

GENERAL PURPOSES COMMITTEE: MINUTES

Date: Tuesday, 19th May 2015

Time: 10.04a.m. – 12.43p.m.

Present: Councillors Bailey, Bates, D Brown, Bullen, Cearns, Count (Chairman), Criswell, Hickford, Hipkin, McGuire (Vice-Chairman), Nethsingha, Orgee, Reeve, Walsh and Whitehead

Apologies: Councillors Rylance [*Note – Councillor Jenkins texted his apologies after the meeting had started*]

107. NOTIFICATION OF CHAIRMAN/WOMAN AND VICE-CHAIRMAN/WOMAN

The Committee noted that the Council had appointed Councillor Count as the Chairman and Councillor McGuire as the Vice-Chairman for the municipal year 2015-16.

108. DECLARATIONS OF INTEREST

There were no declarations of interest.

109. MINUTES – 14TH APRIL 2015 AND ACTION LOG FROM 12TH MARCH 2015

The minutes of the meeting held on 14th April 2015 were agreed as a correct record and signed by the Chairman. The Action Log for the meeting on 12th March 2015 and the following updates were noted:

- a briefing note detailing the process for bidding for additional funding would be circulated to the Committee. **Action Required.**
- a framework had been agreed for asset based reports, which included reference to service delivery and locality; this framework would be tested on the next property related matter.

110. PETITIONS

No petitions were received.

111. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST MARCH 2015

The Committee received the final operational report detailing the financial and performance information to assess progress in delivering the Council's Business Plan 2014/15. It was noted that the overall revenue budget position was showing a forecast year end underspend of - £4.0m, which was an increase of -£3.6m from the previous forecast reported to the Committee. The Chief Finance Officer explained that this turnaround related to the adjustment of bad debt provision following the on boarding of Cambridgeshire Community Services (CCS). The Council had made prudent provision

for the transfer of significant debt from CCS but in the end very little had needed to be written off. The figure also included interest on deferred Section 106 monies and resources from the Transformation Fund, which had not had to deal with as many redundancies as anticipated. As a result more funding had been contributed to the Pension Fund.

Before opening the debate, the Chairman informed the Committee that it would be necessary to exclude the press and public if it wished to discuss confidential Appendix 7. During discussion, members made the following comments:

- confirmed that all Directorates would need to follow the procedure agreed by Council on 12 May 2015 to manage any underspend against the original cash limit for the year, as set by Council. The Chief Executive informed the Committee that the -£0.749 underspend in Public Health would be subject to this process.
- queried why the business case for the implementation of a replacement Enterprise Resource Planning system had not been considered as part of the Business Planning process. The Chief Finance Officer reported that the project had not been developed sufficiently to include in the plan. However, he acknowledged that it would have been prudent to have made provision for a guesstimate value. The Director of People, Transformation and Transactions explained that a replacement system was not needed until November 2017 so this was a proactive proposal rather than reactive.
- welcomed the recent workshop on business planning and the concentration on outcome focussed budgets, which it was hoped would turn performance indicators from red to amber and green. Officers were encouraged to adopt a different approach to budgeting.
- requested clarity in relation to the treatment of reserves. The Chairman explained that any underspend against the original cash limit for the year, as set by Council, would be kept by the relevant Directorate. The Directorate would then need to have a conversation with the Section 151 Officer as to how this funding would be utilised based on plans agreed and scrutinised by the relevant committee. It was important to note that not all underspends would necessarily remain with the Directorates. Contingency funding would continue to be held in the general reserve.
- queried whether the -£0.749 underspend would still be ring-fenced to Public Health. The Chairman reported that it would be ring-fenced but there would be a full and transparent process to consider how it should be used.
- queried how Directorates would deal with overspends beyond their control for example an increase in Looked After Children. The Chief Finance Officer explained that resources were allocated in order to deliver agreed policy activity as detailed in the Business Plan. Although resources should be sufficient, there were always exceptions. Directorates had no power to spend beyond their budget. Council was the only body which could allocate additional funding and this should only be by exception. The Chairman reminded the Committee that Children, Families and Adults (CFA) had the largest budget. It was therefore the responsibility of the Directorate to manage pressures in areas of its budget. Members were reminded

that cash was allocated to service blocks so there might need to be negotiation between committees.

- queried why it was proposed to write-off client contribution debt of £29,502. The Chief Finance Officer explained that there was insufficient estate to recover the debt. One Member queried how it had reached this scenario. The Chief Finance Officer agreed to provide Members with a written answer. **Action Required**
- reiterated the need to split the indicator for the proportion of pupils attending Cambridgeshire schools judged good or outstanding by Ofsted by sector i.e. secondary, primary and special schools.

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 write-off of a client contribution debt for the sum of £29,502 (section 3.2.3).
- c) Approve that the £261,900 additional Education Services Grant (ESG) received in 2014/15 be transferred to the General Fund (section 7).
- d) Approve a supplementary capital estimate in the sum of £1.104m (Cambridgeshire County Council's cost share) for the implementation of a replacement Enterprise Resource Planning system (section 6.7).

112. CAMBRIDGESHIRE LOCAL ASSISTANCE SCHEME (CLAS) – ALLOCATION OF FUNDING FROM CENTRAL GOVERNMENT 2015-16

The Chairman invited Mr Nigel Howlett, Chief Executive of the CHS Group, to address the Committee. Mr Howlett explained that he currently chaired the Cambridgeshire and Peterborough Financial Capability Forum, and that his organisation was an 'authorised agent' for the Cambridgeshire Local Assistance Scheme (CLAS).

Whilst he acknowledged the financial difficulty the Council was facing, he highlighted with the use of a specific case why CLAS was so important. An adviser had visited a house where a client and her three children had no heating, lighting or money, very little furniture and a broken fridge and cooker. Given the health difficulties faced by the client and two of her children, the adviser had spent four hours with the family to try and address some of their issues. An immediate request to CLAS had resulted in a food pack and a fridge and cooker. Whilst CLAS could not solve all of this family's problems immediately, it did play a unique role.

Mr Howlett explained why CLAS was so effective. He stressed that it was simple to apply, decisions could be made quickly, and it gave people hope. He was proud that the Council had proposed to continue to support CLAS in the absence of Government funding. In response to a question from the Committee, he explained that CLAS involved a range of partnerships to address a number of issues to avoid people becoming a major pressure on public services.

The Committee considered a report setting out the reasons for a request from Adults Committee to increase the current allocation of £350k to a maximum of £513k for CLAS. It was reminded that the Council had received late notification of additional funding of £513k as part of the Government's February response to the consultation on the future of local assistance schemes. The report included the likely impact of CLAS not receiving the full allocation of extra funding sought. It was proposed that the 'additional' £163k would be ring-fenced to fund the delivery of direct provision. In the event that this funding was not fully spent, it would be rolled over to 2016-17 and again made available to support direct provision. Adults Committee was also proposing to use £100k to make CLAS more sustainable in order to prepare for any likely future reduction in funding.

The Chairman informed the Committee that Adults Committee was effectively asking for more funding after the Business Planning process. He therefore asked the Chief Finance Officer to articulate the options available to the Committee, which included declining the request for funding, proposing Adults Committee use the service reserve for 15/16 and then include in cash limits for 16/17, or fully resource the additional funding as requested in the report. During discussion, members made the following comments:

- queried what had changed following the design of a scheme based on funding of £350k. Members were informed that the amount awarded per application had steadily reduced from £1,000 to £350. Families were therefore getting less and primarily just funding for fuel, food and clothing.
- highlighted the increase in extreme poverty, and the need to fund CLAS corporately in order to provide crisis welfare. There was concern that if it was funded by Adults Committee it would effectively be a cut in budget. One Member queried the impact of including provision in the base budget, which was changing all the time. The Chief Finance Officer acknowledged that if the recommendations were agreed the base budget would change. However, it was important to note that the overall cash limit would not change so additional savings would need to be found within CFA. One Member raised the need for General Purposes Committee to avoid dictating to Adults Committee. He proposed that the funding decision for 2016/17 should remain with Adults.
- highlighted the fact that CLAS was effectively an invest to save project. It was suggested that Adults Committee should be asked to submit a business case to make CLAS more sustainable in the light of outcome focussed budgets. The Chairman highlighted the need for Adults Committee to consider an associated recovery plan when providing assistance.
- queried whether issues regarding the lack of advertising of CLAS had been addressed. It was noted that the number of authorised agents had increased to provide coverage across the county. The Vice-Chairwoman of Adults Committee explained that it was proposed to have an allocation per area to avoid issues of over and under utilisation.
- noted that this issue had received a significant level of input from Adults Committee, which was trying to create a more sustainable wide scheme by getting hold of

rejected white goods. Unfortunately, the increase in funding from Government had undermined some of these discussions and offers of resource. The Committee had requested that £100k should be invested to create a higher level of integration and sustainability for crisis support across the county.

- thanked Mr Howlett for supporting timebanking to help build social capacity. The need to make people aware of how they could donate white goods was highlighted. At the moment the process for donating was very disjointed. It was noted that officers had been working on this issue which was being tested via a pilot in Cambridge City for recycling white goods. Members raised the need to make strenuous efforts to encourage recycling as it would save the Council money in terms of preventing people reaching crisis, and having to dispose of white goods.
- expressed concern about the proposal to ring-fence £163k as this could prevent the Council from funding something more important.
- queried whether all the funding would be used to assist families. It was noted that a charge was made in order to administer the scheme. However, this charge had been negotiated down and was set at a competitive figure. The current provider was considering cheaper ways of delivering the scheme. It was queried whether the cost of an adviser spending four hours with a family was met by the Council. It was noted that the operation of advisers was the responsibility of the authorised agent so the Council did not incur any extra cost. However, it did provide the Council with information about families in the wider sense.
- queried the operating costs of the authorised agents particularly the management costs. Members were advised that the Council was considering how much it spent on administration. It was noted that most referrals were made by District Council Housing Teams. It was hoped that District Councils could be part of the wider solution, which could involve administering CLAS.
- queried whether it was right to do things to communities rather than let the community deliver a service. It was acknowledged that a considerable amount of crisis support was provided outside the council. The Council would therefore be using part of the £100k funding to build networks and make connections.
- highlighted the impact of CLAS being under threat to agencies such as Cambridge Women's Aid. The Chairman queried whether the Government was likely to cut funding in the future. The Chief Finance Officer reminded the Committee that there would be a spending review. He explained that grant funding had rolled in for 2015/16 but it was impossible to identify for 16/17. It was likely that this funding might be subsumed within the grant system rather than earmarked for CLAS.
- highlighted the fact that this report should have been prepared for the General Purposes Committee, with the Adults Committee report as an informative appendix.

The Chairman proposed, with the unanimous agreement of the Committee, to delete recommendation (b). *((b) - The additional £163k would be ring-fenced to deliver direct provision. In the event that any part of this money is not required, it will be rolled over to 2016-17 and again made available to support direct provision;))*

It was then resolved unanimously to increase the current allocation of £350K to a maximum of £513K for Cambridgeshire Local Assistance Scheme (CLAS), as set out in the Government's February announcement confirming the allocations to Local Authorities for local welfare and health and social care needs, noting that:

- (a) The current allocation of £350k was likely to be insufficient to meet the demand for direct provision despite the agreement to reduce the amount per successful application from £535 to £350; and
- (b) The £513k funding would be reoccurring but a decision about the future funding of CLAS would be reviewed in the light of some of the plans to make CLAS more self-sustaining during 2015-16.

113. REVIEW OF INVESTMENT PRINCIPLES FOR ENERGY PROJECTS

The Committee was asked to review the set of investment principles and level of investment agreed at General Purposes Committee on 9th September 2014 for the Local Authority Fund investments into energy projects. Attention was drawn to forecast investments into Energy Performance Contracting (EnPC), charges to schools for providing EnPC projects and the European Regional Development Fund proposal.

During discussion, Members welcomed the operation of this project. In response to a query, it was noted that all loans were self financing and did carry a small risk margin. The Committee was pleased to see that the Council was differentiating academies. It was noted that for maintained schools the Council could use a simple loan. However, it was not possible to use this arrangement for academies. This funding was managed by a service arrangement via an operational lease resulting in a residual risk for the Council. Therefore it was proposed to charge academies to reflect this risk. It was noted that if a Maintained School became an academy, the school would take over the obligation of the loan.

It was resolved unanimously to agree:

- (a) that the existing delegated authority to provide loan funding for individual projects at schools and County Council sites be extended from £5m to £10m;
- (b) that charges made by the County Council to academy schools can be greater than those to maintained schools in order to reflect the different contractual structure now proposed for academies and its slightly greater risk to the County Council;
- (c) that investments into energy projects can be used to match fund European Regional Development Fund grant if the Council's bid succeeds.

114. SOHAM SOLAR PARK

The Committee received a report detailing a proposal to build a 60 acre solar farm on the County Council's Rural Estate at Triangle Farm, Soham. The project would cost in the region of £10m and was anticipated to produce a return of about 7% per annum. Funding was allocated in the Council's budget on this basis. It was noted that a fully

costed Investment Grade Proposal and the Value for Money analysis would be completed by 13 July to enable secure contracts to be signed by 19 August in order to satisfy Mobilising Local Energy Investment timescales. Before opening the debate, the Chairman informed the Committee that it would be necessary to exclude the press and public if it wished to discuss confidential Appendix B.

Members welcomed and supported the proposal. However, one Member expressed regret that the Cabinet had not looked at this project years ago. The Chairman who had held the relevant Cabinet Portfolio covering this project explained that it had been instigated by Cabinet. He also provided some background as to why this site had been selected.

Members queried the possibility of considering alternative sources of energy such as ground source heat pumps and fracking. It was noted that the pumps produced heat whilst the solar park would produce energy. However, officers were looking for potential sites to install pumps. It was noted that there were no opportunities for fracking in the County.

One member expressed concern about this proposal as the Council was not a developer or a business. He was particularly concerned about the level of objection which might occur locally. The Chairman explained that this scheme had gone through the planning process without attracting a significant level of objection. It was important to note that it was on a Grade 3 arable site outside of Soham. The Chief Finance Officer reported that this scheme was not driven by the need to retain the grant as provision had been made in the Business Plan to repay it if necessary. Other Members commented that the Council needed to make the best use of its assets and a 7% return was very attractive.

One Member stressed the need for this project to go ahead. He was reassured by the fact that the IGP would be completed by 29 June and then a Value for Money analysis would take place in the next two weeks. Given the Committee timescales, it was proposed to delegate the final decision to enter into a contract for the construction of a Solar Farm to the Chief Finance Officer in consultation with the Chairman. The project would take six months to build.

It was resolved unanimously to:

authorise the development of an Investment Grade Proposal for the solar farm and delegate the final decision to enter into a contract for the construction of a Solar Farm at Triangle Farm, Soham subject to the project meeting the minimum financial returns set out in this report to the Chief Finance Officer in consultation with the Chairman of General Purposes Committee.

115. TREASURY MANAGEMENT QUARTER FOUR REPORT

The Committee received the fourth quarterly update on the Treasury Management Strategy 2014-15, approved by Council in February 2014. The Chief Finance Officer explained that the report reflected a reduced level of borrowing linked to the slippage in the capital programme.

During discussion, one Member queried whether the Member Review Group looking at the Treasury Management Strategy had considered ethical funds. The Chief Finance Officer reported that it had met twice but its primary focus had been on property matters following the extension of its remit at the last meeting of General Purposes Committee. The Group would be reviewing the Investment Strategy and would bring forward a report in the first quarter. Speaking as a member of the Group, Councillor Hickford reported that there had been a good discussion on corporate bonds. Unfortunately, the Council did not have the size of investment which would make a difference so the Group had more productively focused on housing. He encouraged members of the Review Group to report back to their political groups.

It was resolved unanimously to:

note the fourth quarterly update and Treasury Management Outturn Report 2014-15 and recommend it to full Council for approval.

116. COMMUNITY CENTRE PREMISES, NEWMARKET ROAD, CAMBRIDGE

The Committee received a report which related solely to a single short term property arrangement required to protect the Council's legal position in respect of the Community Centre premises at Newmarket Road in Cambridge. A further report associated with proposals to redevelop the East Barnwell site would be presented to the Committee at a future meeting. Members were informed that alternative arrangements would be agreed with the tenant before any notice was given. Councillor Bullen reported that, together with Councillor Count, he had attended a cross party meeting of users of the site.

It was resolved unanimously to:

authorise the grant of a Tenancy at Will for less than best consideration, and for detailed terms to be agreed by the Director of Finance, in consultation with the Chairman of General Purposes Committee

117. CORPORATE RISK REGISTER

The Committee received a report detailing the current status of corporate risk. Attention was drawn to the two red residual risks. Firstly Risk 9, 'Failure to secure funding for infrastructure', and Risk 1a, 'Failure to deliver a robust and secure Business Plan over the next 5 years'. It was proposed to remove Risk 25 'Failure to effectively implement the Council's new governance arrangements' given that Council had recently considered a review conducted by the Constitution and Ethics Committee, which would also continue to review the arrangements on a regular basis.

Members queried how much Risk 1a was attributable to less government support. The Chief Finance Officer reported that the organisation had a massive budget challenge in the years ahead. The Business Plan was currently £16m adrift in 2016/17, £30m adrift in 2017/18 and the same again in 2018/19. There would need to be some unpalatable political decisions taken. It was therefore likely that the Council might not achieve a balanced budget. Members commented that the onus on Councillors was to provide

leadership. It was noted that although it had been identified as a risk it did not mean it would actually happen.

It was resolved unanimously to note the position in respect of corporate risk.

118. CORPORATE SERVICES AND LGSS CAMBRIDGE OFFICER FINANCE AND PERFORMANCE REPORT – MARCH 2015

The Committee received a report detailing the March 2015 Finance and Performance report for the Customer Service and Transformation Directorate and LGSS Cambridge Office.

Members queried the underspend of £9.2m in the LGSS Managed capital budget. The Chief Finance Officer reported that the largest item was the IT programme of £3.6m to support the roll out of flexible working, which would be spent over the next 3 to 4 years. The Chairman drew attention to a £0.9m underspend in the delivery of the Awdry House project.

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

119. SCHOOLS CAPITAL FUNDING UPDATE

The Committee received an update on the grant funding available to support the delivery of school places within the county. The Chief Finance Officer reminded Members that this report had been prepared in response to a request from the Committee at its March meeting. Attention was drawn to the Priority School Building Programme 2, School Condition Allocation, and Basic Need Funding. The overall picture was that the 2017/18 Basic Need Allocations had brought the Council back in line to what was required relieving the degree of short term angst in the programme.

In response to a query, the Chief Finance Officer reported that notification of the funding for 2017/18 had been received before the election and the Government was not seeking to revisit it.

One Member reported that schools were falling into a state of disrepair and there had been a failure in terms of funding for urgent need. He urged the Council to move towards greater community resilience. He queried what was preventing parents and other community groups from taking on repairs to schools their children attended. Another Member stressed that it was the responsibility of the state to repair school buildings. He questioned whether some parents would have the resources or the where with all to maintain their local school.

One Member queried whether the Council was aware of the finances of schools particularly in North Cambridgeshire, which were facing a catastrophic financial situation. The Chairwoman of Children and Young People Committee reported that the Council knew exactly the financial situation of maintained schools. However, academies were under no obligation to provide this information. The Council had no power to intervene in academies. It was hoping to set up a School Improvement Board but did not have the power to instruct academies to attend.

The Chief Finance Officer added that he had a statutory duty to sign a statement in relation to budgets for maintained schools but no statutory duty in relation to academies. The Chairman commented that whilst the Council had an obligation in terms of education for all pupils, it was still trying to work out how it could achieve it in relation to academies. One Member queried whether it would be possible to submit a Freedom of Information request to the Department for Education to see the accounts for academy schools. The Chief Finance Officer agreed to investigate. **Action Required**

The Vice-Chairman of Children and Young People Committee reminded Members that the funding position for Cambridgeshire Schools had been unfair under successive governments and a fairer funding formula was needed. The Chairman queried whether there was a process to take advantage of slippage in the capital programme. The Chief Finance Officer explained that the Council could re-profile schemes if it knew about slippage. The capital programme was driven by school places and knowledge of growth areas. It was managed by a sophisticated modelling process.

It was resolved unanimously:

that the current Business Plan capital funding projections be updated to reflect the additional funding as set out within paragraph 5 of this report.

120. DELEGATIONS FOR PROPERTY DECISIONS

The Committee received a report detailing the current position regarding delegations to Officers in respect of property decisions.

The Chairman reported that the Constitution and Ethics Committee, at its last meeting, had suggested that any officer decision to dispose of land above £250,000 should be recorded. Reference was made to the desirability of Members being aware of land disposals, particularly in view of their local knowledge of their Division. Members commented on the merit in reviewing the delegation of decisions relating to the disposal of assets. In that context, it was noted that the General Purposes Committee, at its meeting to be held on 19 May 2015, would be considering a report on officer delegations for property decisions. It was accordingly requested that the Committee's comments with respect to the need for greater transparency about decisions concerning the disposal of property should be conveyed to the General Purposes Committee.

The Chairman therefore proposed with the unanimous agreement of the Committee the addition of recommendation (iii) below.

During discussion, Members felt that the report had not identified how it would improve engagement of Members in property matters and at what stage they would get involved. They stressed the importance of local knowledge and the need to involve Members at an early stage. It was acknowledged that issues were not always about the monetary value of land. The Chairman highlighted the need to prepare a protocol to improve the engagement of Members, which could involve a checklist and a master list. Councillor Hickford proposed an amendment, seconded by Councillor Bullen, to ask the Chief Finance Officer to draw up a protocol for the improved engagement of members in consultation with the Treasury Strategy Review Group. On being put to the vote, the amendment was carried.

One Member asked for the wording in 4.5 of the report to be amended to reflect the need for Local Members to be consulted and advised before any property decisions were taken.

It was resolved unanimously that:-

- (i) the Delegations for property decisions remain as drafted in the Constitution;
- (ii) the production of a protocol for improved engagement of members be drawn up by the Chief Finance Officer in consultation with members of the Treasury Strategy Review Working Group.
- (iii) delegations associated with the approval of land and property transactions with a capital value, or a total cumulative revenue value, of between £250,000 and £500,000 will follow the requirements of The Openness of Local Government Bodies Regulations 2014 in order to achieve greater transparency.

121. ACCOUNTABLE BODY ROLE FOR THE GREATER CAMBRIDGE GREATER PETERBOROUGH LOCAL ENTERPRISE PARTNERSHIP

The Committee considered a report detailing the Council's role as Accountable Body for Greater Cambridge Greater Peterborough Local Enterprise Partnership.

It was resolved unanimously to:

- i) Consider and endorse Cambridgeshire County Council's continued role as Accountable Body for the Greater Cambridge Greater Peterborough Local Enterprise Partnership (GCGPEP).
- ii) Delegate day to day responsibility for the Accountable Body role for the GCGPEP to the Section 151 Officer.
- iii) Endorse the Greater Cambridge Greater Peterborough Local Enterprise Partnership Assurance Framework and delegate responsibility for making relevant changes or updates to this to the S151 Officer in consultation with the Chairman and Vice-Chairman of the General Purposes Committee.
- iv) Delegate responsibility to the S151 Officer in consultation with the Chairman and Vice Chairman for GPC to develop and finalise an Accountable Body Agreement between Greater Cambridge Greater Peterborough Local Enterprise Partnership and Cambridgeshire County Council.

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

The Committee was asked to review its agenda plan and to consider appointments to the Fenland Crime Reduction Partnership and Wisbech Market Town Transport Strategy. It was noted that a full list of Outside Bodies, Partnership Liaison and

Advisory Groups, and Internal Advisory Groups and Panels would be presented to the next meeting.

It was resolved unanimously to note the agenda plan and to delegate the appointment of members to the Fenland Crime Reduction Partnership and Wisbech Market Town Transport Strategy to the Chief Executive in consultation with Group Leaders.

Chairman