

GENERAL PURPOSES COMMITTEE: MINUTES

Date: 24 November 2020

Time: 10.00 a.m. to 11.52 a.m.

Venue: Virtual Meeting

Present: Councillors Bailey, Bates, Count (Chairman), Criswell, Dupré, Giles, Goldsack, Hickford (Vice-Chairman), Hoy (substituting for Councillor Bywater), Hudson, Jenkins, Kavanagh, Kindersley (substituting for Councillor Nethsingha), McDonald, Meschini, Sanderson and Schumann

282. Apologies for Absence and Declarations of Interest

Apologies were received from Councillors Bywater and Nethsingha.

There were no declarations of interest.

283. Minutes – 20th October 2020 and Action Log

The Committee discussed whether the Chairman had accidentally been misrepresented in the minutes in the penultimate paragraph at the bottom of page 4. One Member drew attention to the following wording “The Chairman reported that information provided by Worldometers confirmed that there were no countries testing more than the UK per million population.” It was reported that Worldometers currently had the UK in sixteenth place in relation to testing. The Chairman suggested that the record at 20th October 2020 could differ from what was now being reported and that it was possible that he had qualified his statement by referring to the size of population. He therefore proposed that the Democratic Services Manager provide a transcript of that section of the YouTube recording. Subject to that recording, he would review the minutes accordingly and, if necessary, circulate any proposed changes to the Committee. **Action Required.**

The minutes of the meeting held on 20th October 2020 were therefore agreed as a correct record and would be signed by the Chairman when the Council returned to its offices subject to the Chairman checking the accuracy of the statement relating to the above. The Committee also noted the action log.

284. Petitions and Public Questions

No petitions or public questions were received.

285. Integrated Finance Monitoring Report for the period ending 30th September 2020

The Committee received a report detailing the financial information to assess progress in delivering the Council’s Business Plan. The overall revenue budget position was

showing a forecast year-end pressure of +£0.1m. The main change in revenue since the last report related to the forecast for personal protective equipment (PPE) where stock reviews, the reliability of the national supply chain and Government funding had enabled the Council to reduce its forecasted spend. Attention was drawn to the table on page 10 detailing the Council's estimate of the full potential financial consequences of the pandemic through an additional and enhanced process. The potential financial impact, this year, on the Council was nearly £67.3m. However, after taking account of confirmed and anticipated funding this would present a deficit of £0.4m. He confirmed that the first claim to Government for sales, fees and charges for the first four months had been paid in full. The Committee was advised of further Government funding set out in Section 3.1.4 of the report.

One Member queried the transfer of budget from Fostering to Communications set out on page 29 of the agenda. The Head of Finance reported that a member of staff who had been managed by Children's Services had now moved to Communications. The Chairman reminded the Committee that the recent fostering campaign had saved the Council approximately £4m. He asked the Head of Finance to confirm the exact amount. **Action Required.**

It was resolved unanimously:

- a) Approve the earmarking of the unringfenced grant (£4.982m) due to be received in November 2020 for the purposes of responding to the coronavirus pandemic, as set out in section 6.1;
- b) Note the additional funding anticipated for the Emergency active scheme as set out in section 7.6;
- c) Approve that the additional £4.1m Pothole Grant Funding be allocated as set out in section 7.6;
- d) Note the new ring-fenced capital funding for the March Community Centre as set out in section 7.6;
- e) Delegate authority to the Chief Finance Officer to increase the capital budget in 2020-21 by way of prudential borrowing or other allowable funding in order to acquire a property as part of the Rural Estate, in accordance with section 7.7 of this report (and a confidential report recommended by the C&I Committee).

286. Covid-19 Update Report

Given the rapidly changing situation and the need to provide the Committee and the public with the most up to date information possible, the Chairman reported that he had accepted this as a late report on the following grounds:

1. Reason for lateness: To allow the report to contain the most up to date information possible.

2. Reason for urgency: To enable the Committee to be briefed on the current situation in relation to the Council's response to Covid-19.

The Chief Executive introduced a report updating the Committee on the Council's ongoing response to the current Coronavirus pandemic. The report covered the Committee's remit but included links to documents and reports to other committees. She informed the Committee of the epidemiology as of the week ending 18 November 2020 per 100,000 cases:

- England 241
- East of England 140
- Cambridgeshire 101
- Cambridge City 167
- East Cambridgeshire 68
- Fenland 113
- Huntingdonshire 75
- South Cambridgeshire 88

It was noted that Cambridgeshire had experienced a 17% drop in cases in the last week.

Attention was drawn to the Local Outbreak Control Plan, which would need to be updated again to take into account the Government's announcement relating to the tier arrangements following lockdown. It was noted that a meeting had been arranged with the regional Public Health Team to discuss the indicators to inform what tier the Council would be in, the geographical footprint, and how people would move between tiers. The announcement of which tier the Council would sit in would take place on 26 November 2020. She reminded Members that the Council was working closely with City and District Councils on their local action plans and rapid response mechanisms, and the Director of Public Health's Team had weekly meetings with City and District Chief Executives.

The Committee was reminded that it had received an update on how the Council's workforce had been supported at its last meeting. It was noted that this information was also set out in the report. Members were informed that new monthly pulse surveys had been launched to get a sense of how people were feeling. The Committee would receive a report on the outcome of these surveys and proposed actions at its next meeting.

The Director, Business Improvement and Development reported on the Council's approach to recovery from the pandemic. She explained that an exercise had been completed to understand the lessons learnt during the last six months. Work had also been commissioned with the Community and Voluntary Sector to record how the Council had supported mutual aid and small groups within communities. The recovery plans were focused on managing impact and demand across the Council's people services, which included working with cohorts who had not come into contact with the Council before. It was therefore important to consider how the council tailored its approach to these groups. There were opportunities coming out of Covid including behaviour changes relating to climate change, healthy lifestyles and ways of working.

Officers would continue to capture and analyse the wealth of data and insight to inform the Council's future strategy, recovery plans and day to day decision making.

Speaking from an East Cambridgeshire perspective, one Member thanked local residents for following the rules which had resulted in the District being in the bottom three nationally for low infection rates. The support provided by the County Council's Communications Team was highlighted particularly the recent document sent to East Cambridgeshire District Council "Out of Lockdown and Beyond". The Team was also thanked for the support it had provided when the District had experienced outbreaks, which had included tailoring messaging to communities. It was noted that there had been excellent joint working between the County Council and District Council, which it was hoped would continue in the future.

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

Cambridgeshire Local Outbreak Control Plan

- expressed concern about the possible tier arrangements to be announced by Government in particular the fact that East Cambridgeshire, which had one of the lowest infection rates, could be classified as part of a regional tier. Attention was drawn to the impact that this would have on struggling local businesses. It was therefore important to put forward a strong message to Government that some degree of subtlety was needed. The Chief Executive stressed that it was important not to speculate before the Government made its announcement on tiers, as it was vital to communicate the real position to the population. The Council had been informed that the tiers could range from regional to district or could be based on the Gold Command footprint (Cambridgeshire and Peterborough). It was noted that representations had been made regarding the inappropriateness of regional tiers.
- queried the mechanism to argue against any tiered arrangements decided by Government. The Chairman reported that he was feeding in to the County Councils' Network what the Council believed were the appropriate areas for a tier arrangement. The Council was also presenting as much evidence as possible through Public Health and Regional Public Health but the final decision would be taken by Government. The Combined Authority (CA) Mayor had made clear that he did not want to see areas with a low infection rate impacted by other areas. However, it was also important to bear in mind travel to work areas.
- requested more information on how the test and trace systems were operating in the County and interacting together. Attention was drawn to the test and trace being conducted by the University of Cambridge which had resulted in the high infection figures for the City. It was also noted that a new lateral flow system would be launched for trial in care homes. The Chief Executive reminded the Committee that the operation of test and trace remained within the remit of Health Committee. However, the report made reference to enhanced contact tracing which had been rolled out across Cambridgeshire. This would involve contacting people who had tested positive who had not been able to be contacted nationally. It was noted that this had worked well in Peterborough which had been running this process successfully for some time. It was also noted that Health Committee would receive

a detailed report on lateral flow testing. The Chairman was delighted to report that the numbers coming out of the University of Cambridge's mass testing regime were a quarter of what they were the week before.

- queried who would have primary responsibility for the vaccination programme. It was noted that the programme was led by the Department of Health and would be rolled out by the regional NHS via a local multi-disciplinary programme board, which would involve local government. The accountability therefore rested with the health system.

Recovery

- expressed surprise that the report stated that "This second lockdown period will continue to reinforce the behaviour change which is part of the climate change recovery plan". Attention was drawn to information presented to other committees where Police cameras had shown journey numbers well over 100% of pre-lockdown. It was therefore not clear that there had been a permanent shift in car use. The Director, Business Improvement and Development acknowledged the point made and that some traffic monitoring information showed that some areas were back to levels before the first lockdown but there had also been changes in other areas. She therefore agreed to provide the Committee with a briefing reflecting current data. **Action Required.** The Chairman commented that there had been some evidence of change in relation to walking and cycling but there was evidence of declining public transport use in favour of cars.
- queried whether the County Council could work with the Greater Cambridge Partnership (GCP) to identify short term incentives such as subsidised fares to encourage people to use buses. There was also a need, as part of the recovery process, to look at increasing the number of bus routes and frequency of buses in the future. The Chairman reminded the Committee that responsibility for public transport now rested with the CA. However, he acknowledged the need to feed those suggestions to the CA and GCP in order to reinvigorate bus use when it was safe to do so. The Committee was informed that the CA Mayor had established a Bus Review Working Party. A representative on the Group reported that the data showing why people did or did not use buses was very varied and complex. The work of the review was to increase bus usage but unfortunately it had been impacted by the pandemic with safety now being the biggest reason for not using buses. The Working Party was still meeting and he welcomed any member from the Council attending.

Workforce

- welcomed the emphasis on mental health and wellbeing as staff were beginning to feel the strain.

The Chairman thanked the Council's staff and District Council colleagues for reacting in an ever changing world by drawing up and implementing plans sometimes on a daily basis. Everyone was now moving in to uncharted waters under an enhanced tier system which had not yet been announced. He explained that it was important that the Government had confidence in the epidemiology being presented and the Council's

reaction plans. As far as he was aware, the Government confidence in the epidemiology and actions plans for Cambridgeshire was very high. He did share concerns about what a region would mean and had been lobbying against that approach.

It was resolved unanimously to:

note the progress made to date in responding to the impact of the Coronavirus.

287. Medium Term Financial Strategy 2021-26

The Chief Finance Officer reminded the Committee that the Medium Term Financial Strategy (MTFS) set out the financial framework within which individual services proposals could be developed over a five year period before the Council approved its budget. The process would be challenging in a normal year but in a pandemic was virtually impossible. It was acknowledged that just focussing on next year's position was a challenge in itself. The Committee would normally receive the full Strategy as this point of the year but given the level of uncertainty it was just proposed to take some key elements to shape budgets for the forthcoming year to enable officers to present financial options. It was noted that a full MTFS would be presented to Committee in January and then full Council in February. Members were reminded that the Chancellor would be delivering the government spending plans for the coming year on 25 November 2020. The Committee would therefore receive a more detailed paper on the financial position at its December meeting. It was noted that the scenarios used as the background to the forecasts were indicating the financial implications associated with the Covid were not as deep as first feared with the budget gap narrowing but still challenging.

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

- queried the meaning of the reference on page 45 of the agenda "The key elements of this Strategy, on which basis the Business Plan is predicated, are set out below. A key point to note is that, as it stands, general Council tax is not currently expected to increase for the duration of the Strategy period...". The Chairman reported that the MTFS was predicated on what had been approved at full Council in February 2020. He reminded the Committee it had to be approved at full Council each year to enable Members to revisit the figures for the following year. He explained that the Adult Social Care precept had not yet been confirmed by government as an eligible way to raise Council Tax.
- highlighted the first bullet point on page 45 of the agenda "No increase in general council tax from 2021-22 until 2025-26..." It was queried whether the Government would expect the Council to raise Council Tax to the limit before it provided any assistance. The Chairman reported that, together with the Chief Executive and Chief Finance Officer and through Local MPs, he had made strong representations to government about the unfair funding situation in Cambridgeshire. Whilst the Council had received one off grants in the past, it was keen to lock in a fairer funding system so that local residents did not have to bail out its Council whilst other residents in the country contributed less to the system.

- suggested that the “Key elements..” paragraph on page 45 referred to previously should be reworded for clarity as it currently confused what was allowed with what it had been decided to do. There was also a need to review the bullet points below this paragraph, as the first two bullet points were very different to the others, they implied that they had been imposed upon the Council. The Chairman acknowledged that the MTFS was a draft at this stage so officers would review the information. However, he reminded the Committee that the MTFS was based on the budget passed in February 2020 where just a £4.2m gap had been identified and subsequently addressed in full.
- highlighted the three ways to balance the budget as set out in Section 3.5 of the report. Given the comments at the last meeting about increasing Council Tax and the fact that the report stated reserves were predicated to rise, it was queried whether service reductions would therefore be the primary option. The Chairman drew attention to his comments in the first bullet point, and stressed that it did not therefore mean that the Council should assume there would not be any increases in Council Tax. The Chief Finance Officer reminded the Committee that the Council Tax Limitation Regulations were unlikely to be published until nearer Christmas.
- highlighted the fact that the General Reserve was shown to be rising on page 58 of the agenda. The Council’s intended use of reserves to address its financial situation was therefore queried. The Chairman reported that the General Reserve was rising in cash terms from £60.9m to £70.3m. However, he drew attention to the General Reserve as a percentage of the net revenue budget, which remained at 3% across the five year period. He reminded the Committee that 3% had been identified in a previous report as the appropriate risk to meet fluctuations and not over tax the local population. Expenditure to invest in the delivery of services was therefore going up by a significant amount. The Chief Finance Officer reported that he would be seeking to safeguard the General Reserve but there were other reserves on the balance sheet which could be reviewed.
- queried whether there would be another funding round of the Communities Capital Fund. The Chairman reported that he had received good feedback on the Fund. Whilst he acknowledged its success, the Council needed to focus on the unfinanced £21m funding gap first. All political parties would therefore be able to submit their proposals as part of the business planning process.

It was resolved unanimously to:

consider the elements of the Draft Medium Term Financial Strategy for 2021-26 attached in the Appendix to this report.

288. Capital Strategy and Capital Prioritisation Report

The Committee received a report detailing the Council’s Capital Strategy and an overview of the full draft 2021-22 Business Plan Capital Programme including results from the capital prioritisation process. Attention was drawn to the anticipated impact of the pandemic on capital schemes. A summary of the financing costs was set out in the

table at 3.4 on page 69 of the agenda, which reflected the impact of interest and the change in Minimum Revenue Provision policy agreed by the Committee in January 2016 against the limits agreed previously. The table at 3.6 on the same page reflected the request made previously by the Committee to split debt charges to reflect Invest to Save/Earn schemes. Attention was drawn to Section 4.5 detailing the main changes to borrowing.

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

- highlighted the fact on page 69 of the agenda that headroom was starting to disappear. The Head of Finance acknowledged this point and reported that if prudential indicators were not uplifted across the whole period there would be a breach in 2026-27. He commented that this was sometimes the case at this point in time but as the process was refined they were likely to come back within the limit. He added that the revenue impact of capital investment did come back to the Council eventually, which was monitored on a regular basis. The Chairman reported that the Council was discussing with government the possibility of lifting the penalty charges on PWLB loans to enable refinancing to take place.
- highlighted the fact that the decision to exclude Invest to Save/Earn schemes from the headroom calculations had been taken in September last year. However, there had been significant changes since then. Attention was drawn to the table at section 3.6 showing debt charges as a percent of net service expenditure with and without Invest to Save/Earn schemes. It was noted that about 30% of the debt charges was from the latter, which were therefore excluded from the calculation as to where the Council was to the ceiling. Given the vulnerability of current investments, it was queried whether the table at 3.4 should be restated to include Invest to Save/Earn schemes, as it would then be clear that the Council was in dangerous territory. The Chairman reported that if these changes were incorporated then the Council would need to incorporate commercial revenue against that in order to provide some balance. He acknowledged that given the impact of the pandemic, the Council needed to know that the actual returns exceeded the debt charges. He therefore agreed to investigate whether it should be included in future papers. **Action Required.**
- highlighted the lack of reference in the appendices to rail projects other than Cambridge South Station. The Chairman reminded the Committee that the CA was now the Transport Authority, and had the following rail projects within its remit: East/West Rail, Bramley Line and projects around Ely. He acknowledged that it might useful to have a referencing system to cover what was going on the future.
- highlighted the following on page 85 of the agenda "...This Land, which enables the Council to develop its own land rather than sell it to third parties." It was suggested that This Land was in the process of selling land to third parties. The Chief Finance Officer explained that the narrative in the Strategy reflected the overall strategic approach which was to enable the sale of land to This Land at full market value for development purposes. It was noted that as part of its ongoing business plan This Land had released certain plots of land where it did not fit with its business model or did not generate returns. He therefore agreed to

amend the narrative. The Chairman commented that some of the sites sold by This Land had come with planning permission.

- highlighted the need to remove some legacy text on page 88 of the agenda relating to the publication of the Local Transport Plan (LTP) to reflect the fact that the CA had agreed and published its LTP in January 2020. The Chairman acknowledged the need for officers to review this legacy text. **Action Required.**

It was resolved unanimously to review and comment on:

- a) The revised Capital Strategy
- b) That the advisory limit on the level of debt charges (and therefore prudential borrowing) should be kept at existing levels.
- c) That borrowing related to Invest to Save/Earn schemes should continue to be excluded from the advisory debt charges limit.
- d) The overview and context provided for the 2020-21 Capital Programme and comment on the results of the capital prioritisation process, taking into consideration the most up to date estimations for financing costs and the overall revenue position.

289. Treasury Management Report – Quarter Two Update 2020-21

The Committee considered the quarterly update on the Treasury Management Strategy 2020/21, approved by Council in February 2020. Attention was drawn to the economic commentary which reflected the extraordinary economic context of the year. It was noted that interest rates were very low which was enabling competitive borrowing but there was an additional premium on PWLB borrowing. It was noted that the Council was currently awaiting the outcome of a consultation on possibly further amending PWLB margins. Attention was drawn to investments, which included the monitoring of the Local Authorities Property Fund, and investment in a multi-class credit fund. Section 7 of the report confirmed the change of the Council's Banking Provider.

One Member queried the Council's borrowing limit given that borrowing was getting close to the limit of £800m. The Chairman confirmed that this reflected all borrowing, and explained that the headroom set in 2016 had not been predicated on the Council having a commercial investment strategy, which had successfully reduced the burden on the Council tax payer. It was acknowledged that the self-imposed headroom limit would need to be kept under review. However, it was important to remember that borrowing reflected the need for the Council to build schools and roads, which would be funded over a lifespan. The Head of Finance reported that the limit was £1.093b which provided significant headroom. It was noted that the previous report had identified that the Council would not breach those limits for four or five years.

Another Member raised the need to have a training or workshop session where the Committee could consider the limit together with good and necessary debt. **Action Required.** The Chairman of Commercial and Investment Committee reported that

£41.9m in commercial income had been achieved and reinvested into front line services.

It was resolved to:

note the Treasury Management Quarter Two Report for 2020/21 and forward to Full Council to note.

290. General Purposes Committee Agenda Plan, Training Plan and Appointments to Outside Bodies and Internal Advisory Groups and Panels

The Democratic Services Manager reported that the Business Member Champion role had moved from the former Economy and Environment Committee to General Purposes Committee. The Chairman proposed for the Committee's approval that the current representative Councillor Mathew Shuter remain in that role]

The Committee resolved unanimously to note its Agenda Plan and approved the re-appointment of Councillor Shuter as Business Member Champion.

Chairman