

## **GENERAL PURPOSES COMMITTEE: MINUTES**

**Date:** Tuesday, 13th June 2017

**Time:** 11.00a.m. – 12.35p.m.

**Present:** Councillors Bates, Bywater, Count (Chairman), Criswell, Giles, Harford, Harrison (substituting for Councillor Dupre), Hickford, Howell (substituting for Councillor Bailey), Jenkins, Kavanagh, Nethsingha, Schumann, and Whitehead

**Apologies:** Councillors Bailey, Dupre and Shuter

### **1. NOTIFICATION OF CHAIRMAN/WOMAN AND VICE-CHAIRMAN/WOMAN**

The Committee noted that the Council had appointed Councillor Count as the Chairman and Councillor Hickford as the Vice-Chairman for the municipal year 2017-18.

### **2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **3. MINUTES – 21ST MARCH 2017 AND ACTION LOG**

The minutes of the meeting held on 21st March 2017 were agreed as a correct record and signed by the Chairman. The Action Log and following updates were noted:

- the issue of partnership contributions to transformation proposals would be raised at the Cambridgeshire Public Service Board on 23rd June 2017. It was further noted that unifying outcomes would also be considered. **Action Required.**
- information from central government on the details of what the £6m funding for East Cambridgeshire and Fenland schools could or could not be used for was still awaited. The Committee would be notified when the information was received. **Action Required.**
- requested a breakdown of the amount of debt totalling £353k written off in 2016/17. **Action Required.**
- confirmed that if an item had been considered by a Policy and Service Committee before GPC, an extract of the minutes would be included in future reports.
- the final guidance on the additional Government funding for Adult Social Care of £8.33m was expected around the 22 June 2017. The grant funding would be pooled into the local Better Care Fund, and the Council would be expected to work with the Clinical Commissioning Group (CCG). The Chairman queried how far plans had been progressed with the CCG. The Chief Finance Officer (CFO) reported that any agreement regarding allocation would need to be considered by GPC and Adults Committee first. The Chairman asked that the chairs of both committees be updated to ensure the funding was allocated in the right direction. The CFO

reminded the Committee that this funding was short-term and could not be used for ongoing expenditure. **Action Required.**

- the need for more work to be carried out by Transformation and Business Intelligence on the benefits and savings associated with community interventions. An update would be presented to GPC. **Action Required.**
- the difficulty of reading and identifying which points applied to which trigger in the Corporate Risk Register would be addressed when the content and layout of the Register was reviewed at a GPC workshop on 22 June. An update would be reported to GPC in July. **Action Required.**

The Local Member for Histon and Impington, Councillor Jenkins, drew attention to the action to investigate why Impington Parish Council had not responded to the consultation on the Corporate Energy Strategy for Cambridgeshire County Council. He acknowledged that an e-mail had been sent but questioned why an officer had not then spoken to the Parish Council to find out why it had not responded. Another Member commented that the Council had a statutory duty to consult. She was aware that the response to the consultation had been poor and suggested that the Council needed to find out why in order to ensure it was fulfilling its statutory duty.

The Chairman reminded the Committee of the number of Town and Parish Councils in Cambridgeshire. It would therefore place a significant burden on officers to establish why a particular council had not responded. The use of the e-mail "read receipt" function would just add to this burden. Other Members were of the view that the Council had fulfilled its statutory duty and acknowledged that it was not possible, with the resources available, to follow through a lack of response from an individual parish council. The Chairman was of the view that it was the duty of the Parish Clerk to ascertain a response so the responsibility lay with the Parish Council.

#### **4. PETITIONS**

No petitions were received.

#### **5. GENERAL PURPOSES COMMITTEE - AGENDA PLAN AND TRAINING PLAN**

At the start of the municipal year, the Committee was asked to consider its agenda plan and training plan. In considering the agenda plan, the Chairman proposed that the County Council Consultation Strategy be considered first by Communities and Partnership Committee. Whilst the Committee acknowledged the benefits of this approach, it was felt that GPC, given its role in the Business Plan process, should retain overall ownership of the strategy. It was therefore agreed that Communities and Partnership Committee should consider the strategy in July, which would remove the need for the Working Group, with a recommendation to be presented to GPC for consideration at its September meeting. **Action Required.**

The CFO raised the need to add the Commercial and Investment Strategy as an additional item for the July meeting. **Action Required.**

Attention was drawn to the training plan, the Chairman proposed a meeting with the Vice-Chairman, Director, Corporate and Customer Services, and the Democratic Services Manager to review the plan. He invited any member of GPC to attend, and confirmed that the revised programme would be presented to GPC for approval.

**Action Required.**

It was resolved unanimously to:

- a) agree its agenda plan attached at Appendix A.
- b) agree the training plan that had been developed as set out as Appendix B to the report.
- c) consider if there were any other areas of the Committee's remit where Members felt they required additional training.

**6. FINANCE AND PERFORMANCE REPORT – FINAL REPORT 2016/17**

The Committee was presented with the final Finance and Performance report for Corporate Services and LGSS Cambridge Office for 2016/17. Attention was drawn to a significant underspend on revenue budgets due primarily to lower interest rates and the receipt interest for Section 106. There was also an accrual for the ESPO rebate, which was expected to exceed the budget by £300k.

One Member highlighted the reference to the potential for jointly funded posts with other organisations on page 50 of the report, and queried which organisations would be considered. The CFO reported that the Council was reviewing its staffing structures constantly. He highlighted examples where the Council was sharing posts with other organisations such as the Chief Executive and Interim Executive Director, Children, Families and Adults (CFA). A report was also being considered by Staffing and Appeals Committee on 16 June 2017 regarding the sharing of management posts in CFA. The Chairman raised the point that there was no limit to "other organisations", and the Council would be looking at different structures.

Another Member drew attention to the indicator relating to "IT-incidents resolved within Service Level Agreement" on page 47 of the report, which had a RAG status of red. The Director, Corporate and Customer Services reported that this indicator had been measured October. It was noted that there had been an improvement plan in place since then which had resulted in a positive trajectory over the last six months. The Chief Executive reported that she had e-mailed all staff when a position of stability had been achieved. She was now confident that performance would continue to improve.

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

**7. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE YEAR ENDING 31ST MARCH 2017**

The Committee received the operational report detailing the resources and performance position for the financial year 2016/17. It was noted that this management report preceded the production of the Council's formal Statement of Accounts on which the

audit opinion would be formed. Attention was drawn to the overspend of £500k, which was an improvement on the previous month. Although the overspend was only 1% of the total budget, the Council would need to draw on the General Fund. Members were advised of additional income from County Farms, and reminded of the significant pressure in CFA, particularly Looked After Children, which would involve the need to look closely at demography in relation to this budget.

One Member congratulated the CFO on a relatively balanced budget but expressed concerns about the financing of CFA, which had been rescued financially for the eighth year. She reminded the Committee that the £5m overspend in CFA would have been £8m if the Committee had not vired £3m. She was concerned that CFA did not appear to be getting its financing predictions right. She was also concerned that the Council was not being realistic about the funding of Strategy and Commissioning particularly in relation to Special Educational Needs and the high cost of packages for young people. The Chairman thanked the Member for highlighting these concerns which he shared. Officers were looking at trends in relation to this demand led budget and focussing on prevention work. The former Chairwoman of Children and Young People reported that the overspend in LAC had increased dramatically since April and the Children and Young People had, as a result, requested more detail at its July meeting.

Another Member drew attention to the value of surplus revenue balances held by primary schools set out on page 74 of the report. He suggested that the Council benchmark these balances against previous years. The CFO reported that there was little the Council could do other than support these schools in their medium term financial planning. It was noted that secondary schools were not required to tell the Council their revenue balance figure. The Chairman of Children and Young People Committee suggested that this should be made clear in the report by the use of the words "Not Known" rather than a zero.

It was suggested that the Council could as part of the medium term planning process provide schools with some advice regarding the level of balances they should maintain. The CFO agreed to provide Schools' Forum with a report, which would make clear that the issue had been raised by GPC. **Action Required.** The Chairman highlighted the need to identify whether there were any schools, which had significant surplus revenue balances that had not achieved a good or outstanding Ofsted report. These schools should be brought to the attention of Schools' Forum and the Education Improvement Board. **Action Required.** He acknowledged that reserves were held for a multitude of reasons but there should be intense focus on schools with large reserves which were not performing.

The Chairman drew attention to the fact that Public Health had not required its base budget in 2016/17. He asked officers to consider whether this recurring funding should go back to reserves. **Action Required.** He also drew attention to the impact of the delay in the implementation of the ERP Gold Financial System on CFA IT Infrastructure. He queried the financial impact on the Council of this delay and requested a full report to the next meeting of the Committee. **Action Required.**

The Chairman asked officers to consider the process for managing the additional funding required for the purchase of Vantage House on page 96 of the report, which had been considered by three different committees. **Action Required.**

It was resolved unanimously to:

- a) Note the Council's year-end resources and performance position for 2016/17.
- b) Approve the changes to capital funding for 2016/17, as set out in section 11.6.
- c) Approve the changes to capital funding for 2016/17 previously recommended in the February and March Integrated Resources & Performance Reports, as set out in Appendix 3.
- d) Approve the allocation of additional grant funding received, as previously recommended in the March Integrated Resources & Performance Report, set out in Appendix 3.

## **8. CAMBRIDGESHIRE PUBLIC SERVICE NETWORK (CPSN) / EASTNET RE-PROCUREMENT**

The Committee received a report setting out the need for an extension to the current Cambridgeshire Public Services Network (CPSN) Contract which provided IT infrastructure services to County Council buildings and to Cambridgeshire schools. Attention was drawn to the background to CPSN detailing the fact that the Council was the lead authority for this procurement and the contract was due to end on 23 June 2018. Since the Committee had approved the necessary procurement activities to replace CPSN, Northamptonshire and Bedfordshire had joined the partnership. The re-procurement activity had also seen increased interest from the National Health Service.

It was therefore proposed to carry out a thorough and detailed investigation of the market that would ensure the right balance between making sure the Council had the best approach to connectivity for the future as well as cost efficiency for the Council and its partners. The process would involve a 12-18 month transition particularly if a new provider was the successful bidder. The Committee was therefore asked to consider an extension to the current contract of 18 months. It was proposed to issue a Voluntary Ex Ante Transparency notice to meet with EU Directives. Virgin Media had agreed to extend the contract at no additional cost.

The Chairman of Commercial and Investment Committee congratulated the CFO on a commercially based response to this contract. He informed the Committee that there was now an active dashboard which was monitored by his Committee, which would prevent the need for unexpected extensions in the future. Other Members welcomed the opportunity this extension gave to identify potential partners. One Member queried who would be leading on the contract negotiations. It was noted that the Director, Corporate and Customer Services would take the lead and oversee the process supported by LGSS Procurement. The CFO reported that additional capacity had been added to support this process. Members were informed that GPC would take the final decision.

One Member queried how the Council would ensure the process was fair to all providers. The Director, Corporate and Customer Services reported that it would depend on how elements in the process were weighted. The Council did not want to stick with the current delivery instead it was looking for innovation. There would be

market testing, meeting with bidders and competitive dialogue. The Chairman stressed the importance of ensuring that there was no implicit bias towards one provider. It was also suggested that there was a need to add reliability and quality to the weighting.

Another Member queried the figure of £400k in section 4.1 of the report for the County Council which did not correspond with the doubling of the figure in the table at 2.5. The CFO agreed to clarify. **Action Required.**

It was resolved unanimously to:

approve the Direct Award to Virgin Media Business (VMB) for a further eighteen months at current costs and conditions.

## **9. TRANSFORMATION FUND – BASELINE AND MONITORING REPORT**

The Committee considered a report outlining the starting position and monitoring approach for savings proposals for which transformation funding had been approved. The CFO informed the Committee that the detail provided in the report would not be provided at future meetings.

The Chairman commented that the report was too detailed and therefore did not work too well. He was looking for future reports to use a RAG rating in order to highlight how proposals were working. There was also no reference to the level of savings against predicted performance, and savings identified for partners. He therefore asked for the report to be revised and re-circulated. **Action Required.** Other Members agreed that the current format was unmanageable.

It was suggested that individual Policy and Service Committees should review relevant projects in detail with GPC then receiving a general overview. The Chairman requested an electronic link to a list of projects be provided and acknowledged that individual projects should be monitored by the relevant committee. **Action Required.**

It was resolved unanimously to:

note and comment on the report.

## **10. REPORT ON CAPITAL PROGRAMME BOARD**

The Committee considered an update on the effectiveness of the Capital Programme Board and its work to date. Attention was drawn to the background to the establishment of the Board and its remit. It was noted that the Board was making a difference by compiling a central register of project sponsors and managers, overseeing a more detailed process for capital roll-forwards, and improving the management and accuracy of slippage. It was also noted that slippage had reduced from 37% to 3% as a result of a better profiled capital programme. It was important to bear in mind that the Board had not been through a complete budget cycle so the Committee would not see the full impact until end of the business plan process.

The Chairman acknowledged that the timescales were different and suggested the need for a direction of travel in order to reduce the allowance for slippage. It was

queried whether this process had been embedded within the structures of the Council. The CFO reported that the Highways and Education Programmes had robust governance processes but they needed closer consideration by the Board. One Member suggested that the Commercial and Investment Committee should be responsible for the management of slippage particularly given its impact on the revenue budget. This proposal was welcomed by the Chairman of Commercial and Investment Committee who acknowledged that re-profiling slippage on a long term basis could result in burdening the next the generation. It was therefore important that the Committee took an active role.

Another Member queried how reducing the variations budget of -£25m in 2016/17 reduced the debt charges by around £2m, leading to a corresponding reduction in the savings requirement. The CFO reported that this figure reflected interest and the repayment of debt at a total cost of 8%. It was suggested that it was not good in itself too express slippage in a desirable way. The Chairman reported that it was not the intention to express slippage as good but in this instance it had been used to fund front line services. A discussion ensued regarding when slippage could be perceived as positive. The CFO reported that it was always important to bear in mind that delays did cost more.

The Chairman informed the Committee that he had asked the Chief Executive to consider the delivery mechanism for the City Deal and Combined Authority to identify which committee handled delivery.

It was resolved unanimously to:

note the progress of the Capital Programme Board to date.

## **11. FUNDING ADJUSTMENTS FOR 2017-18 BUSINESS PLANNING**

The Committee received an update on the funding adjustments as announced in the Final Local Government Finance Settlement.

It was resolved unanimously to:

note the impact of the Final Local Government Finance Settlement on the Council's 2017-18 Business Plan.

## **12. TREASURY MANAGEMENT QUARTER 4**

The Committee considered the fourth quarterly update on the Treasury Management Strategy 2016-17, approved by Council in February 2016. Attention was drawn to the key headlines. It was noted that the amount of borrowing had been significantly lower than predicted largely due to internal and short term borrowing as a result of access to lower interest rates. The Committee was informed that the Council was the accountable body for the City Deal and Local Enterprise Partnership (LEP) so could use this cash when borrowing. Attention was drawn to the maturity profile of borrowing which showed a large peak in 2018. It was hoped that low interest rates would continue in the short term.

In response to a query from the Chairman regarding the £80m debt, the CFO reported that he reviewed on a constant basis the risk of paying back loans early. The Chairman also queried the possibility of borrowing funding from the Combined Authority. The CFO reported that another authority held the funding for the Combined Authority. The County Council, as the accountable body for the City Deal and LEP, needed to maximise the use of this funding. It was queried whether there was a need to review the Minimum Revenue Provision repayment plan in to take advantage of low interest rates. The CFO reported that there were categories of debt for finance and buildings. However, it was important to note that the Council could not have a zero debt repaying policy using cash.

The Chairman highlighted the fact that not all debt was bad. He drew attention to the loan to the Arthur Rank Hospice Charity which would be paid back with interest. He suggested identifying debt which was paid for by the Council or which went directly to the revenue account. The CFO reported that this process was used for the Capital Programme, and he agreed to apply the same principle to debt. **Action Required.** The Chairman of Commercial and Investment explained that his committee looked at return based on evidence. The CFO added that together with the Commercial and Investment Committee Chairman, they had received a presentation from an organisation which had acquired a site costing £350m for a District Council.

One Member expressed concern that deferring debt was basically storing up a problem for later. The CFO explained that deferring debt did reduce the impact on the revenue budget. Another Member commented that the Council sometimes had to borrow money for a school before Section 106 funding was released.

It was resolved unanimously to:

note the Treasury Management Quarter Four Report 2016-17 and forward to full Council to note.

### **13. APPOINTMENTS TO OUTSIDE BODIES, INTERNAL ADVISORY GROUPS AND PANELS, AND PARTNERSHIP LIAISON AND ADVISORY GROUPS**

The Committee considered appointments to outside bodies, internal advisory groups and panels, and partnership liaison and advisory groups. The Chairman proposed that rather than go through each appointment at the meeting he would instead, together with the Chief Executive, consult with Group Leaders on the list of appointments and suitability of the appointments prior to the next meeting. **Action Required.**

The Democratic Services Manager drew attention to some urgent appointments, which were agreed to as follows:

- Cambridgeshire Police and Crime Panel – Councillors Connor, Sanderson and Shellens
- ESPO Management Committee – Councillors Bates and Hickford (Substitute Councillor Howell)
- ESPO Finance and Audit Sub-Committee – Councillor Hickford



- LGSS Joint Overview and Scrutiny Working Group – Councillors Howell, Jenkins and Whitehead

It was resolved unanimously to:

- (i) continue to refer appointments to the other internal advisory groups and panels, as detailed in Appendix 2, to the relevant policy and service committee.
- (iii) continue to refer appointments to the other partnership liaison and advisory groups, as detailed in Appendix 3, to the relevant policy and service committee.
- (iv) appoint Councillor Criswell as the Member Champion with specific responsibility for localism to assist in maintaining an overview of 'localism' and community engagement.
- (v) delegate, on a permanent basis between meetings, the appointment of representatives to any outstanding outside bodies, groups, panels and partnership liaison and advisory groups, within the remit of the General Purposes Committee, to the Chief Executive in consultation with the Chairman of General Purposes Committee.

Chairman