

GENERAL PURPOSES COMMITTEE: MINUTES

Date: Tuesday 20th May 2014

Time: 10.05 a.m. to 1.00 p.m.

Present: Councillors Bates, Bourke, D Brown, Bullen, Cearn, Clapp, Count (Chairman), Criswell, Hickford, Hipkin, Leeke, McGuire (Vice-Chairman), Orgee, Reeve, Sales, Schumann (substituting for Councillor Bailey) and Whitehead

Apologies: Councillor Bailey

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

The Committee noted that the Council had appointed Councillor Countas the Chairman and Councillor McGuire as the Vice-Chairman for the municipal year 2014-15.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. PETITIONS

No petitions were received.

4. THE BUSINESS PLAN PROCESS AND THE SCHEME OF FINANCIAL MANAGEMENT

The Committee received a report setting out the Business Planning process and an indicative timetable for the forthcoming year. A more detailed timetable would be presented to the next meeting. The report also identified the role that the Committee would have in the Business Plan setting process for 2014/15 and its responsibilities in delivering the current Plan as set out in the Council's Constitution. Attention was drawn to the Scheme of Financial Management which included the rules for virements in order to facilitate the efficient operation of the Council. The Committee was informed that it would be asked to consider a revised Scheme at its next meeting. Members were also reminded of the need to consider the motion from Councillor Whitehead, which had been withdrawn at the May Council meeting, as part of the business planning process.

During discussion, members made the following comments:

- welcomed the proposal from Councillor Whitehead to ensure that participants were asked directly as part of the 2015 Business Plan consultation exercise what level of Council Tax increase they would, personally, be prepared to pay. It was particularly important that participants were alerted to the consequences of the various options such as the cost of triggering a referendum.

- highlighted the importance of making the consultation exercise more user friendly. It was suggested that the financial impact on individual households should be incorporated. Attention was also drawn to the need to reflect the impact of other authorities on household fundingsuch as District Councils. Members were informed that there would be a review of the approach to consultation as it was felt that the current process had run its course.
- questioned whether the timetable in Figure 1 provided sufficient time for service committees to consider Business Plan proposals and alternative budgets. Members were informed that sufficient provision had been made for the important role of service committees. It was noted that alternative budgets were not part of the governance process and therefore not timetabled. Members were advised that support would be provided as usual to assist with drafting. However, it was hoped that they would be presented to service committees first before Council.
- highlighted the need to reflect the role of Councillors in the intense budget activity period which occurred in November, December and January particularly in relation to late grants. Members were informed that member engagement would be ongoing. It was therefore proposed to include the informal as well as the formal process in the timetable. Members were reminded that Council carried the risk centrally of any changes to the grant settlement unless such changes were significant.
- requested clarification regarding the operation of a ring fenced budget. It was noted that this budget could only be spent for the purpose it had been allocated but it could be supplemented. It was further noted that in relation to Public Health some of the responsibilities were discharged by other services which could also lead to virements.
- suggested that the Committee agenda should include a standing item attaching, for information only, the forward plans of all the service committees in order to provide an overview. Members were reminded that the Committee included the Chairs and Vice-Chairs of all the service committees in order to encourage a one organisation approach. Some Members were of the view that this should be sufficient and that it would send the wrong message to service committees, which had the autonomy to take their own decisions. It was noted that the Committee would receive regular resources and performance updates for the whole council.

The following amendment to the recommendation as set out in the report was proposed by Councillor Whitehead and seconded by Councillor McGuire:

To receive a paper at the July meeting regarding the public consultation process for business planning.

On being put to the vote, the amendment was carried.

The following amendment to the recommendation as set out in the report was proposed by Councillor Cearns and seconded by Councillor Leeke:

To include as a standing item on agendas the forward agenda plans of all the service committees.

On being put to the vote, the amendment was lost.

It was resolved to:

- a) approve the provisional Business Plan timetable for 2014/15;
- b) note the responsibilities that it had in both the Business Plan Setting Process and the on-going delivery of the Plan; and
- c) receive a paper at the July meeting regarding the public consultation process for business planning.**Action required.**

5. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST MARCH 2014

The Committee received a report presenting financial and performance information to assess progress in delivering the Council's Business Plan. Members were informed that the Committee would receive regular monthly monitoring reports, which would be circulated electronically if there was no meeting timetabled. It was noted that a detailed Outturn Report summarising the Council's overall financial and performance position for 2013/14 would be presented to the Committee at its next meeting. Attention was drawn to the most significant change around older people budget. The report also contained fourteen corporate performance indicators, which would need to be reviewed to establish whether they were still appropriate. It was noted that service committees would be monitoring and developing their own indicators. Members were advised that a summary of capital financial performance showed that £60m less than programmed had been spent in 2013/14 due to slippage and the impact of additional grant and reductions in scheme costs.

During discussion, members requested the need for clarification in relation to how the direction of travel was reported in the performance targets. It was noted that a target could be green but the direction of travel could be down if performance was not as good as the previous month. Members also queried why the funding variance in 5.4 was so high. It was noted that external funding such as grants was always used first to fund schemes before the use of prudential borrowing. It was further noted that the slippage in the capital programme had reduced the need to borrow, and the Cambridgeshire Guided Busway funding had been received earlier than anticipated.

It was resolved to:

- a) analyse resources and performance information and note the remedial action currently being taken and consider if any further remedial action was required; and
- b) approve the £452,742 Section 31 Capitalisation Fund Allocation be treated as a general resource in the first instance and taken to corporate reserves (see section 6.1 of the report).

6. BUSINESS PLAN BUDGET FOR 2014/15

The Committee was asked to review and comment on the Corporate Services and LGSS Managed budgets that it would be monitoring during 2014/15.

It was resolved to review and comment upon the report.

7. FINANCE AND PERFORMANCE REPORT – MARCH 2014

The Committee received a report detailing the latest financial and performance information for Corporate Services and LGSS Cambridge Office.

During discussion, members made the following comments:

- requested a glossary of acronyms, the use of plain English in future reports and the need to use a consistent approach to reporting underspends.
- expressed concern about staffing shortages being used to achieve underspends. It was queried whether it was difficult to recruit staff. It was noted that this differed across the services for example social workers in some neighbouring authorities were being paid more to help these authorities get out of special measures which had attracted staff from the Council. It was also important to note that services did look to the longer term in order to drive efficiencies. They would therefore not recruit if future reductions in staff were planned.
- queried the position of Castle Court in relation to the overspend for County Offices. Members were reminded that the Council had set challenging property efficiency targets, which were taking longer to materialise but the Council was working towards delivering. Members were informed that an initial marketing meeting regarding Castle Court had taken place. A report detailing options for the way forward would now need to be prepared. It was noted that the relocation of staff to Shire Hall, the Octagon and other buildings was proceeding as planned and would be completed by 31st December 2014. By the end of the financial year, the Council would have full vacant possession on Castle Court, which would deliver savings.
- queried whether the Council was risk adverse in not making more savings from Corporate Services.
- welcomed the opportunity, if possible, for the Committee and the Service Committees to consider alternative budgets before full Council.
- commended the way that the Awdry House project had been managed.
- queried why the Actual Expenditure to End of March 14 differed from Forecast Outturn 2013/14 at March 14 on page 5 of the report. It was noted that the figures had not been updated so Actual Expenditure reflected figures for January not March.
- queried the process for dealing with underspends. The Chairman suggested that the Committee receive a report at a future meeting. **Action required.**

It was resolved to review and comment upon the report.

8. TREASURY MANAGEMENT OUTTURN REPORT

The Committee considered the fourth quarterly update and outturn report on the Treasury Management Strategy 2013-14 approved by Council in February 2013. It was noted that this report would need to be approved by full Council at its July meeting.

During discussion, members made the following comments:

- queried the background to the economic circumstances the Council was operating in such as the impact of growth on the economy particularly in relation to bank rate rises. It was noted that growth did have an impact on business rate activity, which did partly affect the Council. However, it was important to note that economic growth also increased demand on services. It was further noted that higher bank rates would increase the Council's borrowing costs. The Chairman reminded the Committee that one Member had raised concerns about the impact of a 1% rise in interest rates on borrowing costs. It was important to note that this would only impact on future borrowing. He suggested that it would be useful if a previous detailed answer sent to Councillor Mason on the same issue could be circulated to the Committee. **Action required.**
- suggested that some risk was acceptable in relation to investments in order to achieve a greater return. Members were informed that there was a debate to be had in relation to strategy setting. However, it was important to note that the Section 151 Officer would always be relatively prudent in the advice offered to Members. The Chairman suggested that the strategy, which had been included in the Council's Business Plan, should be circulated to the Committee. **Action required.**
- queried why the Council had used the investment target rate as this could have been higher had the Council increased its risk appetite. Members were informed that all borrowing costs were funded centrally and not charged to services. It was important to note that the Council did not borrow externally if it could fund through its own resources. At the moment, the Council was using its own funding in order to reduce borrowing costs. It was queried why the Council was not using more of its own funding to offset the cost of borrowing from the Public Works Loan Board. It was noted that repaying debt early when rates were low usually came with a premium, which generally outweighed the benefit.
- queried whether the risk profile precluded investing in ethical funds. Members were reminded that this depended on the strategy. (*Councillor Sales declared a non-statutory disclosable interest under the Code of Conduct as a member of the Co-operative Bank*).
- requested financial training to enable Members to understand the financial reports presented to committee. It was suggested that it should be offered to all Members and other Councils. **Action required.**

It was resolved:

to note the Treasury Management Report Outturn Report 2013-14 and recommend it to full Council for approval.

9. PROPERTY DISPOSALS AT LESS THAN BEST CONSIDERATION - DELEGATIONS

The Committee was informed that under the Cabinet system, there had been in place a number of delegations for the agreement of disposals of property assets at 'less than best' consideration. Members were therefore asked to consider a replacement system for the Committee structure.

The Chairman proposed that the report be withdrawn in order to enable further discussions to take place with Group Leaders before it was rescheduled for the next meeting. This was seconded by Councillor Criswell who had some concerns about the lack of involvement of the Local Member in the process.

It was resolved:

to withdraw the report to enable discussions to take place with Group Leaders and reschedule it for the next meeting. **Action required.**

10. APPOINTMENTS TO OUTSIDE BODIES, INTERNAL ADVISORY GROUPS AND PANELS, AND PARTNERSHIP LIAISON AND ADVISORY GROUPS

The Committee was asked to review and consider appointments to outside bodies, internal advisory groups and panels, and partnership liaison and advisory groups. It was also asked to consider whether it should appoint or defer to the relevant service committee the appointment of Member Champions.

Attention was drawn to Appendix 1 detailing appointments to outside bodies. During discussion, it was agreed that the Labour and Liberal Democrat Groups should be asked to consider nominations to the Cambridge & District Citizens Advice Bureau Management Committee. In relation to the Cambridge Council for Voluntary Service, groups representing CambridgeCity and South Cambridgeshire Divisions should be asked to consider nominating representatives.

Attention was drawn to Appendix 2 detailing appointments to other internal advisory groups and panels. Members were informed of one amendment to the Transitions Partnership Board where one appointment should be made by Children and Young People Committee and one by Adults Committee. During discussion, it was suggested that training should be provided for members of the Cambridgeshire Culture Steering Group.

Attention was drawn to Appendix 3 detailing appointments to other partnership liaison and advisory groups. Members were advised of one amendment and additions as follows:

- College of West Anglia Governing Body (page 28) – should be pink

- Cambridgeshire and Peterborough Military Covenant Board – addition for General Purposes Committee
- Children’s Health Joint Commissioning Board – addition for Children and Young People Committee
- Community Safety Strategic Board – addition for General Purposes Committee
- Highways and Improvement Member Advisory Panels – addition for Highways and Community Infrastructure Committee

During discussion, the Committee agreed to delegate appointments to the Cambridge Bid Board to the Economy and Environment Committee. It also requested that officers establish whether the Board had been given any County Council funding and if there were any other similar Boards in the County. The Committee highlighted a number of groups where the Economy and Environment Committee should consider if they should continue to have County Council representatives including the Greater Peterborough Partnership.

In relation to other committees, Members raised the need to review representation on District Care and Repair Bodies. It was proposed that the Director of Customer Service and Transformation should review the reasons why the Local Councils Liaison Committee had not met for some time and the need for County Council representatives on Local Strategic Partnerships. It was further proposed that the Huntingdonshire Neighbourhood Forums should be deleted as they no longer met. It was also suggested that the Highways and Community Infrastructure Committee should review the need for a representative on the Traffic Penalty Tribunal.

Members queried the arrangements for appointing to the Joint Area Committee for CambridgeCity and the City Deal. In relation to Member Champions, it was considered that this should be a decision for the relevant service committee. It was felt that if the Committee could not make an appointment at the meeting, it should delegate authority to the Chief Executive in consultation with Group Leaders to make any outstanding appointments.

It was resolved to:

- a) review and agree the appointments to outside bodies as detailed in Appendix 1 of the report;
- b) agree appointments to the Member Development Panel, and review and refer appointments to the other internal advisory groups and panels, as detailed in Appendix 2, to the relevant service committee;
- c) review and agree appointments, and refer appointments to the other partnership liaison and advisory groups, as detailed in Appendix 3, to the relevant service committee;
- d) delegate the appointment of representatives to any outstanding outside bodies, groups, panels and partnership liaison and advisory groups, within the remit of the General Purposes Committee, to the Chief Executive in consultation with Group Leaders; and **Action required.**

- e) refer the appointment of any Member Champions to the relevant service committee.

[Note: the final list of appointments will be published on the Council's website at <http://tinyurl.com/p66f4jn>]

11. GENERAL PURPOSES COMMITTEE AGENDA PLAN

The Committee was asked to review its agenda plan, consider two suggestions from the outgoing Overview and Scrutiny Committees, consider a request from the Audit and Accounts Committee and discuss its working arrangements going forward. It was informed of an additional item from the Resources and Performance Overview and Scrutiny Committee regarding the need to request further reports on Making Assets Count.

Attention was drawn to the item on localism scheduled for the next meeting. Councillor Criswell who had led on localism under the previous governance arrangements requested that he should continue in the role with a proposal that Group Leaders should nominate a representative from each group to assist him. It was suggested that Councillor Criswell should continue in the role until the Committee considered the report at its next meeting.

It was resolved to:

- a) note the agenda plan, including the updates reported orally at the meeting;
- b) defer the two suggestions from the outgoing Overview and Scrutiny Committees to Service Committees for consideration;
- c) refer the request from the Audit and Accounts Committee back to the Committee as it was within its own remit to action;
- d) discuss the working arrangements of the Committee as and when necessary; and
- e) add a report on the Making Assets Count project to the July meeting.
Action required.

Chairman