GENERAL PURPOSES COMMITTEE: MINUTES

Date: Tuesday, 19th September 2017

Time: 10.00a.m. – 12.55pm

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

Apologies: Councillors Criswell, Dupre, Giles and Jenkins

23. DECLARATIONS OF INTEREST

There were no declarations of interest.

24. MINUTES – 25TH JULY 2017 AND ACTION LOG

The minutes of the meeting held on 25th July 2017 were agreed as a correct record and signed by the Chairman. The Action Log and following updates were noted:

- further work was needed to provide the split between investment debt (where a specific return is expected) and debt incurred for general purposes (financing the capital programme). The Chairman commented that the Committee was looking to identify that proportion investment which achieved a return e.g. Invest to Save schemes. **Action Required.**

- work was ongoing through the Schools Causing Concern group to address the three schools with significant surplus revenue balances with Ofsted ratings less than Good. Academy financial information was still being collated. The information for Maintained and Free Schools would be circulated week commencing 25/09/17 to Committee Members. **Action Required.**

- resource was currently focussed on the renewal of the Microsoft Enterprise Support Agreement. Once this had been completed, Group Leaders would be updated with an outline plan of the steps involved in an investigation into alternative office software. **Action Required.**

25. PETITIONS

No petitions were received.

26. FINANCE AND PERFORMANCE REPORT – JULY 2017

The Committee was presented with the July 2017 Finance and Performance report for Corporate Services and LGSS Cambridge Office, which was forecasting an overspend of £1,145K. Attention was drawn to the slippage in the income expected from the

Housing Investment Company, resulting in a £750K pressure within 2017-18, although there would be greater returns in future years. It was noted that there was some mitigation from the County Offices budget and work was ongoing to reduce the pressures further. The Chairman commented that whilst understanding the reason for the slippage, the crucial point was that the Committee received information on why it happened and what was being done to address the situation: full and detailed information was required each time.

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

27. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST JULY 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 £4.1M, mainly within People & Communities and Corporate Services Financing. Significant action was underway to identify further mitigations to manage those pressures. The Capital Programme was on track.

Members were reminded that the award of a £8.339M improved Better Care Fund grant had been confirmed in March. The restrictions for this ring-fenced funding were set out in the report, which gave proposed allocations for the Committee's consideration.

The report also set out the detail of the one-off Department for Transport Challenge Fund to repair drought damaged roads, and the prudential borrowing required to supplement that funding to enable all the required works to be completed. Councillor Count suggested the following amendment to report recommendation b(i) (addition in bold), which was approved unanimously: *"i) Allocate £3.5m Challenge Fund grant received from the Department for Transport to ETE,* ***for its intended purpose to repair weather damaged roads****;"*

During discussion, Members:

- noted that when the shared service arrangements for the Property and Asset services with LGSS ended, there were some supplementary savings that had been allocated to LGSS but had not been delivered, and those supplementary savings had come back to Cambridgeshire County Council (CCC). However, as that change had occurred in October 2016, it should not have been included in the 2017/18 Business Plan. The Chairman commented that this highlighted that some tightening up on the relationship with LGSS at officer and Board level needed to take place. Officers explained that prior to Cambridgeshire and Northamptonshire's Property and Assets team entering into a shared service arrangement, the respective teams had been resourced at different levels, with Northamptonshire being the much better resourced service. As LGSS improved efficiencies, savings were shared equally, which created its own pressure. One Member commented that this raised the question whether there were other services which were similarly disproportionate.

- noted that CCS (Cambridgeshire Catering & Cleaning Services) and other traded services such as Outdoor Centres (e.g. Grafham Water) and the Education ICT Services would in future fall within the remit of Commercial & Investment Committee;

- noted that the measures the Council was taking to reduce the number of children in its care had been successful to some degree, but demand was increasing. One Member commented that intervening at an earlier stage would mean that children would suffer less and have better outcomes, which would have the benefit of reducing future costs. Another Member commented that placement planning was key – whilst the Council had been good at placing children in the past, they had not always been the right placements, and measures were being taken to improve this;

- noting the proposal to transfer additional income from the Business Rates Retention Pilot in to corporate reserves at year end, a Member asked if this could be taken out to balance the budget, if the budget was unbalanced. Officers confirmed that the General Reserve did not hold in excess of what was needed in the Medium Term Financial Strategy (MTFS), and those reserves would be drawn on to balance the current year's pressure, after proactive actions had been taken to mitigate those pressures. The current predicted £4.1M overspend would mean an additional savings pressure to top up reserves next year;

- one Member commented that the current predicted £4.1M revenue problem resulted from political decisions taken over the last two years not to increase Council Tax by 2%, which collectively would have provided approximately £10M. Additionally, Members needed to be realistic about how they could manage the increasing workload, especially the demographic pressures and aging population. She also raised concerns on the closure of Children's Centres, pointing out that interventions would take place at a later stage, which would be more costly. In response to these points, other Members commented that (i) the amendment to increase Council Tax by 2% had been predicated on specific spending plans for the additional revenue collected, so there would still have been a significant overspend; (ii) Reserves were replenished in line with the Medium Term Financial Strategy (MTFS) and Section 151 Officer advice; (iii) a number of Children's Centres were being redesignated, and not closed, with the same or increased provision (e.g. nursery, health worker): the key was better use of buildings and scarce Council resources;

- a number of Members commented favourably on the new report format, including the pie charts and metrics. It was confirmed that direction of travel would be shown by an arrow next to the pie chart, once the system was in operation;

- one Member queried the background information behind the Healthy Lifestyle outcome, which seemed to be performing very well, but the Member suggested that some areas may not be performing so well;

- one Member asked if the forecast year-end overspend of £4.1M was based on the assumption of a potential increase in interest rates and a possible public sector pay settlement above 1%. He also asked what impact any mitigations would have on service users, and whether these would be reported back to GPC or the relevant

Service Committee. Officers confirmed that the assumptions were that the public sector pay settlement was within the 1% pay cap, set out by the Chancellor, and there would only be very small increases in interest rates at the end of this year. Even if the public pay cap was lifted, it would only be effective from April 2018. Additionally, whilst an increase in interest rates would be unwelcome, it would not affect existing borrowing, just new borrowing, which formed a very small part of the Council's treasury portfolio and therefore have a minimal impact;

- noted the three items identified in the Risk graphic which posed the greatest risks (Revenue budget forecast, Capital programme forecast and Balance sheet health), and that an increase in any one (i.e. variances and net borrowing) would have a negative financial impact, however, this was qualified, with officers pointing that a reduction in the number of people receiving long term nursing or residential would be positive, even if that led to an increase in transactions. It was agreed that totals would be added on to the section for Service Users supported by key care budgets. **Action required;**

- noting the narrative from the report to CYP Committee about budget pressures (Appendix 5 to the report), the Committee was advised that these reports would be coming forward from the Committee Chairs when appropriate, providing a full and detailed account about what was being done to mitigate predicted overspends;

- one Member asked if it would be possible to change the format of the Revenue Budget report to add an additional column on "current spending". After discussion, it was suggested that there would be no value in this, given the typically uneven spend patterns throughout the year – the key consideration way the estimate of where the budget was expected to be at year end. It was agreed that officers could create a report on the basis of the request and work through it with the Member, to explain how it would work and the problems with this approach. **Action required**. It was also indicated that the key consideration was the DoT (Direction of Travel) arrow in the final column.

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.

   i) Allocate £3.5m Challenge Fund grant received from the Department for Transport to ETE, for its intended purposed to repair weather damaged roads;

   ii) Revised phasing of £2.25m of Prudential Borrowing for use by ETE, bringing it forward from later years in the Capital Programme.

   iii) An additional £193k of Prudential Borrowing to fund the increased costs of the Sawston Community Hub scheme, which would need to be met in 2017/18.

c) Confirm the allocation of improved Better Care Fund grant, within People & Communities, following sign-off of a joint plan with the NHS (as set out in Appendix 3).

28. STRATEGIC FRAMEWORK

The Committee received a report detailing how the Council's key strategies fit together to ensure that its plans were driven by a shared vision for the county and focused on achieving a number of outcomes for the people of Cambridgeshire. The Strategic Framework built on last year's work on the outcomes framework, and set the overall direction of travel.

Members' attention was drawn to the summary of the key elements which form the Strategic Framework. It was confirmed that together with the Medium Term Financial Strategy and Capital Strategy, these documents formed the basis of the Council's Business Plan. This was an iterative process so these documents were not set in stone and could be modified as the Business Planning programme progressed, and Members' comments on the Strategic Framework, MTSF and Capital Strategy were welcomed. The three documents would be coming back to GPC in January 2018, prior to consideration at full Council in February.

During discussion:

- one Member commented that whilst she welcomed the outcomes based work across the Council, and appreciated the significant amount of work that had gone into the document, she would not be support the Strategic Framework or Business Plan as she believed it was not deliverable. Noting examples of Transformation work to date, including "A blueprint for the future" which detailed the successful child and family zone in St Ives, the Member commented that the implication was that that would be replicated across the council: whilst it may have worked in St Ives, it was not necessarily a model for the future or the county;

- one Member commented that Hubs had clearly been very successful in bringing services together in a one stop shop, but there also needed to be outreach e.g. for those communities, especially rural areas, without Hubs;

- a number of Members commented favourably on the Strategic Framework, and in particular on the examples given of Transformation programme successes;

- one Member suggested there should be an Outcome section focusing on "Getting around" (by road or bus). He also suggested that the safety section should be expanded to included safety from flooding, recognising the Council's status as overall flood authority.

The Chairman commented that it would be helpful for all Members to contribute positively to the business planning process, rather than to oppose it from the outset and present amendments to the Business Plan in February.

It was resolved by a majority to review and endorse the Strategic Framework in preparation for a recommendation to Council in February 2018.

29. MEDIUM TERM FINANCIAL STRATEGY

The Committee considered a report setting out the Council's draft Medium Term Financial Strategy (MTFS) for the next five years. The strategy was updated annually at the commencement of the business planning process but was refined during the process as the financial climate and the Council's approach to its finances gained greater clarity. The final Strategy was adopted at the Council meeting in February.

The core purpose of the MTFS was to provide a financial framework within which individual service proposals could be developed. The MTFS included a five year rolling assessment, updated annually, taking into account factors such as changing demography, interest rates and grant settlements. Members were reminded that in February 2017 full Council had agreed a 0% Council Tax increase, but assumed a 2% Adult Social Care precept for 2018/19 and 2019/20. No assumptions had been made on the localisation of Business Rates, as this has not yet been finalised. It was also noted that as the Council did not sign up to the three year Revenue Support Grant (RSG) settlement, it would be subject to an annual review with a number of other authorities. It has been assumed that RSG would not deteriorate any further.

One Member commented that she would not be supporting the Strategy, as it was predicated on no increase to Council Tax, at a time when the county was crying out for investment, and the financial situation was worsening every year. She suggested that this year would be even more challenging given the discussions going on about Public Sector pay. She also questioned how the Strategy could attempt to explore the Cambridgeshire economy over the next few years without mentioning Brexit.

In terms of process, it was confirmed that the existing MTFS had last been agreed by full Council in February 2017, and whilst GPC could make recommendations, the Strategy could only be amended by full Council. The Chairman pointed out that in developing the Strategy, officers had carried forward the requests of Council. However, he agreed that the MTFS should include balanced references to Brexit, acknowledging that the impact was largely unknown. **Action required.** Another Member commented that whilst residents would be aware of the challenges facing the Council, they were also subject to their own pressures in their homes and communities, especially pensioners.

One Member commented that as the Council was a Conservative run authority with effect from May 2017, the core elements of policy should reflect that group's manifesto. Whilst opposition groups could put forward different positions, this was essentially a political process. The Chairman commented that whilst this was correct, there was value in discussing policies and strategies, as there was always room for improvement, and constructive contributions from opposition groups were always welcomed.

Clarity was sought on the inflation figures within the report: under "inflationary pressures", an assumption of 0.8% for 2018-19 was set out, whilst the Fees and Charges section suggested an increase in line with CPI (1.7-2.2% per annum). It was stressed that the latter was only applicable to Fees and Charges, the general inflationary pressure 0.8% reflected the likely inflationary pressures from key costs e.g. public sector pay.

One Member commented that she would not be supporting the proposed budget, mainly due to the lack of increase in the Council tax. She added that every public consultation undertaken since 2013 demonstrated that the majority of those consulted supported an increase in Council Tax. The Chairman responded that the MTFS was about the Council as an organisation and how it would handle money, and he had hoped for more discussion about the content of the document rather than a debate on Council Tax. The Council had been fighting for fairer funding for Cambridgeshire, as the Council was underfunded across the board, and a lot of work was going on in this area. It was agreed that the Head of Communications and Information would circulate some of the media messages which were being given out. **Action required.**

It was resolved by a majority to review and endorse the Draft Medium Term Financial Strategy, subject to the inclusion of a reference on the implications of Brexit, in preparation for recommendation to Council in February 2018.

30. CAPITAL STRATEGY

The Committee received a report setting out the Council's Capital Strategy, detailing all aspects of the Council's capital expenditure programme: planning; prioritisation; management; and funding. Detailed capital proposals would be presented to the October round of Service Committees and General Purposes Committee. It was stressed that a vital element of the Capital Strategy was the commercial activity to raise income, particularly through the housing development vehicle CHIC.

One Member suggested meeting with the District Councils and Cambridge City Council to discuss CIL and Section 106 contributions, specifically how vital these were to school buildings and other infrastructure. Other Members commented that this was beyond the County Council's control, and there were other forums where these complex issues were being discussed with District and City colleagues.

It was confirmed that the mechanism for dealing with central government demands on Council funding e.g. for a A428 upgrade or rail projects would need to be made by a full Council decision, but there were currently no such decisions or requests coming forward.

One Member suggested that something radical needed to be done with regard to public transport, especially in rural areas in light of bus companies withdrawing services. Other Members commented that the Combined Authority now had the funding and responsibility for public transport. It was also confirmed that the Council's Capital Strategy co-aligned with the Combined Authority, Local Enterprise Partnership and GCP, and there were good examples e.g. Ely Crossing where the County Council had led on major projects.

It was resolved by a majority to review and endorse the Draft Capital Strategy, in preparation for recommendation to Council in February 2018.

31. SERVICE COMMITTEE REVIEW OF THE DRAFT 2018-19 CAPITAL PROGRAMME

The Committee noted a report which provided an overview of the draft Business Plan Capital Programme for Corporate and Managed Services.

It was resolved unanimously to:

a) note the overview and context provided for the 2018-19 Capital Programme for Corporate and Managed Services; and

b) comment on the draft proposals for Corporate and Managed Services 2018-19 Capital Programme and endorse their development.

32. LEVEL OF OUTSTANDING DEBT

The Committee considered a report on actions being taken to control and manage debt, and to agree revised debt management targets. The main challenge remained the invoiced contributions for Adult Social Care services and the growing unwillingness of people to pay those invoices. Targets were now split between Adult Social Care and Sundry debt.

Prevention activities used, including proactive Credit Control and the promotion of Direct Debit payments were outlined. Members noted that Cambridgeshire compared favourably with peer authorities, and they asked officers to provide them with the relevant benchmarking information. **Action required.** It was also noted that the internal cost of debt recovery was lower for Cambridgeshire than neighbouring authorities. A Member commented that was acceptable as long as the level of debt was acceptable: GPC had expressed concerns previously on the level of debt.

In response to a Member question, it was confirmed that where there were assets, they were pursued, and the threat of legal action was proving effective. It was confirmed that legal fees were also recovered, where possible.

In discussion:

- one Member observed that 26% of debts were over a year old, and that those older debts tended to be for bigger sums. More information on this was requested. **Action required.**

- one Member commented that the level of debt in Corporate Services appeared to be surprisingly high: whilst understanding the reasons why Adult Social Care debt was relatively high, she asked for further analysis on the Corporate Services debt to be circulated to the Committee. **Action required.**

- in response to a Member question, officers advised that all Adult Social Care clients were assessed on their ability to pay: the issue was often around clients *choosing* whether to pay, rather than being unable to pay. It was also confirmed that support was given to clients who needed assistance understanding their liabilities, including phone calls and visits, where appropriate. There were also cases where assessments needed to be revisited e.g. if a client's financial circumstances changed.

- officers agreed to email the Committee the totals that were written off and the processes for agreeing to write off debts. **Action required.**

It was resolved unanimously to:

(i) to note the actions being taken to manage income collection and debt recovery.

(ii) to agree that the Credit Control Service continues to utilise external debt collection agencies for appropriate debts reporting performance to the Chief Finance Officer quarterly.

(iii) that the debt targets be split between Adult Social Care and Sundry debt with a target to reduce the aged debt levels in each financial year from 2017-18 as follows:

Aged Debt	Adult Social Care	All other Sundry Debt
1 - 90 days	3%	3%
91 - 360 days	5%	5%
360+ days	7%	7%

(iv) to agree that a further update will be provided in March 2018.

33. UPDATE REPORT ON THE INTRODUCTION OF OPUS LGSS

Members considered a report reviewing progress since the creation of Opus LGSS People Solutions (OPUS LGSS) earlier this year, which was formed after approval by the Committee in July 2016.

Opus LGSS was created as a partnership with Opus People Solutions, who are owned by Suffolk County Council, to supply and manage Cambridgeshire County Council's requirements for temporary/interim workers. This replaced the previous arrangement with Guidant Group. The benefits were already starting to be realised: the objectives of the initiative were to have greater influence over the wider issues (including quality and pay of agency workers in specific categories e.g. social workers; (ii) providing financial savings and reduced costs and (iii) ensuring continuity of supply.

The number of Opus sourced agency workers now (August 2017) stood at 28%, and feedback from managers had been very positive. The Opus team was based alongside the County Council's own Human Resources team, meaning it was much more responsive and had a better understanding of services and users, and so was providing much more appropriately skilled individuals. Unanticipated additional benefits around IR35 tax legislation changes had also been realised. Financial savings to date totalled £107K.

One Member applauded the scheme, and asked about the scope to make good agency workers permanent. Officers confirmed that this was a key objective of the initiative, and further information could be provided. **Action required.** The Chairman welcomed the progress made to date, and commented that the key objective remained ensuring a good fit in terms of the agency staff provided to fill specific roles.

It was resolved unanimously to note progress made to date.

34. CAMBRIDGESHIRE COUNTY COUNCIL APPROACH TO PUBLIC CONSULTATION ON THE BUSINESS PLAN

The Committee was presented with a report outlining a proposal for the 2018/19 Business Planning consultation as recommended by the Communities and Partnership Committee.

The Communities and Partnerships Committee was recommending an option that would involve two stages: (i) focus groups to take a deep look at residents' priorities and (ii) a representative household and open web survey on the draft proposals considered by Service Committees in November.

One Member expressed slight concerns about the proposed focus groups, as she felt it was easy to lead focus groups, and asked if it would be possible for her to attend one of the focus groups as an observer. Officers reassured Members that focus groups were screened to remove any obvious bias, but the problem with having observers was that it could introduce bias to responses, especially if those observers were Councillors. It was agreed that officers would email the Committee detail on how the focus groups would be managed and screened to guard against skewed answers.
Action required.

It was resolved unanimously to:

1. endorse the proposed option for consultation on the Council's Business Plan; and

2. recommend to Council (via Constitution and Ethics Committee) that the terms of reference of the Communities and Partnership Committee be amended to give it responsibility for the Council's Consultation Strategy and its approach to future Business Planning consultation.

(Councillor Count left the meeting and Councillor Hickford assumed the Chair)

35. TREASURY MANAGEMENT - QUARTER ONE

The Committee received the first quarterly update on the Treasury Management Strategy 2017-18 approved by Council in February 2017. It was noted that the issue highlighted in the Integrated Resources and Performance Report about the sale of assets to the Cambridgeshire Housing Investment Company (CHIC) was not picked up in this report. With regard to the earlier discussion on interest rates, there were differing views about when interest rates would rise, but this was being closely monitored with a view to the timing of future drawdowns and repayments.

It was resolved unanimously to note the Treasury Management Report.

36. TRANSFORMATION FUND

a) Care in Cambridgeshire for People with Learning Disabilities

Members received a report detailing a programme of work which would achieve improved outcomes for people with learning disabilities and financial efficiency for the local authority by identifying and providing suitable care arrangements in Cambridgeshire for people who are currently living in other counties.

The work programme would involve a comprehensive review of all current out of area placements and a managed programme to organise care in Cambridgeshire where it was in service users' best interests and in line with their wishes. It would also achieve strategic commissioning review of the sufficiency of care provision in Cambridgeshire now and in the future, and plans to create the additional capacity and improved commissioning processes would minimise the number of new out of area placements in future, by developing accommodation and support services for some individuals to move back into the county, and reducing the number of costly Out of County placements. The funding would be used flexibly so that the programme could be moved on as quickly as possible.

The overall saving to be achieved was £373K. £60K of the savings achieved through the project would be reinvested on an ongoing basis to provide brokerage support to the Learning Disability Partnership. Therefore the net saving for 2018/19 would be £313K. Of the 130 existing people with learning disabilities living out of area, 27 had been identified where it would be beneficial for them to move back to Cambridgeshire. There were a further 35 people where more work was required to identify if a move back to
Cambridgeshire would be beneficial. The savings figures were based on these numbers.

In response to Member questions:

- as to whether there were any legal implications, (and with a view to there being in additional potential reputational issues, officers confirmed that the standard procedures for all clients would be worked through i.e. Court of Protection/ Deprivation of Liberty, and there were no exceptional legal implications in the proposed process;

- with regard to clients who were settled in communities outside the county, it was confirmed that since the Care Act 2014, it was not possible to transfer clients to another authority, as the responsibility rested with the 'home' authority;

- advised that officers were not looking for the potential for care to be provided more economically outside the county. Additionally, the closer the Authority works with providers within Cambridgeshire, the more it would be able to drive down costs;

One Member commented that it was very pleasing to see this business case come forward, which had initially been triggered by one particular case. Whilst the associated savings were very welcome, they were not the driver: these individuals would be much better off as a result of this initiative.

It was resolved unanimously to:

> fund from the Transformation Fund the recruitment of two social workers for a fixed 12 month period to a maximum investment of £120k to enable a review of out of area care for adults with learning disabilities and supporting people to move back to Cambridgeshire where it was in their best interest and in line with their wishes.

(Cllr Kindersley left the meeting)

b) Transformation Fund Monitoring Report Q1 2017-18

The Committee received a report outlining progress in delivery of the projects for which transformation funding had been approved at the end of the first quarter of the 2017/18 financial year. The total projected savings resulting from each project were noted.

There was a discussion on the format of the report going forward. The report showed savings quarterly, and it was suggested that a projection for the five years could be included, and whether the RAG (Red/Amber/Green) rating would be met over the five year period. It was suggested that more detail on the more challenging projects could be included, and also information on the savings that projects could achieve for partners, where applicable.

It was acknowledged that going forward, as more transformation projects came on line, this report could become large and unwieldy, and there may be merit in an exception reporting approach at that stage. However, it was agreed that the current format should be retained until that became an issue.

A number of Members commented favourably on the report, commenting that it demonstrated a lot of hard work that had gone into the various projects, and the importance of the Transformation Fund in terms of ensuring the sustainability of the Council going forward.

It was resolved unanimously to note and comment on the report, including whether the format of the paper gives the right level of detail and information to allow the Committee to fulfil their monitoring role

37. 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.

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) note the appointment of Councillors Howell and Nethsingha as substitutes on the Police and Crime Panel.

Chairman