

REPORT TITLE: Transformation and Reinvestment Fund Update

To:

Cllr Simon Smith, Cabinet Member for Finance & Resources

Cabinet, 13 January 2026

Report by:

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Wards affected:

All

Director Approval: Chief Finance Officer Jody Etherington confirms that the report author has sought the advice of all appropriate colleagues and given due regard to that advice; that the equalities impacts and other implications of the recommended decisions have been assessed and accurately presented in the report; and that they are content for the report to be put to the Cabinet for decision.

1. Recommendations	
1.1	<p>It is recommended that Cabinet:</p> <p>1. Note progress with the allocation of funds from the Transformation and Reinvestment Fund.</p>
2. Purpose and reason for the report	
2.1	<p>In February 2025, Full Council approved a sum of £3.149 million to be transferred to a Transformation and Reinvestment Fund (TRF), to fund initiatives which support the wider objectives of the council's transformation programme.</p>
2.2	<p>Under the council's Officer Scheme of Delegation, detailed decisions relating to the use of these funds are delegated to officers. Nevertheless, in the interest of transparency and accountability, this report has been prepared to update Cabinet on the allocations which have been made from the TRF to date, and some of the benefits this will bring to the</p>

	council and wider city.
2.3	A further update will be provided to Cabinet in July, alongside the council's 2025/26 Outturn Report.
3.	Alternative options considered
3.1	An alternative option would have been to simply summarise TRF spending within the council's General Fund outturn report next summer. However, given the sums involved and nature of expenditure, this separate report has been produced in the interests of transparency and accountability.
4.	Background and key issues
4.1	On 24 February 2025, as part of the General Fund Budget Setting Report, Full Council approved the establishment of a £3.149 million Transformation and Reinvestment Fund. This was funded from money previously earmarked for restructuring costs, along with the one-off benefit of an overachievement of the planned savings target for 2025/26.
4.2	The terms of the fund as agreed by Full Council were as follows:- <i>"This will be used first and foremost to fund any one-off restructuring costs incurred in year. Any remaining balance will be used to fund initiatives which support the wider objectives of the council's transformation programme, for example investment in service improvement, or to address financial pressures which may arise from forthcoming local government reorganisation as set out in the recent government white paper."</i>
5.	Allocations
5.1	The table below summarises the allocations which have been made from the TRF as at 28 November 2025:

Spend Category	£m
One-off restructuring costs	1.395
Local Government Reorganisation (LGR)	0.300
Other transformation initiatives (see Appendix 1)	1.017
Total allocated	2.712
<i>Remaining to be allocated</i>	<i>0.437</i>
Total TRF	3.149

5.2	<p>One-off restructuring costs of £1.395 million were reported to Full Council in July 2025 as part of the Outturn Report 2024/25. These primarily relate to redundancies arising from the recent Group Redesign Programme. For context, this programme delivered net ongoing savings of £1.734 million per year as part of the 2025/26 budget setting round, representing a payback period of less than 10 months.</p>
5.3	<p>Funds allocated to date for Local Government Reorganisation (LGR) have enabled the council to reach the important milestone of submitting its preferred LGR proposal to government in line with the November 2025 statutory deadline. This work culminated in a Full Council decision to support 'option B', including a new unitary authority for Greater Cambridge consisting of the areas currently covered by Cambridge City Council and South Cambridgeshire District Council. The funding has supported a strong and robust proposal to be made which, if accepted by government, will bring significant benefits to local services. The funding also includes a small allocation towards other activities intended to support the council's preferred option and Cambridge's ongoing city status, including restoration of the city's historic royal charters, and a planned civic event to celebrate the 75th anniversary of Cambridge becoming a city.</p>
5.4	<p>Other transformation initiatives include a number of smaller individual projects which contribute to the council's wider corporate objectives. A full list of these is provided at Appendix 1, with selected highlights set out in the following paragraphs.</p>
5.5	<p>The Homelessness System Review will provide a comprehensive, evidence-based assessment of the city-wide homelessness system to inform the Homelessness and</p>

	<p>Rough Sleeping Strategy 2026-2031. This one-off strategic project will map the end-to-end system, analyse demand, and identify strengths, gaps, and pressures. It will explore earlier prevention, develop an early help hub, strengthen multi-agency working (particularly with health), and establish a robust data and performance framework. As well as better outcomes for service users, this is expected to generate ongoing efficiency savings through reduced reliance on costly B&B accommodation, streamlining pathways, and leveraging joint funding.</p>
5.6	<p>The Homelessness Prevention Project will address already-identified opportunities to work differently in high-impact areas, delivering rapid upstream cost savings. A dedicated Housing Advisor will target the main causes of homelessness locally — family/friend evictions and domestic abuse — alongside earlier Duty to Refer engagement, court advocacy, and proactive casework with high-risk groups before statutory duties are triggered. Strengthening prevention will reduce temporary accommodation demand, lower repeat homelessness, sustain tenancies, and improve data recording to potentially drive increased Homelessness Prevention Grant allocation.</p>
5.7	<p>The council is responsible for the management of a significant General Fund property asset portfolio. This includes, for example, council offices, community centres, car parks and swimming pools, alongside a commercial property portfolio which generates much needed income to support council services. Asset Management and Compliance functions are critical to ensuring these remain safe, compliant, sustainable and fit for the future, in the face of rising regulatory expectations and ambitious net zero targets. The Asset Compliance Review will assess current arrangements, diagnose strengths and weaknesses, and recommend evidence-based improvements across governance, structure, workforce, contract management, compliance assurance, data, and new build integration. The review will involve engagement with stakeholders across all relevant services and produce a prioritised transformation roadmap with immediate “quick wins” and phased actions to improve efficiency, compliance, productivity, and value for money.</p>
5.8	<p>Alongside this, the Strategic Asset Management Review will ensure that the council can extract best value from its diverse asset portfolio. This requires a structured approach to understanding, maintaining, and optimising the portfolio, ensuring properties are fit for</p>

	<p>purpose, meet compliance requirements, and deliver value – whether through revenue generation, service provision, or social, environmental or economic benefit. The output of the project will be a transparent decision-making framework for holding, investing in, or releasing assets, balancing economic, social and environmental value. The framework will support more effective investment decisions, ensure legal compliance, and create capacity to deliver services more effectively.</p>
5.9	<p>The Impact, Performance and Strategic Change Team includes a number of fixed-term posts which have been funded through the Our Cambridge programme. There is a need to retain a strong in-house change function, both to support LGR project work but also to ensure that business-as-usual change projects can continue. This will include projects expected to deliver efficiency savings, for example the forthcoming review of transactional services. The fixed-term posts currently in the team include two Project Managers, two Business Analysts, and two Programme Support Officers. Some funding from the TRF has been allocated, alongside funds left over from the Our Cambridge programme, to ensure that these fixed-term posts can be extended for a further 12 months.</p>
5.10	<p>The Hoarding Pilot Project will be an initial 1-year project to commission specialist hoarding services to work with individuals on a tenure neutral basis, with the aim of breaking the cycle of hoarding. The service will offer holistic, bespoke, therapeutic support and interventions to help individuals achieve outcomes such as cleaning, removals, decluttering and reorganising, and having conversations with individuals to help them identify the causes of hoarding, rather than just treating the issues. As well as positive outcomes for residents, evidence from similar pilots at other councils has identified a potential for the project to deliver a net saving through reduced council costs in the areas of repairs, legal costs, and officer time dealing with hoarding issues.</p>
6.	<p>Corporate plan</p>
6.1	<p>The work to be funded from the TRF is wide-ranging and will support all four Corporate Plan objectives in a number of ways.</p> <p><u>Corporate plan 2022-27: our priorities for Cambridge - Cambridge City Council</u></p>

7.	Consultation, engagement and communication
7.1	This is an update report with no decision attached, therefore no specific consultation has taken place. Where projects are likely to have an impact upon public services, the usual statutory duties and council policies on consultation and public engagement apply, and this will be considered on a project-by-project basis. A further update on the financial outturn and key outcomes of TRF projects will be provided to Cabinet alongside the 2025/26 Outturn Report in July 2026.
8.	Anticipated outcomes, benefits or impact
8.1	Allocation of the TRF will support ongoing transformation work which will drive positive change for the council, the wider city and its residents, with some specific examples set out in section 5 of this report.
9.	Implications
9.1	Relevant risks
	There is a risk that individual projects may exceed their allocated budgets, or may not achieve their objectives. Any overspends will need to be covered from individual service budgets. Project performance will be managed using the council's established project management framework, which includes identification of key project risks and escalation of these to senior officers and members as appropriate.
	Financial Implications
9.2	There are no new financial implications associated with this report, which sets out progress with the allocation of the £3.149 million already earmarked for the TRF by Full Council in February 2025.
	Legal Implications

9.3	Legal implications will be considered on a project by project basis by the responsible officers.
	Equalities and socio-economic Implications
9.4	This is an update report with no decisions attached. Should any of the individual projects funded from the TRF be identified as having an equalities or socio-economic impact, a specific Equalities Impact Assessment will be carried out and published in line with statutory requirements and council policy. In particular, the Homelessness Review and Hoarding Pilot Project are likely to have positive socio-economic implications through an improved service offering to vulnerable people, whilst work on the Equalities Programme will support development of the council's Equity Strategy and wider equalities work.
	Net Zero Carbon, Climate Change and Environmental implications
9.5	This is an update report with no decisions attached. Should any of the individual projects funded from the TRF be identified as having environmental implications, these will be managed as part of the project and reported if required in line with council policy. In particular, the two asset reviews and Fleet Decarbonisation Project will all contribute towards positive environmental implications through enabling decarbonisation of the council's asset portfolio.
	Procurement Implications
9.6	This is an update report with no decisions attached. Project managers are responsible for ensuring that statutory requirements and council policy in respect of procurement is followed in respect of individual projects.
	Community Safety Implications
9.7	None identified.

10.	Background documents
10.1	Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985: <ul style="list-style-type: none"> • General Fund Budget Setting Report 2025/26 to 2029/30 • Outturn Report 2024/25
11.	Appendices
11.1	Appendix 1 – List of Other Transformation Initiatives
	To inspect the background papers or if you have a query on the report please contact Jody Etherington, Chief Finance Officer, tel: 01223 458130, email: jody.etherington@cambridge.gov.uk

List of Other Transformation Initiatives

Appendix 1

Project	Description	Amount (£'000)
Homelessness Review	Funding to review the council's approach to homelessness services, with a view to delivering longer-term savings	215
Asset Compliance Review	Funding for an external review of the council's approach to asset management and compliance across its estate (GF share)	160
Strategic Asset Management Review	Funding for external review of the council's asset portfolio, to develop a transparent decision-making framework for maximising their economic, social and environmental value	150
Impact, Performance and Strategic Change Team	Resource to extend fixed-term posts beyond the end of the Our Cambridge project to support ongoing change initiatives within the council (including readiness for LGR)	107
AI Innovation – Exploration Phase	Funding for an external partner to support a process of AI opportunity identification and prioritisation, and building preparedness for the next stage of AI development, with a focus of identifying opportunities for future savings	75
Local Plan Research	Resource for external consultancy to provide evidence base for community infrastructure requirements following Local Plan consultation	75
Hoarding Pilot Project	An initial 1-year pilot project to commission specialist hoarding services to work on a tenure neutral basis	70
Greater Cambridge Impact	Funding for essential legal costs in support of the Greater Cambridge Impact Fund achieving first close	50

Project	Description	Amount (£'000)
Business Partner Training	Training for business partners and service managers in support of the implementation of a business partnering model across various Corporate Hub functions	40
Equalities Programme	To understand the needs of diverse residents and address data gaps to better inform and develop our equity strategy and wider work as a council	30
ELT Development Programme	Following the Group Redesign Programme, funding for a development programme for the new Extended Leadership Team	25
Fleet Decarbonisation	Funding for a specialist fleet decarbonisation consultant to conduct a baseline assessment and provide advice on infrastructure, procurement, funding, and risk mitigation	20
Total Other Transformation Initiatives		1,017