

GENERAL PURPOSES COMMITTEE: MINUTES

Date: Tuesday 9th September 2014

Time: 10.04 a.m. to 12.25 p.m.

Present: Councillors Bailey, Bourke, D Brown, Bullen, Cearn, Clapp, Count (Chairman), Criswell, Hickford, Hipkin, Leeke, Orgee, Reeve, Sales, Schumann (substituting for Councillor Bates) and Shuter (substituting for Councillor McGuire)

Apologies: Councillors Bates and McGuire

31. DECLARATIONS OF INTEREST

There were no declarations of interest.

32. MINUTES – 1ST JULY 2014 AND ACTION LOG

The minutes of the meeting held on 1st July 2014 were agreed as a correct record and signed by the Chairman. The Action Log and the following updates were noted:

- the Chief Finance Officer and the Chairman of General Purposes Committee still needed to incorporate the proposed revisions into the revised scheme of financial management. **Action Required.**
- the action requesting a briefing paper on the use of capital financing underspends should be removed as an underspend in the capital programme resulted in a reduced level of borrowing.

33. PETITIONS

No petitions were received.

34. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST JULY 2014

The Committee received a report detailing the financial and performance information to assess progress in delivering the Council's Business Plan. It was noted that the overall revenue budget position was showing a forecast year end overspend of £1.6m, which reflected a significant change from the previous report in the LGSS IT Managed budget. This budget was forecasting a £300,000 overspend, which would make it difficult to achieve the £600,000 saving built into the 2014/15 budget. Contractual negotiations were in hand that would reduce this overspend but until they had been finalised a worst case scenario was being presented. It was also proposed to mitigate this overspend by looking at savings associated with the IT budgets based in the service areas.

During discussion, members made the following comments:

- queried whether the disposal of Castle Court was the reference to County Offices in Appendix 2. It was noted that this financial target in the base budget primarily reflected property rationalisation.
- queried whether the proportion of children in year 12 taking up a place in learning included apprenticeships. The Chief Finance Officer confirmed that was the case.
- the need to investigate the possibility of using the prevalence of smoking in an area as an indicator rather than Camquit data, which had a time lag. The Chairman suggested that the Director of Public Health should be asked to provide an analysis of this suggestion. Members were informed that the Health Committee would be considering these indicators and the impact of the national trend in the use of e-cigarettes. It was noted that the Council was spending less than other authorities on reducing smoking so needed data in order to target effectively. The Chairman reminded Members that Cambridgeshire was one of the lowest funded authorities and was therefore spending less in all areas. Attention was drawn to the need to include indicators in relation to preventing people from smoking in the first place, which was the aim of the Kick Ash Project. **Action Required.**
- highlighted the impact, on the target relating to schools judged good or outstanding by Ofsted, of a secondary school slipping from 'good' to 'requires improvement'. Members were informed that ten primary schools had moved to 'good'.
- queried whether the extra cost of conducting assessments in relation to depriving individual liberty under the Mental Capacity Act had been included. Members were informed that there were only a few trained assessors in the country. There was concern that the lack of assessors would result in an increase in sections under the Mental Health Act, which required a package to be provided by the Local Authority free of charge. The Chief Finance Officer explained that the report was based solely on the cost of an assessment and did not include the potential increase in social care packages.

It was resolved unanimously to:

- a) analyse resources and performance information and note the remedial action currently being taken;
- b) approve a transfer of £400k from Children, Families and Adults (CFA) reserves to fund the Deprivation of Liberty (DoLs) pressure within Practice and Safeguarding in 2014/15 (section 3.2.2);
- c) approve a transfer of £398k from CFA reserves to fund the Ordinary Residence pressure in 2014/15 (section 3.2.2);
- d) approve the total capital virement of £381k from LGSS Managed to the Larkfield Development scheme within CFA (section 6.2.4);

- e) approve that £1.3m Basic Need Funding in CFA's capital programme be brought forward to offset the accelerated expenditure on Swavesey Village College (section 6.5); and
- f) approve the allocation of £1,933,337 Department for Transport (DfT) capital Pothole Funding to Economy, Transport and Environment (ETE) in full (section 6.5).

35. A FINANCE FRAMEWORK WITHIN WHICH ENERGY PERFORMANCE CONTRACTING AND RENEWABLE ENERGY PROJECTS FOR SCHOOLS, CAMBRIDGESHIRE COUNTY COUNCIL SITES AND BUILDINGS CAN BE DELIVERED

The Committee received a report highlighting the Mobilising Local Energy Investments (MLEI) Project key contractual deliverables, proposed key principles for financing Energy Performance Contracting and Renewable Energy Projects for schools, Cambridgeshire County Council sites and buildings, and the possible next steps for the Local Authority Fund. Members were reminded of the background to the MLEI Project, and were informed that work was now moving forward on Energy Performance Contracting and Renewable Energy Projects. Attention was drawn to the key issues including the appointment of Bouygues as a partner on 1 August 2014 and the assessments carried out by the company so far. Members were informed that the aim was to invest £5m by August 2015. They were advised of the proposed principles which would provide the flexibility for blending different financial packages. It was noted that there were no libraries included in the list of buildings as the outcome of a review of libraries was currently awaited.

During discussion, members made the following comments:

- welcomed the MLEI Project as the County Council should be at the forefront of promoting innovative renewable energy opportunities.
- queried whether the issue of academy schools being able to borrow funding had been resolved. Members were informed that the Secretary of State had confirmed he would not be giving approval. It was therefore proposed to restructure the way services were delivered to a managed service in order to enable academies to buy a service over 8 to 10 years. Members queried whether this would result in an element of risk to the Council. It was noted that the risk was minimal as the Council was ultimately responsible for schooling if an academy should fail. It was also proposed to include reference in any contract with an academy.
- queried the security of the Energy Services Company and whether it would provide a good assessment if it was ultimately the guarantor. Members were advised that Bouygues was a large company with a significant turnover and had been selected following an OJEU procurement process. They were advised that there was no guarantee that the company might under assess. However, it was important to note that many schools had already carried out easy measures. They were now focusing on deeper retrofit measures which would take longer time to pay back.

- highlighted the need in Appendix A to clarify that the reference to Burwell related to Burwell Day Centre and not Burwell House. There was also the need to clarify that supplier/service providers were the same.
- requested clarification regarding when the decision had been taken to erect a Solar Park on the County Farms Estate. The Chairman reported that Cabinet had approved a decision in relation to an investment on Grade 3 land at Soham. This decision had subsequently been scrutinised by the relevant Overview and Scrutiny Committee and was now included in the Capital Programme.
- expressed concern about the use of farmland for energy production. The viability of the proposal to erect a Solar Park was questioned given that the feed in tariff was dropping and the gains available to late adopters were limited. Clarity regarding the pay back period was requested and the need for consultation possibly via referenda with local people. It was noted that the reduction in the feed in tariff reflected the cost of the solar panels. The pay back period was 10 years but schools were likely to receive a benefit over 20 years. Without pre-judging the proposal, Councillor Schumann who was the Chairman of East Cambridgeshire District Council's Planning Committee, reported that energy output from solar panels was higher than the output from crops, and the benefit to the local community was that the panels had a limited life which could result in the land being restored to agricultural land.
- queried the process for dealing with a maintained school which then became an academy. It was noted that the standard academy transfer agreement would cover this process. Officers were currently checking with Legal whether it was covered by the current agreement or if specific provision needed to be included. One Member highlighted the need to include more safeguards in relation to academy schools.
- queried the possibility of pursuing the erection of wind turbines on Council and non-Council land. Members were reminded that the focus had been on energy efficient renewables when the application for the project had been submitted in 2011. It was noted that it was proposed to consider all technologies by 2020. Members were informed that research in 2011/12 had identified that biomass and wind energy provided the greatest potential return.
- highlighted the impact of the project on the bigger constituency such as village halls. The Chairman welcomed the fact that the Council could enable partners to deliver projects that they could not afford on their own.

With the unanimous agreement of the Committee, it was proposed to amend recommendation (c) to add the Chairwoman of Children and Young People Committee in order to reflect the schools element of the process.

It was resolved unanimously to:

- a) the principles for managing and delivering investment into Energy Performance Contracting and Renewable Energy Projects for schools and Cambridgeshire County Council (CCC) buildings and sites;

- b) the initial target list for CCC buildings and sites and to support further cross departmental collaboration to identify additional buildings and sites;
- c) the delegation of individual investment and contract decisions for schools, CCC buildings and sites to the Chief Finance Officer and Head of Strategic Assets in consultation with the Chairmen/woman of General Purposes, Economy and Environment and Children and Young People Committees and Executive Directors: Children, Families and Adults and Economy, Transport and Environment.
- d) the principle of evolving and growing the Local Authority Fund to an externalised Fund as set out in sections 1.3, 2.12 - 2.14 of the report.

36. SERVICE PRESSURES

The Committee received a report setting out the service pressures that had been identified that required funding within the base revenue budget for 2015/16 and beyond. The Chief Finance Officer explained that these pressures were being presented to the Committee very early in the business planning process. Attention was drawn to the additional background to the service pressures detailed in the Appendix. During discussion, members made the following comments:

- concern about the report as it appeared that some of the items were effectively jumping the queue for funding. It was suggested that the pressures should not be incorporated within the cash limits but instead considered together with other issues as part of the business planning process.
- queried the priority of “City Deal Adult Learning Skills” against budget reductions in adult learning. Members also queried the need to consider the priority “Exploitation of Digital Solutions” against other funding. In relation to “Waste PFI”, there was a need for more information and to consider it against other Economy, Transport and Environment pressures.
- queried whether the Council was receiving sufficient co-operation from Amey Cespa in relation to the Waste PFI. The Chairman of Highways and Community Infrastructure Committee reported that the WOSP review was expected to generate savings in this area. He confirmed that Amey Cespa did co-operate with the Council but it was fair to say that the Council was looking for more from them.
- welcomed the fact that the pressures had been highlighted at an early stage. However, the implications of the Care Act were bigger than those detailed in the report with the Council likely to be underfunded by 23%. Members therefore raised the need for more information.
- queried the action the County Council was taking in relation to the impact of the Deprivation of Liberty Standards. It was noted that the Local Government Association was lobbying central government. However, government had indicated that it was not proposing to change funding for three years. The Chief Finance Officer added that the Society of County Treasurers and Local Authorities were also

putting pressure on government. It was noted that it was expected this pressure would feed in to next year's spending review.

- welcomed the recognition of voluntary sector infrastructure as a pressure. It was important to note that the Council relied on the voluntary sector to take over services and run them on a quasi professional basis. However, the Council could not rely on this happening unless it supported the infrastructure centrally.

The Chairman requested that Group Leaders should receive more information on the service pressures. **Action Required.**

The Chairman proposed an amendment to the recommendations as set out in the report, seconded by Councillor Leeke, to amend a) as follows: the service pressures set out in Paragraph 3 be noted and subject to further consideration through the business planning process, and to delete recommendation b). On being put to the vote, the amendment was carried.

It was resolved unanimously that:

the service pressures set out in Paragraph 3 be noted and subject to further consideration through the business planning process.

37. SERVICE COMMITTEE REVIEW OF THE DRAFT 2015-16 CAPITAL PROGRAMME

The Committee received a report detailing an overview of the draft Business Plan Capital Programme for Corporate and LGSS Managed Services. The Chief Finance Officer reported that the Service Committees would be considering a report at their next meeting to enable the prioritisation of schemes to be reviewed across the whole programme by General Purposes Committee in October. Attention was drawn to a summary of the draft Capital Programme with a particular focus on the key issues at Section 3.6. The Chairman reported that he had met with the Chairs, Vice-Chairs and Spokes to consider the detail.

Members queried how Children, Families and Adults had managed to reduce the shortfall in Basic Need funding from £32m to £11.4m. The Chief Finance Officer reported that some of the costs associated with infrastructure had been removed. He also added that it was difficult to know the exact costs until the Service was close to the timeline to build. It was noted that Littleport Secondary School was not as far forward as expected. Members were concerned that there could be an increase in mobile classrooms. The Vice-Chairman of Children and Young People Committee reported that he would be meeting with officials from the Department for Education (DfE) on 19 September. He was concerned that the DfE's view was that the Council had fulfilled basic need if it provided mobiles.

It was resolved unanimously to:

- a) note the overview and context provided for the 2015-16 Capital Programme for Corporate and LGSS Managed Services; and

- b) comment on the draft proposals for Corporate and LGSS Managed Services' 2015-16 Capital Programme and endorse their development.

38. MEDIUM TERM FINANCIAL STRATEGY

The Committee considered a report setting out the Council's Medium Term Financial Strategy for the next five years. The Strategy would be updated annually at the commencement of the Business Planning process. Its core purpose was to provide a financial framework within which individual service proposals could develop before Council approved the budget and the Integrated Business Plan in February. The Chief Finance Officer, with the agreement of the Committee, proposed that recommendation c) be deleted as the document was not yet complete as it did not include cash limits. He also drew attention to the need for the Committee to reconsider its decision regarding the over provision of £2.5m within the Older People's base budget for 2014/15.

During discussion, members made the following comments:

- welcomed the early sight of the draft Strategy at this stage of the process but acknowledged that it was not ready for Council approval. Attention was drawn to an error in the figures in 4.2 and 4.4. and the need for further proof reading.
- queried whether recommendation c) would commit the Council to a Council Tax rise. It was noted that a proposed increase of 1.99% would need to be approved by Council.
- queried the reference to recurrent Office reserves of £6.5m in Table 8.1 of the Strategy. The Chairman reported that Office reserves were reserves set aside to meet known commitments within Directorates and to provide some degree of contingency for in-year financial risks. However, he was of the view that this was the role of the General reserve with Earmarked reserves covering known or predicted liabilities. He therefore suggested that Office reserves should be removed and the funding included in the General reserve. The Chief Finance Officer acknowledged that the numbers did not align with policy and would be amended.
- suggested that the ongoing revenue over provision of base funding should be retained centrally to manage the on-going delivery of the business plan. Some Members were of the view that one of the Committee's major functions was to exercise some discretion if a Service Committee was in difficulty. It also provided the Committee with a degree of flexibility. Others felt it should be used to freeze Council Tax and highlighted the need to make sure the Committee remained within its remit.

It was resolved to:

- a) confirm it wished to retain a central provision, in order to manage the on-going delivery of the Business Plan
- b) acknowledge the indicative departmental cash limits.

39. TREASURY MANAGEMENT QUARTER 1 REPORT

The Committee received the first quarterly update on the Treasury Management Strategy 2014-15, approved by Council in February 2014. Members queried how they would explain to a constituent the Council borrowing at 4% interest but then loaning out at 0.5%. The Chief Finance Officer informed the Committee that there were peaks and troughs in cash flow. The Council did provide loans on a temporary basis to well established institutions at no risk and on a short term basis. It was noted that borrowing was on a long term basis.

The Chairman updated the Committee on the situation relating to Municipal Bonds. He reported that £4.1m had been pledged nationally and the first loan was expected in early spring 2015.

It was resolved unanimously:

to note the Treasury Management Quarter One Report 2014-15.

40. CUSTOMER SERVICE AND TRANSFORMATION & LGSS MANAGED FINANCE AND PERFORMANCE REPORT – JULY 2014

The Committee received a report detailing the July 2014 Finance and Performance Information for the Customer Service and Transformation Directorate and LGSS Cambridge Office. Members discussed the IT Services Review and queried whether it included IT assets. Members were informed that the review was about rationalising and improving IT contracts.

It was resolved:

to review and comment upon the report.

41. PROPERTY ACQUISITION – AMENDMENT TO PREVIOUS DELEGATION

The Committee considered a report outlining an amendment to a previous Cabinet delegation. It was noted that the transfer of the delegation from the Cabinet Portfolio Holder to the Chairs of the relevant Service Committees had not been included in the last delegation report to Cabinet. Members discussed the possibility of including as a courtesy the Vice-Chairs in the delegation. There was concern that this would add additional bureaucracy and slow down the process. It was acknowledged that some Chairs already consulted their Vice-Chairs as a matter of courtesy. It was felt that any proposed change to this process should be presented to the Constitution and Ethics Committee.

It was resolved unanimously:

to amend a previous Cabinet delegation and authorise the Director of Finance to agree terms for the acquisition of the former Huntingdonshire Regional College site at Almond Road in St Neots, in consultation with the Executive Director: Children, Families and Adults, the Chairman of the General Purposes Committee and the Chairwoman of the Children and Young People Committee.

42. PROPERTY DISPOSAL – CASTLE COURT, CAMBRIDGE

The Committee received a report on the progress in the marketing of Castle Court.

Speaking as a Local Member, Councillor Hipkin, reported that there was concern in his Division from local residents regarding the future use of the building. He explained that the building, from a City Council perspective, could provide an opportunity for affordable residential dwellings. However, there was a need for the Council to calibrate its plans with the City Council's Planning Department if there was a proposal from any of the bidders to provide student accommodation.

One Member queried the project management process to prepare Shire Hall for the move as he was particularly concerned about the welfare of the Council's staff. The Committee was informed that the moves had already started and were expected to be completed by Christmas. The site would need to be vacant from the start of the financial year. It was noted that there was some uncertainty for staff and the working environment might be more challenging. However, it was acknowledged that this change was needed to better utilise the Council's resources, prevent services from being cut and staff being made redundant.

It was resolved unanimously to note the current position.

43. GENERAL PURPOSES COMMITTEE AGENDA PLAN AND APPOINTMENTS TO INTERNAL ADVISORY GROUPS

The Committee was asked to review its agenda plan and agree the appointment of representatives to the Member Development Panel. The Chairman raised the need to also appoint a substitute member for the Eastern Agri-Tech Programme Delivery Board.

It was resolved unanimously to:

- a) note the agenda plan;
- b) agree the appointment of representatives to the Member Development Panel and Eastern Agri-Tech Programme Delivery Board, as follows:

Member Development Panel

Replace Councillors Curtis and K Reynolds with Bates and Smith

Eastern Agri-Tech Programme Delivery Board

Add Councillor Shuter as a substitute member

44. HERITAGE LOTTERY FUND BID FOR WISBECH HIGH STREET – PROPOSAL FOR COUNTY COUNCIL FINANCIAL SUPPORT

The Chairman, as required by the Council's Constitution, authorised the addition to the agenda of the above urgent item, on the grounds that failure to do so would not be in the public interest and failure to take the decision quickly would, or would likely to, harm the interests of the Council and the public. As the report was also not available for

dispatch five clear days in advance of the meeting, he exercised his discretion under Section 100B (4) of the Local Government Act 1972 to allow it to be considered.

The Committee received a report detailing a proposal from Fenland District Council (FDC) to bid for Heritage Lottery Funding (HLF) to improve Wisbech High Street. Members were advised of the background to the bid, which was being led by FDC. The proposed scheme was for a total of £4m to be invested with £2m provided by HLF and the remaining funding by other partners. It was proposed that the County Council should contribute £200,000 if the HLF bid was successful.

During discussion, members made the following comments:

- welcomed the investment in a deprived area of Cambridgeshire, which reflected the recent motion to Council to close the gap between the most advantaged and deprived communities.
- expressed concern that FDC had not been able provide information relating to property owners for house numbers 28, 29 and 30. One Member reported that these houses were owned by Limited Companies with sufficient funding to carry out their own repairs. It was queried whether public money should be used to fund these properties. The Committee was reminded that property owners did not stand to make an immediate benefit but it would result in a vast improvement to the public realm.
- queried how the grant would be funded. The Chief Finance Officer reported that it would be funded from the Council's Capital Programme.
- highlighted the social economic benefits of the funding and hoped that some community resilience could be built with the assistance of the Council's Community Engagement Team.

It was resolved:

that the County Council commit to contributing £200,000 to the Wisbech High Street Heritage Lottery Fund scheme should the current bid being made by Fenland District Council prove successful.

Chairman