Agenda Item No.2

GENERAL PURPOSES COMMITTEE: MINUTES

Date: Tuesday, 26th July 2016

Time: 10.00a.m. – 1.50p.m.

Present: Councillors Bailey, Bates, D Brown, Bullen, Cearns, Count (Chairman), Hickford, Jenkins, Leeke, McGuire, Nethsingha, Orgee, Reeve, Tew, Walsh and Whitehead

235. DECLARATIONS OF INTEREST

There were no declarations of interest.

236. MINUTES – 31ST MAY 2016 AND ACTION LOG

The minutes of the meeting held on 31st May 2016 were agreed as a correct record and signed by the Chairman. The Action Log was noted.

237. PETITIONS

No petitions were received.

With the agreement of the Committee, Agenda Items No.14 and 15 were considered at this stage to avoid duplication with Items No 4 and 5.

238. FINANCE AND PERFORMANCE REPORT – OUTTURN 2015-16

The Committee was presented with the Outturn Finance and Performance report for Corporate Services and LGSS Cambridge Office for 2015-16. Attention was drawn to the main issues, which included a change in Minimum Revenue Provision Policy to create the Transformation Fund.

One Member queried the level of underspend which appeared to be a theme throughout the whole agenda. The Chief Finance Officer (CFO) reminded the Committee that there was likely to be some variation on a total budget of £550m. He was minimising variations via a number of controls but it was challenging when some budgets were demand led. The Committee requested that information be included in future reports to clarify the "Virement from LGSS Cambridge Office to CFA and ETE" which was an accounting issue to reflect the fact that LGSS could not hold overheads.

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

239. FINANCE AND PERFORMANCE REPORT – MAY 2016

The Committee was presented with the May 2016 Finance and Performance report for Corporate Services and LGSS Cambridge Office. Attention was drawn to the Corporate Capacity Review where an overspend of £1,501k was being forecast. The CFO reported that the Review would require significant consultation with staff across a different range of services, which would take time. It was not yet clear how quickly the Review savings would be delivered in the current financial year but the projected overspend, which had been overstated, was expected to reduce. It was clarified that new structures should be in place by 1 January 2017. The Chairman highlighted the fact that the savings should not be taken from service delivery. In response to a request from the Chairman, the CFO agreed to provide an update on progress at the next meeting detailing the timeline, changes and other areas to minimise the overspend. **Action Required.**

One Member expressed concern about the increase costs in the Renewable Energy Soham scheme due to currency changes regarding solar panels. It was queried why the Council had not purchased in advance. The CFO acknowledged that in hindsight the Council could have fixed the price before the Referendum. However, the actual draw down had only recently taken place when the exchange rate had gone up so the Council had achieved in excess of what had been planned. The Chairman queried why the supplier had not taken the risk and the need to manage risk by hedging for example. The CFO agreed to provide the Committee with a briefing note on this issue. **Action Required.**

The Chairman also drew attention to slippage in the Renewable Energy Scheme and asked that all slippage should not be reflected as an underspend in future reports, a better description was needed as it gave a false impression of the Council's finances.

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

240. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST MARCH 2016

The Committee received the operational report detailing the resources and performance position for the financial year 2015/16. 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. As a result of balance sheet activities being reviewed, a number of Year End Adjustments had been identified for approval. Attention was drawn to the level of underspend, which had been used to fund the zero percentage increase in Council Tax. During discussion, Members raised the following:

- queried whether £1.6m of Section 106 funding had been paid back after it had been identified that secondary school funding had been applied to a primary school scheme. The CFO agreed to investigate and provide the Committee with a briefing note. **Action Required.** The Chairman reported that this issue was part of recommendation c), he therefore proposed, with the agreement of the Committee, that this recommendation should be delegated to the CFO, in consultation with the Chairman, to enable a decision to be taken once clarification of the reasons for the reduction in Section 106 funding had been established. The Committee was informed of the procedures which could be taken if a mistake was identified. The Chairman queried whether a pilot report on employee performance management would be helpful to the Council, he asked the Chief Executive to raise it directly with the Chairman of Staffing and Appeals Committee. **Action Required.**

- welcomed the action being taken to reduce the level of inequalities across the Council as detailed on page 23 of the report. It was noted that the outcome was a key performance indicator.

- requested more information on the underspend for IT Managed. The CFO reported that as part of the Transformation Review, he had conducted a review of reserves on the balance sheet. He explained that if Services were unable to justify a use for the underspend then it was returned to corporate reserves. The funding could be reinstated if the Service presented a robust programme for its use.

- highlighted the fact that the level of school reserves had been raised at Schools' Forum as it was important that the funding was spent on pupils. Unfortunately, Academy Schools had not provided the Council with this information. One Member suggested that the Committee should write to the Regional Schools' Commissioner to ask about balances as the Council needed this information as part of its budget setting process. It was possible that some secondary schools might have the funding to support projects relating, for example, to the mental health of young people. The Chairwoman of Children and Young People Committee reported that the Commissioner would be attending the September meeting of the Committee. A letter would be sent to the Commissioner in advance alerting him of the questions to be asked so that he could have the answers ready for committee.

- highlighted the need to reflect the different funding streams for Looked After Children (LAC), as one group was funded by the Council, and the other relating to unaccompanied asylum LAC directly by the Government. The Committee asked for these figures to be split in future particularly as they had different performance indicators and impacts.

- expressed disappointment at the Government announcement to delay the introduction of a new Schools' Funding Formula. The Chairman reported that he had asked the Chief Executive to write to Government expressing the Council's disappointment and the need for some interim funding. He proposed that the letter should be co-signed by the County's MPs. **Action Required.** It was noted that although the interim funding received last year was now in the base budget, Cambridgeshire was still in the bottom quartile for schools funding.

- reported that an increase in Adult Social Care precept although ring fenced was still an increase in Council Tax. One Member reminded the Committee of the events which had taken place at Council and suggested that the Council was subsidising revenue out of capital. The Chairman explained that the underspend had informed decision making at full Council. However, it was important to note that there was no cross subsidising of revenue with capital funding.

It was resolved unanimously to:

a) Note the Council's year-end resources and performance position for 2015/16.

b) Approve the adjustments for year-end provisions, as set out in paragraph 3.2.5.

c) Delegate to the Chief Finance Officer, in consultation with the Chairman of General Purposes Committee, the approval of the changes to the Prudential Borrowing requirement in 2015/16, as set out in section 11.5, following clarification of the reasons for the reduction in Section 106 funding available.

241. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST MAY 2016

The Committee received a report detailing the financial and performance information to assess progress in delivering the Council's Business Plan. The CFO reported that the projected overspend was within parameters and was significantly less than the same time last year. During discussion, Members raised the following:

- queried why the Committee was being asked to note remedial action when there was no remedial action detailed in the report in relation to the overspends in Children, Families and Adults. The Chairwoman of Children and Young People Committee reported that action was already being taken to address the overspends and it would be included in the next report to General Purposes Committee. **Action Required.** The Chairman of Adults Committee outlined some of the remedial action taking place in his area. One Member raised the need to consider requests from committees if the budget for a certain service, such as LAC, was considered unrealistic to manage demand. Another Member suggested that this highlighted the need for an outcome focused approach to budgeting.

- queried what percentage of the total scheme budget had been allocated to Fulbourn, Melbourn and Wyton primaries as detailed in Section 6.6.2. The CFO reported that these costs reflected the variation in the 2016/17 programme; costs beyond the financial year would be picked up via the Business Plan programme. He agreed to reflect future information in a table form. Another Member raised the need to put overspends such as the Wyton Primary scheme in context in order to understand whether these were significant figures in proportion. There was also concern about any future financial impact on the Council because of the delay in housing development. The CFO agreed to provide a written response in relation to this issue. **Action Required.**

- queried why the Council was revised phasing Highways Maintenance. The CFO agreed to provide a briefing note on this issue. **Action Required.**

- requested information on action to address credit control as detailed in section 8.1. The CFO reported that he had already commissioned a report on this issue and would report back to Committee. **Action Required.**

- requested up to date information in relation to performance indicators for "Additional jobs created" and "Out of work benefits claimants". It was noted that the number of looked after children per 10,000 children should be 40 and not 40%.

- queried why there was a performance indicator for "The proportion pupils attending Cambridgeshire Secondary schools judged good or outstanding by Ofsted" when the Council had no control over academy schools. The Chief Executive reported that the Council retained responsibility for school attainment. Although it was a challenge, the Council's communities expected it to influence attainment. The Chairwoman of Children and Young People Committee agreed to raise this issue with the Regional Schools' Commissioner. In contrast, the Committee drew attention to the fantastic performance of Cambridgeshire Special Schools.

- noted a request from one Member for a briefing on unaccompanied asylum LAC in relation to the number of years of funding provided by the Government, the number coming into the service and whether they were contributing to the Council's overspend.

It was resolved unanimously to:

a) Analyse resources and performance information and note the 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 6.9.

c) Approve the allocation of the Staying Put Implementation Grant and the Special Educational Needs and Disability (SEND) Implementation Grant as set out in section 7.1.

d) Consider and approve the proposals for the use of service reserves, as set out in Appendix 4.

e) Consider and approve the virements within CFA, as set out in Appendix 5.

242. DETAILED BUSINESS CASE FOR THE DEVELOPMENT OF AN AGENCY COMPANY WITH CAMBRIDGESHIRE COUNTY COUNCIL

The Committee considered a report setting out the business case for working with Suffolk County Council (via Opus People Solutions) on the future arrangements for the supply of agency resources. Attention was drawn to the main issues which as well as the business case also included the potential for further savings through expanding this arrangement to other partners such as Peterborough, Northamptonshire and Milton Keynes. A two stage process was therefore proposed, which would involve working with Opus as part of stage one, and negotiating a wider "success in growth" partnership model with Opus as part of stage two.

With the agreement of the Committee, the Chairman proposed an amendment to change the date in recommendation a) to 9 January 2017 and recommendation c) to 8 January 2017 in order to reflect the impact of the public holiday season.

In welcoming the report, Members made the following comments:

- queried the need to also consider the recruitment of non-social care agency staff. It was noted that the contract was about wider agency usage and not just social care.

- queried how the performance of the contract with Opus would be monitored. The LGSS Director of People, Transformation and Transactions (Director) reported that a meeting had taken place with Opus on the possibility of establishing a Joint Venture Company (JVC) of which the County Council would be a shareholder. It was noted that the Heads of Terms needed to be drafted. It was proposed that the JVC should monitor the contract.

- highlighted the need to recruit permanent staff as this would provide another set of savings. The Director reported that it was cheaper to rely on a stable and able workforce. It was noted that her service was currently supporting a priority work stream which would make the Council a more attractive employer of choice in relation to social care. Members were advised that if demand for agency workers reduced the risk would be less for the Council and its partners.

- queried the rationale of moving from Guidant to Opus. The Director explained that Opus did not generate a surplus as it was a Teckal Company rather than a private company. It was proposed to set up Opus as a JVC in order to enable it to trade. It was noted that this was reflected in recommendation b). Members were also informed that by focusing directly on the supply chain i.e. Opus, the Council was effectively removing a layer. Attention was drawn to the further savings identified as part of stage 2 as detailed in Section 2.3 and Appendix 2 detailing Business Case Assumptions.

- requested some clarity as to how this process would link with the current workforce. The Director stressed the importance of a core stable workforce. However, there would be occasions when it might need to be supplemented by agency workers as and when appropriate. She reported that this process did not reflect the introduction of a commissioning model.

- highlighted the need to investigate why people chose to work for agencies and whether in-house social worker academies would make a difference. The Director reported that Northamptonshire County Council had introduced its own social worker academy. Agency workers did sometimes choose to become an employee of the Council, it was therefore important that the Council sold the benefits of this option.

It was resolved unanimously to:

a) Authorise the LGSS Managing Director, in consultation with the Chairman of the General Purposes Committee and Section 151 Officer, to enter into an agreement with Suffolk County Council (Via Opus People Solutions) to supply Agency Workers to Cambridgeshire County Council (CCC) from the 9th of January 2017;

b) Authorise the LGSS Managing Director, in consultation with the Chairman of the General Purposes Committee and Section 151 Officer, to also negotiate a longer term agreement with Suffolk County Council (Via Opus People Solutions) whereby CCC and other potential strategic partners agree a “sharing in success” business model which would result in future increased savings to CCC and the wider partners;

c) Approve the extension of the current Agency Worker contract with Guidant until 8th January 2017 to enable the implementation of the arrangements with Opus People Solutions; and

d) Authorise the LGSS Managing Director, in consultation with Chairman of General Purposes Committee and Section 151 Officer, to negotiate and execute all the necessary documents to extend the existing contract with Guidant and set up all the joint arrangements and appropriate company structures with Opus People Solutions including those with the extended supply chain.

With the agreement of the Committee, Agenda Item No. 9 was considered before Item No.8 as it set the scene for that item.

243. TRANSFORMATION PROGRAMME

The Committee considered a report setting out the Council's approach to developing and managing a corporate transformation programme. Attention was drawn to the programme which covered eleven themes, and the progress made to date. The CFO advised of the need to ensure that the Council had the right skills and capacity to deliver the programme. As a result, it had been appropriate to bring in a specialist efficiency and skills company on a temporary basis to bolster scarce resource. The company had then transferred skills and expertise into the Council's own workforce. Good progress had been made and it was proposed to move away from calling it a Transformation Programme as it became part of the Council's Business Plan. The CFO stressed the importance the programme maintaining the momentum it had so far achieved.

In welcoming the report, Members made the following comments:

- highlighted the importance of the acceleration of transformation and the delivery of various projects on the future of the Council. The Chairman drew attention to Appendix A and raised the need to build in a sense check with Members after the initial challenge by Strategic Management Team and before the production of a detailed business case. The CFO reported that it was proposed to use Group Leaders who were the Spokes for the Committee. It was noted that any property related matters would then need to go to Assets and Investment Committee.

- queried the level of buy in from Services. The Chief Executive explained that transformation could not occur in isolation as it was a function of the whole Council. She reported that she would expect Executive Directors and Directors to talk to Committee Chairs and Spokes about any prospective proposal. Discussions were currently taking place regarding how Committees could be involved. The CFO reported that 90% of proposals had come from the Services.

- queried how the process would be monitored. The CFO reported that he would present the Committee with quarterly monitoring reports.

- highlighted the difficultly of judging or quantifying some proposals as Invest to Save Schemes. The CFO acknowledged that it was impossible to determine criteria on some difficult to judge proposals. These proposals would therefore need to be funded from other sources. This programme focussed on proposals which would drive down the Council's operational costs.

- highlighted the importance of some early wins in order to achieve a balanced budget for 2017/18.

It was resolved unanimously to

a) Note the progress on developing the Council's corporate transformation programme;

b) Endorse the process for agreeing investment proposals from the Transformation Fund as set out in paragraph 5.2;

c) Note the approach adopted for engaging external support to assist in developing the programme; and

d) Note the mechanism for integrating the Transformation Programme within the business planning process.

244. CITIZEN FIRST, DIGITAL FIRST – OUTLINE BUSINESS CASE

The Committee received a report setting out the Outline Business Case for investment in technology to enable the Council to deliver its refreshed Customer Services' strategy. It was being asked to commit to an investment of £1,995,200 from the Transformation Fund over the next five years to support a suite of technologies to deliver the project. The investment comprised the revenue costs of the project and the revenue cost of the capital required for the project. The majority of the required investment would be capital.

One Member queried what was being done to address the digital divide. Members were informed that the Council was refreshing its Customer Strategy which would cover Community Hubs and Children's Centres to provide access for vulnerable groups of people. Another Member queried whether the Council was doing anything to address the need for disabled badge holders to keep filling in basic information when reapplying. It was noted that there was a pilot in progress with IT to simplify this process. Members asked to be kept up to date.

One Member highlighted the need for all services to have software to enable them to charge for professional services. The Corporate Director reported that this would be addressed as part of the Corporate Capacity Review. Another Member raised the need to clarify terms as to whether it was return on or of investments. In response to a query regarding monitoring, it was noted that information would be presented as part of the monitoring information for the Transformation Programme.

It was resolved unanimously to:

a) Agree the approach set out in the Outline Business Case;

b) Approve the investment of £1,995.2K revenue from the Transformation Fund to enable the approach set out in the Outline Business Case; and

c) Agree that tranches of finance to support each element of the Outline Business Case would only be drawn down following agreement with the Section 151 Officer in consultation with the Chairman of General Purposes Committee.

245. MEDIUM TERM FINANCIAL STRATEGY

The Committee received a report setting out the Council's Medium Term Financial Strategy for the next five years. This strategy was updated annually at the commencement of the business planning process. Its core purpose was to provide a financial framework within which individual service proposals could be developed before Council approved the budget and the Business Plan in February. The CFO drew attention to the uncertain financial future. The Strategy was therefore based on current information. A planning assumption had been made on a zero increase in Council Tax and a 2% increase in Adult Social Care.

Members made the following comments in relation to the report:

- noted that the report had been written before the Referendum so a significant number of assumptions had been made. Given that the level of growth was uncertain, it was suggested that the amount written in the Strategy should be reduced.

- expressed disappointment at the continuation of cash limits rather than outcomes. One Member expressed further concern that a 2% Council Tax increase was not being proposed as it would have significant implications for the savings Services were having to make. Councillor Nethsingha proposed an amendment to the Medium Term Financial Strategy, seconded by Councillor Jenkins, to reflect an increase in Council Tax of 1.99% and 2% for Adult Social Care. On being put to the vote the amendment was lost.
- highlighted the need to make clearer that the Council was experiencing a like-for-like reduction of 7.8% in Government funding but was being asked to take on new responsibilities.

- suggested that the section on the Fees and Charges Policy should come nearer the front of the document. The Committee agreed that the uplift should reflect the Consumer Price Index at 3%.

- noted that one Member expressed concern that the last sentence in Section 2.9 of the report was a political statement. The Council would still have to make very difficult decisions over service levels, income generation and asset utilisation but the case had still to be proven as to whether this was a direct consequence of inadequate funding. The Council needed to review its overall structure in order to achieve radical ways of delivering services.

- expressed support for Option 2: allocated savings arising from service pressures and investments corporately. It was important to reflect the Council's outcome based approach but to not disincentivise different services. The Chairman proposed, seconded by Councillor Bailey, to ask the Committee to vote on Option 2 as part of the recommendations.

- highlighted the need to add a paragraph to the Executive Summary to reflect the fact that the Business Rates Retention Scheme would drive revenue to deliver services and achieve economic growth, and it would give the Council revenue for future years.

It was resolved to:

a) Acknowledge the indicative departmental cash limits and the move towards transformation;

b) Confirm, in light of the move towards a more corporate approach to Business Planning, the policy for 2016-21 on whether any additional savings requirement arising from service pressures and investments be:

   - allocated corporately and redistributed on the basis of services' budget size; and

c) Recommend the Draft Medium Term Financial Strategy to Council for approval subject to the above recommendations.

246. CAPITAL STRATEGY

The Committee considered the Council's Capital Strategy detailing all aspects of the Council's capital expenditure programme: planning; prioritisation; management; and funding. The Strategy had been revised as part of the 2017-18 business planning process, with respect to the Transformation Delivery Model. Attention was drawn to an error in the table at section 3.3. – the restated advisory limit was incorrect. Section 3.5 reflected the correct situation.

One Member queried whether the Council could choose to use the Community Infrastructure Levy (CIL) over Section 106 funding. The CFO explained that Section 106 funding was used for larger schemes. It was noted that the use of CIL was the responsibility of District Councils.

It was resolved unanimously to review and recommend to Council:

a) Revisions to the Capital Strategy to align it with the Transformation Delivery Model and reflect the introduction of a Capital Programme Board.

b) Whether the advisory limit on the level of debt charges (and therefore prudential borrowing) should be kept at existing levels, which are higher than the level of debt charges approved in the 2016-21 Business Plan.

c) That borrowing related to Invest to Save/Earn schemes should continue to be excluded from the advisory debt charges limit.

247. COUNTY COUNCIL CONSULTATION STRATEGY (INCLUDING THE APPROACH TO BUSINESS PLAN 2017/18 CONSULTATION)

The Committee received a report seeking approval for the approach to be taken to the business plan consultation for 2016/17. Members were reminded that there would be a video to accompany the consultation to explain the context.

The Chairman, acting at the suggestion of and with agreement from the Committee, proposed a new question eight as follows:

- 8a “Although not possible at present, if in the future the government gives the County Council the option of increasing council tax by a total amount of over 3.99%. Would you support us implementing this?”
- 8b “If yes, by how much over 3.99% would you personally support?”

The Chairman welcomed the addition of question 5 relating to the payment of Council Tax. One Member requested consistency of presentation in relation to page 242. Another Member highlighted the need to reflect the scale of any savings in the second paragraph on page 240. It was suggested that a pie chart should be included detailing the spend per Policy and Service Committee. One Member raised the need to give examples of services in question 9, as what constituted Education Support Services was not necessarily clear to the public. Finally a Member highlighted the need to stress that the Council was not just cutting services. The Chairman acknowledged the need to raise the fact that the Council’s priority was to first achieve transformation, efficiency savings and to sweat assets in order to increase revenue streams.

It was resolved to:

a) approve the approach to Business Plan 2017/18 consultation as laid out in this paper; and approve the consultation questions as laid out in Appendix One.

248. COUNTY COUNCIL ELECTIONS 2017

The Committee was asked to note the timetable of activity required to prepare for the County Council elections in 2017 and approve funding in order to carry the elections out.

Members expressed concern about the size of the budget shortfall and in particular the 50% increase in the cost estimates for the 2017 election provided by the District Councils. The Chairman queried how one District Council could charge more than 50% than another Council. It was therefore proposed that the report should be deferred to a future meeting to enable further investigation to take place.

Members also queried the cost for software to administer the election. It was noted that Astech (the company who owned the Council’s Committee Management Information System) had estimated the total cost for partners of developing the elections module to be £30,000. Astech was proposing to have six partners who would need to pay £5,000 each. The Council could therefore be involved in the development of the module so that it met its needs Once the package had been developed it would be put out to market with a premium.

It was resolved unanimously to defer the report to a future meeting.

249. GENERAL PURPOSES COMMITTEE AGENDA PLAN, TRAINING PLAN APPOINTMENTS TO OUTSIDE BODIES, PARTNERSHIP LIAISON AND ADVISORY GROUPS AND INTERNAL ADVISORY GROUPS AND PANELS

The Committee considered its agenda plan, and training plan.

It was resolved unanimously to:

a) review its Agenda Plan; and
b) review and agree its Training Plan.

250. EXCLUSION OF PRESS AND PUBLIC

It was resolved:

That the press and public be excluded from the meeting during the consideration of the following report on the grounds that it was likely to involve the disclosure of exempt information under paragraph 3 of Schedule 12A of the Local Government Act 1972 as it referred to information relating to the financial or business affairs of any particular person (including the authority holding that information).

251. TOTAL TRANSPORT PROPOSAL

The Committee was asked to consider the revised proposals arising from the Total Transport pilot project in the northern half of East Cambridgeshire. The original model which was discussed on 15 March 2016 had been reviewed in light of public consultation, a formal procurement exercise, and further discussions with both the Total Transport Member Steering Group and Group Leaders. Attention was drawn to the two phase implementation, with an initial focus on fixed bus routes including Primary and Secondary School runs from September 2016. The second phase would cover the flexible minibus service and Adult Social Care (ASC) and Special Education Needs (SEN) transport from January 2017.

In welcoming the report, the Committee acknowledged the significant amount of work which had taken place in this complex area and thanked the Transport Policy and Operational Projects Manager in particular for all his efforts.

It was resolved to:

a) note that revised school bus networks would be introduced in the pilot area from September 2016, along with smartcard technology, and instructs officers to continue to maximise the efficiency of these networks based on the principles set out in this report;

b) support the implementation of a new Flexible Minibus Service in the pilot area from January 2017, replacing existing contracts/grants for day centre minibuses, dial-a-ride and once-a-week local bus services;

c) approve the award of the contract(s) necessary to achieve recommendation (b);

d) agree that discounts for concessionary pass holders on the Flexible Minibus Service should be the same as the discounts funded by the County Council on community transport services; and

e) require a report to be presented to this Committee (and shared with Adults Committee and Children and Young People Committee, for information) by the end of 2016, setting out the results of a detailed assessment of the costs and benefits of altering day care session times to allow transport provision to be integrated with special needs school transport.

Chairman