

GENERAL PURPOSES COMMITTEE: MINUTES

Date: Tuesday, 22nd October 2019

Time: 10.03a.m. – 12.50p.m.

Present: Councillors Bailey, Bates, Count (Chairman), Criswell, Dupre, Harrison (substituting for Councillor Kindersley), Hay (substituting for Councillor Schumann), Hickford, Hoy (substituting for Councillor Bywater), Hudson, Jenkins, Meschini, Schumann, Shuter and Whitehead

190. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies were received from Councillors Bywater, Kindersley and Schumann.

No declarations of interest were made.

191. MINUTES – 26TH SEPTEMBER 2019 AND ACTION LOG

The minutes of the meeting held on 26th September 2019 were agreed as a correct record and signed by the Chairman. The action log was noted.

192. PETITIONS

No petitions were received.

193. FINANCE MONITORING REPORT – AUGUST 2019

The Committee was presented with the August 2019 Finance Monitoring Report for Corporate Services and LGSS Cambridge Office, which was showing a forecast underspend of £809k. It was noted that the main change related to debt charges where a number of favourable changes had resulted in a significant underspend.

It was resolved unanimously to review, note and comment upon the report.

194. INTEGRATED FINANCE MONITORING REPORT FOR THE PERIOD ENDING 31ST AUGUST 2019

The Head of Finance in moving the recommendations contained within his report removed recommendation c) and replaced it with a new recommendation c) as set out below:

- c) Approve capital expenditure of £5.449M (to be funded by prudential borrowing) for Cambs 2020 Spokes disposals/acquisitions and adaptations, and earmark £513K within reserves for Cambs 2020 one-off reorganisation allowances and moving costs, as considered and recommended from the report to the Commercial & Investment Committee;

It was noted that a forecast year-end pressure of £0.82m was being predicted. Members were informed that a new pressure for winter maintenance had been identified. They also noted that Shareholder Company Dividends was forecast to overachieve by £250k.

One Member expressed disappointment that there was no business case associated with the new recommendation c). He was of the view that this request should be considered alongside the Alconbury Weald and Data Science projects in order to avoid double counting. The Chairman reminded the Committee that Commercial and Investment Committee had considered a report and was recommending approval.

Another Member highlighted that funding allocated to Place and Economy for highway maintenance and bus subsidy was again being used to fund the rest of the Council. She acknowledged that this was not uncommon for local authorities given their financial situation but it was important the public understood the nature of local government finances. The Head of Finance confirmed that there had not been a reduction in highway maintenance or bus subsidy. He explained that the favourable forecasts related to waste recovering, income from parking charges and Highway Development Control.

The same Member highlighted the fact that income from parking services would not be used to pay for these services in her Division. She stated that the public were not getting a better public service even though they were paying more for parking. The Chairman of Highways and Infrastructure Committee reported that the management of potholes was more efficient than it had been two years ago with currently no backlog. The financial surpluses were due to savings in waste and a new highways contract. He reminded the Committee that it was a small budget which was unlikely to make a significant difference to the Council's finances. The Chairman of Economy and Environment Committee added there had also been no reduction in bus subsidies.

It was resolved to:

- a) Note the transfer in budget responsibility and reporting for commercial scheme debt charges from Debt Charges within Corporate Services (CS) Financing to Commercial and Investment (C&I), as set out in section 5.2;
- b) Note the reduction in prudential borrowing of -£5,198k in relation to the multi-agency One Public Estate Highways Depot Project, as set out in section 6.7;
- c) Approve capital expenditure of £5.449M (to be funded by prudential borrowing) for Cambs 2020 Spokes disposals/acquisitions and adaptations, and earmark £513K within reserves for Cambs 2020 one-off reorganisation allowances and moving costs, as considered and recommended from the report to the Commercial & Investment Committee;
- d) Approve additional prudential borrowing of £920,000 in 2020/21 for the Cromwell Community College scheme, as set out in section 6.8.

195. MEDIUM TERM FINANCIAL STRATEGY

The Committee considered the Council's draft Medium Term Financial Strategy (MTFS) for the next five years. The strategy was updated annually at the commencement of the business planning process but refined during the process as the financial climate and the Council's approach to its finances gained greater clarity. The final strategy would be adopted at the Council meeting in February. It was noted that the draft strategy had been prepared before the mini spending review announcement so these changes were not reflected in the report. However, it was expected that they would reduce significantly the Council's deficit. The Chief Finance Officer (CFO) reminded the Committee that a full spending review had been expected but it had now been deferred for another twelve months.

The Chairman highlighted a change to the preparation of the strategy which involved maintaining the confidentiality for commercial reasons of capital projects which had not yet been developed fully.

One Member queried why the relationship between climate change and the budget did not feature in the strategy as a guiding principle. The Chairman reminded the Committee that Council had only approved a motion recently, after the publication of the GPC agenda, to link climate change and the budget. He informed Members that Council would be considering a report on the draft Climate Change and Environmental Strategy at its meeting in December with the final strategy for approval in March.

The same Member commented that the original motion on climate change had been approved in May. She therefore queried why there was no detail in the strategy. The CFO reported that whilst he understood the importance of the Council's position on climate change, the MTFS was a financial strategy and not a corporate one. He confirmed that the wording could be changed to help shape the financial environment but it was not an end in itself. One Member reported that the all Councils had received further detail from Government regarding the Environment Bill confirming that any new burdens would be cost neutral.

Another Member highlighted the challenge of embedding the climate change emergency in the Council's thinking. The Chairman reminded the Committee that his group had pushed forward a motion on climate change and the Plastics Strategy. The Council was recognised as a leader in this area and had won an energy efficiency award. He was of the view that the Council's track record on climate change was at the forefront of local authorities.

One Member queried the statement regarding no increases in general council tax from 2020-21 until 2024-25 on page 49 of the draft strategy. He asked whether the document could recognise the impact of increasing council tax. The Chairman reminded the Committee that the impact of a 1% increase was set out in the draft strategy. He explained that the new freedoms from Government had only recently been agreed and they would be considered by full Council as part of the five year business plan.

Attention was drawn to page 73 of the draft strategy detailing the fact that Cambridgeshire's Settlement Funding Assessment award per head of population was the seventh lowest of all shire county councils, at only £98.09 compared to the average of £127.35. One Member drew attention to the funding the Council should be receiving based on its population growth. She reminded the Committee that the Council was lobbying hard for fairer funding and urged everyone to support the campaign. She suggested it should be highlighted strongly in the strategy. The Chairman added that the Council had a shortfall of £25m compared to an average County Council with Shire Counties being the lowest funded of all local authorities.

Another Member whilst acknowledging the action taken by the Council over the years queried how effective it had actually been. The Chairman reported that the Council had secured £61.4m additional funding as a result of lobbying by the Council and the County Councils' Network. He added that it was unlikely a review would have been secured for next year without this lobbying.

The Chairman reported that he had a number of minor edits to the draft strategy. He asked the Committee to submit any amendments to the CFO. One Member reported that the reference to pooling more than five developer contributions on page 67 of the draft strategy was now out of date.

It was resolved unanimously to consider the Draft Medium Term Financial Strategy for 2020-25.

196. SERVICE COMMITTEE REVIEW OF DRAFT REVENUE BUSINESS PLANNING PROPOSALS FOR 2020-21 TO 2024-25

The Committee received a report detailing an overview of the draft Business Plan Revenue Proposals for services that were within its remit. Attention was drawn to Section 5 which set out a project to be delivered in collaboration with Cambridgeshire Billing Authorities to invest in counter fraud and compliance activity to increase Council tax income.

One Member whilst supporting the project queried how it would be financed. The Head of Finance explained that it was the responsibility of the billing authorities to maximise Council tax collection but the County Council was the biggest beneficiary. The Council would therefore need to negotiate a sharing arrangement to incentivise using gain. The CFO added that if the Council achieved agreement it would resource on the basis of a proportionate benefit of 80%. The Chairman queried what would happen once the collection rates had increased as the District Councils were not the recipients of the major gain. The CFO acknowledged that the ongoing cost would fall on the Districts. He raised the need to find a way of funding the Council's contribution once the project had ended.

The Head of Finance highlighted the success of a similar project in Essex. Another Member explained that this project would only work for a number of years and would then need to be done again. However, in the meantime all authorities would learn from its success. One Member reported that she had seen similar business cases before and queried what was actually new. The

CFO explained that a previous project had been focused on East Cambridgeshire and Fenland rather than the whole county.

Attention was drawn to the reference to demand management in the report. One Member highlighted the need to also make reference to the work of Children and Young People's Committee. She explained that the problem was more significant in children and adults so the reference should be more specific. The Chairman reported that this was a broad reference across all Council services.

The Chairman raised the importance of scrutinising inflation and demography at the same level as savings. He stressed the need for this information to be shared with Chairs of Policy and Service Committees next year and taken to committee if necessary. **Action Required.**

It was resolved unanimously to:

- a) note the overview and context provided for the 2020-21 to 2024-25 Business Plan revenue proposals for the Service; and
- b) comment on the draft revenue proposals that were within the remit of the General Purposes Committee for 2020-21 to 2024-25.

197. CAPITAL STRATEGY

The Committee considered the Council's Capital Strategy detailing all aspects of the Council's capital expenditure programme: planning; prioritisation; management; and funding. Members were reminded that the strategy was revised each year and approved by full Council in February. The report set out the Council's level of indebtedness. The Council's investments were split between non-treasury which related to commercial investments and treasury as set out in the Treasury Management Strategy. Attention was drawn to the graph on page 124 detailing the proportion of net budget (excluding schools) that was forecast to be spent on debt charges, and the estimated increase in borrowing levels over the period of the 2019-20 plan.

One Member queried what would happen if capital proposals that were able to reliably demonstrate revenue income/savings at least equal to the debt charges did not meet their target. The CFO acknowledged that the Council had not had to deal with an issue of that nature. He explained that if an investment failed it would become necessary funding.

The same Member queried whether the issue of debt charges rising steeply against the percentage of income was concerning. The CFO explained that the report highlighted the fact that more of the Council's operational revenue capacity was being used to finance debt. He added that this situation was more common for authorities with significant growth. It was therefore important that the Committee was mindful of this situation. In response to a further query, it was noted that the figures for this year would be part of the same trend.

The Chairman raised the need to differentiate between necessary and good borrowing. He explained that of the 8% figure 6% was necessary and the rest improved the performance of the Council. However, he acknowledged that there was a worrying trend and requested more detail be circulated to the Committee particularly in relation to the proportion of the total budget that was either Good or Necessary borrowing, and a narrative regarding the Medium Term Financial Strategy (MTFS) built in positive financial implications associated with good borrowing and any risks associated with returns failing from that proportion of the borrowing. **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.

198. SERVICE COMMITTEE REVIEW OF THE DRAFT 2020-21 CAPITAL STRATEGY PROGRAMME

The Committee received a report providing an overview of the draft Business Plan Capital Programme for Corporate and LGSS Managed Services.

It was resolved unanimously to:

- a) note the overview and context provided for the 2020-21 Capital Programme for Corporate and LGSS Managed Services; and
- b) comment on the draft proposals for Corporate and LGSS Managed Services' 2020-21 Capital Programme and endorse their development.

199. CAMBRIDGE UNIVERSITY SCIENCE AND POLICY EXCHANGE: GREENHOUSE GAS EMISSIONS BASELINE AND FORECAST TO 2050 FOR THE CAMBRIDGESHIRE AND PETERBOROUGH AREA

The Committee was presented with Cambridge University's Science and Policy Exchange (CUSPE) research report identifying the current carbon footprint for the geography of Cambridgeshire and Peterborough and opportunities to deliver Government's net zero carbon emissions ambitions by 2050. It was noted that the aim of the research was to inform the development of the Climate Change and Environment Strategy and Action Plan (CCES). The report covered six different sectors with a model developed for each for the Council to use and update should assumptions need to be revised.

The Committee received a presentation attached at **Appendix A**. The Chairman reported that many Members had attended a very good longer presentation. On behalf of the Committee, he thanked the CUSPE Team and the Mobilising Local Energy Investment Team for their hard work which would

form the back bone of the Council's Environment Strategy. He also thanked Councillor Ian Manning, the Council's Evidence-Informed Policy Member Champion, for supporting the partnership with the University of Cambridge. The following issues were raised by individual members in response to the presentation:

Peatland

- queried how the impact of peatland on emissions could be ameliorated particularly as it would not be possible to restore all peatland to its natural state. It was noted that the only way to prevent these emissions was to re-wet peatland. There were small examples of where this had occurred such as the Great Fen Project, which had provided some learning. Unfortunately, there was no easy answer to this issue.
- noted that the report acknowledged possible technological advances to address the problem of peatland emissions. The Chairman highlighted the possibility of farming sphagnum moss in peatland areas. He acknowledged the work in progress and looked forward to possible alternatives to address this issue. He reminded the Committee of the skills available in the science industry based in Cambridge.
- highlighted the problems associated with abstracting water in the Fens. There was a need to work with the innovation companies based in Cambridgeshire to look at ways of capturing water.

Transport

- highlighted the need to take difficult decisions in relation to transport. The transport sector accounted for 39% of total emissions in Cambridgeshire and Peterborough in 2016 which was a rise of 10% in eleven years. It was noted that there had been a modest trend towards electrified vehicles but it would need policy levers to increase take up. The decarbonisation of all the transport fleet would not be sufficient. Measures would need to be taken in relation to car use supported by active modes and public transport. It was noted that proposals being considered for the Greater Cambridge Partnership (GCP) area would help move towards providing a more coherent package but difficult decisions would still need to be taken. International estimates indicated that vehicle traffic would increase, which would have a negative effect on congestion. Local authorities would therefore need to work with the public to take difficult decisions.
- noted that transport emissions had stayed relatively constant for Cambridgeshire and Peterborough. It was acknowledged that transport was a difficult area but some places were performing better than others such as Norway and Amsterdam. The Committee would be considering another CUSPE report in the future on Transport Solutions with a seminar planned for November; a report would also be presented to the GCP. It was noted that decarbonisation of the grid could be done without involving the public but addressing transport emissions involved people's feelings and emotions.

Agriculture

- expressed concern regarding simplistic ideas particularly in relation to cows. It was noted that CO₂ emissions applied to all ruminants but cows produced the highest amount. However, it was important to note that 95% of emissions from ruminants were from mammals cultivated by humans; 94% of mammals comprised humans and livestock. The Committee was informed that reducing meat and dairy, and increasing wildlife was a positive approach. Another Member suggested that simplistic ideas relating to transport, energy and food were important to enable people to take action.
- stressed the importance of being ambitious. However, it was acknowledged that some actions might end up competing with land use. Members were informed that the energy food nexus was a pressing issue for the land use of the entire world and a proper analysis was needed of the full impact. It was noted that the efficiency of land use was higher from crops such as soya beans than livestock. It was suggested that moving to a more plant based diet would free up more land. There was also the issue of growth competing with land use, which might require the need for denser housing. One Member asked whether the Climate Change and Environment Strategy Working Group or CUSPE should be asked to investigate further. The Chairman acknowledged the usefulness of engaging the Working Group.
- queried whether population growth assumptions had been included when setting reduction levels for emissions for agriculture. It was noted that data from Cambridgeshire Insight had been used for the last five years and then trends had been mapped until 2050.

Net Zero: Closing the Gap

- queried how the Council could work with District Councils in relation to its Environment Strategy. The Project Director, Mobilising Local Energy Investment reported that the Council would need to understand what this would mean.
- queried whether the 2050 ambitious scenario target was realistic. One Member explained that she was concerned about public buy in if an unrealistic target was imposed. It was noted that a 2030 net zero target was possible for organisations. However, there would need to be changes in policy nationally for the 2050 ambitious scenario target to be achieved. It was noted that it would be difficult to deliver decarbonisation in a non-city environment.
- acknowledged that the next stage of the challenge was to work with the public to change people's way of life by encouraging and providing them with ways of being more environmentally friendly.

Councillor Manning reported that another set of policy challenges for CUSPE to research were being identified for the next round in February.

The Chairman raised the importance of working with the Council's partners such as the District Councils, Combined Authority and GCP. He suggested that a copy of the CUSPE report should be sent electronically to all Members, Chief Executives and Leaders of District Councils, the Combined Authority and utility providers with a letter offering to engage at every opportunity.

Action Required.

He highlighted the need to encourage the National Grid to move towards zero carbonisation at speed so that the electrification of cars and other public transport had an impact. He drew attention to Council solar projects at Soham and St Ives. He acknowledged the need to target first decisions which were both politically and financially acceptable before moving on to other areas.

It was resolved unanimously to accept the CUSPE research report and its use as part of the evidence base to inform the development of the Council's Climate Change and Environment Strategy and Action Plan (CCES).

200. TRANSFORMATION FUND

(a) Transformation Fund Bid to Finance the Commercial Team

The Committee considered a Transformation Fund bid to finance the work of the Commercial Team until March 2021. It was noted that the bid had been considered by the Commercial and Investment Committee on 18th October 2019 receiving unanimous support. Attention was drawn to the background and the need to develop a commercial resource. It was now necessary to establish a dedicated commercial team to optimise commercial skills with a view to appointing a permanent, self-funding team by April 2021.

Members were supportive of the proposal as it would make the Council more successful. However, one Member reminded the Committee that revenue gains could only be used once. The Chairman reported that the amount of revenue gains exceeded the cost of the team.

It was resolved unanimously to:

approve the Transformation Bid proposal of £390,000 to fund the Commercial Team up to March 2021 as set out in Appendix A to the report.

(b) Home to School and Adults Social Care Transport

The Committee considered a report outlining transformation investment to identify and deliver savings in home to school and social care transport. An investment of up to £410k from the Transformation Fund was requested to be drawn down in tranches. This funding would provide specialist capacity to support the work to review transport policy, processes and procedures across services and to develop and embed an Independent Travel Training Programme for children and young people with Special Educational Needs and Disability (SEND).

One Member expressed strong support for this bid as it would help both people and the Council's budget. She reminded the Committee of the successful Total Transport Project. The project had tried unsuccessfully to combine taking adults to day centres and SEND children to school; she queried whether this issue could be considered again as it could result in efficiencies. The Chairwoman of Adults Committee acknowledged that it was worth revisiting but highlighted the fact it could be hugely resource intensive. She reminded the Committee of the considerable amount of work which had been done to help people with learning disabilities to be more independent. She stressed that this was the right thing to do regardless of financial savings.

One Member queried Peterborough City Council's contribution to the project. It was noted that the City Council had received a similar business case as part of its financial improvement programme.

Another Member queried the view of the Children and Young People Committee. It was noted that the Committee would consider the report in December. In the meantime, the direction of travel had been considered by the Chairman and Vice-Chairwoman. The same Member queried why the usual process of consulting the relevant committee first had not been followed in this case. Members of Children and Young People Committee commented that this issue had been discussed at meetings of the Committee with Members giving their support in principle.

One Member reported that he had been contacted by local residents whose children had SEND on the autism spectrum. It was important to bear in mind that these families needed plenty of time to prepare their child/young person for changes to their travel arrangements and for any changes to be introduced. It was acknowledged that training needed to go at the pace required by the individual child/young person.

It was queried how the figure of £410k had been identified. The Chairman asked for the table at 5.1 to be revised to improve clarity and then circulated to the Committee. **Action Required.**

The Chairman reminded the Committee that the Council was an outcome focused organisation. He therefore suggested that the report should have been presented in a different way with a focus on improving outcomes for children. He highlighted the need to identify individual personal profiles to target resource, this would then enable taxi contracts to be awarded appropriately. It was therefore important to phase this work a year in advance.

It was resolved unanimously to:

- a) release Transformation funds to provide additional resources to identify the areas where savings could be made across Cambridgeshire;
- b) release funds in support of Independent Travel Training for Cambridgeshire ; and

- c) delegate authority to the Chief Finance Officer to draw down the £410k investment in tranches, in consultation with the Chairman of General Purposes Committee and the Chairman of Children and Young People Committee.

c) Transformation Fund Monitoring Report Quarter 1 2019-20

The Committee considered a report detailing progress in the delivery of the projects for which transformation funding had been approved at the end of the first quarter of the 2019/20 financial year. Members noted the outcomes for current projects and a table showing the trend in RAG rating over the previous four quarters. Attention was drawn to an update on the Housing Related Support Investment project in particular why the funding had not been drawn down.

Members were aware that the Housing Related Support Investment project savings were in the Business Plan, they therefore queried how long the work would take. It was agreed that a timetable should be shared with the Committee. **Action Required.**

The Chairwoman of Adults Committee drew attention to the Adults Positive Challenge Programme particularly the carers' work stream, she reported that the Council was reaping the benefits of employing external consultants. She highlighted the difference in the level of support to carers who had previously been supported by a central contract and a one off direct payment. She explained that it was not always about money.

It was resolved unanimously to note and comment on the report and the impact of transformation fund investment across the Council.

201. PERFORMANCE REPORT – QUARTER 1 2019-20

The Committee was provided with a report detailing performance monitoring information. Members were reminded that this was the first report in the new template style agreed by the Committee in July. The Chairman highlighted the need for consistency in relation to the RAG rating for current performance better than target. It was noted that it would be blue in future.

The Chairman raised the need for this report to be scheduled higher up the agenda. **Action Required.** He also drew attention to Indicator 40: Classified road condition – narrowing the gap between Fenland and other areas of the County. He queried how this would be achieved if all that was available was one-off funding from Government. **Action Required.**

In relation to Freedom of Information and Subject Access Requests, one Member queried the length of time required to legally keep records. **Action Required.** The Chairman commented that performance in this area was contrary to what was expected and requested more information. **Action Required.**

One Member highlighted the need to keep track of Transformation Fund expenditure. The Chairman explained that it was recorded as part of the reserves table in the Integrated Finance Report.

The Chairman drew attention to Indicator 14: Proportion of service users (18-64) with a primary support reason of learning disability support in paid employment. He could not understand in an area of high employment why the Council compared unfavourably with its statistical neighbours and the England average. The Chairwoman of Adults Committee explained that it was an issue of recording, as the figures were only recorded if they were reviewed in year. Unfortunately, there was a delay in the review process. The Chairman stressed the need for action in this area.

In considering the indicator relating to congestion on key routes, the Chairman asked for a list of key routes and how they were identified to be circulated to the Committee. **Action Required.**

It was resolved unanimously to note and comment on performance information and take remedial action as necessary.

202. REPATRIATION OF SERVICES FROM LGSS TO CAMBRIDGESHIRE COUNTY COUNCIL

The Committee was asked to agree the repatriation of the Professional Finance Services and Democratic and Members' Services from LGSS to the Council. The CFO explained that the overarching strategic review of LGSS was in hand. This was an interim measure to reflect changes already made by Northamptonshire County Council.

The CFO confirmed that the repatriation would be cost neutral and the delivery of savings in these areas would be reviewed. He reminded the Committee that the ambitious savings target for LGSS had been removed from the current year budget baseline in May as it was not going to be achieved. It was noted that LGSS operated on a cash limit methodology rather than business cases. Members were also informed that the management structure was reducing as a number of staff had left and not been replaced.

It was resolved unanimously to:

- (a) note the contents of the report and;
- (b) agree that the two service areas are repatriated to the County Council with immediate effect.

203. GENERAL PURPOSES COMMITTEE AGENDA PLAN, TRAINING PLAN AND APPOINTMENT TO OUTSIDE BODIES, AND INTERNAL ADVISORY GROUPS AND PANELS

The Committee considered changes to its agenda plan as follows:

November

- remove Social Impact Bond, Life Changes Fund
- remove Draft Climate Change and Environment Strategy (to be considered by Council)
- note that Learning Disability Partnership – Baseline 2020/21 (Pooled Budget) was a confidential item

December

- add Transformation Fund Bid – Demand Management in SEND.

It was resolved unanimously to review the agenda plan.

Chairman