

STRATEGY, RESOURCES AND PERFORMANCE COMMITTEE: MINUTES

Date: 31 October 2023

Time: 10.00a.m. to 1.40p.m.

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

Present: Councillors Atkins, Boden, Costello, Count, Criswell, Dupré, Goldsack, Howitt, J King, Meschini (Vice-Chair), Murphy, Nethsingha (Chair), Sharp, Sanderson and Slatter

169. Apologies for Absence and Declarations of Interest

Apologies were received from Councillors Corney, McDonald and Wilson.

170. Minutes – 11th July and 10th October 2023 and Action Log

The minutes of the meetings held on 11th July and 10th October 2023 were agreed as a correct record and signed by the Chair.

Following discussion with the Leader and Deputy Leader of the Conservative Group, the Chief Executive reported that he was reopening, after talking with the Chair and Vice-Chair, the following actions currently marked on the action log as complete:

- 152 – Integrated Finance Monitoring Report for Period Ending 31 March 2023 – the update to this action did not fully reflect the substance of the debate on the amendment at the last meeting or the agreement to report on the presentation of financial information for the next meeting.
- 153 – Integrated Finance Monitoring Report for the Period Ending 31 May 2023 – the new Assets and Procurement Committee (A&PC) had not considered a separate report addressing the issue of energy projects.
- 157 – This Land Annual Business Plan and progress monitoring - the A&PC had not considered a separate report on whether the shareholder agreement should be made public.

With reference to the last two actions, the Chief Executive reported that it was incumbent on officers to ensure that these actions, which would be considered by A&PC were reported back to the Strategy, Resources and Performance Committee (S,R&PC). He also reported that greater rigour would be applied by officers, particularly lead officers supported by Democratic Services, to ensure the Council's revised and strengthened corporate governance arrangements were implemented in full following the independent review of the operation of its committee system.

Members noted the Action Log with the above actions now marked "in progress".

171. Petitions and Public Questions

No petitions or public questions were received.

172. Integrated Finance Monitoring Report for the Period Ending 31 August 2023

The Committee was informed that an overspend of £6.4m in the revenue budget was currently forecast. Attention was drawn to individual services, there was a forecast overspend of £8m in Children, Education and Families relating to the pressure on children's placement budgets, and staffing overspends. Place and Sustainability had a forecast overspend of £4m linked to energy schemes. Members noted a new column in table 2.1.1 of the report detailing unmitigated forecast variances. The first table at 2.1.2 detailed the planned use of reserves, as requested at the last meeting, and use of grant funding. Given the seriousness of the overall forecast spend position, Directorates were looking for further mitigations including reviewing all non-essential spend and recruitment activity. It was noted that the outturn variance for capital was currently as forecast. Attention was drawn to the table at 4.5.2 detailing four change requests for capital schemes following a review and refresh of business cases. The Treasury Management prudential indicators showed that the Council's cash position was relatively healthy.

One Member drew attention to the County Farms investment, it was queried how solar panels had caused damage and why the installer was not covering the repair costs. Members were informed that heavy vehicles had damaged the highway when bringing solar panels for installation but the costs were still within the overall return on investment for the scheme. The same Member suggested that this was really a virement from a Solar Farm Scheme to the Highways Maintenance Budget.

Speaking as the Local Member, Councillor Goldsack expressed concerns about the overall programme management of this project and why there was no mitigation from the contractor. It was noted that this damage had occurred when Triangle Farm had been constructed. Funding had been identified to fix the road sufficiently to allow for the construction of North Angle Solar Farm. However, there was not sufficient funding to cover the full reinstatement of the road. In response, the Local Member highlighted the traffic issues locally associated with this project.

Attention was drawn to the Swaffham Prior Community Heat Scheme, it was suggested that the funding request did not match the narrative in the report. Members were reminded of the background to this community led project, which involved a village with no gas supply moving from burning oil for heating and hot water to renewables to cut carbon emissions, help manage costs for heating over the longer term and to offer all homes the opportunity to connect regardless of tenure by removing the upfront financial barrier to switch to a heating system with lower environmental impact. The construction of the Energy Centre and the district heat network through the village was now complete. Sixty homes were connected ahead of the winter season within the existing funding. Work was now underway to develop a next phase of home connections starting in the spring and further phases of connections would be prepared and managed to build participation in the scheme until as many homes as possible were connected.

It was noted that the material and labour costs for connecting the sixty homes had been higher than anticipated. A review of procurement and programme planning would take place during the winter to manage costs more effectively and improve efficiencies in delivery. It had been very challenging to get competitive prices, which was why the committee was being asked to approve additional borrowing of £3.205m to support the upfront cost of connections, noting that this borrowing would be paid back by the project over its lifetime. It was noted that applications for additional government grants for heat networks and supporting social housing providers would be actively pursued to offset costs where possible. It was expected that a further 100 homes would be connected in 2024 as part of a five year plan to cover 90% of the village.

The Chair acknowledged that this was a trail blazer project which would provide significant learning for the future. In response, a Member commented that all the energy schemes were over time and budget, which reinforced the need for the report scheduled for the next A&PC. The need for £1.095m was queried given that sixty homes were already connected and there would be no more connections until April. As the remaining funding was needed for a different year, it should be considered as part of the business planning proposals and measured against other priorities.

Members were informed that the Council was trying to connect more homes next month. The current cash limit was not sufficient to cover these installations before the winter. There was therefore a need for some funding immediately and the balance would be spent from March/April onwards to get the next set of properties connected. There needed to be some budget certainty to manage the procurement process taking place over the winter. The Executive Director for Finance and Resources added that the £1.095m was in year spend as it would also be addressing the project overspend identified in a previous report.

Another Member expressed concern about the Council's procurement methods which could have increased costs. A detailed discussion to consider any learning from the project was needed. Members were informed that the procurement had been carried out under the Re:fit 3 framework with Local Partnerships. A mini competition had been run under this framework and was fully compliant with the Council's procurement regulations.

The Chair of Environment and Green Investment Committee highlighted the bold and brave nature of the innovative Swaffham Prior Community Heat Scheme. She acknowledged that there would therefore be much learning from this scheme. She drew attention to the cross party Green Investments and Utilities Advisory Group where this scheme had been discussed in detail. In response, one Member clarified that concerns related to how the information had been presented in a public report rather than the merit of the project itself.

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

- queried the figure for % of income collected (owed to the council) within 90 days: Adult Social Care (ASC), showing that the 85% target had been met but the level of debt outstanding at the end of August was still £15.46m, which was 55% higher than the £9.96m target. The Head of Finance agreed to provide a written response.
Action Required.

- acknowledged the scale of ASC debt, which was a national issue, but also identified the need to consider the reasons behind it. The User Satisfaction Survey had shown a high level of dissatisfaction in the way care was managed. There was a need for greater sensitivity with families and recognition of the impact of the cost of living crisis, particularly in relation to charges. Adults and Health Committee (A&HC) was therefore undertaking a review of the current charging structure.
- highlighted the fact that ASC debt had gone up by over 50% since May 2021, and requested some benchmarking data to understand the scale of this national issue. The Chair agreed that a briefing note should be prepared. Action Required.
- highlighted the % of undisputed commercial supplier invoices not paid within terms. It was queried whether payment within 7 days instead of immediate or 30 day terms could be considered for small local suppliers. Members were informed that the Council offered a range of terms, which were currently being reviewed by the Procurement Team. A report would be presented to A&PC in due course.
- expressed concern about the impact of the four day week at South Cambridgeshire District Council on the delay to signing the Section 106 agreement for the sales of the Bio-diversity Net Gain units. The Chair clarified that there was no evidence that this was the reason for the delay.

The Chair drew attention to the significant pressure on Children's Social Care (CSC) that was reflected nationally, which was the most serious risk for the Council. The Chief Executive reported that work with and lobbying by the Local Government Association and the County Councils Network showed that this was a national problem. National market failure was a major issue for CSC so it was very concerning that the government had not yet implemented the actions in the independent MacAlister report. Crisis residential placements for children with complex needs continued to cost the Council an exorbitant amount of money because the national market was broken. One young person had been costing £85k per week because of the nature of the support required. Following a review by the Social Care Team, this young person had been relocated to a regulated placement costing £30k per week. Six young people with high acuity needs were currently costing the Council £200k a week, this type of situation was replicated across upper tier authorities in England.

Members noted further pressure on Special Educational Needs and Disability (SEND) provision and home to school transport. There had been a 40% increase in contacts to the Integrated Front Door within the last year with 12,000 contacts over the last six months, which was evidence of the impact on children and young people's mental health emerging from the pandemic. It was noted that there were opportunities for the government to address this in its autumn statement. The Council was doing everything it could to manage the high cost of crisis placements. It was noted that the biggest independent children's providers had made £300m in profit last year. Further constraints had been applied nationally preventing the use of unregulated placements, which although appropriate in principle, had resulted in a further increase in placement costs. The government had also failed to apply a cap to agency social worker fees or the use of project teams to address some of the shortfall in capacity. This was a system in crisis but the Council would continue to do everything to protect young people.

The Chair suggested the possibility of an action to write to government expressing concern about the scale of this risk to the council and other councils. The Leader of the Opposition expressed concern about how this action had been raised, but agreed to consider a draft before making a final decision. He suggested the need for Children and Young People Committee (C&YPC) to undertake a deep dive of this issue to identify any further actions where the Council could add value. The Vice-Chair of C&YPC reported that his committee was taking these issues very seriously to see what it could do in relation to live cases and the overall strategy. There was clash between the Council's statutory duty and the national market and policy failure. He suggested that a more detailed discussion could take place at the next CYP spokes.

The Chair proposed that a briefing note be prepared on this issue and that a possible letter be discussed with S&RPC Spokes. It was also very important to work with partners in the East of England on high cost placements to ensure the right provision across the area. Action Required.

It was resolved to:

- a) Approve borrowing and capital budget changes set out in table 4.5.2. of Appendix A.

It was resolved unanimously to:

- b) Note the management action being taken to address the overspend set out in section 1.2 of Appendix A, and receive regular updates on progress.
- c) Request that Policy & Service Committees review the budget monitoring position and that relevant committees scrutinise key variances and actions identified to address key pressures.

173. Business Planning update for 2024-29

The Committee noted a report detailing progress in setting a business plan and financial strategy for 2024-2029. Members were asked to consider the current business and budgetary planning position and estimates, the principal risks, contingencies and implications facing the Council, the process and next steps for the Council in agreeing a business plan and budget for future years, and the results of the first Quality of Life Survey, which would be updated over the next three years.

The Chief Executive reported that the Council's Strategic Framework and seven ambitions were the basis for determining how resources should be allocated. Attention was drawn to the ongoing impact of inflation including pay awards. As there was currently no sign of a Fair Funding Review, the Chief Executive, in his view, reported that the Council would need to consider savings, service cuts, income in the form of fees and charges and Council Tax, and how best to use reducing reserves. The Chancellor's autumn statement was now scheduled for 22 November with the latest intelligence indicating that the local government settlement might not be announced until early January. Attention was drawn to the statistically significant Quality of Life Survey where 5,500 people had been interviewed based on 1,100 per each district area. There were a number of positive issues but also concerns relating to mental health particularly that of children. There was also valuable information for partners

relating to their services. It was noted that more detailed information would be published on the Council's website.

The Executive Director for Finance and Resources reported that the budget gap for 2024-25 had increased to £23.6m mainly due to additional inflation and service pressures. Across the five-year planning period the unidentified savings gap was now £113.8m, which was not out of kilter with other county councils. A considerable amount of work was taking place to address this gap before the next meeting. Attention was drawn to a table set out at section 4.4 detailing the timeline for business planning.

One Member felt it was inappropriate for officers to raise the possibility of cuts to services as this was an issue for the Joint Administration. He was also of the view that the budget gap was not solely due to inflation and demography but was also the result of political priorities. Attention was drawn to the number of projects which had not been delivered on time adding to the overspend, and there was concern that there had been a delay in examining the reasons for this.

In welcoming the Quality of Life Survey, individual members raised the following issues:

- highlighted the number of people who reported feeling lonely particularly among the younger population. It was noted that whilst loneliness and mental health were linked, they were not the same thing. It was felt that this increase could be attributed to the reduction of youth services over decades, poor public transport and online bullying. There was therefore a need for CYPC to consider these findings as well as those relating to mental health carefully.
- highlighted the fact that over a third of people had struggled with their mental health. Whilst this reflected all age groups, it was particularly acute for young people up to the age of 24. The impact of Covid had been immense on the younger generation who had not only missed out on education but also on social development opportunities at school. Members were reminded that A&HC had scrutinised mental health support for young people and asked the Integrated Health Board to provide more resources. Work being undertaken by the Health and Wellbeing Board involved moving away from traditional ways of dealing with health in order to make a difference. More could also be done in terms of crisis management, for example family support and intervention provided by the Council were particularly important in relation to young people. Prevention was key and increased openness about mental health was welcomed. It was noted that the Council should be working with the 18 to 24 age group rather than imposing solutions.
- reminded members that the Conservative budget amendment had opposed cuts to the mental health budget. Councillor Hoy's motion to Council on young people's mental health had received all party support with the Council tasked to use its influence with the NHS to increase the percentage of spend; it was therefore important that the Council refocused on this request.
- acknowledged the impact of the cost of living crisis which was of concern to 86% of residents and was particularly devastating for those on low incomes. Attention was drawn to the Household Support Fund which had experienced significant demand in July so it was hoped more funding would be available in the autumn statement. One

Member commented that the possibility of increasing Council Tax by the maximum of 5% was therefore a concern. It was also suggested that the free box in the survey should have included a question relating to the level of Council Tax.

- suggested that the survey was not limited to the budget process and should inform the Council's medium and longer term plans. As many of the responses were interconnected it was important that actions were carried out collectively and corporately. There were concerns regarding how the world was changing both physically and societally. It was therefore important the Council understood the different ways people could live their lives as happy and functional members of society, but there was concern that the Council was morphing into a welfare provider instead of a service provider.
- highlighted slides 17 and 18 which dealt with issues of trust closely aligned to an individual's experience. It was still frustrating that people did not know what was on offer so communication was key.
- highlighted the importance of celebrating the successes in the report with action plans to make sure they continued. However, there was also a need to focus on improvements.
- highlighted the need to focus on inequalities particularly in relation to young people, people with disabilities and ethnic minorities to see how they could be reduced.
- acknowledged the contribution that social economic surroundings made to people's happiness and mental health.
- highlighted the high level of support for more action on climate change. Over two thirds of people were willing to consider changing their behaviour to contribute to carbon reduction. However, this depended on the leadership of politicians.
- acknowledged that slide 24 summarised the role of councillors. However, the fact 76% of respondents had been dissatisfied with the standard of road and pavement maintenance was a glaring omission from this slide.

Councillor Count moved an amendment, seconded by Councillor Goldsack, to add the following to recommendation b) – “request policy and service committees to specifically address how their actions will propose to influence these, and”. Members were reminded that the need to track how the Council's decisions were affected by the Quality of Life Survey had been suggested. It was therefore important that the policy and service committees considered the actions relevant to their areas which could then be monitored corporately.

In response, other Members reiterated the need for the formality around addressing the findings in the survey to remain a corporate responsibility and not be fragmented. The survey provided a base line position and trends and responses would continue to be monitored in the coming years. The Chair also commented that many of the issues identified in the survey could not be fixed by one organisation and instead the Council needed to be part of a bigger pattern across the whole Cambridgeshire. On being put to the vote, the amendment was lost.

It was resolved unanimously to:

- a) Note the overview and context provided for the 2024 – 2029 business plan.
- b) Note the Quality of Life survey initial findings and how that and other consultation and scrutiny on future proposals would feed into this year's business and budget planning approach.
- c) Note the next steps, governance approach and actions underway to develop the business plan.

174. Corporate Risk Register

The Committee considered the Corporate Risk Register (CRR). Most of the residual risk scores had remained static except for Risk 2, 'the risk of failure of the Council's arrangements to safeguard vulnerable children and young people'. This risk had been reduced to 15 following a comprehensive review by the Executive Director for Children, Education and Families. Attention was drawn to Section 2.3.1 setting out the key actions implemented since the previous report and Section 3.3.1 detailing key action updates from the Corporate Risk Strategy. The Corporate Leadership Team (CLT) Risk and Assurance Group had met on 10 October to review risk matrices and to consider Directorate Risk Registers (DRR) and how they should be reported to policy and service committees in light of changes to committee structures.

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

- queried the relationship between service committees and the CRR. It was noted that a significant risk could be raised by CLT or from DRRs if the risk was close to the Council's corporate appetite where it would then be brought to the attention of CLT.
- queried whether the state of roads and footways was being reflected appropriately in the risk registers as it was felt the numbers should be higher if the physical danger to road safety was taken into account. The Head of Internal Audit and Risk Management agreed to feedback to risk owners within Highways to see how it was reflected within their own risk register and also back to the next CLT and Assurance Group either as a trigger to other risks or as an additional risk. Action Required.
- expressed disappointment regarding the decision by the CLT Risk and Assurance Group to retain the current risk matrix and methodology. It was felt that there was a failure to follow what was happening in both the private and public sectors of seeing the advantages of looking at a weighted methodology rather than linear. However, it was welcomed that it would be kept under review and considered at the next group meeting. Following the discussion at this group meeting, it was suggested that there should be a technical discussion by interested members on this issue.
- highlighted the need for the CLT Risk and Assurance Group to consider the lack of sensitivity for the most extreme events, which had not been addressed in the report.
- queried the reason for the Council's maximum risk appetite of 15 based on a score of 5 for consequence and 3 for likelihood. Members noted that it was felt it was less

visually confusing to present the information this way. Another Member suggested that the maximum consequence could be death rather than harm for some risks, which would always be a 5.

- suggested the need to review the “Direction of Travel” arrows as a downward arrow for a reduction in risk was misleading. It was noted that the information could be presented as red, amber and green to show direction of travel.
- highlighted Risk 3 “The Council does not have enough budget to deliver agreed short and medium terms corporate objectives”. It was queried in relation to control 9 – “Rigorous risk management discipline embedded in services and projects” what was reasonable and what would be needed to move the trajectory. The same issue was raised for Risks 4 and 5. It was noted that Risk 3, Control 9, was rated as reasonable because work was ongoing to develop a new Project Management Framework. Some of the controls in Risk 4 reflected ongoing work in relation to IT disaster recovering planning and a refresh of business continuity plans, and Risk 5 linked back to the implementation of a Performance Management Framework.
- highlighted Risk 8, “The Council is a victim of cyber-crime” and queried the consequence being only 3. It was noted that in terms of consequence, the Council had a policy of not paying ransoms and had disaster recovery backup, it would be looking at days in terms of data lost and not months.
- queried given the previous discussion why Risk 2 had been reduced to 15. Members were reminded that the discussion had been based on finances but in terms of sufficiency of the safeguarding arrangements, the removal of unregulated placements, reducing turnover in staffing levels, improving recruitment and retention of qualified children’s social workers, and improving the multi-agency safeguarding hub had all resulted in significant improvements. One Member suggested that this explanation should have been included in the report. However, he was concerned that the financial issues, the changes to legislation and failure to implement an independent review were not reflected in this risk score. There was also concern that Risk 2 did not reflect the fact the Council was behind in delivering the Safety Valve Programme, and the difficulty of procuring home to school transport for SEND children. The Chief Executive reminded Members that this report was more retrospective than the previous discussion, and agreed that the Executive Director for Children, Education and Families should provide a briefing detailing why this score had reduced. Action Required.
- noted an error in the table of the covering report which showed Risk 6 had not been reviewed since March when it had been reviewed in October.

It was resolved unanimously to note the Corporate Risk Register.

175. Corporate Performance Report – Quarter 1 2023-24

The Committee considered performance information for corporate services for quarter one. 50% of the key performance indicators (KPIs) were blue or green and attention was drawn to two such KPIs at Sections 2.2.1 and 2.2.2. In relation to red indicators, there had been a decline in performance for Indicator 169: % of contract waivers

submitted less than 5 days before their proposed start date. It was noted that the Head of Procurement continued to work with all officers to ensure compliance with contract procedure rules. The other red indicator was Indicator 212: Number of staff who have completed Introduction to First Aid where the Health and Safety Team would continue to promote the course to ensure the target was met by the end of the financial year. Members noted that a number of KPIs had also been transferred to the new A&PC.

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

- acknowledged that action was being taken in relation to Indicator 169 but expressed concern and disappointment that there had been a decline in performance. Members were reminded that poor governance was often at the centre of why local authorities experienced severe financial difficulties. An excess of waivers was in itself a sign of poor governance, and more information was requested in future as to why waivers were actually late. It was therefore queried when the Council would actually see the results of its actions to tackle this issue. There was also disappointment that the KPI was being transferred to A&PC. Members were informed that the A&PC had already discussed this indicator and asked that it be put in context to the number of contracts awarded.
- requested a seminar on how the Strategic Programme Management Office would work. The Executive Director of Strategy and Partnerships reported that the leadership had been strengthened in this area following a restructure so a seminar would be held involving these new officers. Action Required.
- highlighted the proportion of staff who did not feel valued at Indicator 187. It was noted that the figure of 59% engagement was from June 2021. The Council had recently completed a full and independent whole workforce survey relating to the 54% response rate which was well above the average for this type of survey. A full benchmarked report against public sector bodies would be presented to a future meeting within quarter four of this financial year.
- suggested that it would be valuable in relation to Indicator 214: Staff Turnover to track the 12 month figure as this would have a knock on effect on the overall figure. The Chief Executive agreed to address with the HR Team. Action Required.
- welcomed Indicator 206: Percentage of annual spend on purchased goods or services that was based locally or who hire people.

It was resolved unanimously to:

- a) Note on performance information and act, as necessary.
- b) Note and comment on the transfer of some Key Performance Indicators from the Strategy, Resources and Performance to Assets and Procurement Committee.

176. Amendment to Local Government Pension Scheme Employer Discretions Policy

The Committee considered a report detailing an amendment to the position on shared cost Additional Voluntary Contributions (AVCs) specified in the Council's Local Government Pension Scheme (LGPS) Employer Discretions policy to enable the introduction of a salary sacrifice shared cost AVCs as an employee benefit. The amendment would allow the Council to pay shared cost AVCs where an employee had elected to pay AVCs by salary sacrifice. The amount of these employer shared cost AVCs would not exceed the amount of salary sacrificed by the employee. This was a discretion of the Council which was subject to the employee meeting the conditions for acceptance into the salary sacrifice shared cost AVC scheme. The advantage of the salary sacrifice shared cost AVC was as well as receiving income tax savings, the employee would also not pay National Insurance Contributions (NIC) on the amount of pay that they had sacrificed. As an employer the Council would also make a saving in employers NIC of 14.3% of the salary sacrifice for each employee that opted into this arrangement.

In welcoming the amendment, it was important to bear in mind the impact the LGPS had on recruitment and retention. It was some suggested that a briefing on the LGPS would be helpful. Action Required.

Some Members expressed disappointment that they were not legally allowed to be part of the LGPS, as this was a barrier to some people becoming councillors.

It was resolved unanimously to:

approve that the Council's LGPS Employer Pensions Discretions Policy be amended to incorporate the proposed change

177. 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. One Member reported that he would approach the Chair of Audit and Accounts Committee to ask for the risk matrices and methodology to be considered at that committee. In response the Chair asked for members of the S,R&PC to be informed of the outcome. Action Required.

The Chair drew attention to the remit of the committee which now included partnerships. It was agreed that it should initially receive an introductory report detailing the council's partners. Any further action should be considered at Spokes. Action Required.

Chair