

GENERAL PURPOSES COMMITTEE: MINUTES

Date: 20 October 2020

Time: 10.00 a.m. to 12.50 p.m.

Venue: Virtual Meeting

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

274. Apologies for Absence and Declarations of Interest

Apologies were received from Councillors Bailey, Criswell, Hudson and McDonald.

There were no declarations of interest.

275. Minutes – 22nd September 2020 and Action Log

The minutes of the meeting held on 22nd September 2020 were agreed as a correct record and would be signed by the Chairman when the Council returned to its offices, and the action log was noted.

276. Petitions and Public Questions

No petitions or public questions were received.

277. Integrated Finance Monitoring Report for the period ending 31st August 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 +£0.3m. The majority of exceptions related to the pandemic and the impact on the Place and Economy Directorate whilst the capital issues were more about timing. Attention was drawn to significant risks to forecasts particularly the increase in child protection plans, which was an indicator of future rising pressures on the Children in Care Placement Budget. The Council was also monitoring and estimating 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 £65m. Members were advised of the extension of the Infection Control Grant, which would help support Adult Social Care providers. It was noted that the report did not reflect the funding announced recently by Government.

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

Revenue Budget

- queried whether the Council had received any indication from Government of its share of the extra £1 billion funding. The Head of Finance explained that the Council had previously received two allocations of £15m and £10m respectively, which had been distributed using different methodologies. The Chief Finance Officer added that an extra £0.5 billion had been made available to those authorities in the highest tier of the Covid alert system. He would provide Members with an update as soon as the methodology became available. **Action Required.**
- acknowledged that the two different methods of accounting were beginning to narrow. It was noted that the Council was experiencing different swings in its finances based on Government releasing funding such as the provision of £5.5m support for personal and protective equipment for the Adult Social Care sector. However, the impact of Covid-19 meant that the Council was in uncertain territory in relation to its finances and was only able to put forward best estimates, which could be subject to fluctuation. Other Members thanked the Head of Finance and his Team for all their work to map the Council's financial situation.
- highlighted the difficulty of identifying whether proposed savings would have been delivered in the absence of Covid-19; it was therefore important to focus on the current situation. Attention was drawn to the continued need to map carefully all the pressures, in particular the impact of the decrease in the Council's normal income, which would be critical for next year's budget.

Covid-19 Strategic Overview

- noted that it was not just the responsibility of the Council to keep infection rates down and assist economic recovery whilst maintaining education for students. It was also the responsibility of the Council's partners and individuals. The important message of social distancing, washing hands and wearing a mask had not diminished and was the most effective defence against Covid-19. Attention was drawn to the system wide piece of work relating to Covid, the Council was working on the recovery and had arranged a workshop for the Committee on 13 November 2020 to discuss the full report focusing on the economic themes within its remit. The Service Committees would also be discussing the impact on their work in the next month. It was noted that a considerable amount of work was currently taking place to respond quickly to mitigate the impact of Covid-19; Group Leaders would be discussing this work following this meeting.
- suggested renaming the section on recovery to resilience as the County was not recovering yet and might need to work out how to live with virus in the future.
- expressed concern about the pressure the Council's workforce was currently experiencing in managing both its normal workload and additional Covid related work. It was therefore important that the Council was as supportive and flexible as possible. Attention was drawn to staff working at home particularly those who were working in less than satisfactory circumstances. It was queried how much support they received and whether council buildings could be made Covid secure. The Chief

Executive acknowledged that the Council's workforce was largely working at home. A staff survey conducted recently on the current working situation had identified a number of actions including the provision of equipment, which had been addressed. Assessments were also undertaken to identify whether a member of staff needed to return to a Council building on health and safety grounds. It was noted that some staff had returned to buildings where they needed to work together such as social workers or on health grounds. The Council had commissioned mental health training and offered it to all staff. It was noted that Council buildings were subject to a rigorous cleaning regime with areas cordoned off to maintain security. She encouraged any Member who received any concerns from staff to contact senior officers. The Chief Executive added that she was also considering other ways to support staff such as managing the increasing volume of e-mails.

- queried whether the four staff self isolating who were unable to work from home were receiving sick pay. The Chief Executive suggested that this was likely to be the case and agreed to investigate. **Action Required.**

- acknowledged the outbreak management work taking place in Cambridgeshire and queried how the County was performing nationally. The Chief Executive reported that Test and Trace Gold met three times a week to consider the epidemiology in order to understand what was happening at a district/area level. It was noted that plans were then put in place as a result of this understanding. Members were informed that the Council considered data every day of the week, which was reviewed by an Outbreak Management Team and, if action needed to be taken, it was referred to an Incident Management Team to consider the actions required in relation to the data received. It was noted that the data was very good and provided the relevant evidence for any action which needed to be taken on the ground. The Chairman added that track and trace was just one tool to tackle Covid and he reiterated the "hands, face, space" message.

- queried how preparations for a second wave set out in Section 4.2.1 of the report relating to redeployed staff fitted in with the Think Communities transformation bid. It was also queried whether the Council would be redeploying so many staff in the second wave as the first wave. The Director of Business Improvement and Development reminded the Committee that the Council had used crisis redeployment in the first wave focussing on the hubs which had been set up over the last two years. The Chairman acknowledged the speed with which this had been managed and thanked all staff involved. He reported that the Council had been planning proactively for some time regarding how to deal with the second wave. Members were reminded that the Think Communities transformation bid would accelerate the process and put a structure in place to capture the learning during the pandemic. This would be the backbone of any response in the future. In addition the Council had been doing a considerable amount of work to plan for the next stage of redeployment. This would involve understanding the skills of staff and providing appropriate training. It was noted that managers had discussed with staff what redeployment would mean. The Service Director Community and Safety was also leading on a number of different scenarios in relation to this issue.

- highlighted Appendix 3 detailing an initial assessment of the impact of Covid-19. Attention was drawn to the five key areas at risk of harm to the population. However,

the report made no reference to the impact of long covid in the younger and fitter population. The Head of Business Intelligence reported that the council was learning more about long covid as time went on. It was noted that this issue would be picked up by the various sub groups of the Recovery Board, which included one focussed on public health, and Service Committees. It would also be discussed as part of the committee workshop on 13 November 2020.

- highlighted an outbreak at Homerton College, Cambridge and queried how many more outbreaks were ongoing in the County and whether they were significant. The Chairman reminded the Committee that a list of outbreaks at educational settings was circulated to all Members. The Public Health Directorate also provided Members with information relating to other outbreaks. The Chief Executive acknowledged that the outbreak at Homerton had been the most significant in a university setting. She agreed to check whether there had been any significant outbreaks in community settings or workplaces. **Action Required.**
- highlighted the work going on in schools to manage outbreaks which was working well. The Chairman of Children and Young People Committee drew attention to the fire at Duxford School. He highlighted the exceptional work of the Council's staff to get the school back on track after the fire had occurred just four weeks before the school was scheduled to reopen after lock down. He also highlighted the positivity of the Headteacher and staff. The Chairman echoed how well Children's Services was performing. He drew attention to the exemplary way the risk analysis of all schools had been carried out, which had been reflected in the very high school attendance rate.
- highlighted the fact that Public Health England (PHE) published a weekly report using super output areas. Attention was drawn to the fact that the neighbouring super output area to Gamlingay was in the second highest risk area, which included the villages and Love's Farm, St Neots. It was suggested that PHE was presenting figures in an odd way. The Chairman reminded the Committee of the epidemiology meetings taking place where the evidence was examined in fine detail.
- acknowledged the fact that the significant amount of data did need to be interpreted in the light of what was known. It was suggested that one of the known issues was the little test and tracing of the population. Attention was drawn to the Kings College, London Covid-19 App, which was good at providing estimates based on the four million people who were reporting on that App. Members were encouraged to download and use the App. The Chairman reported that information provided by Worldometers confirmed that there were no countries (of a population size comparable to the UK) testing more than the UK per million population. He added that the Council was currently trying to see what could be done in Cambridgeshire.
- highlighted the fact that many County Council divisions bordered other authorities with differing rates of infection. In Central Bedfordshire, there were eight separate cases each in North and South Biggleswade and four cases in Pottun. However, this information was only notified to Councillors representing wards in these areas. It was therefore important that those Councillors representing Cambridgeshire Divisions bordering other areas kept themselves informed of what was happening in other authorities.

- expressed concern at the promotion of the story that low rates of infection was the County's reward for being good. It was suggested that the situation was not as simple as that as high rates of infection in the north of the country could be tracked to deprivation after years of austerity whilst the majority of the Council's area was relatively prosperous. The Chairman acknowledged that the situation was not just due to people being good or bad at following the Government's safety guidelines. However, the actions of an individual was the first line of defence against Covid. He also commented that the north of the County was one of the top areas of multiple deprivation in the Country.
- highlighted the School Streets initiative being implemented as pilots outside schools at peak times. The same Member reported that he had received positive feedback from local people. He welcomed a report analysing the impact at the end of the pilot. The Chairman acknowledged that Covid-19 had made a difference to air quality in some areas and it was important this work was captured. He reminded the Committee of the need to capture all the benefits resulting from the pandemic to build in to a more sustainable recovery plan in the future. He added that he was working with the Chief Executive to make some of these changes permanent.

Capital Programme

- queried whether the £1.6m additional capital funding for School Condition Allocations for 2020-21 was sufficient. The Chief Finance Officer reported that there was a detailed investment plan approved as part of the business planning process based on an assessment of need. Since the setting of the budget, the Service had carried out additional reviews. It was noted that further requests for funding had corresponded with the receipt of additional funding from Government. There were no further demands above the amount which had been allocated. However, it would be reviewed as part of the Capital Programme and the Committee would then receive a report if additional requests were identified based on need.
- highlighted the work to make the Council's new building at Alconbury Covid secure. The project was on budget with the topping out ceremony scheduled for week beginning 26 October 2020.

It was resolved unanimously to:

- note the £1.6m additional capital funding for School Condition Allocations for 2020-21 and approve the resulting £0.5m reduction in prudential borrowing, as set out in section 6.6.

278. Business Planning Proposals for 2021-26 – Opening Update and Overview

The Committee received a report detailing its current business and budget planning position and estimates for 2021-2026. Attention was drawn to the overview in Section 1 of the report, which set out the Council's budget situation before the rise of Covid-19, and the need to reevaluate the Council's priorities as a result of the pandemic. Members were advised of three different scenarios, which quantified (as far as possible) the financial implications on the council of the changing national and local conditions, and showed a budget gap of between £30m to £80m. It was unlikely that the Council would

be able to set a balanced budget without increases in Council Tax, reduction in services, use of reserves and Government intervention. It was important to note that the Council was not alone, some Councils' were ahead in terms of financial viability and a number would need emergency support particularly those like Cambridgeshire who did not carry significant unearmarked reserves.

Officers had contacted the Ministry of Housing, Communities and Local Government (MHCLG) early in order to discuss emergency support for next year. What was clear from those discussions was that it was expected Councils would do whatever was in their gift to minimise the need for Government support. All the aforementioned mitigations would be reviewed in conjunction with Government officers' throughout the process. He reminded the Committee of the efficiencies and transformation work the Council had delivered to meet the needs of the fastest growing population in the country but this challenge was now beyond its control without Government support.

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

- queried the impact on the Council of the Bank of England's proposal to move to negative interest rates. The Chairman reported that the biggest impact would be on borrowing. However, the Council's borrowing was already secured at various interest rates. It was noted that the Treasury Management function reflected the refinancing of borrowing as and when opportunities arose. He explained that the Council needed to weigh the cost of moving to a new interest rate against any penalty. It had asked MHCLG to consider removing penalty clauses from Public Works Loan Board (PWLB) loans, as the PWLB rate was driven by gilt returns. The Chief Finance Officer added that the Council did carry a lot of debt on a short term basis so there were still some benefits the Council might accrue as a result of negative interest rates.
- queried whether the Government would increase the Council Tax limit above 2% and whether it would also make it mandatory for Councils to increase to the new limit. The Chief Finance Officer reported that in his view the Government had to relax the Council Tax Limitation Regulations. He reminded the Committee that the Adult Social Care precept ceased this year. It was also important to note that any Council Tax increase was embedded within budgets in perpetuity so there was a question as to whether the Government would use a long term intervention to deal with what could be a short term problem. The Chairman added that he doubted the Government would remove Councils' flexibility to set its own increase particularly given that some Councils had very significant reserves.
- highlighted the need to increase Council Tax to the maximum permitted for Adult Social Care and the General Fund. The Chairman reported that he would not necessarily increase Council Tax by the maximum amount permitted. He explained that an increase of 15% would be needed in order for the Council to balance its budget. It was therefore important to consider what else was on its balance sheet and other measures, as he was not prepared to increase Council Tax to the maximum amount without knowing what that amount would be.
- highlighted the need to ignore Scenario A and focus on Scenarios B and C. It was important that the Committee understood the assumption behind those scenarios

in order to have a meaningful debate about business planning in the future. The Chairman explained that the three scenarios had been worked up with the Service Committees being asked to map out demand in each case. However, it was impossible to identify all the issues at this stage as it was not clear whether there would be another national lockdown or if a vaccine would be available in the next twelve months or earlier. He suggested that the Council was possibly between A and B minus, which would leave a savings gap in the region of £40m. It was noted that the report had also been written before the announcement of the £1b additional Government funding. He reminded the Committee that the Council's two financial predictions were narrowing and the accuracy of its funding predictions would improve in the future as more information became available. It was agreed to make representations to Government about how the additional £1b funding would be allocated. **Action Required.**

- suggested that the Council needed to be agile in the way it adjusted to changing conditions in particular as to how it managed its information going forward. It was therefore important that officers were given the freedom to do things in a different way. The Chairman reminded the Committee that he had promoted flexible budgets previously by instigating a mid-term budget. There was also flexibility within the committee system to make changes. In response, the same Member clarified that he was talking about flexibility in the budget making process to enable the Council to be more responsive to a changing world and relieve the officers of bureaucracy.
- noted the current requirement for the Council to set a balanced budget in early February 2021. However, the Government had failed to provide clarity in relation to additional uncertainties over and above those connected with the Covid pandemic. For example, the Council did not yet know of changes to Council Tax limits. The Committee had been informed that a 15% increase was needed to balance the budget but this was an unacceptable level. It was noted that discussions were taking place with Government and that pressure could be put on them to publish this information as soon as possible. Whilst it was understandable that the budget had been cancelled in October, it was important that Government provided more information on what would be available to local government.
- highlighted the fact that the Government had promised a White Paper for a number of years on the funding of Adult Social Care, which was critical to the Council's budget setting process. The Chairman acknowledged these concerns and also highlighted the Fairer Funding Review (FFR). He reported that representations had been made to Government that this review should be brought forward and completed or the Council should receive significant one-off funding. The FFR was not just about local authorities, it also impacted on Health and Education. He commented that Cambridgeshire was currently let down by archaic formulas.
- expressed concern that there was no sign yet of a Brexit agreement which could have an impact on the Council's budget. A deal had been promised to help local businesses who were also suffering from the impact of Covid. It was hoped that this point was being made to Government by the Council, as there were so many

business in the County which depended on trade with Europe. Another Member expressed concern that Brexit had not been mentioned in the report.

- welcomed the conversations with MHCLG. However, it was clear that Councils would only receive budgetary support if they did everything within their gift to mitigate the financial challenges. It was suggested that if the Council did not put its Council Tax up to the limit, it would not receive any additional support from Government; it was therefore important to know the proposed limit. The Chairman explained that it was more important for the Council to know first what it could do to deliver good outcomes, efficiencies and transformation during this pandemic, resorting to local taxation only as a last resort. He was of the view that the Government's comments would be reflected on an individual Council basis taking into account the options available. It therefore explained why the Government could not make a quick decision about increasing Council Tax limits as every Council in the country was in a different place. In response, the same Member commented that no Member wished to make increasing Council Tax the first point of call or increase it any more than necessary but there were a number of families on low incomes who depended on the Council's services. Another Member reported that there were a significant number of people who paid Council Tax and used the Council's services, and they would be impacted significantly by any increase in Council Tax. It was therefore important that the Council continued to focus on delivering efficiencies.
- highlighted the fact that all the figures in the report were based on a zero general Council Tax increase and a 2% increase in the Adult Social Care precept. It was suggested that if the assumption was that the savings requirement of between £40m to £80m could be covered without increasing Council Tax then many people who had little income and relied on the Council's services would find them cut or have to pay increased costs to access those services. The Chairman acknowledged that the Government was unlikely to fund an £80m budget gap but he did expect it to provide a significant amount of funding as too many Councils would end up with Section 114 notices.
- queried whether discussions had taken place with the five constituent District Councils regarding the projections for Council Tax collection. It was important to know based on the current situation the likely funding Council Tax would bring in. The Chief Finance Officer confirmed that the Council was working with the District Councils. The report included the latest projections around Council Tax and Business Rates collection deficits. Members were reminded that the Government had agreed to defray those deficits over the next three years. It was noted that this information would continue to be updated.
- requested clarification of the Council Tax Regulations in relation to increases before a referendum was required. The Chief Finance Officer reported that the Council Tax Limitation Regulations were set every year so next year's Regulations had not been published.
- queried the difference between reserves set out in Section 3.4 of the report. The Chief Finance Officer explained that there were unearmarked and earmarked reserves. The former could be used by the Council without any stipulations. The

Council had the following reserves in that category: General Reserve (3% of expenditure) and the Transformation Fund (£20m). However, it was important to note that these reserves could only be used once and would then need to be replenished. Earmarked reserves were used for specific activities such as insurance. The Chairman drew attention to page 30 of the agenda which set out the position relating to reserves. He raised the need to go through the earmarked reserves to understand the impact of using these reserves for something else. He suggested the need to review the impacts for next year to identify how many were one off funding solutions and how many would have a revenue impact. **Action Required.**

It was resolved unanimously to:

- a) Note the overview and context provided for the 2021 – 2026 business plan
- b) Note the impact of COVID-19 on the Council's financial planning
- c) Request that officers undertake the necessary actions to ensure that Government was clear on the negative impact on our service delivery if additional support was not forthcoming

279. Service Committee Review of the draft 2021-22 Capital Programme

The Committee received an overview of the draft Business Plan Capital Programme for Corporate and Managed Services. Members were reminded that a full review of the Capital Strategy would take place over the next few months. Attention was drawn to a summary of the draft Capital Programme by service block and the funding sources. The Committee noted its own service capital programme, which focussed primarily on technology.

One Member queried whether there was any potential for the alignment of spend against funding to change. The Head of Finance explained that the capital side of services overseen by the Committee was limited. He added that prudential borrowing made up the difference between external funding sources.

It was resolved unanimously to:

- a) Note the overview and context provided for the 2021-22 Capital Programme for Corporate and Managed Services.
- b) Comment on the draft proposals for Corporate and Managed Services' 2021-22 Capital Programme and endorse their development.

280. Transformation Bid Micro-enterprise Roll-Out

The Committee received a report detailing a transformation fund bid for £160k to support the establishment of a project to increase the number of micro-enterprises providing care and support in the local market. Attention was drawn to the background to the bid, which included the development of a Strategic Vision to address

sustainability, market capacity and workforce (recruitment, retention and diversity); the actions would be incorporated into a wider Resilience and Recovery Strategy. One of the actions was to encourage and support the development of home care micro-enterprises, which had worked across the country support by a company called Community Catalyst. It was expected that as micro-enterprises grew they would increase and diversify the range and options available in the local community. It would also provide more choice and flexibility to enable people to live well at home for longer as well as more job opportunities for local people. The first stage of the project would be a diagnostic to identify the most suitable area for the first micro-enterprises. After the initial roll out period of two years, the Council would have required the necessary knowledge and experience to replicate this across the county.

The Vice-Chairman of Adults Committee reported that this report had received unanimous support at Adults Committee on 8 October 2020. Other Members expressed support for the proposal and noted that Adults Committee would be monitoring the effectiveness of the project.

One Member highlighted two serious omissions. One related to the payback of the project in the business plan although a saving in the region of £170k per year had been identified. The Commissioner explained that the return on investment would come in the form of savings and cost avoidance. It was noted that a lot of people in rural communities had to rely on agency carers travelling long distances with the resulting travel costs. Agencies also charged higher hourly rates than carers in the community. It was noted that many personal budgets and direct payments were being used to cover agency fees. He reminded the Committee that there would be an initial phase of diagnostics with Community Catalysts who would be able to support the Council in identifying where savings were possible. It was expected that there would be some clarity regarding savings after the first six months. After the first year, it was expected that there would be a considerable number of micro-enterprises in operation. The full saving on return and investment would be available after two years. It was noted that a progress report would be presented to Adults Committee in six months on the location and the impact of the first initial enterprises.

The same Member added that the report did not explain how this project would work, for example was it via peer to peer transactions or an administrative network. It was suggested that the cost of the latter needed to be in the economics. The Commissioner reported that transformation funding would pay for an external organisation who had significant experience of setting up micro-enterprises. The Council expected after two years to have acquired the expertise to carry on this work with clear guidance on how to set up a home care micro-enterprise. It was noted that the micro-enterprises were private companies who would not be monitored or audited by the Council. The Council's role was to assist setting up these enterprises to feed into the care market supply. Members were reminded that Social Workers currently identified sources of care when an eligible care need was identified. However, there were a number of self funders which were not the Council's responsibility who had identified difficulties in sourcing appropriate costed local care. It was noted that local people who had then been trained to provide care would then be able to work in the community, for an agency or citizens who received direct payments.

Another Member queried whether savings could be identified within two years. The Commissioner explained that it was hoped many micro-enterprises would be formed within the first year, which would result in an immediate saving. The same Member questioned whether the Council was anticipating more savings above those set out in the report. The Commissioner explained that the rollout would take place during the two years but the savings would continue after the two years just as they would begin before the two years. The Director of Business Improvement and Development reported that the Committee would receive updates via its regular quarterly Transformation Report to enable it to identify success quickly and whether a project then needed to be accelerated.

It was resolved unanimously to:

- a) approve the £160,000 transformation funding bid / business case.
- b) approve the direct award to Community Catalysts, who were the only social enterprise with a track record operating in this market.

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

The Committee resolved unanimously to review its agenda plan.

Chairman