Mobility Primary	179	£906.00	162,328			
Mobility Secondary	15	£1,298.00		19,991	182,319	0.0%
Total Pupil Led delegations			179,142,982	181,825,757	360,968,738	88.2%
School Leds Factors:						
Lump Sum	246	£118,541.00	29,042,545			8.3%
Lump Sum	41	£118,541.00		4,810,789	33,853,334	0.0%
Sparsity	28	£45,283.00	1,013,577			0.3%
Sparsity	5	£75,472.00		190,567	1,204,144	0.0%
Total Other Formula factors			30,056,122	5,001,356	35,057,478	8.6%
Premises:						
Split Sites	3 schools @ £45,794.00 + £61.00 / pupil		164,344		164,344	0.0%
Rates	Currently based on 21/22 estimates + 20/21 adjustments		2,548,875	1,201,305	3,750,180	0.9%
Exceptional Premises Factor - Rents	Based on 21/22 estimates		140,726	0	140,726	0.0%
Total Premises			2,853,945	1,201,305	4,055,250	1.0%
Total budget allocations before MFG, minimum pupil funding uplift and de-delegation			212,053,049	188,028,417	400,081,466	97.8%

Minimum Per Pupil Funding Uplift			£	£	£	
Additional funding due to minimum per pupil funding (primary pupils)	64	£4,180	4,235,915		4,235,915	1.0%
Additional funding due to minimum per pupil funding (Secondary schools with KS3 & KS4 pupils)	14	£5,415		3,784,678	3,784,678	0.9%
Additional funding due to minimum per pupil funding (Secondary schools with KS3 pupils only)	0	£5,215		0		
Additional funding due to minimum per pupil funding (Secondary schools with KS4 pupils only)	0	£5,715		0	0	0.0%
Total Minimum Pupil Funding Uplift			4,235,915	3,784,678	8,020,593	2.0%
Total budget allocations before MFG and De-delegations			216,288,964	191,813,095	408,102,059	99.7%
Minimum Funding Guarantee			£	£	£	
MFG protections	2.00%		1,013,756	116,519	1,130,275	0.3%
Total Minimum Funding Guarantee			1,013,756	116,519	1,130,275	0.3%
Total budget allocations after MFG, Minimum Per Pupil Funding Uplift but before De-delegations			217,302,720	191,929,614	409,232,334	100.0%
Proposed de-delegation for maintained schools only (takes into account anticipated conversions by 4/1/21)						
	Maintained Pupils	Rate	Primary	Secondary	Total	
		£	£	£	£	
Targeted Intervention & Support Primary	35,027	£9.27	324,704		324,704	0.1%
Targeted Intervention & Support Secondary	4,101	£0.00		0		
Union Facilities Primary	35,027	£3.05	106,834		106,834	0.0%
October Pupil Increases (above threshold)	35,027	£6.32	221,373		221,373	0.1%
Education Functions Primary (statutory duties previously covered by ESG general duties)	35,027	£5.00	175,137		175,137	0.0%
Education Functions Secondary (statutory duties previously covered by ESG general duties)	4,101	£5.00		20,505	20,505	0.0%
Total de-delegation funds available to maintained schools	39,128		828,048	20,505	848,553	0.2%
Total budget allocations after MFG, Minimum Per Pupil Funding Uplift and De-delegations			216,474,672	191,909,109	408,383,781	99.8%

Annex 10

Treasury Management and Investment Strategy Statement 2021/22

Introduction

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered within this Strategy as per MHCLG guidance.

External Context

Economic background

The impact on the UK from coronavirus, lockdown measures, the rollout of vaccines, as well as the new trading arrangements with the European Union (EU), will remain a major influence on the Council's treasury management strategy for 2021/22.

The Bank of England (BoE) maintained Bank Rate at 0.10% in December 2020 and Quantitative Easing programme at £895 billion having extended it by £150 billion in the previous month. The Monetary Policy Committee (MPC) voted unanimously for both, but no mention was made of the potential future use of negative interest rates. In the November Monetary Policy Report (MPR) forecasts, the Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast. By the time of the December MPC announcement, a COVID-19 vaccine was approved for use, which the Bank noted would reduce some of the downside risks to the economic outlook outlined in the November MPR.

UK Consumer Price Inflation (CPI) for November 2020 registered 0.3% year on year, down from 0.7% in the previous month. Core inflation, which excludes the more volatile components, fell to 1.1% from 1.5%. The most recent labour market data for the three months to October 2020 showed the unemployment rate rose to 4.9% while the employment rate fell to 75.2%. Both measures are expected to deteriorate further due to the ongoing impact of coronavirus on the jobs market, particularly when the various government job retention schemes start to be unwound in 2021, with the BoE forecasting unemployment will peak at 7.75% in Q2 2021. In October, the headline 3-month average annual growth rate for wages were 2.7% for total pay and 2.8% for regular pay. In real terms, after adjusting for inflation, total pay growth was up by 1.9% while regular pay was up 2.1%.

GDP growth rebounded by 16.0% in Q3 2020 having fallen by -18.8% in the second quarter, with the annual rate rising to -8.6% from -20.8%. All sectors rose quarter-on-quarter, with dramatic gains in construction (41.2%), followed by services and production (both 14.7%). Monthly GDP estimates have shown the economic recovery slowing and remains well below its pre-pandemic peak. Looking ahead, the BoE's November MPR forecasts economic growth will rise in 2021 with GDP reaching 11% in Q4 2021, 3.1% in Q4 2022 and 1.6% in Q4 2023.

GDP growth in the euro zone rebounded by 12.7% in Q3 2020 after contracting by -3.7% and -11.8% in the first and second quarters, respectively. Headline inflation, however, remains extremely weak, registering -0.3% year-on-year in November, the fourth successive month of deflation. Core inflation registered 0.2% y/y, well below the European Central Bank's (ECB) target of 'below, but close to 2%'. The ECB is expected to continue holding its main interest rate of 0% and deposit facility rate of -0.5% for some time but expanded its monetary stimulus in December 2020, increasing the size of its asset purchase scheme to €1.85 trillion and extended it until March 2022.

Credit Update

After spiking in late March as coronavirus became a global pandemic and then rising again in October/November, credit default swap (CDS) prices for the larger UK banks have steadily fallen back to almost pre-pandemic levels. Although uncertainly around COVID-19 related loan defaults lead to banks provisioning billions for potential losses in the first half of 2020, drastically reducing profits, reported impairments for Q3 were much reduced in some institutions. However, general bank profitability in 2020 and 2021 may be significantly lower than in previous years.

The credit ratings for many UK institutions were downgraded on the back of downgrades to the sovereign rating. Credit conditions more generally though in banks and building societies have tended to be relatively benign, despite the impact of the pandemic.

Looking forward, the potential for bank losses to be greater than expected when government and central bank support starts to be removed remains a risk, suggesting a cautious approach to bank deposits in 2021/22 remains advisable.

Interest Rate Forecast

The Council's treasury advisors, Arlingclose, is forecasting that BoE Bank Rate will remain at 0.1% until at least the first quarter of 2024. The risks to this forecast are judged to be to the downside as the BoE and UK government continue to react to the coronavirus pandemic and the new EU trading arrangements. The BoE extended its asset purchase programme to £895 billion in November while keeping Bank Rate on hold and maintained this position in December. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out but this is not part of the Arlingclose central forecast.

Gilt yields are expected to remain very low in the medium term. Shorter-term gilt yields are likely remain below or at zero until such time as the BoE expressly rules out the chance of negative interest rates or growth/inflation prospects improve. The central case is for 10-year and 20-year to rise to around 0.60% and 0.90% respectively over the time horizon. The risks around the gilt yield forecasts are judged to be broadly balanced between upside and downside risks, but there will almost certainly be short-term volatility due to economic and political uncertainty and events.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.

Local Context

At 31st March 2021 the Council's underlying need to borrow for capital purposes as measured by the Capital Financing Requirement (CFR) is estimated to be £393.7 million, while usable reserves and working capital which are the underlying resources available for investment are estimated at £362.3 million. This is set out in further detail at Appendix B. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

The Council currently has £261.8 million of external borrowing, a £97.1 million lease liability (including PFI and the Waste liability) and £367.3 million (as at 29th October 2020) of internal investments. This is set out in further detail at Appendix B, and forecasts changes in these sums are shown in the balance sheet analysis at Table 1 below.

The Council's current strategy is not to borrowing but to hold lower investment balances, sometimes known as internal borrowing. CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2021/22.

Table 1: Balance Sheet Summary and Forecast

Balance Sheet Summary	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
General Fund CFR	389.844	393.741	423.012	441.345	449.903
Less: Other debt liabilities	98.408	97.070	95.893	94.425	93.157
Loans CFR	291.436	296.671	327.119	346.919	356.746
Less: External borrowing	269.786	261.823	251.878	239.778	231.778
Internal (over) borrowing	21.650	34.848	75.241	107.141	124.968
Less: Usable reserves	244.300	223.600	226.000	226.100	220.100
Less: Working capital	79.600	79.600	79.600	79.600	79.600
(Investments) or New borrowing	(302.250)	(268.352)	(230.359)	(198.559)	(174.732)

Liability benchmark

To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated and presented in the Capital Strategy, showing the lowest risk level of borrowing. This benchmark is currently -£13.2 million and is forecast to rise to £44.5 million over the next three years as the Council seeks to hold new capital borrowing requirements internally.

Borrowing Strategy

The total borrowing requirement at the end of 2020/21 is forecast to be £393.7 million (equivalent to the CFR). This is financed by historic external and a lease liability. The Council's aim is to both repay maturing debt, and where possible some of the existing debt when opportunities to do this arise. The Council also considers new borrowing where it can be shown to be prudent and financial beneficial to do so. In 2020/21 £8.0 million maturing external debt was repaid with £9.9 million being forecast to be repaid in 2021/22.

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely that in the event that the Council needed to borrow it would be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. Whilst such a strategy is most likely to be beneficial over the next 2-3 years as official interest rates remain low, it is unlikely to be sustained in the medium-term. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis.

In addition, the Council may borrow short-term loans (normally for up to one

month) to cover unexpected cash flow shortages.

Sources of Borrowing and Portfolio Implications

The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- UK local authorities
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Gloucestershire Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local Council bond issues

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback.

The Council has previously raised the majority of its long-term borrowing from the PWLB, but will consider long-term loans from other sources including banks, pensions and local authorities, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity in order to retain its access to PWLB loans.

The UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Audit and Governance Committee.

The Council holds £33.050 million of Lender's Option Borrower's Option (LOBO) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBO's have options during 2021/22, however lenders are unlikely to exercise their options in the current low interest rate environment. The situation with these LOBOs will be kept under regular review and the Council will take the option to repay LOBO loans at no cost if it has the opportunity to do so. Previously a further £8.0 million of loans with Barclays were classified as LOBOs, however Barclays have now fixed the interest rates on these loans until maturity. These are now classified as fixed rate market loans.

Short-term and variable rate loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see Financial Derivatives section below).

Debt Rescheduling

The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Some bank lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall saving or reduction in risk..

Borrowing and rescheduling activity will be reported to the Audit and Governance Committee in the Annual Treasury Management Report, the Mid Year Report and any other treasury management reports presented to Audit & Governance Committee.

Treasury Investment Strategy

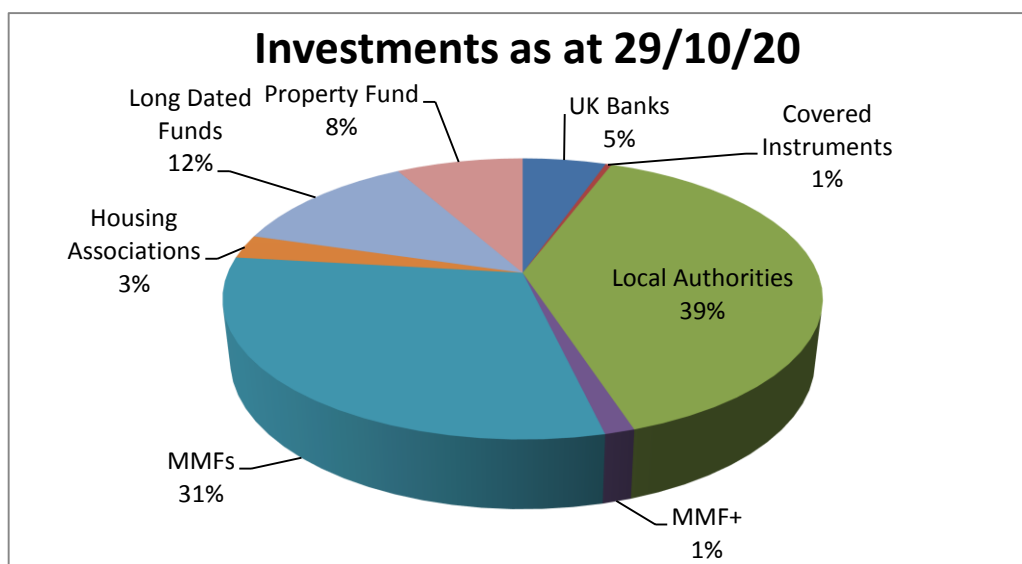
The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2020/21 the Council's internal treasury investment balance has ranged between £308.8 million and £384.8 million. Balances are expected to start falling as internal borrowing starts to become a feature of future years.

The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative interest rates:

The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to continue its strategy of diversifying into more secure and / or higher yielding asset classes during 2021/22. This is especially the case for funds available for longer-term investment. The pie chart below shows how the Council's surplus cash is currently invested.



Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

The Council may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty), the time limits shown and the Responsible Investment Policy incorporated as part of the Treasury Management Policies.

Table 2: Approved Investment Counterparties

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£15m	Unlimited
Secured investments *	25 years	£30m	Unlimited
Banks (unsecured) *	13 months	£15m	Unlimited
Building societies (unsecured) *	13 months	£15m	£30m
Registered providers (unsecured) *	5 years	£15m	£30m
Money market funds *	n/a	£30m / fund	Unlimited
Strategic pooled funds	n/a	£30m	£150m
Real estate investment trusts	n/a	£30m	£30m
Other investments *	5 years	£15m	£30m

* Minimum credit rating: Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-

Table 2 should be read in conjunction with the notes below:

- **Credit Rating:**

Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £100,000 per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

- **Government:**

Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

- **Secured Investments:**

These investments are secured on the borrower's assets, which limits the potential losses in the event of insolvency. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

- **Banks and Building Societies Unsecured:**
Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.
- **Registered Providers (unsecured):**
Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England). As providers of public services, they retain the likelihood of receiving government support if needed.
- **Money market funds:**
Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- **Strategic Pooled Funds:**
Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
- **Real estate investment trusts:**
Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.
- **Other investments:**
This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.

- **Operational bank accounts:**

The Council may incur operational exposures, for example through current accounts, and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept to a minimum. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

- **Risk assessment and credit ratings:**

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- o no new investments will be made,
- o any existing investments that can be recalled or sold at no cost will be,
- o full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments:

The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Investment Limits

The Council's holds general revenue reserves which would be available to cover investment losses. However, in order to limit this risk, in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £30.0 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 3: Investment Limits

	Cash limit
Any group of pooled funds under the same management	£30m per manager
Negotiable instruments held in a broker's nominee account	£30m per broker
Foreign countries	£30m per country

Liquidity management:

The Council uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

The Council will spread its liquid cash over at least three providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit rating	A

Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

Liquidity risk indicator	Target
Total cash available within 3 months	£50m

Interest rate exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% rise / fall in interest rates	£901,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

Maturity structure of borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	25%	0%
12 months and within 24 months	25%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal sums invested for periods longer than a year: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Table 5: Upper Limit

	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Upper Limit for total principal sums invested over 364 days	200.000	200.000	200.000	200.000	200.000

The Council's Approach to Responsible Investment

The Council has implemented a Responsible Investment Policy for future Treasury Management investment.

- I. For direct investments, the Council will seek to ensure that counterparties (excluding the UK Government and other UK Local Authorities) have no direct investment in Fossil Fuel companies prior to investing.
- II. For additional investments into Pooled Funds the Council will seek to ensure that any fund used does not have exposure to Fossil Fuel investments prior to investing.

Non Treasury Investment Strategy

The Council invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This section of the report is concerned with meeting the requirements of statutory guidance issued by the government in January 2018, and focuses on the second and third of these categories, service and commercial investments.

Service Investments: Loans

The Council can lend money to support local public services and stimulate local economic growth. The Council has previously made a £100,000 investment in the Funding Circle platform, designed to support local businesses and economic growth within Gloucestershire. The Council is currently disinvesting from the platform and to date has received back £71,838.90.

Where loans are made for service purposes accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. Following changes to Accounting Standards the figures for loans in the Council's statement of accounts from 2018/19 onwards will be shown net of this loss allowance, where material.

Service Investments: Shares

The Council holds shares costing £1 in Ubico Ltd. The fair value of the council's interest in the company at 31st March 2020 is considered to be nil, since it is a wholly local authority owned not-for-profit 'Teckal' company. As a 'Teckal' company it is treated as if it were an in house department and the shareholder councils are able to enter into service contracts with the company without undertaking an EU compliant procurement process.

Commercial Investments: Property

The Council has not invested in Commercial Property to date and has no plans to do so.

It has however invested in Gloucestershire based regeneration projects which have a commercial element and will continue to look at similar regeneration projects in future. Should the Council identify such a regeneration opportunity it will require a detailed business case and will only do so in accordance with government guidance. The Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

The Council will assess the risk of loss before entering into and whilst holding property investments by producing a comprehensive business plan and monitoring performance on an ongoing basis.

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness.

The Council has guaranteed to cover the liabilities associated with the pensions of ex-employees following the transfers of council services to external bodies. These arrangements are monitored and assessed to ensure that any provision for possible liabilities are made, and included within the Statement of Accounts.

Capacity, Skills and Culture

The Council provides training from our Treasury Management Advisors to members of the Audit and Governance Committee on an annual basis, to ensure that they are fully aware of the investments included in the Treasury Management Strategy and Investment Strategy. This training will also cover the requirements of the Capital Strategy and the non Treasury Management investments. This ensures that members can take informed decisions on the investments being included in the strategies, and have the opportunity to challenge their use to

ensure that they fully understand the implications of the investment.

Where commercial deals are to be negotiated, Finance will be involved to ensure that the core principles of the prudential framework and of the regulatory regime within which local authorities operate is taken into account.

Investment Indicators

The Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.

The first indicator shows the Council's total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down, and guarantees the Council has issued over third party loans, if any. It assumes that balances for treasury investments reduce as reserves reduce.

Table 1: Total Investment Exposure

Total investment exposure	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Treasury management investments	308.8	274.9	236.9	205.1	187.2
Service investments: Loans	0.0	0.0	0.0	0.0	0.0
Commercial investments: Property	0.0	0.0	0.0	0.0	0.0
Total Exposure	308.8	274.9	236.9	205.1	187.2

Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However the table below shows that the Council will not hold any investments funded by borrowing as usable capital receipts plus its working capital are expected to exceed total investments. This is indicative that the Council uses internal borrowing to fund part of its capital programme.

Table 2: Investments funded from

Investments funded by borrowing	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Treasury management investments	-15.1	-28.3	-68.7	-100.6	-118.5
Commercial investments: Property	0.0	0.0	0.0	0.0	0.0
Total Funded by Borrowing	-15.1	-28.3	-68.7	-100.6	-118.5

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred. Where a negative return is shown, this has occurred as costs are greater than investment income received.

Table 3: Investment RoR

Investments net rate of return	2019/20 Actual %	2020/21 Estimate %	2021/22 Estimate %	2022/23 Estimate %	2023/24 Estimate %
Treasury management investments	1.78	1.82	1.86	1.90	1.95
Service investments: Loans	4.50	0.00	0.00	0.00	0.00

Other items

The CIPFA Code requires the Council to include the following in its treasury management strategy.

Financial Derivatives

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Markets in Financial Instruments Directive

The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, this is the most appropriate status.

2021/22 Minimum Revenue Provision Statement

The Minimum Revenue Provision (MRP) was introduced when the Local Government Capital Finance System was changed on 1 April 1990. CLG's Guidance on MRP places a duty on local authorities to make a prudent provision for debt redemption. Guidance has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003. The MRP Statement must be submitted to Council before the start of the financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement would be put to Council at that time.

In line with Council policy on the repayment of debt, and with the continuation of capital grants by government, the Council has not borrowed externally to fund the capital programme over the last 8 years. Opportunities are now limited for the repayment of debt early due to the low interest rate environment, meaning that high premiums would need to be paid should the Council wish to restructure or repay external debt early. Maturing debt will continue to be redeemed over the next few years, and where opportunities present to repay internal borrowing this will be by way of a voluntary revenue provision.

In order to ensure that the MRP charge remains prudent, the Council regularly reviews its Capital Financing Requirement. To reduce the amount of excess MRP set aside, the Council changed its policy for supported capital expenditure in 2015/16. The method used is similar to other local authorities and sets aside a fixed sum of MRP each year. For Gloucestershire the fixed sum was set at £8.2m.

Following further review of the Capital Financing Requirement and the Prudential Indicators, and discussions with the Council's treasury advisors (Arlingclose) and external auditor (Grant Thornton) the MRP charge was further reduced during 2017/18 for existing debt to £6.2 million. This change still allows for a prudent provision for the repayment of existing debt, and ensures that Prudential Indicators are not breached.

The asset life of capital assets obtained through the capital programme will form the basis of calculating an annual MRP provision for any new borrowing requirement going forward. For any commercial related investments a business case review will be carried out and an appropriate provision for the repayment of any debt taken, set aside.

MRP in respect of PFI and finance leases brought on Balance Sheet under the IFRS-based Code of Practice will match the annual principal repayment for the associated deferred liability.

Arlingclose's Economic and Interest Rate Forecast

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Official Bank Rate													
Upside risk	0.00	0.00	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	0.30	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
3-month money market rate													
Upside risk	0.05	0.05	0.10	0.10	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.15	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Downside risk	0.30	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
1yr money market rate													
Upside risk	0.05	0.05	0.10	0.10	0.15	0.20	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Arlingclose Central Case	0.15	0.15	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Downside risk	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
5yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Arlingclose Central Case	0.00	0.00	0.05	0.10	0.15	0.20	0.20	0.20	0.25	0.25	0.25	0.25	0.25
Downside risk	0.40	0.45	0.50	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
10yr gilt yield													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Arlingclose Central Case	0.25	0.30	0.35	0.35	0.40	0.40	0.45	0.45	0.50	0.55	0.55	0.55	0.60
Downside risk	0.50	0.50	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
20yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Arlingclose Central Case	0.70	0.70	0.75	0.75	0.75	0.80	0.80	0.85	0.85	0.85	0.85	0.90	0.90
Downside risk	0.30	0.30	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
50yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Arlingclose Central Case	0.60	0.60	0.65	0.65	0.65	0.70	0.70	0.75	0.75	0.75	0.75	0.80	0.80
Downside risk	0.30	0.30	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Underlying Assumptions:

- The medium-term global economic outlook has improved with the distribution of vaccines but the recent upsurge in coronavirus cases has worsened economic prospects over the short term.
- Restrictive measures and further lockdowns are likely to continue in the UK and Europe until the majority of the population is vaccinated by the second half of 2021. The recovery period will be strong thereafter, but potentially longer than previously envisaged.
- Signs of a slowing UK economic recovery were already evident in UK monthly GDP and PMI data, even before the second lockdown and Tier 4 restrictions. Employment is falling despite an extension to support packages.
- The need to support economic recoveries and use up spare capacity will result in central banks maintaining low interest rates for the medium term.
- Brexit will weigh on UK activity. The combined effect of Brexit and the after-effects of the pandemic will dampen growth relative to peers, maintain spare capacity and limit domestically generated inflation. The Bank of England will therefore maintain loose monetary conditions for the foreseeable future.

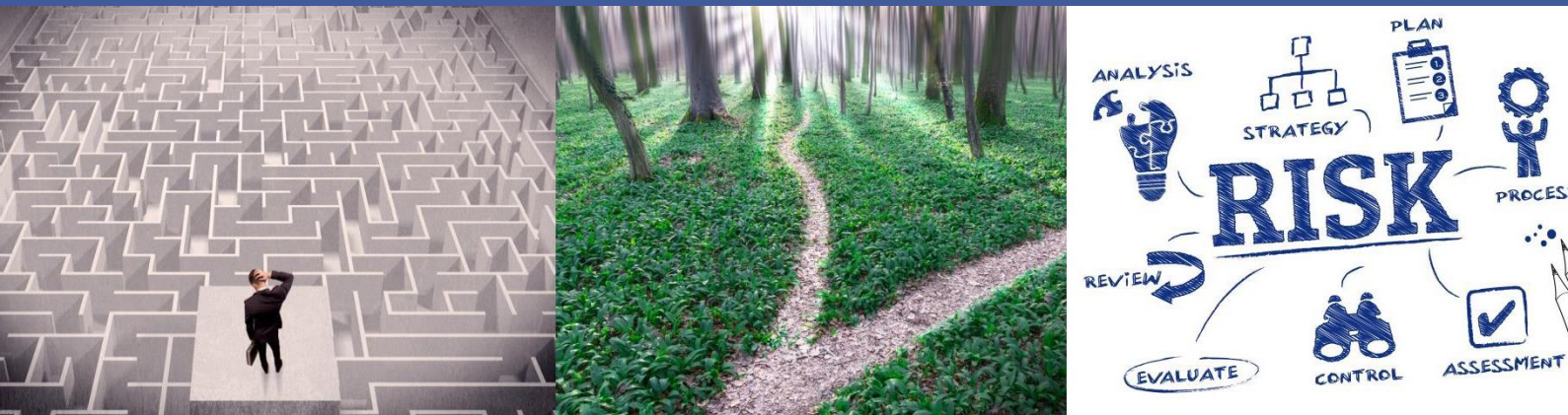
- Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid longer-term inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, or the deployment of vaccines.

Forecast:

- Arlingclose expects Bank Rate to remain at the current 0.10% level.
- The central case for Bank Rate is no change, but further cuts to zero, or perhaps even into negative territory, cannot be completely ruled out, especially with likely emergency action in response to a no-deal Brexit.
- Gilt yields will remain low in the medium term. Shorter term gilt yields are currently negative and will remain around zero or below until either the Bank expressly rules out negative Bank Rate or growth/inflation prospects improve.
- Downside risks remain, and indeed appear heightened, in the near term, as the government reacts to the escalation in infection rates and the Brexit transition period ends.

EXISTING PORTFOLIO PROJECTED FORWARD

	Portfolio 29-Oct-20 Actual £m	Average Rate %	31-Mar-21 Estimate £m	31-Mar-22 Estimate £m	31-Mar-23 Estimate £m	31-Mar-24 Estimate £m
External Borrowing						
Fixed Rate – PWLB	220.773	4.89	220.773	210.828	198.728	190.728
Fixed Rate – Market	33.050	4.24	33.050	33.050	33.050	33.050
Variable Rate – PWLB	0.000	0.00	0.000	0.000	0.000	0.000
Variable Rate – Market	8.000	5.00	8.000	8.000	8.000	8.000
Total External Borrowings	261.823	4.79	261.823	251.878	239.778	231.778
Other long-term liabilities (PFI)	97.070		97.070	95.893	94.425	93.157
Total External Debt	358.893		358.893	347.770	334.203	324.935
Treasury Investments:						
<i>Managed in house</i>						
- Short term deposits and monies on call and Money Market Funds	235.968	0.56	198.968	160.950	132.550	113.350
- Long Term investments (over 12 months)	56.300	1.29	88.300	88.300	88.300	88.300
<i>Managed externally / Strategic Funds</i>	75.000	4.00	75.000	75.000	75.000	75.000
Total Investments	367.268	1.37	362.268	324.250	295.850	276.650
Net (Borrowing) / Investment Position	8.375		3.375	(23.520)	(38.353)	(48.285)



Gloucestershire County Council Risk Management Policy Statement & Strategy

2018-2021

Gloucestershire County Council (GCC) recognises that Risk Management is one of the key principles of effective Corporate Governance. It is also a key contributor to a sound internal control environment and the Annual Governance Statement.

The Council seeks to adopt recognised best practice in the identification, evaluation and cost effective/proportional control of risks and opportunities to ensure that they are managed at acceptable levels. Risk management within GCC is about managing our threats and opportunities and striving to create an environment of 'no surprises'. By managing our threats effectively we will be in a stronger position to deliver our business objectives. By managing our opportunities we will be in a better position to demonstrate improved services and better value for money.

Risk is unavoidable. It is an important part of life that allows us all to move forward and develop. As an organisation it can impact in many ways, whether financially, politically, on our reputation, environmentally or to our service delivery. Successful risk management is about ensuring that we have the correct level of control in place to provide sufficient protection from harm, without stifling our development. As an organisation, with a range of different stakeholders, each with differing needs and expectations, this can be a challenge. We must ensure that the decisions we take as a Council reflect a consideration of the potential implications for all our stakeholders. We must decide whether the benefits of taking our actions outweigh the risks.

The Council's overriding attitude to risk is to operate in a culture of creativity and innovation, in which risks are identified in all areas of the business, are understood and proactively managed, rather than avoided. Risk management therefore needs to be taken into the heart of the Council and our key partners. We need to have the structures and processes in place to ensure the risks and opportunities of daily Council activities are identified, assessed and addressed in a standard way. We do not shy away from risk but instead seek to proactively manage it. This will allow us not only to meet the needs of the community today, but also be prepared to meet future challenges.

The Cabinet and the Corporate Management Team are fully committed to effective risk management and see it as part of our responsibility to deliver an effective public service to the communities within Gloucestershire.

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Risk Management Strategy

This strategy recognises that the next few years will present unprecedented challenges for the Council in delivering its services and corporate priorities.

Risk Management is a central part of the Council's strategic management. It is a cyclical process whereby the Council identifies, evaluates, monitors and controls potential opportunities and adverse effects that challenge the assets, reputation and objectives of the organisation. It enables the Council to effectively manage strategic decision-making, service planning and delivery, to safeguard the wellbeing of our customers and stakeholders.

The Council should not be afraid of identifying a risk or feel that identifying a risk is a failure. Identification of a risk provides an opportunity for improvement and success!

What are the real benefits of managing risk?

Risk Management will strengthen the ability of the Council to achieve its corporate objectives and enhance the value of services provided by:

- Informing strategic and operational decision-making;
- Safeguarding all persons to whom the Council has a duty of care;
- Increasing our chances of success and reducing our chances of failure;
- Enhancing stakeholder value by minimising losses and maximising opportunities;
- Increasing knowledge and understanding of exposure to risk;
- Enabling not just backward looking review, but forward looking thinking;
- Contributing towards social value and sustainable development;
- Reducing unexpected and costly surprises;
- Minimising our vulnerability to fraud and corruption;
- Freeing up management time from 'fire-fighting';
- Providing management with early warnings of problems;
- Ensuring minimal service disruption;
- Ensuring statutory compliance;
- Better targeting of resources i.e. focus scarce resources on high risk activity;
- Reducing the financial costs due to, e.g. service disruption, litigation, insurance premiums and claims, and bad investment decisions;
- Delivering creative and innovative projects; and
- Protecting our reputation.

Our Strategic Risk Management Objectives

- Strategic approach to risk management to make better informed decisions which is vital to successful transformational change;
- Setting the ‘tone from the top’ on the level of risk we are prepared to accept on our different service delivery activities and priorities. Understanding our ‘risk appetite’ and acknowledging that how we ‘think about risk’ will be different depending on the context of corporate impact and sensitivity;
- Risk management enables us be more consistent in options appraisals and more flexible/agile in delivering change. Risk aversion can result in the bar being set much higher for commissioning a change compared with maintaining the status quo;
- Acknowledging that even with good risk management and our best endeavours, things can go wrong. Where this happens we use the lessons learnt to try to prevent it from happening again;
- Developing leadership capacity and skills in having a clear understanding of the risks facing the Council and how we manage them;
- Risk management should be integral to how we run Council business/services. Risk management processes provide effective arrangements that identify and achieve successful local and national priority objectives;
- Supporting a culture of well-measured risk taking throughout the Council’s business, including strategic, programme, partnership, project and operational. This includes setting risk ownership and accountabilities and responding to risk in a balanced way, considering the level of risk, reward, impact and cost of control measures;
- Ensure that the Council continues to meet all statutory and best practice requirements in relation to risk management and continues to be a key and effective contributor to Corporate Governance and a satisfactory Annual Governance Statement;
- Effective monitoring and Board intelligence on the key risks facing the Council; and
- Good practice tools to support the Council in the management of risks and opportunities.

What is the Council's Risk Appetite?

There are numerous definitions of organisational 'risk appetite', but it all boils down to how much of what sort of risk an organisation is willing to take. The HM Treasury definition being: *'The amount of risk that an organisation is prepared to accept, tolerate or be exposed to at any point in time.'* So why do we need to determine our risk appetite?

If managers are running the business with insufficient guidance on the levels of risk that are legitimate for them to take, or not seizing important opportunities due to a perception that taking on additional risk is discouraged, then business performance will not be maximised. At the other end of the scale an organisation constantly erring on the side of caution (or one that has a risk-averse culture) is one that is likely to stifle creativity and not necessarily encouraging innovation, nor seek to exploit opportunities.

A framework has been developed and implemented to enable risk judgements to be more explicit, transparent and consistent. By enhancing our approach to determining risk appetite we are able to raise the Council's capability to deliver on challenging targets to raise standards, improve service quality, system reform and provide more value for money.

This framework is considered by all levels of the business, from strategic decision making, to operational delivery.

How are our objectives going to be met?

The Council's objectives will be achieved by:

- Adopting good practice risk management principles, in line with the Institute of Risk Management Professional Standards 2015 and the International Risk Management Standard (ISO 31000 - 2009). The application of the standards and principles within it will be reviewed annually and amended accordingly to reflect key changes;
- Establishing clear roles and responsibilities and reporting lines within the Council for risk management;

- Incorporating risk management into the council's decision making and strategic management processes;
- Incorporating risk management into service/business planning, option appraisals, programme and project management, partnerships and procurement processes;
- The provision of risk management training, advice, detailed guidance and support and providing opportunities for shared learning; and
- The provision of a risk governance framework to ensure the adequacy and effectiveness of the identification, assessment, control, monitoring and review arrangements in place to manage risk. The framework will ensure that risk management is dynamic and responsive to change.

Monitoring and Review of Risk Management Activities (minimum requirements)

- A quarterly review of the Strategic Risk Register;
- A quarterly review of service area risk registers;
- A monthly review of programme/project/partnership risk registers;
- An annual review of the corporate Risk Management Policy Statement and Strategy;
- An annual report on risk management activity; and
- An annual review and report on the overall effectiveness of risk management and internal control by Internal Audit, which feeds into the Annual Governance Statement.

Accountabilities, Roles and Responsibilities

There needs to be clarity in terms of ‘who does what’ otherwise we will be exposed to risks being unmanaged, causing us damage or loss that we could otherwise influence, control or avoid. The key roles and responsibilities are outlined below:

Cabinet / Portfolio Holders

- Endorse the Risk Management Policy Statement and Strategy;
- Endorse the content of the Strategic Risk Register and proposed risk mitigation plans, and monitor implementation;
- Be aware of the risk management implications of decisions;
- Monitor key performance results including the production of an annual report on strategic risk management activity; and
- Nominate a Lead Member Risk Management Champion to be responsible for the championing, scrutiny and oversight of the risk management activities.

Scrutiny

- Ensure that risks and opportunities within their portfolio are identified and effectively managed through discussions with Directors and Service Heads;
- Facilitate a risk management culture across the council;
- Contribute to the Cabinet review of risk and being proactive in raising risk from the wider Gloucestershire area and community; and
- Monitor and challenge key risk controls and actions.

Audit and Governance Committee

- Provide independent assurance to the Council of the adequacy and effectiveness of the risk management arrangements and associated control environment; and
- Receive an annual report on risk management activity.

Corporate Management Team (CoMT)

- Provide corporate leadership of risk management throughout the council;
- Agree an effective council-wide framework for the management of risks and opportunities;
- Advise Members on effective risk management and ensure Members receive relevant risk information;
- Ensure that the council complies with the corporate governance requirements relating to risk management;
- Own the council's Strategic Risk Register and ensure that risks are reviewed as part of the wider council's performance arrangements;
- Ensure that reports to support strategic and/or policy decisions include a risk assessment;
- Monitor the implementation of key mitigation plans and controls assurance programmes;
- Ensure processes are in place to report any perceived new/emerging (key) risks or failures of existing control measures; and
- Nominate a Director to be responsible for the championing, scrutiny and oversight of risk management activities.

Directors

- Ensure that risk management within their areas of responsibility is implemented in line with the council's Risk Management Strategy;
- Assist in the preparation of the council's Annual Governance Statement by providing an assurance statement for the internal control framework operating within their service(s);
- Ensure that risks associated with the delivery of outcomes are identified and effectively managed by owning risk registers;
- Ensure regular review of the risk registers as part of wider council performance;
- Challenge relevant Lead Commissioners and Service Heads on relevant risks relating to their areas of responsibility;
- Proactively raise risk issues at management team meetings and with Portfolio Holders; and
- Nominate a Risk Champion to work alongside the Corporate Risk Management Team, who will be the key interface in supporting the application of risk management principles within their service.

Lead Commissioners/Service Heads

- Ensure that risk management, within their areas of responsibility, is implemented in line with the council's Risk Management Strategy;
- Own their risk register and identify cross-cutting risks as well as risks arising from their areas of responsibility; prioritising and initiating mitigating actions;
- Ensure regular review of the service risk register as part of wider council performance;
- Report to Directors on any perceived new and emerging risks or, failures of existing control measures;
- Promote and share good practice across service areas;
- Liaise with their service Risk Champion; and
- Challenge risk owners and actions to ensure that controls are operating as intended.

Managers

- Ensure that risk management within their areas of responsibility is implemented in line with the council's Risk Management Strategy;
- Communicate the risk management arrangements to staff;
- Liaise with their service Risk Champion;
- Identify training needs and report these to their service Risk Champion;
- Take accountability for actions and, report to their Lead Commissioner or Service Head; and
- Report any perceived new and/or emerging risks or, failure of control measures to their Lead Commissioner or Service Head.

Staff/Other Stakeholders

- Maintain risk awareness, assessing and managing risks effectively in their job and, report risks to their manager.

Corporate Risk Management Team

Strategic and Operational Risk

- Lead on the development and manage the implementation of an integrated risk management framework, strategy and process on behalf of the council;
- Undertake an annual review of the council's Corporate Risk Management Strategy and update accordingly, presenting any revisions to COMT for approval;
- Spread the ethos and, promote the effectiveness of good risk management throughout the council;
- Facilitate the review and update of the Strategic Risk Register;
- Identify and address cross-cutting risks and risk management issues;
- Support the development of the council's service, programme, project and partnership risk registers;
- Provide the council with guidance, toolkits, advice and support on the application of risk management principles and, support the Risk Champions in delivering their role;
- Lead, co-ordinate and develop risk management activity across the council with the support of the Risk Champions;
- Ensure that all relevant staff and Members are adequately trained in risk management and risk assessment techniques;
- Moderate and challenge the application of risk management principles accordingly;
- Liaise with external consultants and risk management organisations and review national standards to identify, share and maintain best practice within the council; and
- Liaise with both internal and external audit with regard to risk management.

Risk Financing and Insurance

- Lead on the development and implementation of the council's insurance programme;
- Provide advice and guidance with regards to insurance requirements, indemnities and legal liabilities;
- Lead on claims management and investigation services for claims made against the council; and
- Provide an insurance programme to maintained schools, who buy-back the traded service.

Corporate Risk Management Group

The group is made up of senior officers within the following:

- Corporate Risk Management;
- Performance and Improvement;
- Information Management;
- Health and Safety;
- Civil Protection;
- Risk/Insurance Services;
- Commercial Services;
- Asset Management and Property Services, and
- Service area risk champions.

The key aims of the group are to:

- Act as the main risk management contact/advisor for their service areas, ensuring that corporate information and requirements are communicated throughout the service areas and that key service risk information is escalated, to enable appropriate action to be taken by the Corporate Risk Management Team i.e. 'top down – bottom up' approach;
- Support the development and implementation of the council's Risk Management Policy and Strategy;
- Support the development of the Strategic Risk Register;
- Support the development of and advise on the adequacy of the service, programme, project and partnership risk registers;
- Identify and address cross cutting risks and risk management issues;
- Provide support on risk management to Directors, Service Heads and other managers within their service area;
- Promote the benefits of risk management across their service areas;
- Identify their service areas training needs and notify the Corporate Risk Management Team;
- Maintain, on behalf of their services, risk registers that comply with corporate guidelines;
- Promote and share best practice/lessons learned across the service areas; and
- Report on the progress and development of the risk management strategy within the council.

Internal Audit

The role of Internal Audit in respect of risk management is to:

- Provide an annual independent, objective assessment/opinion of the effectiveness of the risk management and control processes operating within the council which feeds into the council's Annual Governance Statement;
- Provide advice and guidance on risk and control; and
- Ensure that the Internal Audit activity is focused on the key risks facing the council.

