

## **GENERAL PURPOSES COMMITTEE: MINUTES**

**Date:** Tuesday, 19th December 2017

**Time:** 10.00a.m. – 11.05a.m.

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

**Apologies:** Councillors Count and Kavanagh

### **57. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **58. MINUTES – 28TH NOVEMBER 2017 AND ACTION LOG**

The minutes of the meeting held on 28th November 2017 were agreed as a correct record and signed by the Vice-Chairman. The action log was noted.

### **59. PETITIONS**

No petitions were received.

### **60. FINANCE AND PERFORMANCE REPORT – OCTOBER 2017**

The Committee was presented with the October 2017 Finance and Performance report for Corporate Services and LGSS Cambridge Office, which was forecasting an overspend of £1,200k. This was an improvement reflecting savings as a result of vacancies, a favourable variance relating to the Eastern Shire Purchasing Organisation (ESPO), and an improvement in financing charges. It was noted that ESPO would be moving to Commercial and Investment (C&I) Policy and Service Committee going forward.

It was resolved unanimously to:

- a) Review, note and comment upon the report.
- b) Note that in future the income budget relating to the Eastern Shire Purchasing Organisation (ESPO) would be monitored by the Commercial and Investment Committee (C&I), in line with that Committee's constitutional role. [A favourable variance related to ESPO was recorded in this report under LGSS managed – section 2.2.3 of the appendix, it would move to C&I going forward.]

**61. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD  
ENDING 31ST OCTOBER 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 £4.2m, which was a decrease of £575k from September. Attention was drawn to the proactive response to this overspend through financial management and transformation activity, and the identification of significant one-off mitigation to address a number of areas in a planned way. It was noted that there were a number of pressures relating to the Waste Disposal Private Finance Initiative (PFI) contract, Looked After Children (LAC) Placements, Older People's Services and the Learning Disability Partnership.

The Vice-Chairman proposed with the unanimous agreement of the Committee to add the Chairman of C & I to recommendation d), as C & I was responsible for commercial investments.

One Member queried why a loan facility to LGSS Law Ltd was required. The Chief Finance Officer (CFO) explained that when a new company was established, it needed to consider cash flow equity or an overdraft facility particularly if it billed in arrears. It was noted that LGSS Law Ltd did bill for long assignments throughout a period of time but for many pieces of work there was a time lag before the income came back to the company. In most cases this was usually covered by revenue surpluses which for LGSS Law Limited had not been established or a cash injection from shareholders.

In response, the same Member suggested that LGSS Law Limited should be checking its billing as not all lawyers billed in arrears. She queried whether the LGSS Joint Committee would be reviewing these arrangements. The Chief Executive reported that there was an LGSS Law Ltd Shareholder Meeting on 20 December which would be considering issues of billing and the appointment of a Business Manager; Councillor Raynes would be attending on behalf of the Council. Councillor Bates reported that he had attended the last meeting of the LGSS Joint Committee.

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 6.7.
- c) Approve an additional £98k of prudential borrowing in 2017/18 to provide improved audio visual capabilities for staff meetings, as set out in section 6.8.
- d) Authorise a loan facility to LGSS Law Ltd for up to £499k, delegating authority to the Chief Finance Officer to agree the detailed terms of the arrangement in consultation with the Chairman of the Committee and the Chairman of Commercial and Investment Committee (see section 8.9).

## 62. BUSINESS PLANNING

### a) General Purposes Committee Review of Draft Revenue and Capital Business Planning Proposals for 2018-19 to 2022-2023

The CFO introduced a report providing an overview of the draft Business Plan revenue and capital proposals for services that were within the remit of the Committee. He explained that the report was a mixture of the global position and the revenue and capital information considered by the relevant Policy and Service Committees. He reminded Members that the Committee would receive the final draft Business Plan at its meeting on 23 January before Council set the budget on 6 February 2018.

He advised the Committee that the Business Plan would be based on a 2% increase in Council Tax in 2018-19 and 2019-2020, through the levying of the Adults Social Care precept, and a 0% general Council Tax increase. The financial projections had been built on the grant settlement received last year. Members were reminded that the Council had not signed up to the multi-year settlement. The CFO reported that the finance settlement was scheduled to be released on 19 December, and he would provide the Committee with a summary of its implications. **Action Required.**

He informed the Committee that provision had been made in the business plan for a 1% increase in pay based on the Chancellor's statement in March 2016. Members were reminded that the National Joint Council was proposing a 2% increase, which amounted to an additional pressure of £800k. This figure would be included in the report to the next meeting, and the pressure might be mitigated by the grant system.

Attention was drawn to the £2.7m gap in projection of costs against revenue. The CFO explained that he was comfortable with this projection at this stage. He reminded the Committee that there were risks associated with the transformation proposals with some having a higher risk regarding timing and deliverability. Finally, he advised the Committee that the Combined Authority was likely to take over the role of Accountable Body for the Local Enterprise Partnership from the Council. It was noted that this would impact on the way the Council financed its capital programme.

During discussion of the report, the following comments were raised:

- queried why the finance of the refresh stock of Council laptops for staff was now being treated as revenue expenditure. It was noted that IT equipment could be treated as either capital or revenue. Capital usually reflected life over one accounting period. Given the short life of laptops of three years, there was effectively no difference between charging to revenue or capital. It was noted that the Council did try to push the lifespan of laptops to five years but it was prudent to budget for three years.
- queried whether the £4.2m overspend in the Integrated Resources and Performance Report and the £4m virement to People and Communities to fund LAC meant that the Council's reserves had reduced by £8m. The CFO explained that the Council's reserves were unaffected. He reported that any overspend at year end would need to be funded in 2018/19. It was noted that an assumption had already been made

and this pressure would be reflected in cash limits. The virement was a movement between budgets.

- expressed concern that a number of business cases were aspirational and would not happen within the timeframe. Attention was drawn to Organisational Review – C/R.6.102 and the Shared and Integrated Services – Cambridgeshire CC and Peterborough CC – C/R.6.101, which were projecting savings of £800k and £300k respectively. She felt that both business cases looked optimistic and that the former was not specific enough. The CFO reported that in his view the first business case was deliverable particularly as the Council had already taken out £2m in 2015/16 and was constantly looking at staffing structures. There was also a need to rationalise some terms and conditions.
- highlighted the fact that overall People and Communities had achieved savings of £20m overall this year. Given the scale of the service, there would be an overspend in some areas. However, it was important to note that the Council had an ambitious transformation programme which had achieved the majority of its schemes. One Member therefore thanked and congratulated officers for their hard work. The Vice-Chairman also commented on the enormity of what had been achieved by the Council in the last few years via savings and transformation.
- acknowledged that savings had been made but the Council was now at the point where making savings was becoming increasingly difficult. One Member felt that the underlying problem which would make it impossible for the Council to deliver a balanced budget was that there was not enough funding particularly in Children's Services. She commented that it was possible to artificially balance the budget but in her view the funding problems were endemic and would not go away.
- concern expressed by one Member that the draft Business Plan revenue and capital proposals did not yet reflect a robust budget. He was concerned that the Organisational Review – C/R.6.102 was too aspirational and at an early stage. He highlighted the need to provide confidence that it could be delivered. He raised the need to reflect in the report that the £800k saving was part of a £100m budget, and the need to include the risks. He commented that the detail needed to be included in the Business Cases to convince people that it was a robust budget. Members were informed that the detailed Business Cases could be accessed electronically on the internal system, which provided an opportunity to 'deep dive'. All the schemes had a RAG rating regarding deliverability which had been reported to the relevant committee.

It was resolved unanimously to:

- a) note and comment on the updated overview and context provided for the 2018/19 to 2022/23 Business Plan and the progress made in the development of proposals
- b) comment on the draft revenue proposals and pressures which fall within the specific remit of the General Purposes Committee for corporate services and cross cutting proposals

- c) comment on the changes to the capital programme that were within the remit of the General Purposes Committee as part of consideration for the Council's overall Business Plan.

b) Cambridgeshire County Council Approach to Public Consultation on the Business Plan

The Committee considered a report outlining the early findings for the 2018/19 Business Planning consultation as recommended by the Communities and Partnership Committee. Members were reminded that the consultation had included focus groups, a representative household survey and an open web survey. The Committee would receive the final report at its meeting on 23 January 2018.

One Member highlighted the importance of retaining the same questions from previous surveys in order to provide meaningful comparisons. She reminded the Committee that a small working group of Members had been involved in developing the survey over the last three years which had provided good information. She had been advised that the questions in this survey would be the same but in fact they were different. She was particularly concerned that some of the questions contained more than one question which made it difficult to respond to when only one response was sought. She drew attention to the question relating to Council Tax, which had a detailed explanation of the Adult Social Care precept but no explanation for general Council Tax.

The Research Team Manager reported that the methodology for developing the household survey had placed an emphasis on keeping the questions the same. It was important to note that the survey had been considered at a Communities and Partnership workshop, and had also been circulated for further comment and input. Unfortunately, one Councillor had been unable to attend the workshop and had not contributed via e-mail. The Chairman of Communities and Partnership had then written to the Committee urging all Members to contribute. He acknowledged that the question relating to Council Tax had been shortened in order to accommodate other topics. He reported that the aim of the survey was to describe in key points what could happen to individual services. Charging was referred to in a number of places across the questions. It was important to note that people were less keen on charging. He informed the Committee that the survey should be considered alongside the focus groups. The same Member stressed the importance of using detailed questions to obtain reliable data. The Vice-Chairman commented on the need for Members invited to workshops to attend.

The Chairman of C&I reported that he recalled the continuity conversations. He informed the Committee that he had been privy to the consultation process, and in his view the parallels were clear and similar. The Vice-Chairman highlighted the need for the draft survey to be circulated to all Members in future. **Action Required.** The Chairman of C&I raised the need for the concerned Member to be more involved as the document needed to be as strong as possible. He informed the Committee that the information provided by the survey was useful attracting similar comments to previous years. In acknowledging the difficulty of getting the perfect survey, he explained that this year's survey had been set in the context of current events so could not be replicated exactly from previous years.

Another Member expressed concern about asking different questions under the banner of one question. She also felt that leading questions had been used in relation to Council Tax. There was concern from some Members that the consultation was more about volunteering and community participation rather than Council Tax. It was felt that these two subjects should have formed two separate consultations. The Chairman of Communities and Partnership reminded the Committee that the survey had been developed by a cross-party working group. In response, one Member commented that just because a working group was cross-party it did not mean everyone agreed with the outcome, and she added that not all her points had been taken on board. Another Member commented that she did not feel that the question on Council Tax was a foregone conclusion. The question was balanced providing 1 to 3 options. It had identified support for the ASC precept which had not been replicated for a further 1.99% increase in Council Tax.

One Member stressed that the public had not found the consultation confusing as it was clear that there was still not strong support for an increase in Council Tax. In response, another Member raised the need for more sophisticated methods of consultation. It was important that the public were made aware of the need to balance the desire for more services against resistance to pay more Council Tax. She was concerned that the consultation did not allow people to reflect on the complexity of the decisions they were being asked to make. She was particularly concerned that those most affected by services were not being consulted. For example, she raised the importance of identifying ways to engage with young people.

It was resolved unanimously to note the consultation findings

**63. 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, training plan and appointments to Outside Bodies. Members were advised that the following items had been removed and added to the agenda for the meeting on 23 January 2018:

- Approve going to market for a new MFD contract (*Removed*)
- Combined Authority Bid for Business Rates Pilot (*Added*)

They were also advised of a number of changes of appointments to the ESPO Management Committee and Finance and Audit Sub-Committee. One Member queried how the ESPO representatives would report back to the Council. The Chairman of C&I Committee confirmed that there would be a reporting mechanism back to committee.

It was resolved unanimously to:

- a) review its Agenda Plan attached at Appendix 1;
- b) review and agree its Training Plan attached at Appendix 2; and
- c) agree the following appointments:

- Councillor Howell to replace Councillor Hickford on the ESPO Management Committee and Finance and Audit Sub-Committee;
- Councillor Hickford to replace Councillor Howell as a substitute; and
- Councillor Howell to be appointed as the Council's Shareholder Representative to represent Cambridgeshire's interests with respect to ESPO Trading Limited, and Councillor Bates to be the substitute.

Chairman