Agenda Item No.2

GENERAL PURPOSES COMMITTEE: MINUTES

Date: Tuesday, 20th September 2018

Time: 10.00a.m. – 12.40pm

Present: Councillors Bailey, Bates, Bywater, Count (Chairman), Criswell, Dupré, Hudson, Jenkins, Kavanagh (substituting for Cllr Meschini), McGuire (substituting for Cllr Hickford), Nethsingha, Sanderson (substituting for Cllr Giles), Schumann, Shuter and Whitehead

Apologies: Councillors Giles (Cllr Sanderson substituting), Hickford (Cllr McGuire substituting) and Meschini (Cllr Kavanagh substituting)

99. MINUTES – 20th JULY AND ACTION LOG

The minutes of the meeting held on 24th July 2018 were agreed as a correct record and signed by the Chairman.

It was confirmed that a briefing note detailing progress with target setting on indicators would be sent to Members by 21/09/18.

100. PETITIONS

No petitions were received.

101. FINANCE AND PERFORMANCE REPORT – JULY 2018

The Committee was presented with the July 2018 Finance and Performance report for Corporate Services and LGSS Cambridge Office, which was showing a forecast underspend of £665K.

There was a new variance of £182K, which was an underachievement forecast against the Citizen First, Digital First savings target. This was due to a change in the scope of that project to reflect the nature of the work involved, enabling savings to be achieved in other service areas.

A number of mitigations and offsets had been put in place, resulting in savings e.g. financing costs had reduced, due to a rebate of bank fees on international payments.

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

102. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST JULY 2018

The Committee received a report detailing the financial and performance information to assess progress in delivering the Council's Business Plan.

Members noted:

- that there had been considerable focus nationally on local government over the summer, especially County Councils;

- key metrics, such as service users supported by key care budgets and people receiving community services;

- the £5.2M variance in the Revenue budget, with increasing pressures in People & Communities and Commercial & Investment Service areas. The Commercial & Investment pressure related to delays in commercial ambitions and investments being actioned, and also from the closure of CCS and the one-off costs associated with this, such as redundancies. The People & Communities pressures came mainly from Children's Services, specifically the Looked After Children (LAC) placements. Plans were in place to reduce expenditure and mitigate these pressures going forward. There were also changes in the financial systems, most notably relating to open order reconciliations, which were being addressed.

Arising from the report:

- a Member commented that she had raised the point at the Children and Young People (CYP) Committee that a project should review School Transport for SEND, in the same way that Home to School Transport had been reviewed, which had resulted in considerable savings for the Council. It was noted that senior officers were reviewing SEND school transport at a strategic level. However, the difficulties and complexities of SEND School Transport meant that this would need to be tackled in a different way to Home to School Transport;

- a Member queried if the Commercial & Investment Service pressure was temporary or ongoing. Officers advised these pressures included the one-off costs of the closure of CCS, and also commercial plans that had not yet been realised, partly due to the lack of sufficiently appealing investment opportunities, and also the delays in the phasing of loans to This Land;

- a Member expressed concerns that only 50% of adults and children were kept safe, and no contextual information was provided on the targets that were being missed in relation to this performance indicator. Officers confirmed that this detail could be provided next month. It was also agreed that next month's report would include a summary against each outcome, not just the ones that had changed. It was agreed that this would be circulated prior to the next meeting. **Action required (Sue Grace/Tom Kelly).** The Chairman observed that stretching targets had been set, and stressed that achieving 50% against this indicator did not mean that only 50% of adults and children were being kept safe, and whilst Members understood this point, it would be helpful to clarify this point in the report for the benefit of the public. Another Member pointed out that these performance indicators were all closely managed by the relevant Committees, and the detail behind them would be available in the respective committee papers.

It was resolved unanimously to:

a) note the additional section 106 funding received as set out in section 6.8 of the report;

b) approve the allocation of the increased £112.7k Extended Rights to Free School Travel Grant to People and Communities (P&C) so that it can be used for its intended purpose, as set out in section 7.2 of the report;

c) note the open purchase order reconciliation issue and the accounting entries required to correct the treatment, as previously recommended in the June 18 report, as set out in Appendix 3 of the report;

d) approve the -£18.8m revised phasing of funding relating to changes in the capital programme variations budget, as previously recommended in the June 18 report, as set out in Appendix 3 of the report;

e) approve the -£7.2m re-phasing of P&C's capital funding for the St Neots Wintringham Park scheme, as previously recommended in the June 18 report, as set out in Appendix 3 of the report.

103. MEDIUM TERM FINANCIAL STRATEGY

The Committee considered the draft Medium Term Financial Strategy for the next five years. It was stressed that some of the figures were still draft, and did not constitute actual proposals at this stage.

Members were reminded that the Strategy was updated annually at the commencement of the business planning process, but was refined during the process as the financial climate and the Council's approach to its finances gained greater clarity, and following engagement and input from Members through the Service Committees. The final Strategy would be adopted at the Council meeting in February, which would also approve the Business Plan and the revenue and capital budgets. Its core purpose was to provide a financial framework within which individual service proposals can develop before Council approves the budget and the Business Plan in February.

The Deputy Chief Executive stressed that it was important to understand the overall financial context which all local authorities were operating in, and whilst the Council had risen to those challenges in the past, and would continue to do so, it was becoming increasingly difficult, and the options being evaluated were becoming increasingly unpalatable. The Council does have to operate within the financial envelope it was given, and tried to mitigate reductions through the transformation of services. Increasingly, more investment was required to mitigate the demand pressures coming through the system. Whilst remaining confident that a balanced budget would be presented to the full Council meeting in February 2019, this would be a significant challenge, and he was less confident about future years' budgets.

For the 2019/20 budget, there were a number of factors which were fairly certain, or reasonable estimates could be used, but looking further forward, the outlook was less clear. There would be a fundamental spending review by government in the coming year, but there was no indication what the outcome of that spending review might be. Negative RSG was also possible in 2020. The Council Tax limits were unknown, and the Adult Social Care Precept was in the last year of the current framework.

A Member acknowledged the difficulties in trying to budget, and suggested that the government was being very unhelpful in not providing clarity on funding for local authorities going forward. She reminded the Committee that Council had taken the decision in 2016 to reject the Four Year Settlement, and had been right to reject that offer, as otherwise it would be required to give the government £7M in Council Tax money. She also observed that the outcome of the Business Rates Retention Review was hanging over the Council, and the government finance settlement was unlikely to be announced before 23/12/18. The Council would be in a less difficult position if it had taken the full Council Tax increases in previous years: it would now be £26M better off, and the decision not to do so had left the Council in a perilous position. Some of the savings in the current year's budget were very ambitious and were unlikely to be achieved, e.g. the targets for reducing the numbers of Looked After Children, and she suggested it would be much better if savings were more realistic.

Responding, the Chairman said that he fundamentally disagreed with much of this analysis. With reference to the Four Year Settlement, the outcome suggested was very much the minimum position and "worst case scenario". The Liberal Democrat Group had favoured the maximum permitted Council Tax increases, but in tandem with this proposal had presented an associated spending plan, which would have resulted in the Council not having an additional £26M in its baseline budget. In addition, the Council had actively lobbied against Negative RSG, and it was likely that the government would agree to that.

The Deputy Chief Executive advised that whilst stretching targets had been set, these were at achievable levels, as setting targets that were too challenging would only lead to problems in future years. In addition there were specific pressures, outlined in the previous reports, that were resulting in budgetary pressures.

Other points raised included:

- a Member queried the inflation assumption of 2%, given that CPI was currently 2.8%, and that figure was based on fundamentals such as oil and heating costs. The Deputy Chief Executive confirmed that inflation was increasing, and this would need to be reviewed, but most of the inflationary pressures on the Council came from external organisations. Internal inflation was effectively limited to employee costs, which was built into the base budget;

- on the issue of reserves, the Deputy Chief Executive observed that there had been a lot of discussion on social media about Council reserves. The Council had taken the decision not to spend these on base expenditure, as doing so caused problems further down the line. Using reserves for base budgets was already causing difficulties for other organisations;

- one Member commented that the opposition groups had consistently rejected transformation proposals at Committee stage. (The Labour Group Leader challenged this, pointing out that the Labour Group had consistently voted in favour of transformation proposals). The Member further suggested that RSG was in jeopardy because the Council had failed to accept the Four Year Settlement in 2016. She added that the Adults Committee had focused on radical change, with better outcomes through support at a local level, preventing needs from escalating further: however, all of those savings proposals had come from officers and the Conservative Group. Savings put forward had made year on year sustainable savings, rather than propping up the budget with one off efforts;

- a Member suggested that the MTFS contained a number of assumptions, in which officers had varying degrees of confidence. He suggested a table be devised including confidence levels, and linked to the Risk Register, e.g. RSG, Adult Social Care Precept and the ability to raise Council Tax. A key example was the paragraph in the Executive Summary that referred to Council Tax *assumptions*: the Member suggested that setting Council Tax was a policy decision, as Members should have the flexibility to agree a Council Tax between the lower and upper limits. In response the Chairman suggested that this assumption was based on the five year strategy agreed by full Council in the previous Business Plan. However, this did not affect the finances for 2019/20, and it was GPC's job to recommend a Business Plan to full Council;

- in response to a question on the Smoothing Reserve, the Chairman stressed that this was not just for the 2018/19 budget, but could be used in subsequent years. Another Member pointed out that the opposition groups had not supported the introduction of the Smoothing Reserve. It was confirmed that this had not been necessary to be allocated in the current financial year yet, and the intention was for it to be available in future financial years; to help address budgets for 2019/20 and 2020/21 which were predicted to be the most difficult in the five year MTFS;

- with regard to the Adult Social Care (ASC) Precept, the Chairman advised that the assumption had been made that this would continue at 2%. Zero Council Tax had been assumed at this stage as government had not yet set the limits, so the Council was prepared for the worst case scenario. The Council Tax level would be agreed by GPC for recommendation to full Council in February: he stressed that this was only the *draft* MTFS. The Deputy Chief Executive confirmed that the financial plans were predicated on the information in the MTFS;

- a Member commented that Looked After Children placements continued to be a difficult problem to address, despite GPC agreeing an additional £3M in previous years. She suggested that at some point Members needed to take a view on when an improvement was expected, and look to rebalancing the budget if that improvement was not forthcoming. Other Members agreed, noting that this was a challenge nationally, and was an example of where the Council's demand led responsibilities made budgeting in the medium and longer term so difficult. The Council needed to review the work of those authorities bucking the trend (e.g. Hertfordshire) for possible solutions;

- referring to the table setting out current savings/income requirements for the Council (section 3.3 of the covering report), a Member asked where the gains were anticipated. Officers agreed to circulate a paragraph providing further explanation of the table. **Action required: Tom Kelly**. It was suggested that this information could also incorporate the helpful suggestion of a table setting out major assumptions against confidence levels, and linked to the Risk Register. The Chairman pointed out that the risks from demands on Adult Social Care and Children's Services outweighed all other risks;

- a Member commented that whilst numerous sustainable savings had been made, a number of unsustainable savings had also been made, and the decision to implement these had subsequently been withdrawn or adjusted, e.g. the winter gritting changes, charging for internet usage in libraries and Children's Centres. She stressed that it was important to distinguish between assumptions and choices i.e. those matter the Council had power and influence over, and those it does not, as these appeared to have been confused in the draft MTFS e.g. an assumption of a 2% rise in the ASC Precept year on year had been included, but elsewhere in the document it stated that this was not guaranteed. It was important to focus on those areas where the Council does have power e.g. setting Council Tax, which the draft MTFS suggested was more uncertain. She suggested that the MTFS should also expand on the assumptions made on Brexit, the impact of which may be unprecedented. She referred to a quote that 7% of the East of England's workforce were EU Nationals should more accurately state "non-UK EU nationals". She also suggested that other demographic snapshots of those involved in direct ASC provision estimated that the number of non-UK EU nationals was nearer 24%, and the figures may therefore be underestimated, and this could further impact on the Council's ability to deliver services.

- a Member asked if the Leader could share any information on what the Council's and the Combined Authority's response was going to be to the government consultation on the retention of Business Rates. The Chairman responded that the big question was whether the split should be determined nationally or locally: the Council's view was that it should be determined nationally. With regard to the Business Rates Retention *Pilot* scheme, a report would be considered at the next Combined Authority Board meeting, for a response to be submitted collectively by all Councils and the Combined Authority. There was an engagement process on the split, and how the tariff and levy scheme may operate. Each sector was clearly seeking to protect its share. A set of principles was required, and there would be a consultation before Christmas. It was also important to establish what was expected to be delivered by those bodies retaining the Business Rates. The Chairman confirmed that he would be primarily pursuing the County Council's interests.

Councillor Jenkins proposed the following motion:

> The Committee recommends the final version of Medium Term Financial Strategy recognises Council's freedom to increase Council Tax, within boundaries set by government, if that is appropriate in order to enable us to balance its (proforma) budgets in the years between 2019/20.

In discussion, the Chairman and Deputy Chief Executive commented that as discussed earlier in the debate, full Council would agree the final MTFS in February, and the document would be reconsidered by the General Purposes Committee before that, and a statement reflecting Councillor Jenkins' Motion could be explicitly included in the final version, for Members' consideration. It was further noted that a statement to that effect was already included in the Executive Summary of the Draft MTFS. Councillor Jenkins agreed to withdraw his Motion, on the understanding that the principle of his Motion be included in the final MTFS. **Action required: Chris Malyon/Tom Kelly.**

It was resolved unanimously to:

> note the Draft Medium Term Financial Strategy for 2019-24.

104. CAPITAL STRATEGY

The Committee considered a report on the Council's Capital Strategy, detailing all aspects of the Council's capital expenditure programme specifically planning prioritisation, management and funding.

Presenting the report, the Deputy Chief Executive stressed that all capital expenditure had revenue implications, and it was important to review the programme thoroughly in the light of the challenges that the Council was facing. It was noted that this Strategy would be reviewed again by the Committee before being presented to full Council in February, and that some numbers were draft and subject to change. As the Combined Authority takes on more transport responsibilities, the Strategy sought to redirect some of the issues would have previously funded through the County Council's Capital programme. The programme had also undergone a fundamental review and where possible, schemes had been reprofiled, to reduce the impact on both borrowing and the revenue budget.

Members discussed developer contributions, which had been affected by the introduction of the Community Infrastructure Levy (CIL). Only Huntingdonshire and East Cambridgeshire had adopted CIL, and a Member noted that there had been some disagreements with Districts over developer contributions for schools. It was confirmed that the County Council was in discussion with the Districts to ensure that those development contributions were forthcoming. Councillor Bates advised that he and Councillor Bywater were working with Huntingdonshire District Council (HDC) on this issue. The Chairman observed that there were fundamental problems nationally with the planning system and developer contributions, which had never been resolved, and that it was absolutely vital in the longer term that this was addressed.

In discussing the report:

- a Member noted that the report referred to *"several Education schemes in the programme… which could be delayed"*, but did not reference specific schemes, and which educational establishments would continue to have temporary accommodation. It was agreed that this information would be circulated to the Committee. **Action required: Chris Malyon/Tom Kelly;**

- a Member commented that she had some serious concerns about governance on infrastructure schemes, especially given the overspend on the Ely Southern Bypass, and she asked whether the governance of the Capital Programme should be included in the Strategy. The Deputy Chief Executive advised that governance had not been included in the Strategy previously, and the strategic framework of the Capital Programme had been disaggregated from the delivery of it. It was agreed that officers would review whether it was appropriate to include governance issues within the Capital Strategy;

- a Member commented that there were some good summary tables on the impact of advisory debt levels and charges, but much of the data feeding into those tables was missing. The Member also queried any capital provision for works needed to the Guided Busway. The Deputy Chief Executive advised that there was a provision within the Revenue budget for a small amount of ongoing maintenance for the Guided Busway, but this was not capital funding, as the assumption was that the contractor would pay for those outstanding issues. Given the current legal action taking place with the contractor, it was agreed that it would be inappropriate to discuss that issue further.

It was resolved unanimously:

a) that the advisory limit on the level of debt charges (and therefore prudential borrowing) should be kept at existing levels;

b) that borrowing related to Invest to Save/Earn schemes should continue to be excluded from the advisory debt charges limit;

c) to note the areas for potential reduction in cost as set out in section 4 of the report for further consideration by service committees.

105. TRANSFORMATION FUND MONITORING REPORT QUARTER 1 2018-19

The Committee received a report outlining progress in the delivery of the projects for which transformation funding had been approved, at the end of the first quarter of the 2018/19 financial year. It was noted that whilst the General Purposes Committee had a strategic overview of the Transformation Programme, individual Service Committees monitored the detail of Transformation schemes within their remit. Members were asked what information they would like to see in future reports.

Two schemes, *Dedicated social work and commissioning capacity LD* and *Looked After Children (LAC) Placement Budget Savings* were both rated as Red under the 'RAG' rating system. However, this was due to delays in drawing down investment, rather than overall underperformance. It was stressed that the nature of transformation work had changed over recent years, with the focus being on influencing the demand trajectory. It was noted that future quarterly monitoring reports would include more narrative on the lifetime of the schemes, rather than just monitoring in-year performance.

A Member asked what happened when a Transformation scheme stopped – i.e. was the expectation that the project would be self-funding? It was agreed that this should be set out explicitly in every business case. There was an assumption that change would be embedded in the scheme areas, and would be self-funded; where funding was still necessary, this would be met by their Service area, albeit at a level that reflected the savings achieved as part of the transformation process.

A Member suggested that as this was an Exceptions report, it should include the 'Blue' schemes, where savings had been exceeded. It was also important to establish the timescales within the evaluation of progress.

In discussion, it was noted that the targets were truly stretching, and whilst there was an expectation that the majority should meet their targets, this approach meant that would not be the case for all of them.

It was resolved unanimously to:

note and comment on the report and the impact of transformation fund investment across the Council.

106. ADULTS POSITIVE CHALLENGE PROGRAMME

The Committee considered the Outline Business Case for investment to enable Cambridgeshire County Council to deliver the Adults Positive Challenge Programme.

Introducing the report, officers outlined the scope of programme and how it was envisaged it would work in practice. A one-off investment of up to £3m would be required to deliver cost avoidance and savings to the value of £5.8M in 19/20 and 20/21 with an expectation of delivering further savings in future years, through identifying effective ways to reduce demand and change the way Adult Social Care was delivered. The original outline business case proposed that a cumulative cash flow reduction of 40.5m could be delivered through a £4.8m investment, but this included some opportunities which were already underway such as digital approaches. Members noted the Vision for 2023 for the Positive challenge Programme, which aimed to address residents' needs early on to prevent them from escalating, empowering individuals to do more for themselves, and building self-sufficient and resilient communities. The eight delivery work streams were detailed in the report. It was stressed that this was a whole Council programme, i.e. not just the Adult Social Care team, but involving a wide range of teams from across the Council.

Arising from the report:

- a Member asked what "Changing the conversation" entailed, and how it differed from what had previously been offered. Officers explained that the current approach basically evaluated an individual's needs and put in place a plan. The focus in the changed approach was what could the individual do for themselves, and what support might they need to achieve this e.g. with the help of assistive technology. Staff were already doing this to some extent, but this approach would enable them to take this further, by providing examples and tools. Many people did not want to get in to a statutory process as a first response;

- a Member asked whether Health partners would be contributing financially, especially if it led to a reduction in demand for their services. Officers advised that they had deliberately kept the focus on what the Council could do. There were many discussions taking place with NHS colleagues, and they were trying to feed all of this in to the STP (Sustainability and Transformation Partnership) process. The Member commented that it was important that the health system faced its challenges;

- a Member asked for the table in paragraph 1.5 of the report (Total budget per person vs statistical neighbours) to include a column on the total number of individuals being supported. **Action required: Charlotte Black;**

- it was noted that the level of funding requested was a total amount, which would be drawn down on a business case by business case basis. At the moment the intention was to draw down £3.8M in the first year, and a further £2M in 2019/20. Completing the programme within two years would have a significant cumulative impact on the pressures on the service in future years;

- whilst supporting the proposals, a Member expressed slight hesitations and concerns about the "Changing the conversation" work stream i.e. maximising independence: whilst this would be generally welcomed by most individuals, care needed to be taken that appropriate interventions did take place when required, to avoid critical situations arising, and individuals ending up unnecessarily in residential or nursing care. Other Members agreed, suggesting that the intention was right, but needed to be managed carefully to ensure the appropriate level of care;

- a Member queried whether this was genuine transformation work, or core budget activity. She also asked how this would be reported back to Members. Officers explained that they would be going through the correct approval process, but at the same time they needed to be nimble: the expectation was that the Adults Committee in particular would be kept updated on progress;

- it was suggested that the Trajectory Board approach was a great idea, and should be adopted by the Children and Young People's Committee;

- a Member commented that despite the low budget per person, Cambridgeshire was still delivering good outcomes, and overall standards were being held up;

- a Member observed that most people wanted to remain independent, and by putting in more intensive resources from the outset and building up relationships with the individual and their support network, that person was being set up for a longer term positive experience. It was also noted that this was about focusing on supporting people in a much more human and much more flexible way, and about aligning work that was already being done, testing out the neighbourhood model, and supporting and pushing that even further. Other Members put forward examples of where simple interventions could be hugely beneficial to an individual's independence, whilst at the same time saving resources;

- a Member asked for a 'guesstimate' to be included on the impact on other organisations to be included in all future Transformation Business Cases. **Action required: Amanda Askham.**

It was resolved unanimously to:

a) comment on and endorse the new mission for adult social care as described in 1.2 of the report;

b) comment on and endorse the work to date on the Adults Positive Challenge Programme and the opportunities identified;

c) approve the investment of £3m revenue from the Transformation Fund for the period up to April 2021 to enable the approach set out in the Outline Business Case (OBC);

d) agree that tranches of finance to support each element of the Outline Business Case will only be drawn down following agreement with the Section 151 Officer in consultation with the Chairs of the Adults and General Purposes Committees.

107. CAMBRIDGESHIRE COUNTY COUNCIL AND PETERBOROUGH CITY COUNCIL SHARED SERVICES – JOINT WORKING AGREEMENT AND PROTOCOLS

The Committee received an update on the progress of the Shared and Integrated Services Programme. The report also sought endorsement for Cambridgeshire County Council (CCC) and Peterborough City Council (PCC) Joint Working Agreement, associated protocols and Section 133 arrangements. It was noted that the recommendation was to endorse and recommend the report to full Council.

CCC and PCC had been working together in an opportunistic way for several years. However, a more strategic approach was required, so a Joint Working Agreement (JWA) needed to be in place. It was stressed that the JWA was not a commitment to deliver future services in any particular way, and that the JWA included a Sovereignty Guarantee designed to protect the separate legal and political identities of each Council, but the JWA provided the underlying legal agreement which future discussions and arrangements could be based on.

Arising from the report:

- Members noted that Member workshops had been held to discuss the detailed documentation of the JWA, and this document had been amended by both authorities. The County Council had benefitted to date from joint working arrangements, notably at a senior management level, but these had been arranged on a ‘one-off’ basis to date. The overriding factor was that there was no change in sovereignty, and that both authorities retained their identities;

- a Member observed that the Council had experience of sharing officers and teams across authorities, notably through LGSS, but that this had not always been a positive experience, especially as there was an element of losing control. Officers explained that they had been very careful to establish protocols e.g. HR accountability, financial arrangements, and this was the main purpose of putting joint working arrangements in place to underpin future work, and examples were provided on how this would work in practice. The JWA would not affect the current joint working arrangements with LGSS, Districts, Health partners, etc.;

- a Member queried how costs were apportioned in joint commissioning arrangements, and whether these were based on a basic head of population apportionment, and deviating from this if there were good historical reasons to do so. Officers advised that whilst the report focused on the financial protocols, apportionment was more to do with financial baselining i.e. determining whether exceptions were reasonable. The Chairman stressed that officers would work up this financial baselining, and Members should be reassured that unless both authorities agreed, they would not be progressed;

- a Member commented that whilst was very thorough, she found the governance section confusing. It was suggested that the flowchart Appendix A (Programme Organisation and Governance) set out concisely the governance arrangements. It was noted that the reference to “Leaders of both parties” referred to CCC and PCC, not political parties, and this would be clarified in the final document. **Action required: Amanda Askham.** It was also confirmed that whilst Communities & Partnerships Service Committee would have an overview of the joint working programme, the appropriate Service Committees would be involved in developing and monitoring partnership agreements. This was not currently included in the document, mainly because both authorities had their own very different and complex organisational structures and political governance arrangements, but it was suggested that another page could be included to reflect these arrangements;

- a Member commented that the document did not set out any contingency arrangements, should the structure of local government in Cambridgeshire change e.g. to unitary authorities. The Chairman responded that the document reflected current local authority arrangements and would need to be adapted if different arrangements applied in future. It was further noted that it was within the gift of either authority to come out of, or amend, joint working arrangements;

- a Member asked how these arrangements would be resourced, and if this had been quantified and costed. Officers commented that there were a lot of steps in the arrangements, but very few were additional, and most would be happening anyway. It was more complex to work without joint working arrangements.

In conclusion, the Chairman commented that the Council’s experiences with LGSS was that back office services had been successfully delivered between the three lead authorities, and whilst there had been some frustrating hurdles, lessons had been learned along the way. This JWA built upon both that knowledge and the positive experience of working with Peterborough City Council to date.

It was resolved unanimously to:

comment on, endorse and recommend to Full Council to agree the principles set out in the Joint Working Agreement and Protocols.

108. LEVEL OF OUTSTANDING DEBT

The Committee received an update on actions being taken to control and manage debt, and to agree an adjustment on the debt management targets.

Presenting the report, officers explained that nationally, local authorities were finding it increasingly difficult to collect debt, especially with more people being in receipt of care services. Since the Committee considered a report on Debt in September 2017, there had been a number of significant changes, notably the roll out of the ERP Gold system. There had also been organisational changes within LGSS, including the creation of a new Head of Debt & Income role, and the creation of a Cambridge-based team specifically dealing with CCC debt.

In terms of the debt reduction targets that had been agreed in 2017, the debt level was now higher for 2017. It was recommended that the focus should be on debts greater than 90 days old, rather than more recent invoices, whilst at the same time ensuring that debt does not reach that 90+ days stage in the first place. It was further noted that the CIPFA benchmarking report would be available shortly. The 2017 CIPFA report indicated that Cambridgeshire was a low cost debt recovery service, and that many comparable authorities had higher debt.

Arising from the report:

- in response to a Member question, it was confirmed that Milton Keynes was not part of the Debt/Income Collection arrangements, just Cambridgeshire and Northamptonshire County Councils;

- a Member requested that future reports include the *number* of debts, as well as their total value, as this did have a bearing on how the Service was resourced. **Action required: Bob Outram;**

- Members noted that the Service was slightly adrift of the targets set currently, mainly due to the new ERP Gold system and staffing issues, but officers were very confident that targets would be met by the end of March. It was agreed that the debt position would be included in the regular Integrated Resources and Performance Reports considered by the Committee, as it was important for the Committee to monitor this work. **Action required**;

- Noted the recommendation that the targets set in 2017 (3%/<90 days; 5%/>90 days; 7%/>360 days) were replaced by targets of 8% for Adult Social Care, and 15% for All other Sundry Debt.

It was resolved unanimously:

a) to note the actions being taken to manage income collection and debt recovery.

b) that the 2018/19 debt reduction targets agreed by the Committee last year are now applied in their entirety to debt aged over 90 days old at 31 March 2018 as follows:

	Adult Social Care	All other Sundry Debt
91+ day debt as at 31/03/18	£3,655k	£2,007
Reduction %	8%	15%
Reduction value	£286k	£298k
91+ day debt Target 31/03/19	£3,369k	£1,709k

c) to note the revised collections strategy

d) to agree that a further update will be provided in March 2019.

109. TREASURY MANAGEMENT REPORT – QUARTER 1 2018-19

The Committee received a quarterly update on the Treasury Management Strategy for 2018-19.

It was noted that the report was for the period ended 30th June 2018, and there had been some significant changes since then in the economic environment, notably the Bank of England base rate increase in August, and that the underlying rate of inflation was ahead of target.

Members noted that the Council had entered into a Framework Agreement and Joint and Several Guarantee arrangement with the UK Municipal Bonds Agency (MBA), with a view to allowing the Council to potentially raise loan finance through MBA as an alternative to the PWLB and market loans.

It was also noted that Commercial & Investment Committee had recently considered a report on loans to voluntary organisations, and a report would be presented to GPC in future on this issue. It was suggested that the scope of this proposal be extended to “third party loans”.

It was resolved unanimously to:

note the Treasury Management Report.

110. GENERAL PURPOSES COMMITTEE AGENDA PLAN

The Committee considered its agenda plan. There had been no changes since publication of the agenda.

It was resolved unanimously to:

(i) review its agenda plan attached at Appendix 1 to the report.

Chairman