GENERAL PURPOSES COMMITTEE: MINUTES

Date: Tuesday, 22nd January 2019

Time: 10.05a.m. – 12.40p.m.

Present: Councillors Bailey, Bates, Bywater, Count (Chairman), Criswell, Hoy (substituting for Councillor Bywater), Howell (substituting for Councillor Hickford), Hudson, Jenkins, Meschini, Schumann, Shuter, Whitehead and Williams (substituting for Councillor Dupre)

138. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies were received from Councillors Bywater, Dupre and Hickford.

139. MINUTES – 18TH DECEMBER 2018 AND ACTION LOG

The minutes of the meeting held on 18th December 2018 were agreed as a correct record and signed by the Chairman.

In noting the action log, the Chairman drew attention to the action on page 10 asking for the financial impact on the County Council of families moving out of London to be quantified. He reported that the Cambridgeshire Councils' Network (CCN) in investigating this issue had requested both empirical and anecdotal evidence. One Member queried whether any other metropolitan areas had an overspend in their children's services budget. The Chairman reported that, as far as he was aware, it was only London which had recorded underspends, although he acknowledged that there might be individual variances.

Councillor Jenkins confirmed that his action set out on page 12 had been completed. He reported that the outcome would be circulated to the Committee when available. **Action Required.**

140. PETITIONS

No petitions were received.

141. FINANCE AND PERFORMANCE REPORT – NOVEMBER 2018

The Committee was presented with the November 2018 Finance and Performance report for Corporate Services and LGSS Cambridge Office, which was showing a forecast underspend of £975k. It was noted that there had been a slight improvement due to reduced costs on IT. One Member requested more detail in relation to this reduction. **Action Required.**

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

142. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 30TH NOVEMBER 2018

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 pressure of £4.4m, which was a reduction of £0.068m on the previous month. It was noted that there had been an improvement in the Commercial and Investment budget due to an over achievement of the Eastern Shires Purchasing Organisation dividend. Attention was drawn to the pressure in Adults Services, which should improve with the additional grant of £2.324m to spend to alleviate winter pressures.

The Vice-Chairwoman of Children and Young People Committee (CYPC) tabled a briefing note (attached at **Appendix A**) from the Service Director, Children's Services and Safeguarding on the reporting of children's indicators within the 'Adults and children are kept safe' performance reporting to General Purposes Committee (GPC). She reported that the targets needed adjusting because the current ones were no longer in-step with what would be considered as good practice. It was important that these targets were aligned with the Council's statistical neighbours. The Chairwoman of Adults Committee added that both adults and children were kept safe even though the pie chart on page 25 showed the Council was 'off target'. It was noted that there were only four indicators in this target. She was concerned that the presentation of this data did not provide a true reflection.

The Director: Business Improvement and Development (BI&D) acknowledged the need to present the Committee with a more meaningful presentation of the data. The Chairman suggested a workshop involving the Chairs of the relevant committees in order to identify appropriate indicators which would provide the GPC with a strategic view of the organisation. **Action Required.** One Member expressed her frustration that the indicators had only been identified a short time ago. It was therefore disappointing that they were not doing their job. She acknowledged the fact that 100% off target was not a help indicator and drew attention to the fact that there were a number of indicators with no targets.

In acknowledging that children were kept safe, a Member drew attention to the 'Places that work with children help them to reach their potential' pie chart reflecting child protection plans and schools. She suggested that the Council should be mindful of this when considering budgets, in particular whether Children's Services should receive yet more cuts. She also drew attention to the need for a correction to the statement on page 27 that "This indicator decreased from 87.0% to 93.1%". The Director: BI&D reported that this target had in fact stayed the same. The Vice-Chairwoman of CYPC reminded the Committee of the work which had taken place over the last 18 months in People and Communities to address these issues. The Chairman added that he was delighted with the speed with which the Change Programme had been progressed but the Council would not know for a few years whether it had been successful.

The Chairman drew attention to the recommendation relating to the North Angle Solar Farm project. He reported that it was one of a number of successful solar projects for the Council.

One Member expressed disappointment regarding the current £4.4m overspend. She reported that it was effectively an £11m overspend given the £7m virement. She highlighted the need to keep it in mind as it would feed into next year's budget. The Head of Finance explained that a virement of £3.4m had been made from the smoothing fund reserve. The Chairman confirmed that the appropriate underspend figure was in fact £4.4m. He acknowledged that the figures would have been different if the virement had not been made. However, it was important to note that the Council had approved a smoothing reserve to cover in year pressures, and this had been used this year to help Children's Services to move to a new model.

The nature of the Levy Account Surplus grant was queried. The Head of Finance reported that this was a one off grant. It was noted that local authorities were awaiting the consultation on the new funding settlement for 2020. The Chief Finance Officer explained that although there would be a different mechanism in future, there would still need to be adjustments but not of this nature. The Chairman added that the new funding formula would have a top and tariff system. However, in the meantime, he would continue to lobby to ensure that Cambridgeshire received a fairer funding formula.

It was resolved unanimously to:

a) Approve additional prudential borrowing of £36,000 in 2018/19 for the North Angle Solar Farm project, as set out in section 5.7;

b) Approve allocation of the Levy Account Surplus grant (£987,000) to the corporate grants account within Funding Items, as set out in section 6.2. This would offset pressures across the Council, reducing the transfer from the general fund reserve at year-end.

143. TRANSFORMATION FUND INVESTMENTS FOR BUSINESS PLANNING 2018-19 TO 2022-23

The Committee was asked to consider the proposed investments from the Transformation Fund which supported delivery of transformation and savings within the Council's business plan for 2019/20 to 2023/24. It was important to bear in mind that in addition to this overarching bid, there was likely to be future requests throughout the year as transformation work continued. The proposed investment of £3m to deliver £19.6m savings over the period of the Business Plan did not included transformation work which had already been funded.
Members noted that some proposals such as item 4.4 had a full business case whilst other proposals would require investment to develop a business case. There were two specific areas relating to demand management and commercial where full business cases still needed to be worked up. The Commercial and Investment Committee was currently developing a Commercial Strategy, which would set out the overall approach to investment.

However, it was important to note that external expertise would be needed for some investments, which would be transferred to the Council's workforce.

Some Members expressed concern about the lack of detail in the report. They queried why the funding was being signed off in consultation with Service Chairs rather than committees on a case by case basis. One Member stressed the need for the same level of scrutiny to continue. The Chairman reported that the current monitoring arrangements would remain in place. He highlighted the importance of GPC knowing what was in the pipeline and the level of funding needed but acknowledged that the individual business cases could continue to be presented to GPC for approval. The Director: BI&D confirmed that GPC had previously requested the pipeline be brought to Committee in time for implications regarding budget planning purposes, even if business cases still required full working up and sign off.

The Director: BI&D reported that the investments were cross cutting. She explained that for some investments the Council did not have the in house expertise. It would therefore need investment funding for specialist services, which would be drawn down from the Transformation Fund. One Member queried whether officers would be able to bring in external expertise if the skills were not available in house. The Chairman reminded the Committee that this could be carried out under officers' delegations.

Another Member queried the relationship between GPC and the relevant Policy and Service Committees. It was noted that the Business Cases would be considered by the relevant Service Committees, which would then recommend them to GPC for financial approval. GPC would need to see the Business Cases for cross cutting investments. The Chairman reminded the Committee that there was flexibility to consider whether an investment provided financial savings or was morally/outcome based.

The Chairman with the agreement of the Committee proposed an amendment to the recommendations, which involved deleting recommendations b) and c) and replacing them with a new recommendation b) to reflect the need to approve the funding for the proposal set out in 4.4 and the need for all business cases to continue to be considered via the normal council route.

It was resolved unanimously to:

A) Approve the investment of £3m revenue from the Transformation Fund for the period up to April 2021 to support delivery of Business Plan savings in the period 2019 – 2024.

B) Approve the funding set out in Section 4.4 of the report and all other cases via the normal council route.

144. INNOVATE AND CULTIVATE FUND

The Committee received a report requesting the continuation of funding for the Innovative and Cultivate Fund (ICF). Members were reminded that the aim of the Fund was to help community organisations with big ideas for transformative preventative work that would make a positive impact on

Council expenditure. It was noted that £644k had already been awarded. The awarding of the remaining £365k from the initial £1m to recent applications would be considered by the Recommendation Panel in January. Attention was drawn to Appendix 1 detailing the return on investment of the approved projects. In order to continue the good work of this fund, a further injection of funding was needed. It was therefore proposed that £1m should be transferred from the Transformation Fund.

The Chairman of Communities and Partnership Committee (C & PC) expressed his full support this proposal, which targeted investment at communities to reduce need rather than services. It was important that the Council enabled communities to deliver what they required. The Chairman supported this view and suggested that if a Community Impact Assessment had been carried out it would have provided a glowing endorsement of this work. Other Members in welcoming this proposal highlighted the need to support communities implement their ideas.

One Member reported that she would be abstaining. Although, she supported the Fund and was excited to see what communities could bring outside the Council, she was concerned that there was not sufficient evidence of effectiveness given the short time it had been in operation. She reminded the Committee that the Council's budget was so tight that she needed to have more evidence that these schemes could bring in savings before committing a further £1m. It was noted that the case studies attached at Appendix 2 provided a degree of understanding. One Member asked that they receive a wider circulation to District Councils, NHS, Voluntary Sector and communities. **Action Required.** The Chairman highlighted the fact that there would be savings to the Council's partners. Another Member commented that the case studies were good exemplars but could not be classified as evidence.

The Assistant Director for Housing, Communities and Youth reported that Appendix 1 provide evidence of returns which had been evaluated by Finance Officers. She acknowledged that the Council was early on in the process and that more evidence would be available in the long-term. However, the impact of the innovations so far was good. She drew attention to Section 2.3 which included plans for the fund if more funding was agreed. It also included bespoke monitoring and evaluation tools to measure project outcomes and savings and to capture and apply the learning from the projects. The Chairman of (C & PC) reported that this fund would produce data over a period of time. At the moment, the case studies were available to fill the statistical evidence gap.

It was resolved to:

> Transfer a further £1m from the Transformation Fund to the Innovate and Cultivate Fund.

145. BUSINESS PLAN 2019-2020 TO 2023-24

The Chief Finance Officer (CFO) introduced a report providing an overview of the key issues contained within the Business Plan prior to formal recommendation by GPC for Council decision in February. He thanked the

Policy and Service Committees for the work that had been put in to preparing the Plan. It was noted that the report included the Community Impact Assessments (CIAs) considered by the Committees. Members were reminded that budget setting was the responsibility of Full Council. It was noted that the provisional Revenue Support Grant (RSG) Settlement rarely changed so any adjustments would be up to Council.

Attention was drawn to the updates from the December committee set out in Section 3, which included the following:

- the removal of the negative RSG in 2019/20 improving the Council's position by £7.1m.
- the announcement of a consultation on the fair funding review. The Council would, of course, continue to make its case. However, it was important to note that there would be floors and ceilings even if there was good news with the benefits likely to be phased.

Members were reminded that the report assumed an increase of 3.99% in Council Tax (this covered at 1.99% increase in general council tax and 2% increase in the Adult Social Care precept). Although the Business Plan covered a five year period, the report set out a number of options for balancing the budget in 2019/20. The CFO reported that he would be setting out the financial challenges facing the Council in his Section 25 statement to Council.

The Chairman reminded the Committee that a savings/income target of £27.4m was required next year and more than £70m was required in the medium term. He highlighted two significant changes amounting to £2m which had affected the savings return. He explained that Council would need to balance its needs against the needs of individuals. He drew attention to the funding gap of £13.134m against the £32m of options available to close the remaining budget deficit (with General Reserves remaining intact). He added that the CIAs for all the proposals had been considered by Policy and Service Committees. Where there had been changes such as to the Children's Programme, it had been evidence based.

The Chairman proposed an amendment, seconded by Councillor Criswell, to revise Recommendation 2 as follows: Review the options set out in section 4 of this paper **and decides whether there is sufficient resources and flexibility for Council to deliver** ~~to establish~~ a balanced budget position ~~and make recommendation to Full Council~~. He also proposed that the current Recommendation 3 be deleted and replaced with the following:
Recommends that Council balances the budget from within the total resources as detailed in 4.2 and 4.9 in this paper. *(Additions in bold and deletions in strikethrough).*

During discussion of the amendment, one Member challenged the paperwork that stated it was possible for the Council to reduce the operating cost base by reducing service levels for Street Lighting and Bus Subsidies. The Chairman confirmed that the former was subject to a Private Finance Initiative and the latter was agreed by the Combined Authority. Although the Council could not act in isolation, there was potential for negotiated change.

On being put to the vote the amendment was carried.

One Member highlighted how frustrating it was that it was still not clear from the Administration as to how it planned to balance the budget. She felt that there was confusion with the Council not knowing what it was doing. She stressed the importance of avoiding financial surprises. She reported that it was difficult for other people to make decisions if the Administration did not set out its plans. She suggested that political reasons were the only reason why the Administration was not recommending a balanced budget at GPC, and she regarded this as poor leadership and bad management.

The Chairman was of the view that these comments were politically motivated. All parties had been given the necessary tools to balance the budget so there was no need for the opposition parties to react to the Administration's budget. All parties would therefore need to lay out their proposals which would expose the differences. All the Administration was doing was not giving the opposition parties the ability to react to its proposals rather than setting out their own points. He reminded the Committee that the budget protocol required all parties to submit their amendments to Council five clear working days before the meeting.

The Chairman of Economy and Environment Committee thanked his Committee for working on the budget and achieving a consensus. He drew attention to two business cases relating to the Historic Environment, and Transformation of the Infrastructure and Growth Service into a profit centre, which would both bring in income.

The Chairwoman of Adults Committee reported that People and Communities had risen to the challenge of achieving considerable savings towards the target of £21m. It was important to put the £4.4m overspend into context. The Adults Services overspend was only 0.37% which was minuscule given the size of the budget.

She stressed the importance of having a balanced narrative as well as a balanced budget. All parties needed to exercise political responsibility when talking about services being delivered to the most vulnerable. She was therefore extremely concerned about the political narrative in Liberal Democrat leaflets delivered in East Cambridgeshire, which stated that the Council was facing financial meltdown and bankruptcy. She was also concerned about the misinformation relating to the slashing of Highways budgets. She reminded the Committee of the £2m additional funding which had been spent on potholes and pavements, and the additional funding of £13.1m into Highways Maintenance.

She was particularly concerned that some elderly people around Ely who relied on local authority care had been frightened by this information. She sought to reassure local residents by reminding them that the Council had invested an extra 6% per year in Older People's Services, £11m extra in Learning Disability, and impact of the Adults Positive Challenge programme. The Neighbourhood Cares Pilots were also unleashing support in communities. She highlighted a positive example of this in Soham. In conclusion, she stressed the need for a balanced narrative.

The Chairman reported that the reports of financial meltdown did not relate to this Council's budget. The Council unlike some other authorities had not needed to poach its reserves in order to balance its budget. He reminded the Committee that the Council had introduced a smoothing reserve and a Transformation Fund to help to deliver outcomes. It also had the largest public sector County Farms Estate.

The Chairman of Commercial and Investment Committee concurred with the comments raised. He stress the importance of not losing sight of the impact of such messages on vulnerable people which he regarded as unacceptable. He drew attention to section 3.5 and the prudent need to adjust the budget accordingly. He reported that the Committee had ambitious targets and was expecting an above 5% return on the council's Solar Farm at Soham.

In response, the Leader of the Liberal Democrat Group reported that the comments had been regarding the situation of the Council over the last five years. She reported that the Highways Maintenance budget had been reduced and was only going up a small amount. She felt that it was unlikely that the road network would improve over the next two years. The Council was in fact managing at state of managed deterioration and was not able to maintain its roads to the standards of five to six years ago. It was important to make clear to residents the reasons why Council Tax needed to be increased in order to provide choices. The Council needed to communicate the scale of the challenge it faced. She also drew attention to the fact that money was coming out of Adult Social Care.

The Chairman confirmed that a Code of Conduct complaint had been submitted in response to the words in the leaflet. The Liberal Democrat Group Leader felt that it was deeply inappropriate to make personal complaints about people who were not members of this Council. *[Note: the Code of Conduct complaint was submitted to another authority]*

The Chairman of Highways and Community Infrastructure Committee reported that all Highways Authorities would like more funding for maintenance. However, it was important to note that the Council had considered its methods in order to improve maintenance. Capital investments such as 'Dragon Patchers' had made a significant difference. It was noted that more potholes had been filled week beginning 14 January than had been reported. The Council had also been successful in attracting Government grants to repair Fenland roads. He stressed that although the Council would like more money, it was spending wisely and the results were showing on the roads. The Chairman commented that it was easy to look at the figures but this did not reflect the quality of the service or the delivery of outcomes. He added that a lot more was being achieved for the same amount of money.

One Member suggested that employing volunteers to fill gaps in school funding still meant that schools were underfunded. He acknowledged the good work to fill potholes but reminded the Committee that it would not increase the life of a road. He reported that road maintenance needed to be funded. He was currently investigating how much was spent and how the Council spent it. He expressed disappointment that the Committee could not come up with a recommendation on Council Tax. The Chairman drew attention to the fact that many organisations used volunteers to plug gaps, which provided good outcomes for the volunteers and had been shown to improve their lives.

The Chairman of Health Committee reminded Members that the Public Health budget was ring fenced so it was more about how it was spent rather than what was spent. He praised the Committee and officers for achieving significant efficiencies, which included the merging of team leader posts and the deletion of three posts without impacting on the quality of service. The Committee had also saved money by conducting campaigns in house by using the expertise of its own officers. The Service had made savings but had also maintained quality and had even made improvements.

One Member reported that she had been critical of the Business Plan consultation exercise last year and it had been recorded that she would be consulted this year. She had not been consulted and remained critical. She queried the statement regarding the use of capital receipts expenditure to fund transformation. The Head of Finance reported that there would be £3.3m funding available next year. He explained that there were detailed guidelines and each case was checked by the Council's external auditors. The same Member acknowledged that the Council had worked hard to do more with less. However, she felt that this was no longer possible. She drew attention to the lack of money in public services. In particular, she highlighted Children's Services were additional funding had still be outstripped by increased demand. Although, Schools' Forum had agreed a small increase in funding, she explained that many schools would be experiencing a decrease due to the impact of Special Educational Needs and Disability. It was important therefore to recognise that there were real areas of public services under intense pressure. Whilst the Authority was nowhere near meltdown, it was important to make the point to the public that the funding situation was very tight.

The Chairman hoped that everyone was aware of the efforts being made to lobby the Government. All areas of the County including the Police and Fire as well as the County Council were underfunded as a result of archaic formulas. The Council was expecting a new funding formula and had received positive news regarding the turnaround of negative RSG. Further lobbying had resulted in additional funding for Adult Social Care and Highways, which had gone a significant way to assist budgetary pressures or improve services. He would continue to lobby for a formula which was fit for purpose. He drew attention to the Council's Strategic Framework and, in particular the priority outcomes, as it was important to identify what the Council wanted to deliver.

In conclusion, the Chairman thanked the Committee and officers throughout the organisation for their work on the Business Plan.

It was resolved to:

1. Consider the Business Plan, including supporting budget, business cases, consultation responses and other material, in light of all the planning activities undertaken to date.

2. Review the options set out in section 4 of this paper and decide whether there was sufficient resources and flexibility for Council to deliver a balanced budget position.

3. Recommends that Council balances the budget from within the total resources as detailed in 4.2 and 4.9 in this paper.

4. Endorse the priorities and opportunities as set out in the Strategic Framework.

5. Authorise the Chief Finance Officer, in consultation with the Leader of the Council, to make technical revisions to the Business Plan, including the foregoing recommendations to the County Council, so as to take into account any changes deemed appropriate, including updated information on District Council Tax Base and Collection Funds, Business Rates forecasts and Collection Funds and any grant changes.

146. GENERAL PURPOSES COMMITTEE AGENDA PLAN, TRAINING PLAN AND APPOINTMENT TO OUTSIDE BODIES, AND INTERNAL ADVISORY GROUPS AND PANELS

The Committee considered its agenda and training plans. It was noted that the reserve meeting in February would be used for a workshop with Strategic Management Team on the People Strategy, and to consider any urgent items if necessary.

It was resolved unanimously to:

a) review its agenda plan attached at Appendix 1 to the report; and

b) review its training plan attached at Appendix 2 to the report.

147. EXCLUSION OF PRESS AND PUBLIC

It was resolved unanimously:

That the press and public be excluded from the meeting during the consideration of the following report on the grounds that it was likely to involve the disclosure of exempt information under paragraphs 3 & 5 of Schedule 12A of the Local Government Act 1972, as it referred to information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

148. WASTE PRIVATE FINANCE INITIATIVE (PFI) CONTRACT

Councillors Bailey and Williams declared non-statutory disclosable interests under the Code of Conduct, as follows:

- Councillor Bailey – Chairman of Regulatory Services Committee, East Cambridgeshire District Council, and Director of East Cambridgeshire Street Scene Limited

- Councillor Williams – Lead Cabinet Member for Finance, South Cambridgeshire District Council

The Committee considered a report on the Waste Private Finance Initiative Contract.

It was resolved unanimously:

to agree the recommendations as set out in the report.

Chairman

Appendix A

Briefing note on the children's indicators within the 'Adults and Children are kept safe' Performance Reporting for General Purposes Committee

Background

There are a number of performance indicators for children that make up this global indicator, which is reporting as 100% off target.

In my report for Children and Young People's Committee, I noted that we needed to adjust some of the key performance targets because the current ones are no longer in-step with what would be considered as good practice.

One example is the rate of children on a child protection plan per 10,000. The target against which these this performance is currently measured is **30 per 10,000**. This is too low: our statistical neighbour average is currently **37 per 10,000** and our current performance is in line with this at **37.1 per 10,000**. Were our rate to be 30 per 10,000, I would be worried that we were failing to identify all the children in the county who needed to be protected from harm. Current performance, because it is in line with statistical neighbour averages, strongly indicates that we are keeping children safe.

In relation to this indicator, I recommended that we align with the statistical neighbour average in the Children and Young People's Committee report in December.

I will be working with Business Intelligence to agree new performance targets to report against for the new financial year.

Detailed information about performance targets reported

Re-referrals – the percentage of children re-referred within 12 months of a previous referral

The change in this performance indicator as reported indicates improving performance. The target is 20% and the reported performance is 20.4% - which is to all intents and purposes, on target.

This is an indicator where there is an ideal range. If re-referrals are too low, it indicates that we do not end involvements with families quickly enough. If it is too high, it means that we are not taking referrals sufficiently seriously.

Performance across the Eastern Region ranges from 14% to 25%. My recommendation would be that to be on target, this indicator be considered on target if it is between the range of 17% and 22%.

This would put our reported performance as on target. The actual rate in December was 19%, which is on target by either measure.

Child Protection

The reported increase in the rate of children on child protection plans from 36.8 to 37.1 per 10,000 population equates to increase in numbers of four children. As noted above, the average of our statistical neighbours is 37, meaning that we are precisely where we would expect to be. If numbers on child protection plans are too low, it indicates that we are likely to be failing to identify children who are at risk of harm.

The indicator relating to **children being subject to a child protection plan for the second or subsequent time** is a very volatile one, because the numbers involved are so small. It is a useful indictor for officers but requires knowledge of the child level data that sits behind it in order for its meaning to be clear.

Children in Care

Members are of course aware that numbers of children in care are significantly higher than they should be. The target needs to be recalibrated to enable us to plot our progress against the targets that we now have in place following the restructure of children's social care services.

The main target is to bring the number of children in care in line with the average of our statistical neighbours by the end of 2020/21. This is to a rate of 46.3 per 10,000. I will work with Business Intelligence to look at a series of targets overt the next two years that will measure performance against the trajectory required.

Achieving this will take time, but the significant changes to the structure of children's social care will enable us to deliver.

Lou Williams