

## **GENERAL PURPOSES COMMITTEE: MINUTES**

**Date:** Tuesday, 24th July 2018

**Time:** 10.00a.m. – 11.25a.m.

**Present:** Councillors Bailey, Bates, Boden (substituting for Councillor Hudson), Bywater, Count (Chairman), Criswell, Dupre, Giles, Hickford, Jenkins, Meschini, Nethsingha, Schumann, Shuter, Whitehead

**Apologies:** Councillor Hudson

### **93. MINUTES – 24TH MAY 2018 AND ACTION LOG**

The minutes of the meeting held on 24th May 2018 were agreed as a correct record, subject to the inclusion of Councillor Kindersley who had substituted for Councillor Nethsingha, and signed by the Chairman.

In noting the action log, Members were informed that the ongoing actions would be carried over to the next action log until they were concluded. One Member queried the response to the information provided on the indicator for Health Visiting mandated check at 2-2.5 years. Whilst she acknowledged that children where there were safeguarding concerns were on the Universal Partnership Plus pathway and were seen in their home by a Health Visitor, she was concerned about the children who were not seen. Another Member suggested that the failure of these children to be seen should be brought to the attention of their General Practitioner. **Action Required.**

### **94. PETITIONS**

No petitions were received.

### **95. FINANCE AND PERFORMANCE REPORT – MAY 2018**

The Committee was presented with the May 2018 Finance and Performance report for Corporate Services and LGSS Cambridge Office, which was showing a forecast underspend of £222k. Members were reminded that the Children and Young People (CYP) Committee had agreed a change in approach for the IT system for Children's Services. This had resulted in £504k of costs for Mosaic, which had formerly be charged to capital, falling back as a revenue pressure in 2018/19. It was noted that an overspend was forecast on IT Managed due to a change in the way telephony licensing was carried out. However, an £866k underspend was forecast on Financing Costs due to an amendment to the Minimum Revenue Provision payment.

One Member queried why the decision to no longer roll out the Mosaic System for Children's Services had let to a financial pressure. The Director Corporate and Customer Services reminded Members that they had received a report on the implications of changes to the IT systems that support Children's Services at their last meeting, and they had approved the provision of capital funding to support these changes. The financial consequences of

this decision were that an element of investment, which had already taken place in the Mosaic System, would need to be written off.

Another Member queried why this investment could not be considered as part of the overall capital project. The Deputy Section 151 officer confirmed that it would need to be classified as a revenue pressure. The Chairman acknowledged that officers had considered the possibility but as this pressure had not been identified as part of the capital project, it would need to be classified as a revenue pressure. The same Member queried how this revenue pressure would therefore be funded. The Chairman reported that it was appropriate to identify it as a pressure at this stage. However, it was important to note that there was considerable time before year end to enable options for mitigation to be considered.

One Member noted that the Council was able to use funding it was holding as the accountable body for other organisations to fund capital expenditure instead of using Prudential Borrowing. She queried which bodies the Council was holding funding for. It was noted that the Council had held funding last year for the Local Enterprise Partnership and the Greater Cambridge Partnership. In response, it was questioned whether there was an apportionment of interest back to these bodies. The Deputy Section 151 agreed to investigate and report back to the Committee. **Action Required.**

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

## **96. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST MAY 2018**

The Committee received a report detailing the financial and performance information to assess progress in delivering the Council's Business Plan. Attention was drawn to the change in indicators on page 34 of the report from the start of the municipal year. The overall revenue budget position was showing a forecast year-end pressure of £1.8m, which included the pressure resulting in the change to IT systems which support Children's Services. The Deputy 151 Officer reminded the Committee that this pressure had been identified at an early stage in the year, and that the Council had a good record of identifying mitigations. He drew attention to a detailed analysis of financial performance at Section 3.1 which detailed the pressure in People and Communities and some slippage in Commercial and Investment. Members were also advised of key funding changes to the Capital Programme since the budget had been set.

In considering the report, individual Members raised the following:

### **Overview**

- queried why "Adults and Children are kept safe" and "People live in a safe environment" indicators were so off target. The Director Corporate and Customer Services reported that the detail relating to the change in indicators was set out in the appendix. She explained that there was more work to do regarding target setting and agreed to provide the Committee with a briefing. **Action Required.** The Chairman reminded

the Committee that the “People live in a safe environment” indicator had been off target before the change in indicators as a result of delays in delivering local highway improvement schemes.

## **Revenue Budget**

### **Place & Economy**

- acknowledged the importance of keeping the Waste Management budget under review given the uncertainty, and the fact that Coroners was a demand led service with structural pressures which needed to be considered. However, one Member expressed concern about the impact on Place and Economy of funding these current projected pressures.
- expressed concern that there was a shortfall in funding for Bikeability, which was a popular scheme to encourage cycling and save lives. The Chairman reported that the Council did a lot of things which saved lives but it still had to manage within existing budgets. The Chairman of Economy and Environment (E & E) Committee reported that following discussions with the Department for Transport, the Council would receive additional funding of £60k for Bikeability. The Council’s Cycling Champion, Councillor Kavanagh, was also looking for additional finance outside the Council, which would be reported on in due course. It was noted that not all schools asked for training so other suggestions were being considered as part of the work being undertaken by Councillor Kavanagh. The Chairman of E & E Committee had also written to the Chairman of the Local Government Association (LGA) to take up centrally issues relating to cycle safety.

### **People and Communities**

- expressed concern regarding the proposal to transfer £0.685m from general reserves to the revenue budget allocated to People and Communities. One Member reported that the issues regarding the budgeting of Children’s Services had been raised previously. She queried the realistic nature of the budgeting for these services and hoped that the need for a transfer of additional funding would not occur in the future. The Deputy Section 151 Officer drew attention to Appendix 5 on page 60 of the report which set out in detail the reasons for this transfer. He reminded the Committee that the Council had set its budget in February based on a robust estimate. Officers had worked hard to make sure all pressures had been identified at the earliest opportunity. The two budget pressures had arisen after the budget had been set and could not be dealt with within the budget for People and Communities.
- expressed concern that Children’s Services might ask for more from General Reserves. The Chairman clarified that the £0.685m represented a new duty – leaving care and a reduction in grant income, which had both been implemented by Government after the Council had set its budget. As indicated in the report, Children’s Services had been unable to fund this unforeseen budget pressure. The General Reserve was set at 3% of operational budget and would need to be replenished next year. He reminded the Committee that the “Smoothing Reserve” had been set up to manage a number of additional risks in 2019/20 and 2020/21 to avoid the Council going into crisis. It was noted that the £7m Better Care Fund

could not be guaranteed. Together with other authorities, he was lobbying Government strongly to prevent them giving £7m of local taxes raised in Cambridgeshire to other areas in 2019/20. He was strongly of the view that local taxes should be spent locally to deliver services. The Liberal Democrat Group Leader supported this view and reported that many counties were lobbying the LGA. She urged all Members to write to their local MP. The Chairman added that he had written to the LGA and County Councils' Network and hoped that Government would change its mind even though there had been no announcement. The Chairman added that there was also a £3m funding issue relating to the Schools' Forum, and the impact of the Social Care Green Paper. One positive was Business Rate Retention which would be based on a needs led formula. In conclusion, he stressed the importance of the Council planning for the worst case scenario.

- queried why the process for dealing with transformation bids had not been followed in relation to the proposal for £1.041m to be allocated towards investments in People and Communities. The Deputy Section 151 Officer reported that the Oxford Brookes work had been reported back. The Service Director: Children's Services and Safeguarding had been a year in post and now had a view where the Council should be going. He acknowledged that the transformation bid was set out in a different format but the corporate process had been followed. The rationale for the investment was detailed in Section E with a new section, Section C, detailing numbers shown in the Business Planning format to provide greater clarity. In response, the Member reported that she was concerned that this transformation bid had been considered as part of the finance papers, and requested a separate report in future. The Chairman agreed to investigate. **Action Required.**
- highlighted the fact that the need for more money for Children's Services had been predictable. The Leader of the Labour Group reported that she had identified £1.5m additional funding in the Labour budget amendment following discussions with the Service Director: Children's Services and Safeguarding. She was therefore concerned that the budget had been under pressure from the start. She explained that any improvements the Service made were effectively cancelled out by an increase in demand. She advised the Committee that there would probably be a need to transfer even more money in future. She acknowledged that it was very difficult to identify a realistic budget for this service. The Chairman reported that he had been fully involved in the discussion of budgetary issues. He was aware that all officers would like larger budgets but there was not sufficient funding. The Children's Services budget was demand led and extremely unpredictable. The changes resulting from the Oxford Brookes report would not come into effect until the medium and long term. He highlighted the work going on to identify all the pressures, which included Looked After Children (LAC) numbers of over 700.
- noted that the Service Director: Children's Services and Safeguarding had needed evidence, which he now had from the Peer Review, Ofsted and the Oxford Brookes report. The Chairman of Children and Young People (CYP) Committee informed the Committee that the request for additional

funding had been considered by CYP Committee. He advised the Committee that he had recently attended the Children's Leads Network in Hertfordshire. He explained that although the LAC numbers for Hertfordshire had gone down, the number of child protection plans had increased. He reported that the Service was trying to do things differently in order to address the pressures. The Chairman of General Purposes Committee reported that he would never change the threshold for budgetary reasons. Another Member asked whether early identification as a result of better systems had created a spike in pressure. The Chairman of CYP Committee reported that children were being taken through the system quicker. However, there would be a core element of 100 children who would remain with the Council. The same Member commented that it was important to celebrate the steps being taken to protect young people, the positive budget implications, and the outcomes for years 3 and 4.

- queried the LAC figure on page 61 of the report. It was noted that this was a pressure in 2018/19 and would be a pressure in 2019/20 if nothing was done to mitigate the overspend.

#### LGSS Operational

- queried why there was no figure in the actual column for LGSS Operational. The Deputy Section 151 explained that LGSS reporting timescales ran slightly behind County Council timescales. He acknowledged the concern of Members as the operational budget for LGSS had finished with a deficit for the last financial year. He reported that, although the level of risk was small, he would need to consider it carefully and report back to the Committee. **Action Required.**
- highlighted the different accounting rules used to manage the Public Health budget. One Member reported that he had raised this issue at Health Committee. This budget comprised a £25.4m ring-fenced public health grant, which was subject to NHS accounting rules rather than the County Council's actual system. The Director of Public Health was currently considering how this budget could show the actual expenditure taking place. The Chairman requested a briefing for the Committee. **Action Required.** The Deputy Section 151 Officer reminded the Committee that the whole Council operated on an actual basis. However, the same Member commented that this budget was sometimes accounting for treatments in the wrong period.

#### Capital Programme

- highlighted repeated concerns regarding the lack of control of the budget for the Ely Southern Bypass, which had been taking forward at pace with no funding contingency in place. The Chairman reminded the Committee that the decision on the Bypass had been taken at the last meeting. He queried why it had been raised again. The Deputy Section 151 Officer reported that the Capital Programme Project Team had requested it be considered for technical reasons.
- highlighted an issue regarding the phasing of development in St Neots. One Member reported that he was aware that Huntingdonshire District Council set a limit of 199 dwellings before contributions were required. He

was concerned that this could lead to developers separating what were naturally linked developments in order to avoid paying contributions for schools and highways. The Chairman of E & E Committee reported, that together with the Chairman of CYP Committee, he had been involved in discussions with Huntingdonshire District Council regarding this issue. Members were informed that there was no national requirement to set a trigger point in relation to Section 106 contributions. Many authorities negotiated with developers accordingly to size in addition to Community Infrastructure Levy (CIL) contributions. The Chairman reported that Fenland District Council had a clause in its local plan to identify if an application was linked to another one so as to prevent split delivery of sites to avoid contributions. He was also keen that providing full-fibre broadband should be embedded within planning procedure. He proposed that a report should be prepared for the E & E Committee detailing the Cambridge and Peterborough City and District Councils' approach to collection and agreeing distribution of CIL and Section 106 funding, and the approach of neighbouring districts, in order to provide a comparison. **Action Required.** The Chairman reported that the Combined Authority was considering establishing a viability unit to provide a standardised approach.

#### Balance Sheet

- highlighted the good news relating to net borrowing. The Deputy Section 151 Officer reported that this depended on the Council's cash flow needs. It was noted that this figure would be refreshed and was likely to come down. Members were informed that the figure of £683m was not near the ceiling.

#### Section F – Commissioning Director Redesign

- highlighted the significant challenges facing the commissioning directorate. The Chairwoman of Adults Committee drew attention to the well written case for more investment in brokerage function dealing with Delayed Transfers of Care (DTC). The management of an integrated brokerage function across health and social care would ensure the right capacity and skills to manage the market in a sustainable way. She reported that adults had done well to manage its budget given a growing elderly population and an increase in Learning and Physical Disability needs. She welcomed any ideas to help the service improve outcomes, and highlighted the fact that the Neighbourhood Cares initiative had been achieved as a result of an idea.

It was resolved unanimously to:

- a) Approve the carry forward of £104.5m capital funding from 2017/18 to 2018/19 and beyond as set out in section 6.7 and Appendix 6.
- b) Approve -£3.3m rephasing of Place & Economy's (P&E) capital funding, - £6.6m of People & Communities (P&C) capital funding and -£0.5m of Commercial & Investment's capital funding for schemes as set out in section 6.7.

- c) Approve that the Pothole Action Fund of £2.4m be allocated in full to P&E to use for its intended purpose of highway repair, as set out in section 6.7.
- d) Note the reduction in the use of Section 106 funding of -£0.98m as set out in section 6.7.
- e) Note the £4.4m additional contributions received in relation to Combined Authority Schemes, as set out in section 6.7.
- f) Note the additional prudential borrowing of £12.0m in 2018/19 in relation to Ely Southern Bypass and £0.5m in 2018/19 in relation to the Libraries People's Network Refresh capital scheme as previously approved by GPC at the 29th May and 27th March 2018 meetings respectively, as set out in section 6.7.
- g) Approve the allocation of the £309k SEND Implementation grant to the P & C directorate, see section 7.1.
- h) Approve an increase in the revenue budget allocated to P & C of £0.685m, funded by a transfer from general reserves, as specified in Appendix 5 (section A).
- i) Approve the allocation of £1.041m from the transformation fund towards the investments in P&C set out in Appendix 5, section B; and note the implications beyond the current financial year for recognition during business planning
- j) Note the updated estimates of pressures and savings in future years, outlined in Appendix 5 (section C) for recognition in the business planning process.

## **97. TRANSFORMATION FUND MONITORING REPORT QUARTER 4 2017/18**

The Committee received an outline of progress in delivery of the projects for which transformation funding had been approved at the end of the fourth quarter of the 2017/18 financial year. Attention was drawn to the Transformation Programme Overview in Figure 1. Members were advised of the performance of the Dedicated Reassessment Team – Learning Disabilities, which had made a significant saving and achieved improved outcomes but had not met its target. Appendix 1 mapped out the schemes that had received Transformation Fund investment against the Council's outcomes. It was suggested that after five years, it might be appropriate to review the outcomes to see whether they were still relevant.

One Member suggested that it was not helpful to have totals as many of the schemes ticked more than one box and it was also not a competition for outcomes. She also suggested that "The Cambridgeshire economy prospers to the benefit of all" box should be reviewed. It needed to be made clear whether the box was being ticked because it helped the Council's finances or the Cambridgeshire economy as a whole. She suggested that it should be the latter, as this Fund was about transforming rather than funding.

Another Member welcomed the encouraging report. She acknowledged that some schemes were not making savings as quickly as the Council might like but most of them were. She also highlighted the fact that the boxes did not reflect the scale of some schemes which could be quite large particularly in relation to helping people live independently. She requested a RAG rating down the side of the table. The Chairman acknowledged that a RAG rating would be useful and removal of column totals made sense. **Action Required.**

The Chairman requested that rough estimates be provided and would be useful to identify the benefit of transformation schemes to other organisations. The Chairman of E & E Committee agreed to work with officers on this issue. **Action Required.**

One Member queried the helpfulness of RAG ratings. She drew attention to the performance of the Dedicated Reassessment Team – Learning Disabilities, which had made significant savings and achieved improved outcomes but was rated red. The Chairman acknowledged that it was a blunt tool but in practice the saving identified in the Business Plan had not been met even though the outcomes were successful so the RAG rating was correct. The Deputy Section 151 officer agreed to circulate the criteria system for determining whether something should be red or amber. **Action Required.**

It was resolved unanimously to:

note and comment on the report and the impact of transformation fund investment across the Council.

**98. 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. Two items were added to the agenda for the next meeting, as follows: Approval of the Shared Services Section 113 Agreement and Debt Policy and Progress.

It was resolved unanimously to:

- (i) review its agenda plan attached at Appendix 1; and
- (ii) review its training plan attached at Appendix 2:

Chairman