

## STRATEGY AND RESOURCES COMMITTEE: MINUTES

Date: 20 October 2022

Time: 10.00a.m. to 1.08p.m.

Venue: Red Kite Room, New Shire Hall, Alconbury Weald

Present: Councillors Boden, Corney, Count, Criswell, Dupré, Goldsack, Gough, Howitt, McGuire (substituting for Councillor Hoy), Meschini (Vice-Chair), Murphy, Nethsingha (Chair), Sanderson, Sharp and Slatter (substituting for Councillor Wilson)

### 100. Apologies for Absence and Declarations of Interest

Apologies were received from Councillors Hoy and Wilson.

Councillor Gough declared a non-statutory disclosable interest under the Code of Conduct in Minute No.105, as a former employee of Vodafone and would therefore not take part in the discussion or vote.

Councillor Boden declared a non-statutory disclosable interest under the Code of Conduct in Minute No.101, as the Council's representative on the Fenland Association for Community Transport (FACT) Community Transport Board.

### 101. Minutes – 30th September 2022 and Action Log

The minutes of the meeting held on 30th September 2022 were agreed as a correct record and signed by the Chair.

In response to a request for an update on the one action in the action log relating to additional funding to support bus services in the county, the Chair reported that she would need to be careful as there was a standstill period as part of the bus tendering process. She drew attention to a press release which had been issued by the Cambridgeshire and Peterborough Combined Authority (CPCA) on 19 October 2022. Tenders had been received for most of the routes with the detail set out in the press release, and work was ongoing to cover routes which had not yet received tenders. The CPCA had confirmed that it was able to cover the cost of the tenders.

One member reported that there was a closed discussion taking place in relation to fourteen routes. Most of the routes had been altered considerably and a number had not been saved. The Chair reminded the committee that she was not in a position at this stage to comment on other routes being discussed. She therefore offered to arrange a meeting with the CPCA's Public Transport Manager. There were very severe constraints on what could be done on routes which were being commercially run. There had been considerable discussion at the CPCA Board on 19 October 2022 regarding the unsatisfactory situation with the way buses were regulated, which needed to be reviewed nationally to enable combined authorities and local authorities to have more control to prevent routes being withdrawn with limited warning.

Some members commented that it was not correct for the CPCA Mayor to imply the problem had been solved as most of the routes had not been subject to an ameliorated action by the CPCA. Only five of the amber routes had been put out to tender and those routes subject to tender were not necessarily providing a like for like service. There was therefore concern that on 31 October there would be thousands of people not able to use the same bus service because the service had disappeared entirely, or part of the service had disappeared or changes to the timetable made it difficult to now use the bus. There was one service which had been reduced by 50% but was 100% full during peak hours. There was therefore real concern that passengers would be left behind at the bus stop.

The council was aware of the issues and had published a letter informing parents that they could claim 40p per mile to transport their children to and from school if there was no bus service available as a result of the changes. However, this did not solve the problem for parents who did not own a car. The situation had therefore not been resolved as there were large numbers of people who would be severely affected and there would be an impact on the council's finances where there was a statutory obligation to provide transport to school. The same member reported that he had asked his residents to use their cars on journeys which were oversubscribed to leave room for those people on the bus who did not have a choice. Whilst the CPCA officers had done an excellent job in a limited time, there would still be problems for people on 31 October 2022 so what had been achieved so far was not sufficient. Members were reminded that the committee had been presented with an opportunity to provide additional funding at its last meeting.

Another member reminded the committee of the unacceptable actions taken by Stagecoach. The CPCA Mayor had restored fourteen out of eighteen services within its budget. The committee was also reminded that only two members of the committee were in possession of all the relevant information which made commenting challenging. Another member reported that nearly seventeen services had been reinstated, which was a significant achievement. It was acknowledged that there would not be a 100% reinstatement of services and other Stagecoach changes could impact negatively on services. It was therefore hoped that solutions could be found by working with the Greater Cambridge Partnership (GCP) for example and moving to franchising but it would not be possible to do this within the short timeframe left by Stagecoach.

The Chair acknowledged that the frustration regarding the actions of Stagecoach and what local authorities could do with bus services had been felt by all members for many years. The Council now needed to deal with new issues relating to the cost of fuel and the cost-of-living crisis so providing decent reliable public transport was more urgent than ever, as well as its impact of climate change. The CPCA was discussing the possibility of franchising, which would make a significant difference to control, and the GCP also had proposals to improve bus services.

The Chair asked for all members to receive a detailed briefing on bus services. It should also include a briefing from the School Transport Team regarding how the 40p mile would be publicised to parents quickly and how parents who did not have a car on affected routes would be supported. **Action Required.**

## 102. Petitions and Public Questions

No petitions or public questions were received.

## 103. Integrated Finance Monitoring Report for the Period Ending 31 August 2022

The committee was informed that the in-year position was a forecast revenue overspend of £2.2m, which was primarily due to the effects of the expected level of public sector pay inflation for this year, which exceeded the estimates used in budgeting. In the higher risk demand led services primarily in People Services, there was currently an on-target forecast but there was some offsetting by demand continuing below expectations in some areas. These budgets were kept under regular review, and it was expected that more information would be available in the third quarter. Attention was drawn to the background to recommendation a) regarding the Home for Ukraine funds and related grant streams. It was also noted that there was a forecast capital underspend of £2m, which related primarily to timing of school building; a review of capital spending was taking place with all services. In the current environment, contractors and sub-contractors were only holding prices for a limited period. It was noted that recommendation b) would provide some short-term flexibility to enable costs to be finalised as quickly as possible.

In moving the recommendations, the Head of Finance proposed an alteration to recommendation b) to add “in consultation with the relevant policy and service committee chair” between “s151 officer” and “for a limited...” The Chair apologised to Councillor Count that he had not received formal notification that his proposed alteration had been accepted.

Individual members then raised the following issues in relation to the report:

- queried which member had been appointed to the Children’s Workforce Programme Board to focus on recruitment, retention and development of the workforce offer. The Chief Executive reported that the lack of qualified social workers within children’s services was a national issue. This had been acknowledged by the Local Government Association, which was putting more work into this area alongside Skills for Care as adult social care was also rapidly experiencing a similar national shortfall. He explained that he had initiated and chaired the board as this issue was critical for Cambridgeshire. It was an operational rather than strategic or policy board, but it did report regularly to and was scrutinised by the Children and Young People Committee (C&YPC). The council like every employer in the county was struggling to retain and recruit staff. Its voluntary turnover of staff for September was 15%, which was back to pre-pandemic levels. The council would continue to work hard at local and regional levels to improve recruitment and retention in children’s social care. In response, the same member suggested that the Chair of C&YPC should be on the board and that there should be some benchmarking against other local authorities of recruitment and retention rates. It was noted that the Chair and Vice-Chair of C&YPC did meet regularly with officers, but the Chief Executive

agreed to review how the communication and oversight of members could be reinforced. Action Required.

- highlighted the lack of deliverability of a considerable number of capital schemes. There was concern that money generating schemes were getting delayed resulting in an increase in costs. It was not appropriate to state that the increased tariff for electricity supplies, for example, would offset the costs of delays.
- highlighted the lack of recognition in the report that the policies of the Joint Administration were one of the reasons the budget gap had increase to nearly £28m. For example, the lack of advertising revenue was directly attributed to the changes to the advertising policy. Other policy changes increasing costs related to changes to This Land and the commitment to the real living wage. The Chair reported that the priorities of the Joint Administration were the priorities of the Council, so it was appropriate that they were reflected in the report as presented.
- highlighted the delays to the capital programme such as Alconbury Weald Special School, Soham Primary expansion and Wisbech Secondary School. It was also highlighted that half the cycling schemes were now expected to complete next year. The B1050 Shelfords Road would not commence until next year and the timeline had been increased for the Babraham Smart Energy Grid. It was suggested that it would have been helpful to have these projects delivered on time given the increase in construction costs.
- supported recommendation b) but suggested that it could slowly increase the capital programme. It was acknowledged that it might be necessary to delay or cancel some capital projects or put more prudential borrowing into the capital programme. However, it was important that it did not happen via recommendation b).
- highlighted the fact that this report did not reflect the recent significant increase in interest rates. The Head of Finance acknowledged that if the council borrowed at the moment, it would be paying interest rates quite a bit higher than six or seven weeks ago. The council's cash flow position was relatively healthy, and its next borrowing would not until March or April 2023. Interest rates would be kept under review with borrowing options taken if favourable. However, it was expected that there would be a financial cost which would be considered as part of the business planning process.
- queried whether staff pay inflation would be partly offset by staff vacancies. The Head of Finance reported that the council budgeted for a certain level of staff vacancies but the proposed pay award for the number of staff employed was higher than what had been budgeted for. The budget for pay inflation was 3.5% whilst the current pay offer being considered by the unions was 5% on average, as a flat increase was proposed nationally across all NJC grades, which was an increase of £3.5m in addition to what had been originally budgeted for. The Chief Executive reported that whilst the council had some vacancies, it was also spending money on agency workers, which increased the costs around salary

levels, so it was not possible to make a linear comparison between vacancies and pay increases.

It was resolved unanimously to:

- a) Note funds receivable under Homes for Ukraine and related grant streams and their earmarking and deployment, as set out in section 3.1, delegating authority to the section 151 officer to forward funding to District Councils and to Schools in compliance with the grant parameters; and
- b) Provide a delegated approval to the s151 Officer in consultation with the relevant policy and service committee chair for a limited 12- month period to be able to authorise a 5% variation on cost changes on schemes within the capital programme reaching Milestone 4, as set out in section 4.4.2.

#### 104. Adult Social Care IT System Procurement

The committee considered a report detailing the procurement of the IT solution to support Adult Social Care. Attention was drawn to the background to the current IT solution, Mosaic, and in particular, the time, energy, and cost to implement and embed this system. There had been continuous development of the product to support the service needs and changes to legislation. It was important to note that over the next few years, there would be significant challenges within the service in relation to Adult Social Care reform and the cap charge so the stability of the product and service was essential. It was therefore proposed to seek a 5 + 2 year contract at a total revenue value of £3.5m with an additional capital cost of £250k for internal project delivery costs. The report set out of the benefits of the current system being hosted in the cloud by the supplier in line with the Council's IT Strategy.

In welcoming the recommendations, the Chair of Adults and Health Committee expressed his regret that the report, in his opinion, had not acknowledged the shortfalls of the past.

Another member stressed the need to move forward but reminded the committee of the IT challenges faced by the public sector in the past. There was therefore a need to be cautious when making changes to IT to avoid greater problems in the future. It was queried whether the council was taking a risk by opting for a cloud solution, which did not require a disaster recovery option. The Head of Business & Digital Systems reminded members of the current arrangements. The move to a cloud solution meant that disaster recovery was built into the product provided by the supplier via several data centres; the responsibility for disaster recovery therefore moved to the supplier. The same member queried what would happen if the provider had a problem. It was noted that part of the procurement would involve reviewing the provider's hosted solution ensuring the council was satisfied with the controls in place including disaster recovery. If the product was not available then the service would need to implement business continuity measures. The Chair stressed the importance of relying on officers for their professional advice and expertise.

Attention was drawn to recommendation b), one member reported concerns about delegating unlimited funding to officers. The Service Director: Finance and Procurement

reminded members that any delegation was driven by the approved budget so if estimates exceeded that budget then the decision would come back to committee through business planning. It was noted that under the Scheme of Financial Management there was provision for officers to approve financial transfers up to £175k but this would require identifying a compensating saving.

One member queried the protection available to deal with the rise in cybercrime. It was noted that this would be considered as part of the procurement evaluation solution. The Chief Executive commented that cloud-based systems were more secure than on premise servers.

It was resolved unanimously to agree:

- a) the procurement of the IT solution supporting Adult Social Care.
- b) to delegate the decision to award the contract to the Director of Adult Social Care and the Section 151 Officer in consultation with the Chair & Vice Chair of the Adults and Health Committee.

## 105. Mobile Phone Reprocurement

The committee considered a report detailing the background to the procurement and award of a new contract for a period of up to 2+1 years for mobile phones, including phone calls, text messages and data. The current contract with Vodafone was due to end in June 2023. The total new contract value was expected to be in the region of £336k per annum and was likely to realise a saving against the current cost of mobile phone usage.

One member reported that he had been forced to turn on 4G on his computer when using the public Wi-Fi system, which had increased costs. It was acknowledged that changes had been made to the system but it was not clear yet whether this would assist this member and others personally.

It was resolved by a majority to:

- a) agree the procurement of the mobile phone contract.
- b) agree to delegate the decision to award the contract to the Section 151 Officer in consultation with the Chair & Vice Chair of the Strategy & Resources Committee.

## 106. Business Planning Update for 2023-28

The committee received a report outlining the process of setting a business plan and financial strategy for 2023-2028. Since the publication of the last business plan, the financial outlook had changed significantly. It was now dominated by inflation reflected in increases in energy prices, staff pay and construction/capital costs. Inflation on its own had doubled the funding gap to over £34m but mitigations had reduced this figure to £28.6m. Members were reminded of several uncertainties facing the council relating to waste management, social care capacity, passenger transport, the safety valve (high needs) arrangements and the refinancing of borrowing costs.

Attention was drawn to the graph at section 1.5 detailing the potential range of cumulative budget gap over the medium term, which could worsen. The council therefore needed to identify a sustainable footing for its budgets. Although the council had made additional reserve provision, these were one off funds so options to reduce spend were required. Members noted the proposal to continue to focus on a range of more fundamental changes to the way the council worked, but investment in these areas could only be considered when the savings requirement was met. Section 3 of the report detailed the impacts which had led to the current budget position and section 4 detailed the capital programme which would require further prioritisation. The committee was advised that this would be an extremely difficult budget round and urgent work was taking place to progress and review options to present to the next meeting.

Individual members then raised the following issues in relation to the report:

- expressed concern that the Prime Minister had confirmed that Adult Social Care reform would continue but had not set a timescale or indicated how it would be funded.
- confirmed that some of the work in the areas listed in Section 1.13 was about doing things differently rather than relying on the savings requirement being met first.
- expressed concern that the prediction used in the earlier years in the graph in Section 1.5 reflected a worst-case scenario and could therefore result in unnecessary savings.
- highlighted the fact that there would be no spending review in 2022. The council was therefore expecting a real term cut in funding in the region of 30%, which would mean prioritising decisions.
- highlighted the reference to difficult decisions needing to be made in Section 1.6 to close the budget gap. It was suggested that this meant cuts in services for vulnerable people. When making decisions, the council therefore needed to balance this against policy decisions taken which had widened the budget gap.
- suggested that applications for up to £2.1b over the next two years to support local authorities, housing associations, schools and hospitals invest in energy efficiency and renewable heating should not be made through the CPCA given its previous record.
- requested information on the impact of paying the real living wage increase.
- noted the proposal to capitalise the funding of replacement staff laptops and queried whether there were any other opportunities for capitalisation. Members were informed that the council was looking at opportunities to capitalise such as for work on the highway for example. The Chief Executive reminded the committee that there was also pressure on the capital budget.

The Chair highlighted the impact of recent government decisions on the council's budget, which would mean it would have to make some very difficult choices. The

impact of summer temperatures had also added to the council's pressures particularly in relation to the state of the county's roads. The council would therefore have to mitigate and deal with the consequences of climate change.

It was resolved unanimously to note:

- a. the overview and context provided for the 2023 – 2028 business plan.
- b. the initial estimates made for demand, inflationary and other pressures.
- c. overview and estimates made for the updated capital programme.

#### 107. Draft Anti-Fraud & Corruption Policy and Draft Anti-Money Laundering Policy

The council's Anti-Fraud & Corruption Policy and Anti-Money Laundering Policy were last reviewed and approved by the committee in 2017. Both policies had now been completely redrafted and refreshed, with the aim of improving accessibility as well as reflecting changing legislative requirements and best practice recommendations. The draft policies had also been reviewed and approved by Corporate Leadership and then presented to the council's unions, where they were endorsed with no changes. Audit and Accounts Committee, as the designated committee for monitoring both policies, had reviewed them at its meeting on 29 September. Once the final versions of the draft policies were approved by committee, they would be published on the council's website and staff intranet. The Internal Audit Service would also arrange a publicity campaign to increase staff awareness and to promote the Fraud Prevention eLearning. There would then be a review of the council's Fraud Response Plan.

One member reported that the council advertised in the policy a zero-tolerance approach to fraud but this was not actually the case. In practice, the council had a de minimis application of its Anti-Fraud Policy. The Chief Executive acknowledged that a professional judgement and de minimis position needed to be applied based on the test of reasonableness.

Another member queried whether checking the policy against an online Flesch-Kincaid readability checking to ensure accessibility was the right approach. It was noted that this checker had been recommended by the council's Equality and Diversity Team. It was acknowledged that the complicated subject matter made it difficult to achieve completely accessibility. One member reminded the committee of concerns regarding the removal of waivers if only one bid was received which could be a direct route to fraud. Attention was drawn to the warning signs for possible money laundering, and the fact staff were asked to flag a risk if an individual or a business wanted to make a large payment in cash.

It was resolved unanimously to approve the draft Anti-Fraud & Corruption Policy and draft Anti-Money Laundering Policy.

## 108. Corporate Performance Report

The committee considered performance information for corporate services for quarter one, which included progress against the council's Joint Agreement Action Plan. It was proposed to remove KPI 207 as there was significant overlap between two other KPIs reporting on council income. It was noted that of the 18 indicators, three were reported as off target by more than 10% relating to contract waivers, Freedom of Information requests and Subject Access requests.

One member expressed concern that the number of waivers submitted less than 5 days before their proposed start date continued at a reasonably high level. It was therefore disappointing that one of the ways being taken to minimise high value waivers was the removal of the need for a waiver if a competition resulted in fewer than three bids, as it provided a potential area of risk. It was suggested that there needed to be a robust system in place to review the operation of this new process including when it was used.

The Service Director: Finance and Procurement reminded the committee that the changes made to the contract procedure rules were in response to the findings of the external auditor. It was acknowledged that the council's record keeping had been poor, in the past; from that perspective it was welcome that the number of waivers was higher indicating greater compliance. The council was still obliged to follow a competitive process to comply with regulations or it needed a waiver, whereas this was not the case if a competitive process had not yielded multiple bidders. Transparency regarding the number of waivers issued was set out in the appendix to the report. It was noted that this area would continue to receive ongoing attention, and the Chief Executive agreed to review the changes to ensure controls were as robust as possible. **Action Required.**

The Chair of Adults and Health Committee reported that every contract extension in his area was scrutinised. Many of the extensions were due to the disruption caused by Covid and not being the right time to change contracts as the services were recovering. There was also the danger of not accessing government grants if the contracts were changed. It was important to have controls to prevent corruption and collusion but positive decisions could be made about contract waivers where the market did not provide bids due to the economic crisis.

The same member stressed the need to speed up the proportion of Freedom of Information requests responded to within statutory timescales in order to achieve openness and transparency. The Chief Executive explained that the delay was due to performance failure which was being addressed by the Head of Information and Governance.

Another member welcomed the inclusion of indicators 205 and 206 but queried when information would be available. It was noted that benchmarking information was currently being collected so reporting could start next financial year. One member highlighted the need for benchmarking of performance against other authorities. The Chief Executive reported that some information was available through the East of England Local Government Association. However, the council would need to join a benchmarking organisation to obtain other information which came at a cost.

Another member drew attention to the health of the organisation reflected in the fact that only 59% of staff felt valued, which was a contributory factor to turnover. This was also reflected in indicator 213 detailing the number of FTE days lost to anxiety, mental health, depression and stress. It was noted that in 2020, 6,000 FTE days had been lost compared to the new figure of 10,000 days. It was therefore important the council addressed the issues of staff retention and recruitment as quickly as possible. The Chief Executive endorsed the need for staff to feel valued. He explained that the 59% statistic related to June 2021, and as detailed in the appendix a review was being carried out as to how the authority undertook its employee surveys in order to provide a more robust approach when the next survey was conducted in January 2023.

The Chair drew attention to indicator 190: Proportion of information enquiries resolved at first point of contact which was performing very well and asked the Executive Director of Strategy and Partnership to pass on her thanks to the Contact Centre.  
**Action Required.**

It was resolved unanimously to:

- a) Review and agree the proposed additions and removals to the Corporate Services Key Performance Indicators (KPIs).
- b) Monitor progress of Corporate Services and identify remedial action as required.
- c) Scrutinise performance information for the Council's Joint Agreement Action Plan.

#### 109. Strategy and Resources Committee Agenda Plan, Training Plan, Appointments to Outside Bodies and Internal Advisory Groups

The committee was asked to review its agenda plan and training plan, appointments to outside bodies and internal advisory groups and panels.

It was resolved unanimously to note the agenda and training plans.

#### 110. Exclusion of Press and Public

It was resolved unanimously that the press and public be excluded from the meeting on the grounds that the agenda contained exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed, as it referred to information relating to the financial or business affairs of any particular person (including the authority holding that information).

#### 111. Property acquisitions in Impington and St Neots

The Committee considered a report on property acquisitions in Impington and St Neots.

It was resolved unanimously to agree the recommendations set out in the report.

Chair