

GENERAL PURPOSES COMMITTEE: MINUTES

Date: Tuesday, 28th November 2017

Time: 10.00a.m. – 11.30a.m.

Present: Councillors Bailey, Bywater, Criswell, Dupre, Hickford (Vice-Chairman), Giles, Hudson, Jenkins, Kavanagh, McGuire (substituting for Councillor Count), Nethsingha, Schumann, Shuter, Whitehead and Wotherspoon (substituting for Councillor Bates)

Apologies: Councillors Bates and Count

46. DECLARATIONS OF INTEREST

There were no declarations of interest.

47. MINUTES – 24TH OCTOBER 2017 AND ACTION LOG

The minutes of the meeting held on 24th October 2017 were agreed as a correct record and signed by the Vice-Chairman. The Vice-Chairman drew attention to the one ongoing action relating to the split between investment debt (where a specific return was expected) and debt incurred for general purposes (financing the capital programme). The Head of Finance reported that the split had been identified and the work should be completed by the next meeting. **Action Required.**

48. PETITIONS

No petitions were received.

49. FINANCE AND PERFORMANCE REPORT – SEPTEMBER 2017

The Committee was presented with the September 2017 Finance and Performance report for Corporate Services and LGSS Cambridge Office, which was forecasting an overspend of £1,319k. There was some additional pressure in the LGSS Managed budget relating to the revenue impact of the Corporate Software Infrastructure re-procurement.

It was resolved unanimously to review, note and comment upon the report.

50. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 30TH SEPTEMBER 2017

The Committee received a report detailing the financial and performance information to assess progress in delivering the Council's Business Plan. The overall revenue budget position was showing a forecast year-end overspend of £4.8m, which was an increase of £38k from August. There had been an increase in pressure in People and Communities relating primarily to the Learning Disability Partnership and Looked After Children Transport. However, this pressure would be offset by savings associated with street lighting and debt charges. Members were advised of the proactive response

being taken through financial management and transformation activity to address the predicted deficit. In addition significant one-off mitigation had also been identified in a number of areas. The Committee was advised that Highways and Community Infrastructure and Commercial and Investment Committees had been involved in discussions relating to recommendation c). It was also noted that the "Savings Tracker" report was included as part of the quarterly review.

The Vice-Chairman drew attention to the request of Peterborough City Council's (PCC) Cabinet to Cambridgeshire and Peterborough Councils' shared Chief Executive to explore further arrangements for shared and integrated services. He queried whether the Committee wished to consider a similar request to the Chief Executive on behalf of Cambridgeshire County Council. In endorsing such a proposal, the positive changes which had already occurred from working together with PCC were highlighted. It was acknowledged that exploring further arrangements was a logical next step. The Chairman of Communities and Partnership Committee reported that his Committee would be happy to work on any future opportunities.

Other Members raised the need to consider, when exploring further arrangements, the difficulty of one person responding to two masters with possibly different policies. There was also a need to bear in mind the different governance systems and the need to have contact with Members from opposition parties outside of meetings. It was reported that the new management model in People and Communities had provided a better link to Members. The Vice-Chairman proposed the following additional recommendation e), which was agreed unanimously by the Committee:

"General Purposes Committee notes Peterborough City Council's request to the Chief Executive to explore delivery of further shared services with other local authorities to protect front line services and asks that these opportunities are also explored on behalf of Cambridgeshire County Council".

One Member queried how seriously the overspend was being tackled. He highlighted the need for a total column in the table listing initiatives on page 33 and an expectation of delivery. The Chief Finance Officer (CFO) reported that the level of predicted pressure had not diminished. Officers were working hard to address it using managed initiatives, and would also be bringing forward further initiatives on a regular basis. However, it was important to note that some interventions would take time. The Chairwoman of Adults Committee drew attention to the tracker. She highlighted the good innovative work taking place in her area particularly in relation to assistive technology. She explained that the Committee was aware that some savings would be rated red as they would take time to achieve.

One Member commented on the helpfulness of the tracker, which included many good projects. However, she was concerned about the number of savings rated as red. Many of these savings were part of the Transformation Programme, she was concerned that they would not be delivered within the timeframe. Another Member acknowledged that some of the proposed savings were long-term. She was also concerned that some schemes would not be delivered as a result of events being outside of the Council's control. She suggested that there might need to be some sort of carry forward. The CFO reported that his main concern was the future and how many pressures would follow through to 2018/19. Officers were currently focussing on this issue.

It was queried whether the Council welcomed the underspend from Street Lighting performance failures. The CFO stressed that the Council did not budget for failure and was disappointed at the high number of deductions for performance failures. One Member reminded the Committee of the problems associated with the Street Lighting contract and queried whether any action would be taken. The CFO reported that dispute resolution procedures might be triggered if performance did not improve. It was noted that the Committee would be notified if that was the case.

It was resolved unanimously to:

- a) Analyse resources and performance information and note any remedial action currently being taken and consider if any further remedial action was required.
- b) Approve the changes to capital funding requirements as set out in Section 7.7.
- c) Approve an additional £66k of prudential borrowing in future years for the Ely Archives project, as set out in section 7.8.
- d) Approve the allocation of the £316,518 School Improvement Grant to People and Communities so it could be used for its intended purpose, as set out in section 8.1.
- e) note Peterborough City Council's request to the Chief Executive to explore delivery of further shared services with other local authorities to protect front line services and ask that these opportunities were also explored on behalf of Cambridgeshire County Council.

51. TRANSFORMATION FUND

(a) Transformation Fund Investments for Business Planning 2018-19 to 2022-23

Draft proposals for the Council's business plan for 2018-19 to 2022-23 describing a programme of transformation to deliver savings and additional income of £37.9m in 2018-19 had been shared with all Committees in October. The Committee was now being asked to consider a set of investment proposals totalling £2919k to deliver £13,773k of the total settings/income target. It was important that the proposed investment was approved to enable quick implementation and to minimise any risk to delivery of full-year effect savings in 2018/19. Any changes in the required investments or new proposals would be highlighted to Committee in December.

One Member drew attention to the following sentence in paragraph 3.2 and suggested that it should be used throughout the organisation: "the emphasis of all our practice is on working with communities, rather than doing things to them or for them". Another Member highlighted the good proposals included in the report. However, she reported that whilst she was fully supportive of the direction of travel in relation to the proposals for Children's Services, she was concerned that some of the proposals were not transformation projects but part of the core business of the Council. She was of the view that they should be funded from revenue in the long term. It was therefore important to be clear what was core business and what was transformation.

Attention was drawn to the achievability of the total scale of savings proposed for Looked After Children. Members were aware that investment focused on changing the placement mix, and the model included elements of one off and recurring funding. Although this was a demand led budget, there was more than enough funding from ongoing savings made after year 2 to provide sufficient scope for reinvestment to sustain additional resources. One Member queried the accuracy of the modelling.

The Service Director: Children's Services and Safeguarding acknowledged that there had been lots of promises about reducing the number of Looked After Children by investment here and there. However, he was of the view that the key issue was the number of children in care in Cambridgeshire which was above the average of the Council's statistical neighbours. He drew attention to a table on page 86 which clearly showed that the rate of children in care in Cambridgeshire was significantly higher than Hertfordshire one of the Council's statistical neighbours. Hertfordshire had taken a multi-disciplinary approach to this issue and had 90 fewer children in care. He felt that Cambridgeshire was accommodating the right children but they were spending too long in care. There was therefore a need to investigate and analyse the reasons why. Members were informed that Ofsted was interested and that it had been four years since its last inspection.

One Member commented that Cambridgeshire had been very successful in relation to fostering and adoption. However, she acknowledged that it was important to understand why the number of Looked After Children was growing.

It was resolved to approve the proposed investments

(b) Transformation Fund Monitoring Report Quarter 2 2017-18

The Committee received a report outlining progress in delivery of the projects for which transformation funding had been approved at the end of the second quarter of the 2017/18 financial year. Members were reminded that they had asked for future reports to focus on exceptions. It was noted that 12 schemes were on track, 4 schemes were delayed or at some risk of under delivery and 2 schemes were not projected to deliver as originally planned.

In considering the report, Members were reminded that the policy and service committees were charged with reviewing schemes in depth. It was suggested that the overview should include a column detailing the committee responsible for a particular scheme and the date the review had taken place. **Action Required.** Members also noted the table at Figure 1 and suggested that a narrative in places would be helpful regarding the long-term achievability of the schemes. **Action Required.**

Whilst acknowledging the need to focus on exceptions, one Member expressed concern that the good news associated with the transformation programme was being overlooked. She raised the need to celebrate and promote the fact that 12 schemes were on track to deliver savings. She suggested the use of case studies to promote success. The Vice-Chairman asked the Chief Executive to consider ways of promoting the successful schemes. **Action Required.**

It was resolved unanimously to note and comment on the report, including whether the format of the paper gave the right level of detail and information to allow the Committee to fulfil its monitoring role.

52. SERVICE COMMITTEE REVIEW OF THE DRAFT 2018-19 CAPITAL PROGRAMME

The Committee considered a report detailing an overview of the draft Business Plan Capital Programme for Corporate and Managed Services. Members were reminded that they had reviewed the whole programme in October following consideration by Policy and Service Committees. The Committee would be asked to review the final overall programme at its December meeting. Attention was drawn to section 4.5 detailing the main changes since October, and section 5.4 detailing changes to existing schemes in the 2018-19 Corporate and Managed Services Business Plan.

One Member highlighted the significant funding involved in the programme. Whilst he acknowledged that he had been briefed regarding the additional capital spend, he was not sure how it would affect the total and how much borrowing would increase. He queried the debt to equity ratio and how close to critical the Council was in borrowing this additional funding. The CFO reported that the Council did not have equity so a direct comparison could not be made with the private sector. It was governed by its Code of Borrowing in the Capital Strategy, which meant that it could only borrow what it could afford to pay. He reminded the Committee that there were very few discretionary items included in the programme. The same Member asked for a paragraph to be included in future reports detailing that additional borrowing was affordable for the following reasons. **Action Required.**

Another Member queried the capital funding for new schools and asked whether Section 106 funding would replace the funding the Council had needed to borrow at some point. The CFO reported that the Capital Programme contained best estimates of an assessment of Section 106. Information would be updated later in the financial year to reflect the basic needs formula. The Chairman of the Commercial and Investment Committee (C&I) queried future borrowing for investment under capital projects. The CFO reported that he had not yet built in the implications of investment in the Acquisition Strategy. Revenue had been built into the Business Plan but capital had not yet been reflected. The Chairman of C&I acknowledged the need to provide the split between investment debt and debt incurred for general purposes as detailed in the action log.

Attention was drawn to the addition of the new Shire Hall Relocation Scheme detailed in section 4.5. Given that the Combined Authority was considering public sector reform, one Member queried the timescale which could impact on the feasibility of moving. The CFO reported that C&I had recently considered the business case and would be considering a further report in December. There was also a cross party Shire Hall Working Group. It was important to note that no decisions had yet been made about the future of local government or the timescale for any change. The Chairman of C&I added that whatever the future of local government remaining in Shire Hall was both costly and ineffective. Other Members stressed that the future of local government was critical to this scheme because of the timescale. The CFO informed the Committee that the proposal was for a hub and spoke model, which would be much smaller and disperse services in communities. One Member highlighted the need to consult

Members, as well as staff, regarding the public transport access to the proposed new locations. The Vice-Chairman reminded the Committee that there was a Working Group to pick up such issues.

It was resolved unanimously to:

- a) note the overview and context provided for the 2018-19 Capital Programme for Corporate and Managed Services; and
- b) comment on the draft proposals for Corporate and Managed Services 2018-19 Capital Programme and endorse their development.

53. AGRESSO (UNIT4 BUSINESS WORLD) IMPLEMENTATION

The Committee welcomed the LGSS Managing Director, Director Business Services, Systems and Change, and Programme Manager, Business Transformation to the meeting. Members were provided with an update on the progress of the programme to implement Agresso (Unit4Business World) system to replace the existing Oracle System. It was noted that since the last report to Committee in July, a number of factors had come together to make the planned October go-live date unrealistic. Data migration had been a significant and complex issue, as it involved two Oracle Systems and a SAP System. However, it was important to note that the data migration challenge had been addressed to allow Payroll Parallel Running (PPR) over the next three weeks. These delays had meant that the go-live date was now April 2018. The Council was being asked to approve a further £410k of capital spend to complete the implementation. However, there would also be additional LGSS revenue savings delivered for the Council's benefit building to £150k pa from 2020/21.

Members expressed concern regarding how the programme had been managed. The LGSS Managing Director reported that there had been an overarching programme in place but not of sufficient detail. In order to provide a level of assurance as to the achievability of the revised delivery plan, Agilisys, an external organisation, had been engaged to undertake an independent review. As a result, LGSS had addressed the issues identified in the review and strengthened programme management. It was important to note that this was a very complex programme involving three separate systems. It had not been possible to estimate the scale of difficulty associated with data migration before the start of the programme. Members were informed that there was a joint ERP Board that provided programme governance. The Board received estimates regarding programme management which it reviewed on a monthly basis. Senior management also reviewed the programme at 5.00p.m. each day.

One Member acknowledged the problems associated with major IT projects. However, she expressed frustration that the Committee had no choice but to approve a further £410k of capital spend, which was particularly difficult in the current financial climate. She highlighted the fact that one of the main reasons for sharing services was to create IT expertise. She was concerned that the previous problems experienced by the Council and this programme did not reflect this. She asked the LGSS Managing Director for reassurance that this programme would not overrun again. The LGSS Managing Director reminded the Committee that he had strengthened programme management resource. A new Programme Director had started on 27 November 2017

with a remit to review all programme management plans over the next two weeks. However, it was important to note that there were still hurdles to get through.

The Vice-Chairman reported that the Committee at its July meeting had been informed that the programme would go-live at the end of September. He asked whether the actions now put in place would ensure a go-live date of April 2018. The LGSS Director Business Services, Systems and Change reported that the data migration conundrum still needed to be managed. PPR had achieved hits of 80% and would continue for another three weeks. He expected the next run to achieve hits in the 90s. The programme was therefore at a very different position compared to July.

One Member raised the need for a delivery plan with check points at various stages. He had attended the LGSS Overview and Scrutiny Working Group on 27 November, which had received a presentation providing an overview of the IT Strategy. The Working Group would be reviewing the project after it was delivered on 1 April 2018. It was important to note that the savings for the Council were not as a result of the delay. The LGSS Director Business Services, Systems and Change reported that the LGSS Joint Committee had considered the Agilisys report at its meeting on 24 November 2017. It had asked the new Programme Director to review the programme plan and report back to the Joint Committee on 8 December 2017. The Vice-Chairman asked for a copy of the Agilisys report to be sent to the Committee. **Action Required.**

One Member requested a brief outline of the Agilisys report. The Chairman of C&I reported that he had seen the report which was critical of project programme planning. The LGSS Director Business Services, Systems and Change reported that Agilisys had questioned the number of detailed project plans for different elements of the programme. These plans had now been brought together in to a single high-level programme plan to outline the approach and critical path. It had also highlighted the need to engage a Senior Project Manager with some experience of this scale and complexity of project. It was important to get the views of the new Programme Director before confirming whether the April date could be achieved. One Member commented on the problems of putting in a system too early. It was important to have a date which could be achieved.

Another Member drew attention to the work undertaken to analyse the impact that implementation of ERP Gold would have on the Finance Transactions Team and Payroll. The LGSS Director Business Services, Systems and Change reported that transactional savings would be delivered when the system went live.

It was resolved unanimously to:

- a) note the progress on the implementation of Agresso (Unit4 Business World) and the revised Go Live date of 1 April 2018;
- b) approve a further £410k of capital spend to complete the implementation; and
- c) note the additional LGSS revenue savings identified for Cambridgeshire County Council (CCC) building to £150K pa from 20/21 which would improve the original business case and result from enlarged ERP Gold implementation including Milton Keynes Council (MKC) requirements.

54. INFORMATION SECURITY REPORT – EMAIL SECURITY

The Committee considered the Council's Email Policy and Email Security. Attention was drawn to the importance of data protection and the need to keep information secure. A review had been undertaken to ensure the security of sensitive information contained in emails. There was a need to mitigate the risk of personal email accounts. Members were informed of the proposal for any Member who used a personal e-mail account or automatically forwarded emails from their Council account to a personal email account to sign a Personal Commitment Statement. The Director of Corporate & Customer Services, in introducing the report, proposed that the timing detailed in the recommendations be amended to January 2018 to allow more time for this work to be carried out.

Members thanked the Director and her Team for carrying out this work and in particular for listening to Members, which had resulted in a good outcome. Councillor Dupre proposed an amendment to the final bullet of Section 4 of the Personal Commitment Statement so that it read as follows:

“Upon ceasing to be a Member, I must decide what Council information or data I need to retain and what can be deleted or destroyed. If any Council information is retained then I must continue to maintain the security of the personal email account.”

She explained that Members relied on data long after ceasing to be a Councillor. They might need to defend themselves against accusations or be a witness. It was also important to bear in mind that a Councillor might not be on the same side as the Council. The proposed amendment received unanimous support from the Committee.

One Member queried who would be responsible if a member of staff sent a councillor Official Sensitive Council information to a personal e-mail account. It was noted that the person sending the information would be at fault.

It was resolved unanimously to:

- a) Approve the Email Policy and Personal Commitment Statement, as amended by the Committee, and where it was appropriate for Members to sign a personal commitment statement by end of January 2018.
- b) Mandate for all Members to complete the Member Data Protection course by end of January 2018.

55. TREASURY MANAGEMENT REPORT QUARTER TWO

The Committee received the second quarterly update and mid-year review on the Treasury Management Strategy 2017-18 approved by Council in February 2017. The CFO reported that short term borrowing was a sign that rates were low. It was noted that the report did not include the recent base rate increase. He drew attention to section 4.3 and highlighted the fact that there was no evidence to back this section up. He would address this in the next report. The Committee was informed that the Housing Investment Company had started to make loans. C&I would be considering a

sale portfolio of assets so the Housing Investment Company numbers could change. This would be detailed in the January report to committee.

It was resolved unanimously to:

- a) Note the Treasury Management Report.
- b) Forward to Full Council for approval.

56. GENERAL PURPOSES COMMITTEE AGENDA PLAN, TRAINING PLAN AND APPOINTMENTS TO OUTSIDE BODIES, INTERNAL ADVISORY GROUPS AND PANELS, AND PARTNERSHIP LIAISON AND ADVISORY GROUPS

The Committee considered its agenda plan and training plan. Members were advised that the Workforce Strategy had been removed from the agenda for 9 January 2018. The following two items had been added to the meeting on 23 January 2018:

- Approve going to market for a new MFD contract
- Waste PFI Contract (confidential item)

It was resolved unanimously to:

- a) review its Agenda Plan attached at Appendix 1 subject to the deletion of item 5 schedule for 28 November 2017; and
- b) review and agree its Training Plan attached at Appendix 2.

Chairman