

STRATEGY AND RESOURCES COMMITTEE: MINUTES

Date: 27 June 2022

Time: 10.00a.m. to 3.45p.m.

Venue: Multi-Function Room, New Shire Hall, Alconbury Weald

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

71. Notification of Chair and Vice-Chair

It was resolved to note that the Council had appointed Councillor Nethsingha as the Chair and Councillor Meschini as the Vice-Chair for the municipal year 2022-23.

72. Apologies for Absence and Declarations of Interest

Apologies were received from Councillors Goldsack and Nethsingha.

No declarations of interest were made.

73. Minutes – 29th March 2022 and Action Log

The minutes of the meeting held on 29th March 2022 were agreed as a correct record and signed by the Vice-Chair; a completed action log was also noted.

In relation to the first action on the action log, one Member asked about plans to bring back some more services inhouse. The Director of Resources reported that the Council was coming up to an important point in the commissioning cycle for a number of services, particularly where there had been extensions through the pandemic. A pre-procurement proforma had been introduced, which would be taken to a soon to be established Cambridgeshire focussed Procurement Governance Board. The Council's largest area of external spend was in People and Communities, there was work in that area, with support from consultancy, to look at future opportunities. Given all the challenges impacting on the Council a mixed economy of supply was important.

Another Member challenged whether it was appropriate for this question to be asked under the Action Log.

74. Petitions and Public Questions

No petitions or public questions were received.

75. Decentralisation

Members were reminded that the Communities, Social Mobility and Inclusion Committee (CoSMIC) had agreed high-level elements to the Council's decentralisation approach and a number of principles. The Strategy and Resources Committee was now asked to ensure that these connected with other strategic priorities, legislative changes and priorities across the Cambridgeshire public sector system. Attention was drawn to the policy position, outcomes and principles set out in Section 2 of the report. Members were advised of the current position reflecting a desktop diagnostic review of current service delivery models against the principles of decentralisation, which also included case studies. The next steps included proposals to establish a series of pilots to test and learn from the principles of decentralisation. The Council had and would continue to engage with its partners as the work on decentralisation developed.

In discussing what was meant by decentralisation, individual Members raised the following:

- decision making brought closer to the communities affected by it.
- the matching of need to local circumstances including the engagement of residents in service design or localisation of delivery by recognising that not every community was alike.
- developing relationships with communities rather than just Town and Parish Councils to encourage deliberative democracy.
- empowering residents and communities and providing a safe and just space in relation to issues such as economic outlook.
- highlighted the set of policies set out in the bullets in Section 2.1 which informed the approach to decentralisation.

Individual Members then raised the following further issues in relation to the report:

- the need for Committee to agree the principles of decentralisation before it could decide how it would work in practice, and the importance of testing it via some pilots.
- highlighted the significant work on decentralisation carried out by the previous administration and expressed disappointment at the time taken to get to this point. In response, another Member commented that a substantial amount of work had taken place led by CoSMIC.
- welcomed the report as it was a complex process to unpick the concepts of decentralisation, which reflected a more open approach than previously considered.
- highlighted the need to change the current silo working of the Integrated Care System.
- suggested that too much of the Council was centrally driven but with Directorates not always working in a corporate way.

- welcomed any proposal for a bottom-up approach but this process was the opposite as it started with a top-down with a strategy. The same Member reported that she had suggested previously giving money directly to those Town and Parish Councils who were interested in funding local projects. The report did not recognise what local people, Town and Parish Councils were currently doing. The Director Business Improvement & Development (BID) confirmed that there was no intention to write a top-down strategy as demonstrated in Section 4 of the report. She acknowledged that there were countless examples of great things going on in communities, but it was impossible to include all of them in the report. She added that it was important not to have a centralised approach to decentralisation.
- questioned Section 4.2.6 of the report relating to Wisbech Town Council. It was reported that discussions at that meeting had focussed primarily on cemeteries and ground maintenance both of which were District Council functions. It was also felt that Joint Area Committees would not work as well in areas outside of Cambridge.
- highlighted the fact that Fenland District Council strongly supported the principle of subsidiarity. There was concern that this report did not reflect local decision making which would produce different results on a policy basis at local level.
- expressed concern that decentralisation would lead to yet another layer of bureaucracy in relation to decision making different in each area.
- suggested that the absence of identified resources meant the Council was not ready to introduce decentralisation.
- expressed concern regarding delays to capital projects and the significant increase in costs since May 2021. The Committee was reminded of the impact of inflation nationally and other national and international pressures.
- reminded Members that decentralisation did not mean the Council could abdicate responsibility for decisions. It was suggested that the report did not demonstrate how this responsibility would be maintained.
- highlighted the need to include in the next report a simple clear and agreed definition of what decentralisation in this case was about. In response it was noted that the Joint Administration was clear about its approach to decentralisation.

Councillor Count proposed the following amendment to add two additional recommendations, seconded by Councillor Hoy:

- (d) allocate £400k Just Transition funding per year for three years to fund a team who will implement decentralisation projects as part of the restructured communities directorate.
- (e) ask officers to bring back to Strategy and Resources Committee as soon as possible an overarching strategic framework and targets for this project to operate in. Using Key Performance Indicators (KPI) indicating quantitative and qualitative criteria, including the repayment of the £1.2m initial staffing costs.

Individual Members raised the following issues in relation to the amendment:

- expressed disappointment that actions reflected in the amendment had not been included in the report but hoped that they would be included for the September meeting. The importance of measurement was stressed in order to understand the impact of the outcomes to be achieved.
- reminded the Committee that the report was about decentralisation so setting up a centralised staff team was not the best way to progress this aim. It was acknowledged that KPIs would be set when there were specific actions but not at this point when the Committee was dealing with philosophy and principles.
- highlighted at Section 8.1 the preparation of Business Cases associated with this work. Welcomed the pilot approach which would be supported by the BID Team to explore the breath and limit of opportunity.
- suggested that the only way to progress this work was through Place Based Working which had been advocated by the previous administration. The amendment was proposing to put in resource which would progress this work. The Chair of CoSMIC reminded the Committee that the Council was keen to continue to work with District, Town and Parish partners but Place Based Working was only part of the process.

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

It was resolved by majority to:

- a) agree to the policy framework that drives the Council's decentralisation approach, sections 2.1;
- b) agree the design principles for decentralisation work, as laid out in section 2.3; and
- c) note and endorse the next steps and pilot approach in sections 4.1 and 4.2.

76. Secure Web Gateway

The Committee considered a report detailing a request to procure a set of services (Secure Web Gateway) for the Council in order to secure, flexible, scalable gateway services, which would support its future strategic ambitions in line with its IT Strategy. Attention was drawn to the main issues relating to cyber security, remote, flexible and hybrid working, and future proofing. It was noted that the overall approach to the procurement would be subject to ratification from an external assurance perspective.

One Member drew attention to the possible additional costs set out in Section 4.2 of the report and queried how long the proposed changes would last. The Assistant Director of IT and Digital Services explained that the procurement was likely to be for a three-year period. Soft market testing had identified indicative costs of between £150k to £250k for this financial year over and above existing revenue budgets. At the end of the contract period, the Service would need to reprocure, which might involve reprocuring the same piece of technology.

Another Member expressed surprise that the Committee was being asked to delegate the award of the contract when there was no detailed financial information included in the report. It was suggested that the lack of information in the report was partially the result of moving to quarterly meetings, which made timetabling for such contracts challenging. It was requested therefore that the additional capital and revenue costs when available be reported to a future meeting so the Council could be assured the process was under control. The Vice-Chair reported that she was not prepared to delay the decision but agreed that the Committee should be updated. **Action Required.**

It was resolved by a majority to:

- a) Agree to the procurement of a set of services (Secure Web Gateway) via an approved framework agreement.
- b) Agree to delegate the award of this contract to the Section 151 Officer in consultation with the Chair and Vice Chair of the Strategy and Resources Committee.

77. Highways System Replacement

The Committee considered a report detailing the requirement to go out to tender for the Highways Asset Management IT System Replacement. Soft market testing had already been carried out, which had identified a number of systems with the cost likely to exceed £500k. It had also been identified that a full competitive tender was the best approach to ensure regulatory compliance, value for money and a high-quality product through an established framework. Attention was drawn to the benefits of a new system set out in Section 1.4 of the report. It was noted that a workshop was planned for Highways and Transport Committee (H&TC) to enable it to input into specification on the future system.

Members expressed concern about the lack of information regarding the cost and scale of the contract. It was queried whether all the capital costs would be paid off by 2024/25 as that was not detailed in the report and whether there were revenue implications over and above existing commitments. The lifespan of the system was also queried. The involvement of H&TC was welcomed, and it was questioned whether that Committee would sign off the procurement. It was asked how the requirements for this system had been developed so far given the current lack of reporting back on progress in relation to highway faults. The lack of Member involvement was raised, and it was queried whether the Chair and Vice-Chair of H&TC had been consulted and whether the H&TC would be involved in identifying the requirements.

The Head of Business and Digital Systems reported that full costs would not be known until the procurement exercise had been completed. Based on previous experience, it was expected that the correct level of capital investment had been set aside for the implementation. It was also expected that the annual revenue cost would be between £100k and £150k. The duration of the contract was likely to be 3-5 years with the possibility of an extension. The specification had been written by the Highways and IT Services who both had extensive experience of the operation of such a system and the delivery of such products. The involvement of H&TC would ratify what was being proposed and capture the public engagement requirements.

In response, Members queried the broad range of the capital costs. It was suggested that the Council was buying a set of world class business processes, which were then embedded into an IT System. In customising the system in response to change requests from Highways, it was queried how the Council would preserve the integrity of the system whilst making it fit for purpose. In parallel it was also queried whether Highways was considering changes to work processes to take advantage of the capabilities of the new system. One Member reported that as far as he was aware there had been no discussion of this system at the Highways Improvement Board or H&TC. Given this possible lack of engagement, the timescales for implementing a new system were queried.

The Head of Business and Digital Systems reported that £500k had been allocated split over 2022/23 and 2023/24 to meet capital costs. It was hoped to implement the new system for live launch by April 2024, and it was noted that part of the implementation process would involve reviewing how the services worked. The Assistant Director of Highways reported that the workshop scheduled for July was not intended to be the only engagement with Members. Officers would continue to work with Members on the specification and feedback in relation to customer engagement. Highways was currently re-engineering its current business processes internally in relation to how officers used the system to deliver services. Any delay in going out to market would delay the benefits of a new system.

The Chief Executive informed the Committee that it was best to adopt not adapt a new system as customisation was expensive. He suggested that this fundamental principle needed to be included in the refresh of the IT and Digital Strategy. The underlying principle that the Council would change its business processes to match any new system was important and should be considered by officers. He suggested that officers needed to do some further work so deferring the decision to the next meeting was appropriate to achieve a clearer scope and involvement of Members.

In response, Members were of the view that this item should be deferred. It was suggested that the process should be reviewed to prevent a similar situation in the future. **Action Required.** In relation to the specification, it was suggested that the provision of information to Members and residents should be a core function and not an additional extra to the system. Members would value the requirements and capabilities of the software to be adopted to be well socialised not just with the Highways Improvement Board and H&TC. It was also suggested that the Contact Centre should be considered, and the time taken by Members to respond to questions from the public.

Councillor Dupré moved to defer the report to the next meeting of the Strategy and Resources Committee, seconded by Councillor Count.

It was resolved unanimously to defer the report to the next meeting of the Strategy and Resources Committee.

78. Access Control Re-tender of Contract for Cambridgeshire County Officers, Buildings and Car Parks

The Committee considered the re-tender of the access control security contract for the Council's non-school buildings. Attention was drawn to Section 2 of the report which confirmed that a number of extensions had taken place in response to a variety of issues. It was a fixed and closed system which was unlikely to be customised so was therefore different to other IT systems. The contract was longer than normal contracts because it could involve the installation of hardware. The value of the contract was approximately £70,000 per year, with a total cost of £700,000 across the proposed term of the new contract. It was hoped that innovation would result in these costs reducing but this needed to be balanced against rising costs of inflation. The purpose of the report was to explore the full spectrum of the marketplace in relation to closed and open systems.

One Member queried why this report had not been presented three months earlier given that lack of leeway at this stage. Another Member queried the capital costs of new hardware involved in the re-tender. The Assistant Director Property explained that the Facilities Management Team and Procurement had been working on the re-tender since September. Unfortunately, the process had been delayed due to the impact on resources of Covid, Cams 2020 and changes to the procurement rules. In relation to the costs, it was noted that this was why the Council was going to the market to identify what was on offer, but it was keen to avoid potential capital costs.

One Member asked for the planning of procurements to be reviewed and improved so that they were presented to the relevant committee in plenty of time. In response, another Member reminded the Committee of the reasons why this paper had not been produced earlier due to the significant pressure of Covid on the resources of the Team. The Chief Executive commended the Assistant Director Property and the Team for the work they had been doing particularly in relation to Covid across the Council's estate. The appointment of a new Head of Facilities Management had strengthened the Team. He explained that the new Head of Procurement was very conscious of these issues and was trying to further strengthen arrangements. He added that arrangements around procurement, commercial and contract management were very much part of current restructuring proposals.

It was resolved by a majority to:

- a) Authorise the re-tender of the access control contract for Authority buildings and some car parks which was due to expire on 31st March 2023.
- b) Approve the commencement of the re-procurement of the access control Facilities Management Contract for a term of 8 years from 1 April 2023 to 31 March 2031 with the option to extend for a two further years as single annual extensions, which equates to an 8 + 1 + 1 year term.
- c) Delegate authority to the Director of Resources and Assistant Director of Property to appoint a contractor after a competitive procurement process and complete all necessary contractual documents in accordance with Council procedures.

79. Shared Services Update

The Chief Executive presented a brief update on the continuation of some shared services arrangements following joint work undertaken with the Chief Executive of Peterborough City Council (PCC). The outcome of the Local Government Association Corporate Peer Challenge, the increased differentiation in agenda for both authorities, and the need to focus some resources purely on Cambridgeshire had been considered. Key criteria were set out in the report for the continuation of shared arrangements particularly in relation to resilience and the discharge of significant duties and responsibilities. He reminded the Committee that a review of the Council's senior leadership arrangements was taking place and would be considered by Staffing and Appeals Committee on 4 July. It was noted that any future strategic decisions regarding new or enhanced shared services would require committee approval.

In welcoming the report, individual Members raised the following issues:

- highlighted the need to balance the expediency of having shared services in terms of resilience and capacity particularly in more specialist areas against greater control and sovereignty over senior staff. It was queried whether there were a range of options in relation to this issue. The Chief Executive acknowledged that there was not a one-size fits all option for shared services so in relation to balance it had to work well for the Council from an operational perspective informed by the policy position of the Joint Administration.
- queried in relation to procurement whether it was best to have it inhouse or shared. It was noted that the Council had been building its inhouse procurement capability and had an exceptionally hard-working professional team. It was important to build the Council's inhouse capacity first before considering any future sharing. It was also possible given the specialist nature of this work that the Council might wish to consider resilience issues in the longer term.
- acknowledged the importance of shared services with PCC and other authorities. The Council was trying to change the balance from a focus on specialist expertise at a more centralised level towards a more decentralised level. It was reported in relation to Section 2.3 of the report regarding Adults, Children and Public Health that although the focus was on the senior leadership, there was also a focus on the staffing level below this. It was noted that there was already a high degree of differentiation below staff at senior level in shared services for children's and adults' social care. The majority of staff who worked predominantly in Cambridgeshire were employed by the Council. Greater sharing was more common in Social Care Commissioning and steps were being taken to consider how further differentiation could take place particularly in relation to contract management. Attention was also drawn to Regulatory Services which were shared beyond PCC.
- queried the process for new shared service arrangements and in particular the role of the relevant policy and service committee. It was noted that the Council was continuing with some shared roles in children and young people with the recruitment process underway for two of the senior roles, which would be considered by Staffing and Appeals Committee and the equivalent committee for PCC. Other shared service roles below Service Director would be appointed to via the Section 133

agreement and not committee and would be subject to officer governance arrangements.

One Member drew attention to the Joint Agreement pact which in his view confirmed that no senior staff would be shared with PCC. The same Member stated that some shared services worked, and some were better than other arrangements. There was concern that the Joint Administration statement and the time taken to undertake the review had detrimentally impacted on staff morale. The same Member went on to assert that it was resulting in a £4m reorganisation of the senior leadership structure at the expense of front-line services. In response, the Committee was reminded that the Joint Administration pact had placed a moratorium on any new senior shared appointments with PCC dependent on the outcome of a review. It was noted that councils nationally were suffering from recruitment and retention difficulties. There was no evidence that staff morale was a problem so there was a danger that this message could deter new recruits.

It was resolved by a majority to:

- a) note the development of a clear set of services for continued sharing, at a senior level with Peterborough City Council, in accordance with the provisions of the Section 113 agreement between the 2 authorities.
- b) note that formal statutory consultation is underway in respect of reshaping the senior leadership of the Council, providing future clarity for these functions and sufficient differentiation between shared and non-shared services.
- c) approve that any future strategic decisions relating to entering any new or enhanced shared services arrangements would require a formal policy decision through the Strategy and Resources Committee.

80. Corporate Performance Report

The Committee considered performance information for corporate services, an update on the development of performance measures for Strategic Framework Corporate Priorities (Strategic KPIs), progress of Joint Agreement Action Plan and an amendment to the Performance Management Framework. Attention was drawn to two new KPIs for Corporate Services concerning communications. There were currently three indicators which were red relating to contract waivers, Freedom of Information requests and Subject Access requests. All policy and service committees were on track to resume performance scrutiny by October at the latest.

One Member expressed concern regarding Indicator 169 and the number of contract waivers with a value of £100,000 or more, that were submitted less than 5 days before their proposed start date. Whilst it was acknowledged that Audit and Accounts Committee had reviewed this indicator, it was suggested that the outcome of its discussion should have been included in the report. The same Member had expressed concerns at the last full Council meeting regarding changes to the waiver rules as he felt it exposed the Council to a greater degree of risk of poor value contracts or fraud. It was suggested that the Chairs of Strategy and Resources and Audit and Accounts Committees should take action to address this issue.

The Director of Resources acknowledged the role of Audit and Accounts Committee regarding this issue following recommendations identified by external audit. It was important that Strategy and Resources Committee kept this area of procurement compliance under close focus. He advised that the changes made to the rules by Council related to post award process where the Council had received fewer than three bids, therefore after the competitive stage, which reflected the standard approach across the sector. He reminded the Committee that both officers and Members were governed by policies to prevent fraud, such as codes of conduct. He explained that it was positive that the Council was seeing a higher number of waivers as it reflected broader procurement compliance. The KPI provided an opportunity to really examine individual incidences with the reason set out for each incident on page 65 of the agenda.

The Chair of Audit and Accounts Committee reassured the Committee that this item had been discussed extensively by his committee. Audit and Accounts Committee had been informed that actions were being taken including changes to the Procurement Team. He also highlighted the fact that there were several checks to stop the occurrence of fraud. Another Member raised the need for greater Member involvement in risk management.

It was resolved unanimously to:

- a) Review and agree the proposed additions to/removals from the Corporate Services Key Performance Indicators (KPIs) set, monitor progress of Corporate Services and identify remedial action as required.
- b) Scrutinise performance information for the Council's Joint Agreement Action Plan.
- c) Note progress on resuming business-as-usual performance reporting to Policy and Service Committees, including an update on development of KPIs.
- d) Agree proposed Strategic Key Performance Indicators (SKPIs).
- e) Approve an amendment to the Performance Management Framework.

81. Treasury Management Report – Quarter Four Update 2021-22

The Committee considered the quarterly update on the Treasury Management Strategy 2021/22, approved by Council in February 2021.

One Member commented that the assessments in the report for 2022/23 were already out of day due to the set method of reporting. Attention was drawn to Table 5 detailing loans/equity holdings in Pathfinder Legal Services. Given the solvency of the company, it was queried whether it was in the Council and Shareholders' interests for the cashflow loan to be repaid as late as 2029/30. The Director of Resources explained it was a long-term loan agreement with the interest agreed at a particular point in time reflecting the Council's borrowing portfolio. It was assessed on the basis that the company would have long term working capital needs as it billed for work in arrears. There was currently no mechanism to reopen it, but it would be kept under review particularly in relation to whether it was detrimental to the shareholders.

It was resolved unanimously to note the Treasury Management Quarter Four Outturn Report for 2021/22 and endorse it for consideration at Full Council.

82. 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, and the appointment of Member Champions to lead on specific subject areas.

Councillor Count proposed the following amendment (additions in bold and deletions in strikethrough), seconded by Councillor Boden:

(iv) review the appointments to Internal Advisory Groups and Panels as detailed in Appendix 4, and agree to change the composition of the County Farms Working Group so that it becomes a **politically proportional** cross committee working group under the auspices of Strategy and Resources and Environment and Green Investment Committees with a membership of eight with **four** ~~one~~ members from each ~~group from each~~ of the parent committees; and

(v) ask Full Council to amend the Constitution to enable all internal working groups to be politically proportionate; and

~~(v)~~ **vi**) review the appointment of Member Champions as detailed in Appendix 5.

Councillor Count was of the view that the Joint Administration was taking advantage of the fact that working groups were not required to be legally proportionate. He was also concerned working groups were taking decisions behind closed doors which were then just approved by committees. In response, another Member reported that the Conservative Group had two members on the County Farms Working Group and the other working groups set up in a similar format. These working groups were precluded from making decisions but had been set up to consider ideas and options and seek the views of all groups, which could then be presented to the relevant committee. Members were reminded that the previous administration had excluded the opposition completely from a number of working groups.

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

It was resolved unanimously to:

(i) review its agenda plan attached at Appendix 1;

(ii) review its training plan attached at Appendix 2;

(iii) review the appointments to outside bodies as detailed in Appendix 3;

(iv) review the appointments to Internal Advisory Groups and Panels as detailed in Appendix 4, and agree to change the composition of the County Farms Working Group so that it becomes a cross committee working group under the auspices of Strategy and Resources and Environment and Green Investment Committees with

a membership of eight with one member from each group from each of the parent committees; and

(v) review the appointment of Member Champions as detailed in Appendix 5.

83. Integrated Finance Monitoring Report for the period ending 31 March 2022

The Committee received a report detailing the financial performance of the Council for the 2021/22 financial year. The overall revenue budget position was an underspend of £18.760m at year-end. Members had been alerted previously to the reasons for this underspend, which were set out in Sections 2.3 to 2.5 of the report. The Director of Resources reminded the Committee of the challenging budget position over the medium-term, with budget gaps from 2023/24, and a continuing high level of uncertainty. He drew attention to the impact of increasing inflation, and the pressure on the High Needs Block Special Educational Needs and Disability.

Councillor Count moved the following amendment, seconded by Councillor Boden (additions in bold and deletions in strikethrough):

- a) Approve a total minimum revenue provision payment for the year of ~~£22.664m~~, **£19.136m** including a voluntary overpayment, for the reasons set out in section 9.2;
- b) Approve the accounting for the internal borrowing funding swaps set out in section 12.6;
- c) Approve the transfers to and from earmarked reserves totalling a net £894k, as set out in section 13.1; ~~and~~
- d) Note and comment on the Finance Monitoring Report for Corporate Services (Appendix 4);-
- e) Note and comment on the Finance Monitoring Report for Corporate Services (Appendix 4);-
- (f) For transparency note the outturn revenue budget underspend of £18.76m is after recommendations are agreed. The actual pre-recommendation figure is £24.76m. Note the capital programme underspend of £43.7m does not include the capital variations budget. Once this is incorporated the Capital Programme under delivery is actually £80.4m; and**
- (g) Introduce a new MRP/ASC precept reserve for £3.528m. (Noting, if not necessary for change in MRP guidance £3.525m to be refunded to Cambridgeshire Taxpayers).**

Councillor Count stressed the importance of transparency as the reported underspend reflected the recommendations contained within this report; the revenue underspend was therefore actually £24.76m. He drew attention to the capital programme underspend which was noted as £43.7m. However, it did not take account of the

variations budget so in effect the underspend was actually £80.4m. He acknowledged the reasons given for the underspends but stressed that around £100m of budget had not been delivered. He reminded Members that there was also a £4m underspend in the adults' reserve, and the Public Health reserve with the latter being used to fund programmes in the current financial year. He was therefore concerned that the Council was not delivering the services it had the budget for. The additional recommendation (g) reflected the need to fund possible rules introduced by government, but this money should be refunded if the rules were not introduced.

Another Member reminded the Committee of the revenue shortfall of £17m for 2022/23 and £60m facing the Council over the next three years so it was not responsible to accept the amendment.

On being put the vote, the amendment was lost.

Individual Members raised the following issues in relation to the report:

- welcomed the Public Health budget being set as zero in the table in Section 3.1. to reflect the fact it was ringfenced expenditure.
- highlighted the need to interpret the figures in the graph reflecting the forecast outturn position 2021/22 on page 125 of the agenda. There was concern that figures identified early in the financial year which were likely to change significantly were being used to justify spend. The Director of Resources acknowledged the point raised and commented on forecast accuracy in recent years. The aspiration was to be as accurate with the forecast as early as possible, but this had been challenging during the pandemic.
- highlighted the underspend of £21.052m in Place and Economy, which reflected pre-existing issues rather than issues occurring during the last reporting period. In response to a query regarding the process for reporting underspends, the Director of Resources explained that the Finance Team worked on a business partner basis. These officers had professional challenge relationships with budget holders to scrutinise the quality of the narrative and accuracy the figures. He acknowledged that capital forecasting needed further attention in some areas. It was noted that the Service Director for Highways and Transport had just joined the Capital Programme Board. Members were informed that these reports were also considered by Corporate Leadership Team on a monthly basis. He agreed to review the presentation of such underspends in the future. **Action Required.**
- explained that the underspends in Adults had not increased dramatically since January. The impact of Covid loss had been significant and it was unpredictable what would change. The pressure of recruitment on providers and the Council's own staff was limiting the capacity to deliver services. The Government's Winter Pressures funding was being discontinued and the Council had been impacted by the award of a contract to assist with hospital discharge to the Cambridgeshire and Peterborough Foundation Trust. Another Member commented on the appropriateness of only knowing what the underspend was going to be in January. The Director of Resources reported that there were a number of staff in the Finance Team dedicated to Adult Social Care forecasting. It was not unusual for it to take

some time before a fully accurate estimate was available, particularly as they were highly volatile budgets.

- welcomed the impact of delivering more care locally as the basis for decommissioning some Mobile Care Teams.
- confirmed that at all stages the Council had committed to what the Director of Public Health recommended was the minimum to leave in reserve for outstanding commitments including the NHS pay award. This issue had already been considered by Adults and Health Committee in January and would be considered again in July.
- expressed concern about the impact on the most vulnerable of the SEND reforms particularly in relation to access for special needs children.
- reminded the Committee that Council in February had increased its reserve policy from 3% to 4% taking reserves up to £18m. However, this had been exceeded so that the Council now had a £46m reserve. At that meeting, it had been highlighted that the underspend figure was much larger than £7.7m. resulting in the Council having an outturn figure of £26m. The need for the Cambridgeshire residents to receive a refund was therefore highlighted.

It was resolved unanimously to:

- a) Note the additional £1.7m Contain Outbreak Management Fund grant income applied centrally, as set out in section 6.1;
- b) Approve a total minimum revenue provision payment for the year of £22.664m, including a voluntary overpayment, for the reasons set out in section 9.2;
- c) Approve the accounting for the internal borrowing funding swaps set out in section 12.6;
- d) Approve the transfers to and from earmarked reserves totalling a net £894k, as set out in section 13.1; and
- e) Note and comment on the Finance Monitoring Report for Corporate Services (Appendix 4).

84. Integrated Finance Monitoring Report for the period ending 31 May 2022

The Committee received the opening report of the new financial year forecasting at this point a broadly balance position both in revenue and capital. Attention was drawn to the detail behind each of the recommendations.

Councillor Count moved the following amendment, seconded by Councillor Boden (additions in bold):

- k) Amend the table at 5.1 on page 210 referred to in recommendation (k). That table to be substituted with a new table, where the post pandemic fund is removed +£7.017m, Refund of Council Tax is introduced £-6.579m, with the balance £0.438m put into the General fund, and approve the net nil redistribution of reserves in the table at 5.1, subject to recommendation m below;**
- m) Instruct Officers to work with District and City partners to prepare a proposal through which the County Council would arrange for a refund of £6.579m to local tax payers, offsetting the increases imposed through the business planning process for 2022-23.**

Councillor Count reiterated the issues raised in the previous item in relation to Council Tax and reserves. Another Member reminded the Committee again of the significant financial issues facing the Council in the future.

On being put to the vote the amendment was lost.

Individual Members raised the following issues in relation to the report:

- highlighted the growing number of people who had survived Covid, being left with significant needs and the financial and human impact of Covid set out in the report. It was therefore queried why £3.25m had been taken out of the Adult Social Care Budget. The Director of Resources drew attention to the graph on page 193 and explained that the current level of demand was below the amount budgeted. However, the shaded section on the right of the graph reflected the future uncertainty and planned growth during the year. The Chair of Adults and Health Committee expressed continued concern about the future level of uncertainty in the Adult Social Care budget. Whilst he supported the recommendations as Adults and Health should contribute to the corporate pot, he was worried that the level of demand might reflect the Council's failure to adequately meet need. He reported that a study was taking place in relation to recruitment within the authority. He was also concerned that the cost of social care reforms would not be met by government.
- expressed concern that £4m had been identified for business change, which would include funding the costs of increased management as a result of shared services changes with PCC.
- queried how much of the £1.7m allocated to flood mitigation would deliver flood defences particularly given the surface water run off issues in the town of March. The Director of Resources acknowledged that this funding was to address flood mitigation and defence with some of the funding focussed on March. In response, the same Member suggested funding schemes first which were already set up to be implemented. The Chair of Environment and Green Investment Committee reported that this issue would be considered at the meeting on 7 July 2022.
- welcomed the two environment proposals for investment from the Just Transition Fund.

- highlighted the revenue budget in the table at 2.1 of the report and suggested that the inclusion of an actuals column at this stage was meaningless. The Director of Resources reported that this report had been subject to substantial reformatting in response to Members comments. He confirmed that he would review this table.
Action Required.

It was resolved unanimously to:

- a) Approve the budget virements proposed in the tables at 3.1, redistributing £4.5m of budget permanently, reducing budgets temporarily by £499k, and allocating £775k of increase in the Public Health Grant into Public Health services;
- b) Approve the allocation of funding from the Just Transition Fund of up to £2.175m for Net Zero Carbon and £1.7m for Flood Mitigation, subject to the endorsement of Energy & Green Investment Committee, as shown in 3.2;
- c) Note the government grant allocation of £3.58m to extend the Household Support Fund and agree the allocation of £1.87m from the Covid Grant Reserve to supplement this locally (as committed in the 2022-27 Business Plan), as shown in 3.3;
- d) Delegate to Adults and Health committee the allocation of this £2.6m reserve balance to public health projects, as shown in 3.4;
- e) Note the recommendation from Children & Young People Committee regarding the continuation of discretionary after school club transport arrangements, as shown in 3.5;
- f) Note changes in grants, and to approve the budget movements set out in table 4.5.1;
- g) Approve £280k additional prudential borrowing for the Northstowe bus link, to be repaid once the £280k S106 contribution is received, as set out in 4.6;
- h) Approve £847k additional borrowing in 2022/23 for the Waterbeach Waste Treatment Facilities scheme, as set out in 4.6.2;
- i) Give approval to proceed to contract award on the projects listed based upon the reprofiling of the programme that has taken place and the further review of the programme commencing in the Autumn as part of the annual business planning round, as set out in 4.7 ;
- j) Note the update on Highways Maintenance and Construction Programmes market conditions as outlined above, as set out in 4.8;
- k) Approve the net nil redistribution of reserves in the table at 5.1;
- l) Note the Corporate Services Finance Monitoring Report in Appendix B.

85. 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 Paragraphs 3 & 5 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) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

86. Cambridgeshire Guided Busway

The Committee considered a report on the Cambridgeshire Guided Busway.

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

Chair