

GENERAL PURPOSES COMMITTEE: MINUTES

Date: Tuesday, 27th March 2018

Time: 10.00a.m. – 11.05a.m.

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

Apologies: Councillor Dupre

71. DECLARATIONS OF INTEREST

There were no declarations of interest.

72. MINUTES – 23RD JANUARY AND 2ND MARCH 2018 AND ACTION LOG

The minutes of the meetings held on 23rd January and 2nd March 2018 were agreed as a correct record and signed by the Chairman. The action log was noted.

73. PETITIONS

No petitions were received.

74. FINANCE AND PERFORMANCE REPORT – JANUARY 2018

The Committee was presented with the January 2018 Finance and Performance report for Corporate Services and LGSS Cambridge Office, which was forecasting an underspend of £1.6m. One Member queried the fact that the Resources Directorate was expected to overspend by £75k at year end due to additional costs from an externally commissioned investigation which was nearing conclusion. The Chairman reported that the investigation was looking at the Fenland, East Cambridgeshire and Huntingdonshire Associations for Community Transport. The outcome of the investigation would be reported to a committee.

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

75. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST JANUARY 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 overspend of +£4.1m, which was a decrease of £225k from December. It was noted that the budget for People and Communities had remained stable this month even given the winter pressures. However, it was important to note that the position would be worse next month due to the impact of winter maintenance and gritting at year end. Members would also be updated next month on the

position of LGSS Law Limited which was likely to be worse. Attention was drawn to the few changes to the Capital Programme, which needed updating since being reported to full Council.

In considering the report, individual Members raised the following:

Outcomes (page 45)

- queried why the outcome for the “People live in a safe environment” indicator had got worse. The Director Corporate and Customer Services reported that Section 5.2 explained the reason for the decrease in performance, which reflected slippage in the Local Highways Initiative Programme due to lack of capacity. It was noted that this funding would be carried forward to the next financial year. The Chairman reported that the nature of the programme had changed from being reactive to the community working up projects, and as such the programme was likely to speed up in future years. Prior to this change alterations to LHI bids post acceptance had been the primary cause for the capacity issues. The same Member commented that she had been waiting for over two years for an initiative from the programme to be implemented in her Division. This comment was supported by another Member. The Chairman of Highways and Community Infrastructure Policy and Service Committee asked the Member to provide him with details in order to investigate. He reported that the Committee had been informed that the only schemes outstanding were from last year. He explained that it usually took no more than one year and four months to complete a scheme. **Action Required.**
- queried why the outcome for the “Places that work with children help them to achieve their potential” indicator had got worse. The Director Corporate and Customer Services reported that this related to the percentage of year 12 children in learning, which had been incorrectly marked as green in the last report when it should have been amber. However, the target for this indicator was being reviewed as the Council was performing better than its statistical neighbours and the England average. The Chairman added that the target was 96.5% and the Council had recorded 96.1%, which had not actually changed since last month.
- queried the fact that the outcome “Older people live well independently” was 50% off and 50% on target but was marked as “increasing”. The Director Corporate and Customer Services agreed to investigate and report back. **Action Required.** The Chairman highlighted the need to change “increasing” and “decreasing” to “improving” and “worsening”. **Action Required.**

Mitigations (page 49)

- complimented the good work which had taken place in relation to mitigations totalling £6.2m. The same Member requested a total list and the expectation of the amount to be delivered.

Key Exceptions (page 51)

- queried the use of the word “re-invested” in relation to Highways income. One Member reported that it was possible to re-invest capital but not revenue. It was noted that this additional income related to Development Control Funding. It was queried why it could not be classified as re-investment. The Chairman asked the Head of Finance to clarify via e-mail. **Action Required.**
- queried the wording around section 3.2.1 relating to Highways Other and section 6.5.1 relating to Highways Maintenance. The Head of Finance acknowledged that the wording was confusing and did not explain that there had been an underspend in Highways and overspend in Waste.
- queried the amount the Council had recently received from the Government for highway repairs. The Chairman confirmed that the Council's allocation was available on the Government's website.

Key Exceptions (page 57)

- queried whether there would be an increase in spend for the Ely Crossing given the underspend predicted for 2017/18. The Chairman reported that this was an in-year underspend which would be carried over to next year. As it was likely that the overall project costs could be more, he requested information be circulated once it became available. **Action Required.**

Prudential Borrowing (page 61)

- requested a list of prudential borrowing and what it meant for the total bill. The Chairman acknowledged the need for a table, in future, to identify the indicative cost to the revenue account of an increase in prudential borrowing. **Action Required.**
- welcomed the additional £495k of prudential borrowing in 2018/19 for the replacement of computers and equipment in libraries but expressed concern at the cost of just under a £1,000 per computer. The Chief Finance Officer (CFO) reported that the figure reflected connectivity and software installation costs. The Chairman acknowledged that it seemed excessive and whilst he did not want to delay the expenditure, there was a need to understand it fully, and what people used the computers for. He therefore proposed, with the agreement of the Committee, to amend recommendation g) to add “up to” after approve, and to delegate authority to the Council's CFO, in consultation with the Chairman of General Purposes Committee, to implement the spend. The CFO also agreed to send an e-mail explaining the cost. **Action Required.**
- welcomed the investment in the St Ives Smart Energy Grid, and queried how this related to the national government investment, which had been considered at a recent meeting of Commercial and Investment (C&I) Committee. The Chairman of C & I Committee reported that the funding

for this project had been allocated. However, it would act as a vanguard for other sites, which would involve drawing down other funding.

- queried the request for additional funding to fund the in-year pressures on the Capitalisation of Corporate Redundancies budget. The CFO reported that the figure identified in the base budget had been a best estimate. He explained that there were more redundancies than those identified in the Business Plan. The same Member asked whether the Chairman of Staffing and Appeals Committee could consider the programme of redundancies at a future meeting of the Committee. **Action Required.**

Corporate Risk Register Summary (page 79)

- queried the time horizon for the Corporate Risk Register summary, as it did not include the Cambridgeshire Guided Busway. It was noted that this item would be included on the relevant Committee risk register, as this register reflected corporate risks only. The Chairman added that it could be moved to GPC if the risk hit a particular threshold. It was noted that the Register reflected a twelve month timeframe. It was reviewed regularly and presented to the Committee on a quarterly basis. The Chairman acknowledged that whilst the Register reflected a twelve month timeframe, it included longer term risks such as the ability to deliver the five year Business Plan.

The Vice-Chairman urged the Committee to ask technical clarification questions outside of the meeting; the answers could then be shared with the Committee.

It was resolved unanimously to:

- a) Analyse resources and performance information and note the significant remedial action being taken.
- b) Approve an additional £171k of prudential borrowing in 2017/18 for the Shire Hall relocation project, as set out in section 6.8.
- c) Note the changes to capital funding and prudential borrowing requirements as set out in section 6.8.
- d) Approve an additional £359k of prudential borrowing in 2017/18, to offset the increased use of capital receipts for additional capitalisation of redundancies as set out in section 6.9.
- e) Approve an additional £196k of prudential borrowing in 2017/18 for capitalisation of feasibility work originally included in the St Ives Smart Energy Grid Business Case, as set out in section 6.10.
- f) Approve an additional £75k of prudential borrowing in 2018/19 for adaptations work on the Scaldgate Youth and Community Centre, as set out in section 6.11.

- g) Approve up to an additional £495k of prudential borrowing in 2018/19 for replacement of computers and equipment as part of the Libraries People's Network refresh, as set out in section 6.12, and delegate authority to the Council's Chief Finance Officer, in consultation with the Chairman of General Purposes Committee, to implement the spend.

76. INSURANCE TENDER – COUNCIL LIABILITY INSURANCE

The Insurance Manager introduced a report seeking approval for the delegation of authority for the tendering and letting of the Council's liability and property owner insurance contracts. These were likely to be valued in excess of £500k per annum and to run for a minimum of 24 months, to the Council's CFO, in consultation with the Chairman of GPC. It was noted that existing contracts of insurance for liability and property owner risks were due to expire on 30 September 2018. It was proposed to issue the tender to the market in the next few weeks with responses due in June 2018 for assessment and a decision by July 2018. The new contracts of insurance would commence on 1st October 2018.

One Member commented that this process could have a significant impact on the Council's Corporate Priorities if not handled well, which should be reflected in the report. Another Member queried the length of the Long Term Agreement, which was two years to be extended annually. He also queried the 'Burning Cost Ratio' (The ratio of losses that an insurer had to cover by contract to premium income), and was informed that it was 60% with an expectation of increased premiums.

It was resolved unanimously to:

approve the delegation of authority to the Council's Chief Finance Officer, in consultation with the Chairman of General Purposes Committee, to agree and let contracts for the provision of liability and property owner insurance to the Council commencing 1st October 2018.

77. TRANSFORMATION FUND MONITORING REPORT QUARTER 3 2017/18

The Committee considered a reported outlining progress in delivery of the projects for which transformation funding had been approved at the end of the third quarter of the 2017/18 financial year. Attention was drawn to the overview of the programme detailing the status of schemes, and information detailing schemes which were not on track. Members noted the complicated situation in relation to the 'Dedicated Reassessment Team – Learning Disabilities', which was marked as amber. Attention was drawn to a number of saving opportunities on page 95 which would be linked together to improve effectiveness. Members were advised that C&I Committee had approved the Cambridgeshire Lottery, which would be used to fund new activity.

In considering the report, individual Members raised the following:

- expressed surprise as to whether Figure 1: Transformation Programme Overview represented the whole programme, as it only showed 18

schemes. The Chairwoman of Adults Committee asked officers to provide information detailing all schemes. **Action Required.**

- highlighted in relation to 'Specialist Support for Adults with Autism to increase their independence' the need to consider how the Council could make people's lives better. It was important to measure this impact as well as the financial impact. The Chairman confirmed the importance of taking other issues into consideration. However, he acknowledged that it could be difficult to capture in the narrative. The CFO reminded the Committee that the purpose of the report was to report on investments in financial terms, which was why the report was structured accordingly. However, other outcomes would be considered as part of long term evaluations at closedown. A review of the entirety of the business case would take place at the end of the investment process. The Chairwoman of Adults Committee reported that there were lots of case studies, which provided examples of outcomes. The Chairman asked officers to consider how a small summary could be integrated into future reports. **Action Required.**
- queried the reasons for the significant staff turnover in relation 'Dedicated Reassessment Team – Learning Disabilities'. The Chairman asked for an e-mail to be circulated to the Committee. **Action Required.**
- queried the likely effectiveness of a Cambridgeshire Lottery given the downturn of participants in the National Lottery.
- the need to consider how the Council reflected the return on investment i.e. net or gross in Figure 1: Transformation Programme Overview. **Action Required.**

It was resolved unanimously to:

note and comment on the report and the impact of Transformation Fund investment across the Council.

78. TREASURY MANAGEMENT REPORT - QUARTER THREE

The Committee considered the third quarterly update on the Treasury Management Strategy 2017-18, approved by Council in February 2017. Attention was drawn to a small movement in the base rate. Further increases were expected and the Council's Advisors were indicating that there would be a change in December. Members noted the analysis of borrowing and investments. They were also advised that the sign off of the Joint and Several Framework Agreement for the Municipal Bonds Agency had taken place. It was expected that bond issuance would take place shortly. It was noted that the overall borrowing position was lower than planned due to the sale of land assets to 'This Land'. The Council was behind what had been anticipated but would catch up in 2018/19.

One Member queried whether the report should state that the Monetary Policy Committee suggests two more 0.25% rises by 2019 and not 2020. The CFO reported that he disagreed with the advisors and expected rises in 2019.

He reported that as shown in the papers the Council was carrying a significant amount of short term debt, which would be exposed to increases, opportunities to restructure debt were monitored continuously and appropriate mitigation measures were taken as and when the opportunities arose.

Another Member queried the arrangements for repaying debt. The CFO explained that the Council did not have to repay the physical loan. It could let it run until expiry and then take the best option. Some would be repaid but it would depend on increasing or decreasing rates. One Member reminded the Committee of a line in the Business Plan relating to borrowing to invest to bring in income. She queried at which point a loan would cease to bring in income. The CFO reported that an assumption of £3.5/£4m had been made for commercial acquisitions predicated on a risk profile, which reflected a return of 5/6% for each investment in net terms. The Chairman added that this return was fixed and if the market changed the C&I Committee would need to reconsider the threshold.

One Member queried whether the Council should just restrict investments to Cambridgeshire. The Chairman of C & I Committee reminded the Committee of the Council's Investment Strategy detailing how and where it should invest. He explained that the risk profile was considered at C&I Committee. The CFO highlighted the importance of diversification and the need to spread risk. He explained that returns just focused in Cambridgeshire were harder to get than anywhere else in the country.

It was resolved unanimously to note the Treasury Management Report.

79. MEMBER CHAMPION FOR EVIDENCE-INFORMED POLICY

The Committee received a report detailing a proposal to appoint a Member Champion for Evidence-Informed Policy. Attention was drawn to the background to the proposal, which was based on the 'Policy Challenges' pilot involving Cambridge University Science and Policy Exchange. In order to carry the work forward to the next phase, it was recommended that Councillor Ian Manning be appointed as a Member Champion for Evidence-Informed Policy. This would allow him to build on existing relationships with the University of Cambridge, and other such institutions in Cambridgeshire.

One Member, whilst in favour of involving students, expressed concern that this work was small scale and did not provide concrete evidence. She therefore commented that it should not be classified as 'Evidence-Informed Policy', as it was more about collaboration. Another Member welcomed any additional evidence to help Councillors make decisions. The importance of the evidence would be dependent on how much weight Councillors gave to it. The Chairman of Children and Young People Committee thanked Councillor Manning for his involvement, which were echoed by the Chairman. He reported that he was going to meet the Universities in the next few weeks. The Chairman reported that he was comfortable with the proposal even though it was developing and improving.

In response to a query, the Committee was reminded that the work would not relate exclusively to the University of Cambridge.

It was resolved unanimously to approve:

- a) the establishment of the role of Member Champion for Evidence-Informed Policy.
- b) the appointment of Cllr Manning as Member Champion for Evidence-Informed Policy.

80. 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.

It was resolved unanimously to:

- a) review its Agenda Plan attached at Appendix 1; and
- b) review and agree its Training Plan attached at Appendix 2.

Chairman