

Our Cambridge – Group Design Programme and Alignment with BSR

To: The Leader
Strategy and Resources Scrutiny Committee (30 September 2024)

Report by:
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Wards affected:
All

1. Recommendations

1.1 It is recommended that the Leader:

- 1) Agrees design principles for Communities Group and the Economy and Place Group, and delegates authority to the relevant Director/CEO to develop and implement internal organisation in line with Council policy.
- 2) Recommends to the Executive the inclusion of proposals in the public consultation that will impact service delivery on the strategic outline budget. Following consultation final decisions will go through the budget setting process.
- 3) Notes the overall approach to achieving £6m savings over the 25/26 and 26/27 budget cycle as recommended in the MTFS.

2. Purpose and reason for the report

2.1 This report outlines draft proposals, developed through the Our Cambridge programme, to enable the council to achieve £6m net savings and asks for the necessary permissions and delegations to progress.

3. Background

3.1 In Autumn 2022, the council took the bold decision to invest up to £4m to modernise its structure, ways of working and capabilities in order remain financially sound and continue to deliver high quality services for residents.

Since that decision, the programme has helped to deliver over £4m of savings and additional income while maintaining and where possible improving performance, including for example:

- Creation of purpose led delivery Groups (Corporate, City Services, Communities, Economy and Place) to complement our shared services
- 20% reduction in senior management costs saving £0.3m
- Development of a Community Wealth Building strategy to change the council's relationship with communities
- £1.2m from a more robust budget setting process to drive spending efficiency
- £0.8m of operational efficiencies, and
- redesigning the Council's political governance to improve accountability for decision making and strengthen scrutiny

The programme has enabled significant engagement with staff, unions and partners to build insight from frontline workers, professionals and communities into better service design, including:

- development of a Target Operating Model – the 'north star' for staff to drive consistency and collaboration
- A Digital, Data and Technology roadmap to modernise delivery and capability
- Cambridge Conversations with residents, and
- learning from best practice and innovative councils across England

This element of the Our Cambridge transformation programme focuses on redesigning of delivery Groups. The proposals build on the Senior Management Review agreed by Council in February 2023, to enable the development of further efficiencies and service improvements.

Financial Context

There are significant financial challenges facing the local government sector, due to years of austerity, the impact of the Covid pandemic and high inflation. This authority, and many others, have reached the point where difficult decisions will be required to remain financially sustainable over the medium term.

In November 2023, the Council committed to achieve £6m cumulative savings over three years from financial year 2024/25 to address its medium-term structural deficit. While savings and increased income of £1.2m were achieved in the 2024/25 budget, these were largely offset by reduced income and higher costs due to inflation.

The updated MTFS has set a net savings requirement of £6m over the next two financial years in order for the council to chart a prudent path towards financial sustainability.

3.2 Group Designs: Communities Group and Economy and Place Group

Economy and Place Group

The proposed purpose for the Economy and Place group is to enable Cambridge to: **grow sustainably as an inclusive place to live, work and visit**, by working across the Council, with businesses, communities and economic partnerships to maximise economic, social and environmental benefits for the city.

The new Group would integrate key policy teams, the Council's housing development and regeneration expertise, and portfolio of commercial assets. A recruitment process for a new Director role is underway following approval by the Employment (Senior Officer) Committee. The Group would be designed on a cost neutral basis using resources released due to the redundancy of the Assistant Chief Executive role and the deletion of the vacant Assistant Director of Place role.

This will mean changes to the way we organise our staff. If the purpose outlined above is agreed the recommendation includes delegation to the Chief Executive to make these changes, in line with the Council's organisational change policy.

Communities Group

Our city is rapidly changing, with the critical issues of health inequalities, housing affordability and poverty standing out as our key challenges (Citizens Advice Cost of

Living Data Dashboard, 2024; City Council State of the City, 2023). Our Communities Group needs to be the right shape to meet these challenges.

The proposal here will shift our approach to be:

- **Resident-centric:** all decisions and actions prioritise the needs and well-being of our residents. we will use a neighbourhood-based approach to delivery
- **Preventative:** focusing our activities on supporting positive change before problems arise
- **Purpose-driven:** focusing on long-term resident and community outcomes
- **Partnership by default:** working with communities and other partners to leverage shared resources and expertise

The proposed purpose of the Communities Group is “***To enable people in the City to thrive; fostering an inclusive, healthy, and safe Cambridge***”. If agreed, this will be supported by five clusters of activities:

- **Enabling communities:** Providing the capacity and neighbourhood infrastructure to facilitate work on engagement and enablement, led by diverse voices and organisations across the City.
- **Ensuring public safety:** To play an active role in ensuring residents and visitors are safe in the City, working in partnership in a preventative manner, ensuring business and planning compliance with legislation.
- **Providing a safety net:** Provide the basis for stability for individuals and communities, providing safety and security, alongside other public sector partners, for individuals and families to bounce back
- **Being healthy and well:** Residents can access individual and community support to live active, healthy lives through a preventative, multi-partner approach
- **Creating a thriving culture:** Providing the environment for a flourishing and thriving City, including a wide range of curated opportunities and services that bring people together and enhance the environment and people’s lives.

If agreed, achieving the proposed purpose outlined above, will include:

- Bringing together activities that currently sit separately between housing and wider service areas, allowing us to strengthen our work in communities. This will mean the strengthening of work in:
 - Community engagement and cohesion

- Resident engagement and enablement
- Public safety
- Bringing together activities where we support individuals, particularly those with complex needs, improving how we work with wider public sector partners.
- Refocusing our work on equalities to ensure we are supporting the communities most in need
- Reviewing homelessness and housing services alongside wider partners in the City to ensure they reflect the most efficient and effective working practices.
- Building the capacity and resilience of community organisations to allow them to participate further in delivery in their communities building on the best examples in the City.

This will mean changes to the way we organise our staff. If the purpose outlined above is agreed the recommendation includes delegation to the Director of Communities to make these changes, in line with the Council's organisational change policy. Where there are significant changes to policies or strategies, in addition to those outlined in this paper, that require Member agreement, these will be subject to further Member scrutiny and approval by the relevant Executive Councillor.

For clarity, the group design proposals for City Services and the Corporate Hub were agreed by the Leader at this committee on 3 July 2023 and 29 January 2024 respectively, and links to both papers are included as background.

3.3 Financial Outlook and approach to savings

As stated in our current and previous Medium Term Financial Strategy reports, there is a high level of uncertainty about the financial outlook for all Councils. The new government has adopted the previous governments spending plans. For unprotected public services, which includes local government this implies real terms reductions in spending power per annum of up to 3%.

The Autumn Statement on 30 October is likely to provide one year spending plans and confirm a more comprehensive approach to government spending would be announced in Spring 2025. In addition, anticipated plans to re-set business rates would have

significant financial implications for fast growing cities such as Cambridge.

At last year's MTFS, Council agreed to plan for this uncertainty, by committing to achieve £6m cumulative net savings over a three year period from 2024/25 to 26/27.

The updated MTFS has a net savings requirement of £6m over the next two financial years in order for the council to chart a path towards financial sustainability. The five year outlook forecasts a structural deficit of around £11.5m.

The Our Cambridge programme has worked systematically across our service areas, to identify improvements that can achieve savings and support the modernisation of services, while as far as possible minimising impacts for residents. Two broad categories to deliver the £6m have been identified:

£2.5m of savings that do not impact on public delivery, and which include:

- Structural savings: the principle of developing flatter and more streamlined management structures established through the senior management review will, subject to the consultation processes set out in our internal Organisational Change policy, further reduce management costs,
- Consistent underspends: work on budgets has identified where there can be reductions without any impact on activities,
- Efficiency savings: areas where changes to process will generate lower costs.

A further £3.5m of savings can be realised through changes which could impact on service delivery, and which will need Member decision:

- Review of fees and charges
- Changes to service delivery

Fees and Charges

As part of the ongoing work within both the Communities Group and City Services a number of activities have been identified where services are provided either free of charge, below cost or below market rates. Fees and charges are usually set through the budget process, and therefore it is proposed that that the option to charge for these

services at cost or market rates be included within the public budget consultation, with a view to inclusion in the budget setting report for 25/26. The consultation would also ask about mitigations in relation to residents on low incomes. Overall, changes to fees and charges have the potential to generate c. £1.9m of additional income.

Changes to Service Delivery

There are options for changes to service delivery which are ready to be brought forward now, and the proposal is to include these within the budget consultation to allow for decisions as part of the budget setting process.

Other Changes to Service Delivery

These will be subject to Member decision and scrutiny via the appropriate Executive Councillor and Scrutiny Committee, with appropriate public consultation as needed, over the next 12 months, so that savings and improvement in delivery can be achieved across the 25/26 and 26/27 budgets.

Additional workstreams:

In 25/26 E&C will consider a report from City Services on the results of early trials of smart bin technologies and the use of LAMS (land audit management system, a data driven framework that enables local authorities to manage and monitor street cleanliness more effectively); and a further report will set out policies in relation to grassland management.

4. Corporate plan

4.1 Explain how the decision links to the Councils Corporate Plan

[Corporate plan 2022-27: our priorities for Cambridge - Cambridge City Council](#)

- This decision provides a core element of the Corporate Plan priority: - [Modernising the council to lead a greener city that is fair for all](#)

5. Consultation, engagement and communication

5.1 There has been and continues to be extensive staff engagement in this process, including fact finding visits, workshops, drop-in sessions, town halls, and staff surveys.

Formal staff consultations have already been carried out in relation to the initial development of City Services, the Corporate Hub and the Economy and Place Group. Subject to Executive Councillor approval, there will be a further staff consultation in line with the Council's organisational change policy.

The upcoming public consultation on the budget will include high level options that will inform budgetary decisions in relation to service changes and fees and charges.

6. Anticipated outcomes, benefits or impact

6.1 The anticipated outcome is that the Council will have a fully purpose-led design, able to deliver on the Council's vision and its statutory responsibilities, meeting a key corporate priority, and supporting long term financial viability.

7. Implications

7.1 Relevant risks

There are always risks associated with change, including negative impact on service delivery and negative impact on staff well-being, as well as the risk of not successfully delivering the change. These risks are being managed as part of the programme. The risk of not proceeding with the proposals is that the Council structure is not optimised to meet its purpose, and the Council cannot set a balanced budget without using one-off reserves to fund revenue expenditure at an unsustainable rate.

Financial Implications

7.2 The anticipated outcome is that the Council will be able to set budgets in 2025/6 and 2026/7 that are in line with the savings requirements outlined in our medium-term financial strategy, at the same time as maintaining a focus on delivering the Council vision.

Legal Implications

7.3 There are no legal implications for the decisions set out in this report.

Equalities and socio-economic Implications

7.4 As proposals relating to fees and charges and services changes potentially progress to the budget consultation and budget setting process, relevant EQIAs will be published as part of that process. If approval is given to move forward with the organisational designs there will be implications for staff. The Council maintains accurate and up to date information on its staff and this will be used to assess the potential impacts of any proposed changes. The relevant EQIA will be updated as needed, so that these can be taken into consideration in the planning and delivery of that process, in line with our Organisational Change Policy.

There are equality impacts relating to service review principles, as follows:

Economy and Place Group

On the Economy and Place Group's purpose, our public sector equality duty is relevant in how we recognise differences between inclusivity for different social groups of Cambridge as a place to live, work and visit. These differences relate to structural inequalities relating to discrimination.

Communities Group

On the Communities Group, the proposed changes would refocus our work on equalities to ensure we are supporting the communities most in need across the services provided across groups, especially as this group has the ownership of the council's approach to its Public Sector Equality Duty for communities.

In being resident-centric the group would respond to lived realities and needs, informed by residents rounded experiences and multi-faceted identities (including protected characteristic identities and lived experience of inequality and discrimination)–.

The clusters of activity relate to equalities as follows:

- In enabling communities, we want to be led by diverse voices in the city and

understand how inequalities relating to discrimination impact on neighbourhoods and particular communities within them.

- Ensuring public safety relates to the parts of our Public Sector Equality Duty to foster good relations and also protect people from discrimination, harassment, victimisation and any other conduct that could make people unsafe/feel unsafe.
- Being healthy and well: Relates to tackling health inequalities that often relate to structural inequalities caused by discrimination impacting on wider determinants of health outcomes.
- Providing a safety net: This is helping promote resilience of individuals and communities, including those who might experience inequalities relating to discrimination.
- Creating a thriving culture: This might provide further opportunities to celebrate diversity in the city and bring different communities together to foster good relations.

If the recommendation is approved, more detailed equality impacts will be considered around proposed changes relating to themes above.

Net Zero Carbon, Climate Change and Environmental implications

- 7.5 The recommendations in this report have a nil impact for Climate Change. If proposals move forward into the budget setting process, appropriate assessments will be completed and published.

Procurement Implications

- 7.6 The recommendations in this report have no procurement implications. If proposals move forward into the budget setting process, implications will be assessed and reported as part of that process.

Community Safety Implications

- 7.7 There are no immediate Community Safety implications. The purpose led approach proposed for the Communities Group has a specific focus on Community Safety and if

agreed, this will be a key monitoring point for the success of this element of the programme.

8. Background documents

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

8.1 The following previous reports to this scrutiny committee provide background on the Our Cambridge programme:

[July 2022 Strategy and Resources Scrutiny Committee](#)

[October 2022 Strategy and Resources Scrutiny Committee](#)

[July 2023 Strategy and Resources Scrutiny Committee \(City Operations\)](#)

[January 2023 Strategy and Resources Scrutiny Committee \(Corporate Hub\)](#)

To inspect the background papers or if you have a query on the report please contact Jane Wilson, Chief Operating Officer tel: 01223 457860 email: jane.wilson@cambridge.gov.uk