

CABINET: MINUTES

Date: 26th January 2009

Time: 10.00 a.m. – 11.06 a.m.

Present: Councillor J M Tuck Chairman

Councillors: M Bradney, Sir P Brown, S. Criswell, M Curtis, D Harty, L W McGuire, R Pegram, J E Reynolds and F H Yeulett

Apologies: None

Also in Attendance

Councillors: B Boddington, P Downes, N Harrison, D Jenkins and A Reid.

709. DECLARATIONS OF INTERESTS

The following members declared personal interests under Paragraph 8 of the Code of Conduct.

Councillor J. Reynolds declared a personal interest as the chairman of Renewables East and of the East of England Regional Assembly (EERA) with regard to any issues on recycling and to EERA that might appear in reports on the agenda.

COUNTY COUNCIL'S INTEGRATED PLAN

710. CONSULTATION FEEDBACK ON INTEGRATED PLAN PROPOSALS

As the first stage of its consideration of the Integrated Plan, Cabinet received a report, as part of a second despatch agenda, which set out the results of the detailed consultation undertaken in order to help inform the Council's Priorities and budget setting.

Cabinet was clear that the County Council's priorities required to be aligned with those of the residents in relation to the provision of services, and therefore it had previously approved a consultation exercise to ensure that they were still compatible. The consultation was designed to ensure that all those who wished to do so, had the opportunity to comment and that their views would be taken into account from across the County's diverse population. The report detailed the consultation approaches used. It was further highlighted that the development of neighbourhood panels was an additional important source of receiving direct feedback from residents.

Key messages from the feedback noted by Cabinet had been:

- That there was support for all priorities included in the questionnaire. More than 50% of respondents had agreed with all priorities in all cases, no matter who was responding.

- That 'Keeping the county moving safely, reducing congestion and deaths and injuries on roads' was consistently the priority that most respondents agreed with.
- 'Tackling inequalities across Cambridgeshire, such as relative deprivation and under achievement' received less support, but again there was a majority of support for it.
- Details of respondents replies that highlighted issues important to them, that they considered had not been included in the Council's suggested priorities. The most frequent comments were as set out in the Cabinet report. In terms of Public transport which was one area highlighted, it was clarified orally that this was part of the "keeping the county moving safely" priority which was one of the priorities being invested in, over the forthcoming year to ensure targeted improvements were made. Measures within the priority included increased spending on the community transport system and continuing to investigate innovative ways of delivering public transport in rural areas and undertaking increased investment in road safety, (including additional safety measures on the A1307 in response to increased residents concerns). In terms of recycling, another issue highlighted, it was clarified that the County was still one of the top three performing County Councils in the Country.
- That in terms of how the County Council delivered services, improving value for money was consistently the most important issue for respondents and was also a key priority for the Cabinet, and these were addressed in the detail of the proposals included in the Integrated Plan. Cabinet noted that last year the External Audit had given Cambridgeshire the highest rating in how the Council used its resources, a rating only given to 10% of councils and that this showed that every penny spent on services was spent efficiently. A report on the current year's judgement was expected shortly and it was hoped that the County Council would retain its excellent rating.
- That there had been mixed responses as to whether a Council Tax increase of 5% was acceptable or unacceptable as well as the understandable concerns regarding the economic downturn. The intention was to ensure the Council Tax remained one of the lowest in the Country (within the limits available from receiving such a low Government grant settlement compared with neighbouring counties) and by ensuring proposals were targeted directly at residents as in the case for the extra support (£500k) agreed at the 15th January Cabinet to be given to advice agencies.
- That while the voluntary sector had the ability to bring in extra money through fundraising, it was recognised that it did need funding support to cover its core needs and the additional monies above would help in supporting the sector's activities.

It was resolved:

- i) To note the consultation feedback outlined in this report.
- ii) To agree that Cabinet was satisfied that the Integrated Plan recommendations made to Council under agenda item b fully reflected the views expressed in the consultation feedback.
- iii) To confirm that the Minutes of the Cabinet meeting would reflect the main points in relation to how the Integrated Plan was taking into account public views and that further details would also be published in the next issue of "Your Cambridgeshire".

711. COUNCIL'S INTEGRATED PLAN 2009 (INCLUDING PRIORITIES, BUDGET AND COUNCIL TAX)

Cabinet received as part of the second despatch agenda (hard copies were sent at the same time to all Council Members) the report on the Council's Integrated Plan in order to be able to consider and put forward its recommendations for final, full Council approval.

Members were reminded that the present Integrated Planning robust challenge process had begun in the summer and had included two Member only seminars where all members had been given the opportunity to raise questions and provide challenge. In addition, the Plan was still to be the subject of detailed examination at the relevant scrutiny committees to be held between 3rd and 5th February and whose views, along with any opposition alternative budget proposals, would be included for consideration at the full Council meeting on 12th February.

Cabinet had sought to ensure that decisions relating to the Council's budget and performance were clearly driven by the Council's strategic objectives and service delivery principles, taking into account the views of the public and partners on what was needed. These views had been supplemented with formal research and professional opinion. The Plan linked the Council's objectives and principles to the budget, planned actions and performance targets.

Cabinet had set longer-term strategic objectives, immediate improvement priorities and also provided broad principles within which the Council's services should be delivered. The County Council Service Objectives re-enforced and complemented those agreed with the County Council's key partners under the umbrella of 'Cambridgeshire Together'.

In terms of the County Council's strategic objectives these were centred on people and communities and included:

- Enabling people to thrive and improve their quality of life.
- Supporting and protecting the most vulnerable.
- Managing Growth and the development of communities.
- Promoting skills and encouraging enterprise.
- Responding to climate change and enhancing the natural environment.

The County Council priorities were equally centred around people and aimed to address the differences in achievement and access to services, to nurture skills with an emphasis on safe travel and not just tarmac and concrete.

The service principles had been based on:

- Year on year improvements in efficiency and effectiveness (from an already good position).
- Listening and being responsive and offering people choices and increased opportunities to have a say.
- Taking a lead role in ensuring the public receive joined-up services from the County Council, districts and other public bodies and our key service partners.

Cabinet recorded their appreciation of the efforts of a staff and partners, highlighting that the improvements made relative to other authorities had been exceptional, with Cabinet indicating their intention of continuing to improve services in the forthcoming municipal year.

In turning to the budget that supported the integrated plan, it was stated that every penny spent was the subject of scrutiny by Cabinet Members each year. To help monitor and improve Council services it was highlighted that performance targets having been set, were tracked on a regular basis, during the year. It was proposed to monitor the plan in the following ways during the next financial year:

- Monthly finance and performance reports
- Two in year reports (September and December) assessing progress against the Plan
- The year-end annual report.

It was intended to use the CorVu system to support the above by holding details of performance targets and Integrated Plan actions.

The strategic objectives and improvement priorities outlined in Section 1 of the Integrated Plan (included as one of the appendices to the report) was to ensure alignment with the County-wide strategy which had been agreed in principle by Cabinet on 15th January. The Council had developed its financial strategy and budget setting alongside the setting of priorities, action plans and performance targets to ensure they were fully aligned, and that the budget set out fully supported the achievement of priorities.

Full consideration has been given to the following:

- Increased Inflation levels
- Costs of additional demand for services and support
- Supporting priorities with targeted investments where these will help drive up performance
- The impact of the economic downturn, both in terms of how the Council supported its communities, as well as the financial impact. It was considered that the County Council's recommended prudent budget would make it well placed to weather the economic storm and offer assistance wherever practical to individuals and business's in Cambridgeshire.

It was stated that the County Council had, had considerable success in recent years at setting realistic budgets that delivered year on year improvements in value for money. This success was based on a careful consideration of:

- The demand the service was required to meet.
- Increasing costs arising from inflation
- Targeting revenue and capital additional investment to agreed priorities.

Attention was drawn to some key components of the Budget supporting the Integrated Plan as follows:

- That although inflationary pressures were reducing, this followed a year of significant cost increases – the point being made that even though inflation had fallen, in September / October it had still been running at around 5%. In view of this, both

revenue budgets and capital budgets contained the most realistic view of inflation. £15.5m was to be invested in services for this purpose.

- That in response to increasing need £12.2m extra was to be spent next year on additional services. Most of this additional spend was being targeted at the most vulnerable and the most in need, children, the elderly, and those with disabilities.
- There were a small number of additional investments in priorities that reflected the need both to improve our services and respond to the economic downturn. In particular, attention was drawn to the £0.5m additional funding being made available to the voluntary sector.
- The capital programme was being maintained despite reduced receipts as a result of further improvements in management of debt. Apart from maintaining progress in improving the school estate and transport infrastructure, there were now proposals to increase further spending on improving the condition of roads and footpaths, investing in initiatives that had both an environmental as well as financial benefit, as well as setting aside monies to address the impact of the recession.

Cabinet was reminded that the budget was funded by the public, partly via general taxation and a grant determined by Government and partly via money raised through the Council Tax and other fees and charges. The grant increase from Government was considered derisory. Although Cambridgeshire was one of the most efficient Counties and the local economy was vital to national success, it appeared that the County Council continued to be penalised rather than rewarded for this. This was an issue that the Leader of the Council had taken up with Government and intended to continue to press until a reply was received. Reference was made to the unacceptability of the letter sent to Government following the Cabinet meeting on 15th January only being the subject of a holding reply. It was highlighted that the Government's increased grant did not even cover half the additional costs of inflation facing the Authority, let alone contributing to increased service need or service improvement.

To balance the budget, two other issues were highlighted for consideration, savings and the rate of Council Tax increase. In respect of savings £16.5m was to be released in the next year through a variety of initiatives, including improved service contracts, efficiencies in back office services, better use of the estate and by service modernisation. The number of new jobs needed by increased demands on services would outweigh any loss of jobs arising from these savings.

In terms of council tax increase, there was an appreciation that although Cambridgeshire was traditionally one of the lowest charging Authorities in the Country, current economic circumstances placed a strain on the household budget. Last year's plan had been to increase council tax by 5% in 2009/10, while the proposal in the current recommendations was now for an increase of 4.7%. It was again highlighted that this increase would have been much lower if the grant settlement from Government had been fairer, with the continued shift of tax burden from Westminster to Local Government being an increasing cause for concern. It was stated that it was important that the Chairman and the Cabinet continued to monitor proposals in challenging times in order that the County Council should be able to meet the challenge in the next 12 months that should the recession change to a depression by planning for the worst but hoping for the best.

Cabinet was then invited to comment on each section of the Integrated Plan:

Section 1, the high level introduction to the Council, its objectives and how (through resourcing, performance management, planning) the Council plans to deliver on them

This section was agreed.

Section 2, which providing greater detail about the more specific outcomes and actions that the Council

The section was noted.

Section 3 providing the summary financial information with links to the strategic objectives, service delivery principles and improvement priorities

- In relation to the £569k saving on page 12 regarding the Integrated Community Equipment Service in 2009-10, this was clarified as being additional expenditure not required as a result of efficiency savings from service delivery changes being undertaken in consultation with partners.
- On the same page in respect of the 100k for Priority investments in Adult Services modernisation, it was clarified that this was in relation to work to be undertaken to enable more people to live independently in the community, through increasing their skills / confidence levels and mobility leading to less care support being required at an early stage.
- Cabinet agreed to support further discussions to be undertaken with the Department of Health in relation to recognising and taking into account data collected on positive preventative measures that had resulted in more people being helped to live in their own homes which were not currently counted towards the appropriate national performance indicator thereby giving a lower figure than it would otherwise have.

This section was noted.

Section 4, which provides detailed finance information on the following:

- Chief Finance Officers report (yellow pages including appendix 1)
- Children & Young People's Services (CYPS) (appendix 2 - pink pages)
- Environment Services (ES) (appendix 3 - blue pages)
- Community & Adult Services (appendix 4 - green pages)
- Corporate Services (appendix 5 - white pages)

Comments and clarifications included:

- Requesting any further details regarding why Cambridgeshire consistently received lower Government grant settlements than neighbouring authorities. It was noted that the authority had made representations to a number of Governments regarding inadequately funded settlements, highlighting that in 1997 the then Leader believed that the position was to be rectified which in the event took another six years and then this position changed again for the worse, as a result of changes to the grant formula and the floors and ceiling system, which penalised Cambridgeshire who the Government perceived as a successful county council and therefore could afford to provide services through raising its Council Tax. It was highlighted that while neighbouring County Councils had received substantial increases (Norfolk County Council had received a 9% increase) Cambridgeshire's increase only equated to an increase of £1.71 per person

and percentage wise the government grant increase only represented half the cost of inflation. This was an issue as already stated that the Leader of the Council had taken up with Government and intended to press until a satisfactory reply was received. The point would continue to be made that with Cambridgeshire being a rapidly growing County this brought its own pressures and that the letter to the minister had also highlighted the data inaccuracies used to assess the grant. It was noted that the Communities and Local Government Minister had declined a face to face meeting but that it was hoped to meet with the Regional Minister to aim for a possible resolution as soon as possible. It was suggested that a more reasonable increase, in line with the average county council increase, could have added over £2m to provide badly needed services during what was an extremely difficult economic climate for residents in the borough.

- Confirming in answer to a question that it was considered that the level of financial reserves were adequate to deal with the likely impact of the recession.
- Confirming that in relation to recent press reports regarding speculation on delays to improvements to the M25 as a result of the recession, that the current Waste Private Finance Initiative (PFI) schemes and the Building Schools for the Future (BSF) programme were secure. The Waste PFI scheme long term contract was still successful as a result of the way it had been negotiated and was accounted for in the base budget and as a result, had not encountered the problems experienced by other authorities highlighted in recent press reports. The other PFI scheme (Thomas Clarkson Community College) was currently still being progressed and would be the subject of a report later in the year. BSF monies were currently secure as they were part of a Government financed programme and involved creating an independent local education provider later in the year.
- Regarding Section 4 of the Financial Report it was requested that the text on page 4 table 4.2.2 with the title "Cambridgeshire's grant increase 2008-11" should be reworded and the words "Whilst we welcome" removed and the words "like the "Cambridgeshire..." in line 5 being removed or reworded for clarity.
- Clarification being received that on page 4 of the CYPS section the two year reduction figures shown on the line for the BSF Phase 1 were the result of sums originally put aside in reserve being no longer required.
- Reassurance was given that in the light of the recent publicity surrounding Baby P that sufficient resources were included for safeguarding children. The County Council remained committed to safeguarding and protecting vulnerable people of all ages and that as a part of the Integrated Plan proposals, Cabinet was proposing that funding should be allocated for a range of Social Worker Recruitment and Retention initiatives. The detail of the initiatives, subject to Council approving the budget proposals, would be developed and rapidly implemented, in consultation with the trade unions. The clear objective would be to ensure Cambridgeshire County Council was able to attract and retain experienced and qualified social workers to deliver high quality services, particularly in relation to children and young people. It was stressed that child protection decisions would continue to be taken on the basis of ensuring children's safety first, as opposed to any budgetary considerations.
- That in relation to proposed new schools and children's centres, these would be part of a continuing watching brief, as while there were issues with the slow down of section 106 monies as a result of the economic downturn, their progress was also dependent on the projected growth actually materialising. It was noted that the proposed Capital programme had taken into account the changed economic circumstances.
- In respect of queries on what measures were being taken to progress environmental improvements in buildings / provide education to staffing order to change culture and

behaviour across the County Council to help counter climate change, reference was made to the Environmental Initiatives 2009/10 line on page 20 of the CYPS budget and the various proposals on page 4 of the Environmental Services budget pages and also to the £2m Investment in Carbon Reductions and Improved Efficiency line set out in the Capital programme section on page CS 15.

- Supporting the various proposals for reductions in stationary and postage expenditure on ES 5 through the use greater Information Technology. (IT).
- Receiving confirmation that the 50k reductions in each of the next two years in the contact centre through efficiency savings would not impact on the services provided as they resulted from economies of scale savings.
- Welcomed the investments to be undertaken in footway maintenance to support vulnerable people e.g. near sheltered homes and the future investments to be undertaken in the A and B road network.
- In relation to Community and Adult Services, confirming that reductions at the bottom of page CAS4 and top of page CAS5 in respect Disability Services would not have a detrimental impact on service delivery as they involved renegotiating contracts with providers for improved value for money (e.g. in-house management and record keeping) and from greater efficiencies in social care practice. This included care packages which were more responsive to changes in individual client needs, as well as increases in preventative work and support provided which could be taken away when no longer required e.g. due to clients increased self confidence in undertaking tasks themselves.
- On Corporate Services Shared Services following a request for an update on progress, attention was drawn to the significant savings expected in the region £451k as set out on page CS9 with further savings of £450 to £550k as set out on page CS 3 in relation to Shared Transaction Services.
- Clarification was given in relation to CS15 and the £2m General Protection and Response to Economic uncertainty budget line that this was to ensure funds were available to manage economic uncertainty and safeguard the capital programme.
- In relation to the £2m for Investment in Carbon Reductions and Improved Efficiency budget line, this was to ensure funds were available to undertake necessary improvements in the County Council Carbon Footprint.

It was resolved:

1. To note the Integrated Plan as set out in the supporting papers to the current report.
2. To agree to delegate responsibility for agreeing any further alterations to the Integrated Plan (sections 1 and 2) to the Leader of the Council, in consultation with the Director of People and Policy and Director of Finance, Property and Performance prior to submission to Council.
3. To recommend to Council the following budget recommendations:
 - a) That approval be given to the Office cash limits as set out in Table 4.3.1 (page 9 of section 4 (Finance Report) of the Integrated Plan (yellow pages)).
 - b) That approval is given to a County Budget Requirement in respect of general expenses applicable to the whole County area of £329,230,615.

- c) That approval is given to a recommended County Precept for Council Tax from District Councils of £220,279,639. (To be received in ten equal instalments in accordance with the “fall-back” provisions of the Local Authorities (Funds) (England) (Amendment) Regulations 1995)
- d) That approval be given to a Council Tax for each Band of property, based on the number of “Band D” equivalent properties notified to the County Council by the District Councils (214,886):

Band	Council Tax	Band	Council Tax
A	£683.40	E	£1,252.90
B	£797.30	F	£1,480.70
C	£911.20	G	£1,708.50
D	£1,025.10	H	£2,050.20

- e) That approval is given to the Prudential Indicators and Treasury Management Strategy as set out in section 4.6 (pages 18-22 of section 4 (Finance Report) of the Integrated Plan (yellow pages)).
- f) That the report of the Director of Finance, Property and Performance on the levels of reserves and robustness of the estimates as set out in section 4.6 (pages 23-26 of section 4 (Finance Report) of the Integrated Plan (yellow pages)) be noted.
- g) **Capital Budget** - That approval be given to Capital Payments in 2009-10 up to £147.5m net of slippage arising from:
 - i) Commitments from schemes already approved; and
 - ii) The consequences of new starts (for the five years 2009-10 to 2013-14) listed within the Office reports that follow, subject to the receipt of appropriate capital resources and confirmation of individual detailed business cases.
- h) **Final Adjustments:** Cabinet has agreed to authorise the Director of Finance, Property and Performance, in consultation with the Leader of the Council, to make technical revisions to the foregoing budget recommendations to the County Council, so as to take into account any changes deemed appropriate, including information on District Council Tax Base and Collection Funds, if this information is only received after the meeting of Cabinet.

712. DRAFT AGENDA 24TH FEBRUARY

Noted.

Chairman
24th February 2009