

COUNTY COUNCIL: MINUTES

Date: Tuesday 13th December 2005

Time: 10.30 a.m. – 12.25 p.m.

Place: Shire Hall, Cambridge

Present: Councillor: S B Normington (Chairman)

Councillors D Baldwin, C M Ballard, J D Batchelor, I C Bates, N Bell, B Boddington, M Bradney, J Broadway, P Brown, C Carter, M Curtis, P J Downes, J Dutton, J A P Eddy, R Farrer, S A Giles, G Griffiths, B Hardy, G F Harper, N Harrison, D Harty, G J Heathcock, W G M Hensley, P E Hughes, W Hunt, J L Huppert, C Hyams, J D Jenkins, S F Johnstone, G Kenney, A C Kent, S G M Kindersley, S J E King, S Lee, V H Lucas, D McCraith, L W McGuire, A K Melton, R Moss-Eccardt, M K Ogden, L J Oliver, A G Orgee, D R Pegram, J A Powley, A A Reid, J E Reynolds, K Reynolds, P Sales, M Shuter, L Sims, M Smith, T Stone, J Toomey, J M Tuck, J K Walters, J West, D White, K Wilkins, M Williamson, L J Wilson and F H Yeulett

Apologies: Councillors P D Bailey, B Bean, T Butcher, E Kadić and H Williams

39. MINUTES: 18th OCTOBER 2005

The minutes of the meeting of the Council held on 18th October 2005 were approved as a correct record and signed by the Chairman.

40. CHAIRMAN'S ANNOUNCEMENTS

Awards and Achievements

The Chairman led members in congratulating:

- All those involved in Project Nomad, which had received a Good Communications Award in the category of Mobile Technology
- Staff involved in Waste and Recycling and in Procurement, both of which had been shortlisted for Beacon Council status
- Two innovative recycling schemes that had received Green Apple Awards, the Choose to Reuse Campaign run by the Cambridgeshire Community Reuse and Recycling Network and the Master Composter Scheme. This was a second Green Apple Award for the Master Composter Scheme, which had been declared a 'Green Champion', the highest recognition awarded by the Green Organisation. The Master Composter Scheme had also won the Best Partnership and Best Local Authority Initiative award from the Compost Association
- Tina Laws, Senior Support Assistant at Tennyson Lodge in March, who had become the five millionth person to achieve a City and Guilds qualification.

Kickstart funding

The Chairman announced that the Council in partnership with Stagecoach had been awarded £2.5 million by the Department for Transport, for the improvement of local bus services.

41. DECLARATIONS OF INTEREST

The following members declared personal interests under Paragraph 8 of the Code of Conduct. The items to which the interests relate are shown in brackets.

- Councillors Batchelor, Kindersley and McCraith as members of South Cambridgeshire District Council (Minute 44, Provisional Revenue Support Grant Settlement 2006/07 and 2007/08)
- Councillor Huppert as a frequent user of Grafham Water Centre and a personal friend of the Director (Minute 45, Report of the meeting of Cabinet held on 6th December 2005, Item 8, Development of Grafham Water Centre).

42. REPORT OF THE COUNTY RETURNING OFFICER

Council noted that Councillor Linda Crossley, member for the Ely South and West Electoral Division, had resigned with effect from 28th November 2005. The by-election would be held on 19th January 2006.

43. PUBLIC QUESTION TIME

One question was asked by a member of the public.

Mr Jim Jepps asked the Leader of the Council and Chairman of the Pensions Investment Committee, Councillor Walters, whether the Council had considered adopting an ethical investment policy preventing the purchase of shares in arms companies. He noted that the Council's Pension Fund currently included investments in GKN, a major arms manufacturer, and earlier in the year had also included investments in other similar companies, including BAE Systems, Cobham and Smiths Group. Mr Jepps called on the Council to sell its existing shares in arms companies and to adopt an ethical investment policy so that no further investment in such companies was made in future.

Responding, Councillor Walters noted that the Council's Pension Fund was managed on behalf of the Council by fund managers. There were no restrictions on the areas in which investments could be made. This policy had been reviewed twice in the last four years and not changed. He expressed concern that if the Council were to limit its scope for investment in one area, it could come under pressure also to introduce restrictions in other areas, which collectively could inhibit the performance of the Pension Fund. The Council had a statutory duty to manage its investments to best serve the interests of its pensioners. Any shortfall in returns on Pension Fund investments would have to be met from the Council Tax.

Transcripts of the question and response are available from Democratic Services.

44. PROVISIONAL REVENUE SUPPORT GRANT SETTLEMENT 2006/07 AND 2007/08

Members received a report setting out the headlines of the Council's provisional Revenue Support Grant settlement for 2006/07 and 2007/08, which had been received on 5th December 2005.

It was proposed by the Leader of the Council, Councillor Walters, and seconded by Councillor Huppert

To request Cabinet to note comments made by members in this debate and to make appropriate representations to Government on the provisional Settlement.

The Leader of the Council, Councillor Walters, noted that the full detail of the settlement and of specific grants was still awaited. However, there already appeared to be widespread agreement that Cambridgeshire had not fared well. The Government had announced an overall 4.5% increase in funding for local government in 2006/07, but the Shire average increase was 2.9% and Cambridgeshire's increase was only 2.1%, 0.1% above the floor. In addition, the Government had stated that it wanted to keep the average Council Tax increase below 5% and would cap any authority significantly exceeding this. Councillor Walters noted that he would be seeking to limit Cambridgeshire's increase to 5%, but emphasised that with this increase services were likely to be facing damaging cuts.

Councillor Huppert agreed that the settlement was not favourable to Cambridgeshire and also expressed concern that the distribution formula was neither transparent nor easy to understand. He expressed concern that Cambridgeshire's needs as a rapidly growing County had not been recognised by Government. In particular, the Relative Resource block in the new formula factored in local authorities' capacity to raise income from the Council Tax, with Cambridgeshire as a relatively prosperous area and with a relatively large tax base expected to raise more than some other areas. However, at the same time, the Council's ability to raise income from the Council Tax was constrained by the Government's stated intention to use capping to keep increases to an average of 5% nationally. The Liberal Democrat Group would be supporting the recommendation to Council and joining the Cabinet in campaigning for fairer funding for Cambridgeshire.

Councillor Ballard reported that the Labour Group would also be supporting the representations to Government. Shire counties had fared badly in the settlement, and Cambridgeshire had fared worse than most, moving from the ceiling in recent years to the floor by 2007/08. The Council's funding position was likely to worsen in subsequent years, since the floor was a damping mechanism intended to slow reductions to funding. He agreed that there was a contradiction between basing funding in part on the authority's ability to raise income from Council Tax, whilst at the same time capping Council Tax increases, particularly since Cambridgeshire's Council Tax was very low in comparison to others nationally. Councillor Ballard commented that in his view an increase of 5% would not be sufficient to fund essential services, and that an increase closer to 6.5% would be more realistic. He also noted that the Government was using the formula to increase funding to areas of deprivation, a trend that the Labour Group supported. However, he questioned whether

deprivation was being properly measured in Cambridgeshire, given that current figures were very low. Promotion of the take-up of welfare benefits would help to ensure that deprivation levels were accurately represented.

Councillor Stone reported that he had recently attended the annual meeting of the Local Government Association and commended the Cambridgeshire Administration on its willingness to share detailed budget preparation information with opposition groups, as this did not appear to be the practice in some other authorities. He had asked the Minister for Communities and Local Government, David Miliband, about the inherent contradiction between a formula dependent on authorities' ability to raise income from Council Tax, and Council Tax capping, and had been advised that authorities finding themselves in difficulties would need to reconfigure services. Sir Michael Lyons in carrying out his review of local government funding had acknowledged that capping was an imperfect mechanism and that it was more appropriate for decisions about local taxation to be taken at a local level. It was therefore possible that the Government's approach would be changed when he submitted his report at the end of 2006.

Councillor Downes commented that the settlement highlighted the imperfections of the current mechanism for the collection and distribution of local taxes, since residents of more deprived areas than Cambridgeshire were paying higher levels of Council Tax. Cambridgeshire's Band D Council Tax charge was below the average of six out of nine regions nationally. He suggested that the system of local taxation needed radical rethinking and that it might be appropriate to move over time from Council Tax to a local income tax.

Councillor Powley agreed with Councillor Downes that the current system was imperfect. Cambridgeshire had historically not been regarded by central Government as a priority for additional investment, and this was likely to continue. He commented that in considering the current settlement, it would be important to take into account a number of factors. These included the level of the Council's balances, which the auditors were consistently reporting were on the low side; the current year's outturn position, which was improving but was still fragile, posing a risk for the 2006/07 budget; and the 2007/08 settlement, which was £3.5 million worse than the worst case scenario envisaged in the November Budgetary Advisory Panel papers.

Councillor Melton commented that there were areas of severe deprivation within Cambridgeshire, including Arbury, Oxmoor and parts of Fenland, which should be recognised. In terms of the tax base, he also noted that 75% of properties in the north of the County were in Council Tax bands A and B. Commenting on Councillor Ballard's suggestion that a Council Tax increase of 6.5% would be needed to protect services, he expressed concern that the previous experience of two District Councils in Cambridgeshire had shown that the Government was very likely to exercise its capping powers if the Council proposed a Council Tax over 5%, and being capped was itself a costly experience.

Responding, the Leader of the Council, Councillor Walters, welcomed the unanimity of support for representations to be made to Government for a fairer funding deal for Cambridgeshire. He also urged members to publicise Cambridgeshire's difficult position case through the local media.

On being put to the vote, the recommendation was agreed unanimously.

45. REPORTS OF THE CABINET

The Leader of the Council, Councillor Walters, moved receipt of the reports of the meetings of the Cabinet held on 31st October 2005 and 6th December 2005.

Meeting held on 31st October 2005

Decisions for information

1) Long-Term Capital Strategy to 2016

Councillor Carter expressed concern at the County Council's estimate of a £316 million shortfall in funding for the infrastructure needs to 2106 outlined in the Structure Plan. She expressed concern that new homes without adequate infrastructure would have a serious effect on existing communities, and asked what steps the Council was taking to address this shortfall.

Responding, the Cabinet Member for Corporate Services, Councillor Powley, confirmed that the Council's estimate of infrastructure costs in the Structure Plan period was £1,282 million, within which a £316 million shortfall had been identified. He shared members' concern as to how this shortfall would be met and noted that the disposal of assets to generate capital receipts would be key.

2) Welfare Benefits Take-Up Initiative

Councillor Broadway asked why the Council had not taken steps to promote the take-up of welfare benefits within the County until July 2004, when a member led review of this issue had been completed during 2002/03. She noted that many local authorities funded extensive campaigns to increase benefit take-up, which led to increased local authority funding as well as to improved quality of life for individuals.

Councillor Ballard welcomed Cabinet's decision to continue with the initiative, and Cabinet's recognition that the main aim should be to assist individuals entitled to benefits. However, he also recognised the benefit for the Council in terms of increased Government funding, and expressed concern that data drag would delay this benefit being felt.

Councillor Stone requested further information on how increased take-up of welfare benefits would affect the new four-block system on which local authorities' financial settlements were now based.

The Lead Member for Community Learning and Development and Adult Social Care, Councillor Yeulett, noted that the main reason for the delay in launching the welfare benefits take-up initiative had been the need to identify a suitable service provider and to make arrangements with the Citizens' Advice Bureau. He agreed to provide further information on the effect of increased take-up on funding through the new four-block formula once this was available.

3) Secondary Education at Ramsey

Councillor Downes expressed disappointment that it had taken so long to implement this amalgamation, which had originally been proposed in the 1980s. However, he now welcomed the Cabinet's decision and wished the new combined school every success in future.

4) Provision for Primary Education in St Ives

5) Draft Statement of Community Involvement for the Preparation and Revision of the Forthcoming Minerals and Waste Development Documents and the Consideration of County Planning Applications

6) Contra-flow Cycling Facility – Corn Exchange Street and Wheeler Street, Cambridge

Councillor Griffiths welcomed the Cabinet's decision to introduce a contra-flow cycling facility in Corn Exchange Street and Wheeler Street. She commented on the need for cyclists to be able to cross Cambridge city centre safely and without impediment and called for this objective to be included in the Core Traffic Scheme.

Other matters for information

7) Funding of the Youth Service – Reference from Children and Young People's Services Scrutiny Committee

Councillor Kent expressed concern that parts of the post-Ofsted action plan for the Youth Service were currently unfunded. She emphasised the need for the Council to deliver on its commitments to the inspectors and to local communities and called for this and other existing plans and strategies to be prioritised in the forthcoming budget-setting process.

Responding, the Cabinet Member for Children and Young People's Services, Councillor Johnstone, noted that the recent Budgetary Advisory Panel papers had contained proposals to put the Youth Service on a more sustainable footing, including the possibility of increasing funding by £300,000. The integration of Connexions with Children and Young People's Services would also provide opportunities further to develop services for young people.

The Leader of the Council, Councillor Walters, acknowledged that the Youth Service was underfunded. Responding to the report from the Children and Young People's Services Scrutiny Committee, the Cabinet had agreed to review funding for the Youth Service through the wider Medium Term Corporate Priority (MTCP) process. However, Councillor Walters noted that once the cash limits had been set, it would be possible to identify additional funding for the Youth Service only by removing funding from other areas.

Meeting held on 6th December 2005

Issues arising from Scrutiny

- 1) Report from Health and Adult Social Care Scrutiny Committee – Mental Health Services in Cambridge City and South Cambridgeshire

The Chairman of the Health and Adult Social Care Scrutiny Committee, Councillor Heathcock, thanked Cabinet for agreeing the Scrutiny Committee's recommendation that representations be made to the Secretary of State for Health. He urged members to respond to Cambridge City and South Cambridgeshire Primary Care Trusts' (PCTs') consultation, due to end on 10th January 2006, emphasising that the proposed cuts to services would have severe consequences for people with mental health problems and their carers.

Councillor Sales expressed concern that there was insufficient funding for mental health in Cambridgeshire to provide effective services. He expressed particular concern at the likely effect of the cuts on carers, and the possible implications for public safety. He noted that the situation was also having a very demoralising effect on staff.

Councillor Powley emphasised that the proposed cuts to mental health services would have implications for the County Council's budgets, since they were likely to lead to increased pressure on young people's and adults' social care services. He expressed concern that the Council's budgets were already fragile and that the cuts would effectively be a further shifting of responsibility from central to local government.

Councillor Hughes highlighted the challenges already faced by healthcare professionals in meeting requirements for service innovation. She expressed concern that the cuts would make it very difficult for professionals to provide both existing and new services and would cause considerable uncertainty for them, their patients and their patients' carers.

Councillor Bates expressed his support for the Scrutiny Committee's recommendations. He commented that it would be important to monitor the effects of cuts in Cambridge City and South Cambridgeshire on other parts of the County. He noted particularly that with the forthcoming reorganisation of PCTs, other parts of the County should not be adversely affected by efforts to make up deficits in Cambridge City and South Cambridgeshire.

Responding, the Cabinet Member for Environment and Community Services, Councillor J Reynolds, agreed that the proposed cuts were a serious issue for the County Council and its residents. He thanked the Health and Adult Social Care Scrutiny Committee for its work in clarifying the issues involved. Many of the proposed changes represented an appropriate direction of travel, from institutionalised to more community-based services, but there was serious concern that they were being implemented too quickly. Councillor Reynolds confirmed that the Cabinet would be writing to the Secretary of State for Health but emphasised that the cuts were likely to be implemented and that the Council should begin

to prepare for the challenges ahead.

Key decisions for information

- 2) Domiciliary Care Services
- 3) Direct Payments Policy for Social Care Services
- 4) Planning for Phase 2 Children's Centres

Monitoring items/other matters

- 5) a) Budget Monitoring 2005/06

Councillor Ballard commented on the current year's expenditure on children's and adult's services. On children's services, he expressed concern that the previously forecast overspend of £890,000 had been reduced to predicted breakeven in part through the use of £321,000 from reserves and a £127,000 underspend on special needs services. He noted that these were not long-term solutions to budgetary pressures and emphasised the importance of Invest to Save initiatives, which could be funded from revenue budgets or possibly also from capital, provided that there were very clear-cut benefits. He also commented on the need to address the £339,000 overspend on the Cambridgeshire Catering Service, which was unlikely to be possible to meet from within the service. On adults' services, he noted the need for further improvements to the Integrated Community Equipment Service, which was still not recycling equipment effectively. He asked about the volume of Cambridgeshire PCTs' debts to the County Council, recognising the PCTs' very difficult financial position, but emphasising that it was not for the County Council to help them to manage their cash flow.

Councillor Huppert noted that the Cabinet Member for Corporate Services had himself highlighted the fragility of the current year's budget. He commented in particular on the projected breakeven for children's services, sharing Councillor Ballard's concern about the use of reserves, and also commented on the proposal to use a £235,000 underspend on redundancy and pension budgets, noting that the position on these budgets might change, since the effects of 'Reshaping' were still working through. He also expressed concern that the overspend by Cambridgeshire Catering Services was a significant proportion of its budgets. On adults' services, he noted that expenditure within the Learning Disability Partnership had been £2 million ahead of the budget profile at the end of October. He also noted that the Council had invoices totalling £8.4 million outstanding to the PCTs. Some of these were less than 30 days old, but £6 million of the outstanding debt was already over 30 days old. He agreed that the Council should not be helping the PCTs to cover their cash flow problems, especially given the fragility of its own financial position.

Councillor King noted that the Ely South and West by-election would result in an unforeseen cost of £10,000. He expressed concern that this was a significant cost for a by-election and asked whether the Council was obtaining value for money from its expenditure on elections.

Councillor Moss-Eccardt asked whether the Council's risk management strategy would help it to foresee and manage adverse impacts on its budgets. He also commented on the risk that the Council would shortly lose its 'excellent' Comprehensive Performance Assessment (CPA) rating and asked whether there would be a cost associated with this eventuality.

Responding, the Lead Member for Children and Young People's Resources and Planning noted that the £127,000 underspend on special needs was primarily due to teacher and teacher's assistant vacancies, and to speech and language services not costing as much as had been anticipated.

The Cabinet Member for Corporate Services, Councillor Powley, recognised that the Council's current financial position was fragile, particularly in the use of reserves to offset ongoing financial pressures. On the Cambridgeshire Catering Service, he noted that the overspend was a result of Jamie Oliver's media campaign about the quality of school meals, which had led to a reduction in take-up. He accepted that it would be very difficult to claw back this overspend. On the PCTs' financial position, he agreed that outstanding debts to the Council were of serious concern and noted that these were being monitored monthly by Corporate Services Spokes. On the by-election, he noted that this would be administered by East Cambridgeshire District Council on behalf of the County Council. The County Council would ensure that the by-election was run as efficiently as possible.

b) Performance Monitoring – Quarter 2

Councillor Harrison emphasised the need for the Council to be open with the public about its ability to meet objectives in corporate plans and strategies, given its funding position. She highlighted the post-Ofsted action plan for the Youth Service, the Libraries Plan, the Corporate Plan on Heritage Services and recent discussion on climate change as instances in which the Council was unlikely to be able to meet published performance targets because of budgetary constraints.

6) Delegations from Cabinet to Cabinet Members/Officers

7) Cabinet Agenda Plan

Councillor Huppert commented on an item that had been included on the draft agenda plan for the Cabinet meeting on 20th December 2005, the Council's recently published ratings from the Commission for Social Care Inspection (CSCI) for adults' and children's social care services. He expressed concern that the Council's ratings for these services had dropped from two stars to one star and that both were considered to be serving 'some' people well, with uncertain prospects for improvement. He expressed concern that the recent press release on the ratings had not made the Council's changing position clear. He also noted that Cambridgeshire should not expect to continue to be 'excellent' under the Comprehensive Performance Assessment, when there were only three authorities nationally performing worse at social care, and emphasised

that according to the formula published by the Audit Commission, with a one-star rating from CSCI the Council could no longer be 'excellent' or a four-star authority.

Responding, the Leader of the Council, Councillor Walters, noted that changes to the CPA methodology meant that it would not be possible to make direct comparisons between old and new ratings. He noted that work was already underway to improve adults' and children's social care services and that CSCI had itself recognised that Cambridgeshire was improving.

Part 2 Exempt Reports

8) Development of Grafham Water Centre

46. WRITTEN QUESTIONS

Three written questions had been submitted under Rule 9 of the Council Procedure Rules:

- Councillor Bell had asked the Cabinet Member for Corporate Services, Councillor Powley, about the Council's expenditure on consultants. The response noted that total expenditure during 2004/05 had been £11.7 million and gave details of the five consultancy firms that had received the highest total payments: W S Atkins, Hays, Real IT Resourcing Ltd, Computer Futures Solutions and Spring Technology Staffing Services Ltd. The response also noted that the Council expected to spend £12.1 million on consultants in 2005/06.
- Councillor Moss-Eccardt had asked the Cabinet Member for Corporate Services, Councillor Powley, about the Council's expenditure on Information and Communications Technology (ICT). The response noted that the Council had spent £17.9 million on ICT (excluding telephones and other communication equipment) in 2004/05, with 60% of this spent centrally and 40% by services in the former Directorates. In 2005/06 the Council expected to spend £17.0 million gross, with 80% of this spent centrally and 20% by services in the new Offices.
- Councillor Ballard had asked the Lead Member for Community Learning and Development and Adult Social Care, Councillor Yeulett, for information about the Council's welfare benefits take-up initiative. The response noted that 824 people had been assisted in making claims since the start of the initiative. Of these people, 14 had had their initial applications refused. All 14 had appealed and the outcomes of their appeals were awaited.

Copies of the questions and responses are available from Democratic Services.

47. ORAL QUESTIONS

Six oral questions were asked under Council Procedure Rule 9:

- Councillor Huppert asked the Cabinet Member for Environment and Community Services, Councillor J Reynolds, whether there were any proposals to develop commercial or subsidised bus services on the northern,

southern and western outskirts of Ely. The Cabinet Member noted that the Council in partnership with Stagecoach had recently been awarded £2.5 million of Kickstart funding, the full amount sought, to develop bus services in the County. Cambridgeshire was one of the few local authorities nationally to experience an increase in bus patronage. The Council would continue to work closely with operators to improve services.

- [Councillor Jenkins asked the Cabinet Member for Environment and Community Services about the Council's process for adopting new roads, particularly highlighting Broad Lane in Cottenham and the new housing estates to the south and west of Ely. The Cabinet Member explained that developers were responsible for building new roads, which were then inspected by the Council prior to adoption to ensure that they were of a satisfactory standard. He agreed to forward a more detailed written explanation.](#)
- [Councillor Reid asked the Cabinet Member for Environment and Community Services whether the Council had made any applications to the Growth Area Fund for projects in Ely. The Cabinet Member agreed to send a written response. He noted that in partnership with Cambridgeshire Horizons, the Council had submitted a bid to the Growth Area Fund for £80 million for the County over two years. £20 million had been received and more detailed schemes using this funding were now being developed.](#)
- [Councillor Bell asked the Cabinet Member for Environment and Community Services what steps were being taken to implement a night-time ban on heavy goods vehicles on the B1381, as discussed by the East Cambridgeshire Traffic Management Area Joint Committee over the summer. The Cabinet Member agreed to send a written response.](#)
- [Councillor Moss-Eccardt asked the Cabinet Member for Environment and Community Services about the timescale for the planning and implementation of a transport interchange at Ely station. The Cabinet Member agreed to send a written response.](#)
- Councillor Downes asked the Cabinet Member for Children and Young People's Services, Councillor Johnstone, and the Lead Member for Children and Young People's Resources and Planning, Councillor Pegram, for their views on the comment of the new Leader of the Conservative Party, David Cameron, that he would support the Labour Government's proposal to allow schools to adopt their own admissions policies. The Cabinet Members noted that they would need to consider Mr Cameron's recent comments in more detail before commenting further.

A transcript of the questions and responses is available from Democratic Services.

48. MOTIONS

Members noted that no motions had been submitted under Council Procedure Rule 10.

49. MEMBERSHIP OF COMMITTEES

The following changes to Committee memberships were proposed by the Chairman, Councillor Normington, seconded by the Vice-Chairman, Councillor Orgee, and agreed unanimously:

- Councillors Bradney and Orgee to replace Councillors Oliver and Smith as members of the South Cambridgeshire Traffic Management Area Joint Committee
- Councillor Smith to be appointed as a substitute member of the South Cambridgeshire Traffic Management Area Joint Committee
- Councillor Williams to be appointed as a substitute member of the East Cambridgeshire Traffic Management Area Joint Committee
- Councillor Williams to replace Councillor Bean as a substitute member of the Health and Adult Social Care Scrutiny Committee
- Councillor Williamson to be appointed as a member of the Environment and Community Services Scrutiny Committee.

Chairman: