

STRATEGY AND RESOURCES COMMITTEE: MINUTES

Date: 27 January 2022

Time: 10.00a.m. to 2.20p.m.

Venue: Multi-Function Room, New Shire Hall, Alconbury Weald

Present: Councillors Boden, Costello (substituting for Councillor Criswell), Count, Dupré, Goldsack, Howitt, Hoy, McDonald, McGuire, Meschini (Vice-Chair), Nethsingha (Chair), Murphy, Sanderson, J Schumann, and Slatter (substituting for Councillor Wilson)

43. Apologies for Absence and Declarations of Interest

Apologies were received from Councillors Criswell and Wilson.
No declarations of interest were made.

44. Minutes – 17th December 2021 and Action Log

The minutes of the meeting held on 17th December 2021 were agreed as a correct record and signed by the Chair. A completed action log was noted, which included the action marked as ongoing where it was proposed, given the new deadline for amendments, to publish amendments on the same site as the agenda before the meeting. Members raised the following issues in relation to the action log:

Action 33 – the Chair responded to a query as to whether this action should still be ongoing. She clarified that at the last meeting she had reported that the County Farms Working Group was working effectively reporting to the Strategy and Resources Committee, so she did not see any need for further action. She drew attention to the fact that the action referred to in the log related to the consideration of the reporting arrangements for County Farms by the Corporate Peer Review Team in March 2022.

Action 36 – the Chair of Highways and Transport Committee responded to a challenge as to whether he was content was the response to this action given that there were other options open to the Council within the Framework Contract. He explained that he had already responded to Highways and Transport Committee. He informed the Members that Milestone currently had over 200 vacancies across the country, which was impacting on the Council and other authorities. The Council was working hard to address this and was using other companies on the Framework Contract, but Milestone was handling most of the work.

Action 36 – the Chair responded to concerns that the timeframe for submitting amendments was not working. She reported that there was agreement amongst most members that the current system for dealing with amendments was working but there would be a review by the Corporate Peer Review Team in March 2022.

Action 39 – the Chair responded, in relation to concerns regarding the media coverage the Council had instigated so far as part of the F20 group, that she was content with the response set out in the action log.

One Member queried why there was no action relating to Wisbech, Soham and St. Neots Schools being included on the Corporate Risk Register. The Chair asked the Democratic Services Manager to check the minutes of the last meeting. Action Required.

45. Petitions and Public Questions

No petitions or public questions were received.

46. Integrated Finance Monitoring Report for the period ending 30 November 2021

The Committee received a report detailing the performance of the Council for the 2021/22 financial year. The overall revenue budget position was showing an underspend of -£7.661m at year-end whilst the Capital Programme was showing a -£10.9m underspend. Members were reminded that spend was below the level budgeted for in the older people cohort as the number and unit cost of people receiving care was lower than expected. The unwinding of corporate provisions, including around increasing social care costs reflecting confirmed government grants was another area making up this underspend. Attention was drawn to the background to the recommendations as set out in the report.

Councillor Boden moved an amendment, seconded by Councillor Count to add a new recommendation b) as follows:

- b) Note that the brought forward Public Health Reserve, the projected Public Health underspend in 2021/22 and any Public Health underspend in 2022/23 will not be fully utilised in 2022/23 under these proposals. At a time of public health crisis, it is unacceptable that Cambridgeshire County Council is not making full use of the public health resources made available to Cambridgeshire by Central Government. S&R therefore requires the Adults & Health Committee at its next meeting to consider further options to utilise in 2022/23 the Public Health Reserve and anticipated underspends, with particular emphasis if possible on measures to alleviate children's mental health issues.

Councillor Boden explained the reasons why he had been forced to bring this amendment to Strategy and Resources Committee rather than Adults and Health Committee. He reported that as Vice-Chair of the former Health Committee, he had managed to get a reduction in the carrying value of the Public Health reserve as it was important this funding was spent in a reasonable time. He acknowledged that a significant amount of the reserve had been built up in 2020/21 during the first part of the Covid crisis and had

continued in 2021/22 because of the restrictions. The underspend in the Public Health reserve was continuing to increase rapidly with another significant increase by March 2022 and Councillor Boden expected a further increase in underspend in 2022/23.

He welcomed the allocation of £2.9m for Public Health schemes but he explained that as the schemes were part of a rolling programme a significant proportion of the funding would not be used in 2022/23. Therefore, considering the carry forward reserve inflated by the impact of Covid and the scheduling of the aforementioned schemes, the Council was going to be in the perverse position, in a time of public health crisis, of having a Public Health reserve higher than at present by the end of March 2023.

The Chair of Adults and Health Committee reported that this issue had been discussed extensively at the last two Adults and Health Committee meetings. He reminded the Committee that the Covid pandemic had been a dramatic and critical time for everyone involved in health, which had naturally had an impact on other public health programmes. He added that there had also been difficulties recruiting the necessary qualified Public Health staff. It was noted that the Council's Director of Public Health had confirmed that the Public Health reserve, after the £2.9m allocation, contained the minimum necessary to provide continuity of services next year given that the Council was awaiting the NHS pay settlement, which could impact significantly on the budget.

Another Member welcomed the proposals for the use of the Public Health reserve set out on page 17 of the agenda. Attention was drawn to the employment of a Public Health Manager, it was noted that the writing of mental health strategies could not happen instantly as they required a significant amount of research as to what provision worked well for people. It was important to raise the issue of health and wellbeing at committee but also to work in between committee meetings. There was a need to plan and spend the money wisely in partnership with the NHS.

A different Member acknowledged the amount of cross-party work conducted in between committees. Attention was drawn to the action which had taken place since the motion on children's mental health had been approved by Council on 25 January 2022. The biggest identified problem was funding, so approval of the amendment was necessary to identify funding for this issue. There was also concern that more money was being targeted at developing strategies rather than delivering services on the ground. The Chair acknowledged the importance of the work taking place to develop the mental health hubs.

The seconder of the amendment reminded the Committee that Councillor Boden had expressed full support for the package of Public Health proposals set out on page 17; the amendment addressed the underspend on top of these proposals. Supporting the children's mental health hubs raised at Council was one very valid way of directly the Public Health reserves. On being put to the vote, the amendment was lost.

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

- welcomed recommendation b) but requested more information in the future as to whether it was budgeted for.
- highlighted sections 3.4.1, 6.4.1 and 6.6 reflecting a capital overspend in highways resulting in the need to use revenue to cover it. It was noted that £454k had been identified for new schemes but the Combined Authority had not come forward with any proposals. It was suggested that the Council should have used this funding to bring forward its own safety schemes.
- queried why the £2.3m underspend in Public Health being allocated to the MTFS over three years was marked as green, particularly as it had not been spent in the years intended. With the agreement of the Chair, officers were asked to take this comment into account in future reporting. **Action Required.**
- highlighted the £36.7m slippage in relation to the delivery of capital projects set out on page 20 of the agenda.
- expressed disappointment at the £300k underspend in the Climate Action Fund.

It was resolved by a majority to:

- a) Approve the proposals for the use of uncommitted Public Health reserves totalling £2.9m, as set out in section 5.1;
- b) Note the forecast £300k Alconbury Weald Enterprise Zone National Non-Domestic Rates (NNDR) retained business rates income, as set out in section 5.2;
- c) Note the decisions taken by Adults and Health Committee to approve the allocation of the discretionary elements of a series of ring fenced Covid-19 grants, as set out in section 5.3;
- d) Note the use of additional £0.3m revenue contributions for Strategy and Scheme Development work, as set out in section 6.6; and
- e) Note and comment on the Finance Monitoring Report for Corporate Services (Appendix 3).

47. Education Systems Programme

The Committee considered a report detailing an Education Systems Programme, which would implement a replacement system for Capita One, the contract for which was due to expire and could not be extended. It was noted that a fit-for-purpose Education system was critical for continued

compliance with statutory duties and obligations for the Council's Education Services. It would enable the release of capacity so staff could focus on support for children, young people, and their families rather than on administration.

One Member drew attention to the scale of the Education Systems Programme and queried why the Council could not carry out the programme management in house rather than pay external consultants. He was concerned that the Council was working in silos with three similar project resources having been hired by Environment and Green Investment Committee. It was therefore important to have an inhouse project management team whose resource could be shared across the Council.

The Interim Chief Executive reminded the Committee that in all business cases the cost of the project management resource was reflected whether internal or external. The Council would always try to resource project management from its corporate team where the skills were available. She agreed to work with the Head of Education to investigate inhouse opportunities for contract management across the Council. **Action Required.**

It was resolved unanimously to:

- a) Approve the funding of £2.5m for the Education Systems Programme. This would be payable in two financial years: £1.4m in 2022/23 and £1.1m in 2023/24.
- b) Give permission to proceed with the procurement of the required system(s).
- c) Agree to delegate the decision to award these contracts to the Section 151 Officer in consultation with the Chair of the Strategy and Resources Committee.

48. Shareholder review of This Land

The Committee received the results of the review of This Land. Attention was drawn to the background to the review undertaken by Avison Young into the Council's wholly owned property development company. It noted AY's key findings set out in Section 2 and the commentary and recommendations in Section 3 of the report. The review had highlighted several shortcomings at This Land and criticisms of operations or assumptions which required immediate attention. Members were advised that there was ongoing constructive discussion with This Land about the areas for improvement, which would require both short-term urgent actions and longer-term change. This required both effective leadership by the company, and clear objectives from the Council with robust oversight governance to hold the company to account as shareholder and lender. In conclusion, Members were informed that they would receive an update on progress at their next meeting.

In welcoming the report, individual Members raised the following issues:

- thanked the Chief Finance Officer (CFO) and his Team for supporting the provision of this report and thanked the This Land Board and staff.
- queried the concerns in the AY report regarding several forecast sites not being secured. The CFO explained that this related to the lack of identification of sites and not the planning process. He referred to the programme plan and reported that This Land should have identified more sites for future purchase or promotion, which was why it had committed more resource to this in future.
- highlighted the importance of the recommendation for a site-specific risk register.
- reminded the Committee of the series of seminars on This Land which had taken place last year to improve transparency. Another Member commented that it had not been clear at these seminars what was going on with This Land.
- suggested that the establishment of This Land had been a good decision based on the company's liquidity and cash flow balances. However, it was also noted that the public and local press had pushed for greater transparency, as the gap between the overall value of the asset that was given to This Land by the Council and the debt owed was widening.
- concern that political priorities could partially negate the purpose of the company, which was to provide long term secure funding for the Council's frontline services. Some Members were therefore surprised to see that point reflected in the report, as set out in Section 10.18. Officers were asked to quantify the impact on the Council of any amendments to the objectives adopted by the Board of This Land after political consultation.
- highlighted the confusing aims of This Land to reduce Council financial exposure in contrast to generating increased return; there was therefore always a tension.
- concern regarding the approach of This Land to risk management as set out in Section 2.7 of the AY report, which included a too optimistic review of its business plan exposing the Council to undue risk. It was noted that risk was the optic to assess the way this venture was framed. In the early days of the company, risks were not identified, quantified, managed, or discussed at the Board. Section 5.17 of the AY report highlighted that the opaqueness of underlying assumptions increased the likelihood of errors being made therefore an inaccurate position being reported and an underappreciation of the risks, which put in question the Board's understanding of the risks. Given that a Member suggested that no attempt had been made to quantify individual risks, there were no mitigation measures. There was no clear focus to maintain cash balances,

which was critical for any business. The financial modelling used as a reporting tool also did not follow good practice.

- highlighted the lack of information and gaps identified in the report. It was noted that two internal audits were not available, and information had been provided to AY and then updated a few weeks later to reflect completely different information. There was therefore still some concern about the current management of the company.
- highlighted at Section 1.6 of the covering report deficiencies in This Land's assumptions and planning that had developed in the early years. Attention was drawn to Section 2.2 which detailed that the Business Plan was superficial and lacked detail. The company had also not started to address key worker and net zero housing. Section 2.4 detailed that the board composition had weaknesses and there was no diversity of background in the company. There were several shortcomings and assumptions which required immediate attention. Obtaining planning consent was significantly adrift of This Land's published schedule. The financial model was not fit for purpose. Stretching financial targets had been set but had then been reduced. This Land had been servicing the debt using the loan provided by the Council. It was therefore important to have commissioned an independent review of This Land to obtain a detailed understanding of its strengths and weaknesses. It was also important to provide affordable housing and supported living facilities to people. There was a need to change the culture, communications and governance of This Land with the Council providing more overview via a mirror board.
- commented that it took time for a new company to embed its processes via updates to its business plan for example. The Committee was reminded that the District Councils had responsibility for housing so as previously stated the main aim of This Land was to deliver the Council a financial return, which it had done as set out in the AY report, to support frontline services. The need to revise the business model was welcomed. It was suggested that the previous administration had moderated This Land compared to how a purely commercial organisation would have operated particularly in relation to the desire for affordable housing. The engagement of This Land with communities where planning had been proposed had been excellent. It was queried whether the report really proposed a radical overhaul as set out in the Joint Agreement.
- congratulated the Council's shareholder representative, Councillor Gough, and officers on their work with This Land. It was acknowledged that everyone wanted This Land to succeed. However, the AY report contained some concerning observations. Section 5.25 summarised the lack of a full understanding within This Land of the level of risk exposure the business was under. Section 10.2 stated that it had been difficult to extract information from This Land that would normally expect to be readily available. Section 10.3 detailed that there was not a sufficient level of familiarity and understanding of the sites during the meeting with AY. It was suggested that the report provided an essentially transformational

opportunity to enable the Joint Administration to look at new plans to provide a return for residents.

- reminded the Committee that the AY review had highlighted several shortcomings of This Land as set out in Section 3.1 of the covering report. Attention was drawn to the reference to unusual accounting which was concerning. The positive response from This Land to engage to address the findings in the report was welcomed. Although it was acknowledged that it would be a medium-term project.
- reported that the success of a development company such as This Land happened over a long period of time of sustained hard work, dedication, and commitment, as development was not easy. Attention was drawn to the fact that the AY report identified the fact This Land was a going concern and would continue to develop income for the Council. It was noted that the inappropriateness of a former employee had been identified by an officer of the Council and a Councillor, which therefore did not reflect a lack of scrutiny or understanding by Members. It was suggested that if the Council ran the company it would end in failure. The importance of arms-length was stressed to avoid breaching procurement rules. It was also reported that unnecessary delays were caused when the Council was overzealous in its involvement.
- noted in reference to Section 1.6 of the covering report that This Land had made assumptions regarding planning. A number of the sites, which were imperative for the company to deliver in the early stages had been in South Cambridgeshire. Unfortunately, the District Council had not determined planning applications in a timely manner. As a result, This Land had reprofiled in response to the challenge. It was suggested that it was inappropriate to suggest that This Land was in complete disarray. It was noted that the previous administration had called for internal and an external review many times.
- requested the possibility of following up with This Land the legacy left after developments were completed.
- highlighted Sections 5.15 and 5.16 of the AY report, which referred to the financial model and the lack of transparency. It was queried how it was proposed to address the negative attributes in Section 9.9. Attention was also drawn to the fact that the report did not address the delays in the planning process and the fact This Land could have appealed to the Planning Inspector.
- acknowledged that any decision by This Land to deliver more affordable housing would have a financial impact. However, it was better to manage this risk was precise direction and oversight by employing external experts or with the company's permission. It was acknowledged the difference between the shareholder and company roles needed to be kept clear.

It was resolved unanimously:

- (a) Receive the report into This Land from the reviewer;
- (b) Take account of the reviewer's recommendations, as set out at section 3.5;
- (c) Agree the actions for the Council, as set out at section 3.6; and
- (d) Note that a further monitoring and progress report on This Land will be received at the March meeting.

49. Strategic Framework

The Committee discussed the Strategic Framework 2022-23 and Performance Management Framework, which would both be considered by full Council on 8 February 2022 as part of the business planning process. Attention was drawn to an overview of the Strategic Framework set out in Section 2 of the report. Members were also advised as to how the Council would manage its performance in delivering its corporate priorities as set out in Section 3.

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

- highlighted the need for Adults and Health Committee to develop Key Performance Indicators (KPIs) which reflected the national CQC inspection criteria for Adult Social Care.
- suggested that KPI 13 and 15 on page 16 of the report should be broken down by District to enable the Council to identify how it was closing the north/south and east/west divide. It would also be helpful if this was more widespread throughout the KPIs. Members were informed that some KPIs could be broken by District whilst for others it was not possible.
- suggested that the Council was not moving forward to net-zero 2030 as the Strategic Framework reflected the same position held by the previous administration. It was also still paying the old living wage. The inclusion of 20mph zones more widely was welcomed. It was questioned whether active and sustainable travel options would involve congestion charging. The Chair clarified that active and sustainable travel options was not the same as congestion charging. The Chair of Highways and Transport added that there was a cross party working group on active travel, which had not even mentioned congestion charging. The Vice-Chair suggested that any queries relating to this issue be put to the relevant democratic bodies when the decisions were due to be considered following public consultation.

It was resolved unanimously to:

- a) Review and recommend the Strategic Framework to Full Council as part of the 2022/23 Business Plan; and
- b) Review and recommend the Performance Management Framework.

50. Business Planning Proposals for 2022-27: Current Position

The Committee considered a report detailing an overview of the key issues contained within the Business Plan prior to formal recommendation to Council in February. It was noted that the Council had carried out a consultation process to inform the business planning process. Attention was drawn to the background and context for business planning. Members received updates to the position reported to the December meeting of Strategy and Resources Committee. The Council had continued to express concern that the Government relied on an out-of-date funding formula, with insufficient weight given to demand led services. Attention was drawn to the need to close the remaining budget gap for 2022-23, which included at Section 3.8 of the report proposals for balancing the budget. It was noted that there were several risks and uncertainties marked throughout the budget, which was based on a one-year settlement. In conclusion, the CFO reported on the robustness of estimates and the adequacy of reserves.

Councillor Count moved an amendment, seconded by Councillor Boden attached at Appendix A. The amendment was being proposed to aid decision making by refining and adding to various pieces of information contained in the document. The CFO confirmed that the amendment was factually accurate. However, he also confirmed that he was content the report presented contained a complete and accurate basis on which to decide the budget.

In response, the Vice-Chair explained that a choice had to be made as to whether this amendment provided useful information and improved the reporting process. In her view, she did not feel that it was sufficiently useful. She explained that the financial estimates set out at 277 whilst accurate were not being calculated in the same way as last year. The use of Bands B and C properties reflected the fact that nearly half the properties in Cambridgeshire fell into these bands. The information set out in 212 had been changed to improve reporting over the longer term and avoid a hypothetical representation of deploying the services grant in just one year. The CFO acknowledged the point made and confirmed that the figures in both the substantive papers and the amendment were correct.

Councillor Count expressed disappointment that the technical issues raised in the amendment as part of the scrutiny of the business planning process were not being accepted. Speaking as the seconder, Councillor Boden added that the amendment was just providing clarification. He reported that he did not understand the decision to move away from the standard local authority

practice of using Band D to reflect the annual uplift. On being put to the vote, the amendment was lost.

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

- highlighted the significant shortfall in the budget for years to come. The Council also had to manage a year-by-year budget settlement, which made it very difficult to plan. Attention was drawn to the fact that Members were receiving, for the first time in several years, a properly costed balanced budget for scrutiny three weeks before it was recommended to Council. Another Member commented that the CFO had previously presented all Members with options to balance the budget in order to show the differences between the political groups in relation to Council Tax at full Council.
- expressed concern about the proposed level of Council Tax increase and the difficulty it would cause residents. It was felt that the reference to a Band C property in a recent press release was designed to make the level of increase appear cheaper to residents. Attention was drawn to the public consultation where the majority of respondents had supported no increase or a minimal increase. Nearly half of these respondents had confirmed that they could not afford an increase. There was concern that the consultation stated that the results could be impacted by the number of financially overstretched people represented. However, it was felt that this was sending a clear message regarding the affordability of any increase for local residents. Members were reminded of the authorities setting Council Tax, which included the Fire Authority increasing Council Tax by the maximum amount. It was noted that this could result in a £10 per month rise for the average council taxpayer. The Council had reserves and was in a position to not raise Council Tax to the highest level.
- acknowledged the unfair Government funding formula and the work the previous leader had conducted to obtain more funding. However, the reality of the current funding situation was better than the assumptions which had been made. It was noted that the previous administration had met all challenging budget pressures. Whilst some challenges had been passed on, they were nowhere near the significant challenges faced by other authorities nationally. The Council was therefore in the fortunate position where it could make decisions regarding spend.
- highlighted the fact that the Corporate Peer Review report had commented on the £80m five-year funding gap which needed to be addressed. The Council was currently having to address this together with extremely high and unpredictable inflation. On top of this, it had only received a one-year funding settlement from Government. Therefore, the Council needed to make provision around reserves in order to withstand future buffeting.
- acknowledged the impact of Council Tax increases on local residents. People who were struggling financially had the possibility now of approaching the Council for funding support. The Council was providing

free school meals in holidays in 2022/23 and giving £20 to those who had been affected by the reduction in Universal Credit.

- commended previous leader for his work in campaigning for fairer funding for Cambridgeshire but commented that it had not been successful. Another Member commented that the previous administration had received an additional £70m which had been added to the base budget. Cambridgeshire had also received funding for the City Deal and the Devolution Deal. However, it was acknowledged that the Council was still unfairly funded.
- highlighted the proposals in the budget in relation to the Just Transition Fund, which demonstrated the environmental credentials of the Council to make real progress on climate change. Another Member commented that much of the work initiated by the previous administration on climate change was carrying on including the funding identified in this fund. There was concern about how it was being used in relation to the MRP should MRP policy change benefit and the pressure it was putting on future generations.
- reported that the Adults and Health Committee had identified £9.8m of savings without resorting to service cuts. The Council had within the budget catered for the extra demand for social care, and the reshaping of the provision of social care to be more localised and responsive called "Care Together". Another Member welcomed much of the budget as it contained a significant number of projects initiated by the previous administration such as the Living Service and Neighbourhood Cares.

In conclusion, the Chair drew attention to the extremely difficult long term financial position highlighted in the Corporate Peer Review. The Council would therefore need to consider carefully how it took forward spending in the future. She reminded the Committee that four years ago the previous administration had increased Council Tax by the maximum level when inflation was nowhere near the level it was currently. She was very aware of how difficult any increase would be for some families who also depended on Council services. It was therefore a top priority to have secure services for the future. The impact of the pandemic had been very unequal with some impacted more than others. The Council was going to use the Housing Support Fund to those support families for the coming year.

It was resolved by a majority to:

1. Consider the Business Plan, including supporting budget, business cases, consultation responses and other material, in light of all the planning activities undertaken to date.
2. Agree the proposed approach to balancing the budget in 2022-23 set out in section 3.
3. Review the following recommendations to Council:

- a) Approve the Service/Directorate budget allocations as set out in each Service/Directorate table in Section 3 of the Business Plan.
- b) Approve a total county budget requirement in respect of general expenses applicable to the whole County area of £922,004,000, including a levy of £9,684,976 payable to the Cambridgeshire and Peterborough Combined Authority for the delivery of Transport Services and a levy of £433,000 payable to the Environment Agency for flood and coastal services.
- c) Approve a recommended County Precept for Council Tax from District Councils of £346,853,825.13 (to be received in equal instalments in accordance with the fall-back provisions of the Local Authorities (Funds) (England) (Amendment) Regulations 1995).
- d) Approve a Council Tax increase for each Band of property, based on the number of "Band D" equivalent properties notified to the County Council by the Districts (235,800.2), reflecting a 3% ASC precept increase and a 1.99% increase in Basic Council Tax Precept:

Band	Ratio	Amount
A	6/9	£979.74
B	7/9	£1,143.03
C	8/9	£1,306.32
D	9/9	£1,469.61
E	11/9	£1,796.19
F	13/9	£2,122.77
G	15/9	£2,449.35
H	18/9	£2,939.22

- e) Approve the Capital Strategy as set out in Section 6 of the Business Plan including:
 - Commitments from schemes already approved;
 - Expenditure on new schemes in 2022-23 shown in summary in Section 2, Table 8.2 of the Business Plan.
- f) Approve the Treasury Management Strategy as set out in Section 7 of the Business Plan, including:
 - i. The Council's policy on the making of the Minimum Revenue Provision (MRP) for the repayment of debt, as required by the Local Authorities (Capital Finance & Accounting) (England) (Amendment) Regulations 2008.
 - ii. The Affordable Borrowing Limit for 2022-23 (as required by the Local Government Act 2003).

- iii. The Investment Strategy for 2022-23 and the Prudential Indicators as set out in Appendix 3 of Section 7 of the Business Plan.
4. Authorise the Chief Finance Officer, in consultation with the Leader & Deputy Leader of the Council, to make technical revisions to the Business Plan, including the foregoing recommendations to the County Council, so as to take into account any changes deemed appropriate. This includes updated information on District Council Tax Base and Collection Funds, Business Rates forecasts and Collection Funds, capital receipts and prudential borrowing, and updated grant values from awarding bodies

51. CUPSE Policy Challenges Research on Models of Local Government after COVID-19

The Committee was asked to consider the research and recommendations from the Cambridge University Science and Policy Exchange (CUSPE) on models of local government after Covid-19. It was reminded of the background to the Council's collaboration with CUSPE. Members welcomed the researchers Ali Ahmad, Alexander Johnston, and Emily Staricoff who introduced the report based on a 'wellbeing economy' as a model of local government appropriate to the recovery from Covid-19 and beyond. The report contained several policy recommendations and suggestions for the Council to conduct primary research that was beyond the scope of this research project but would enable a wellbeing economy framework to be more tailored to the County's needs and 'future outlook'.

In welcoming the report and thanking CUSPE for the recent Members' Seminar, individual Members raised the following issues:

- highlighted the need to harness the strength and experience of the Council's staff.
- promoted the 'doughnut economics' approach. The Council was committed to net zero and believed in anti-poverty and social equity. However, those commitments needed to be turned into reality and the 'wellbeing model' was the proposed route. It was suggested that the traditional method of using GDP did not measure people's wellbeing. It was therefore noted that the current budgeting format needed to change to assess the impact on people and the environment. It was important to have clear, tangible, and simple messages, which could be widely understood. It was hoped to establish an officer group involving frontline staff to shadow this process. It was noted that more national and regional governments were adopting this approach so it was also hoped the Council could join the Wellbeing Economic Alliance to network with these organisations.
- expressed disappointment that the CUSPE report had contained a degree of political flavour which was not in keeping with its previous work. Attention was drawn to page 19, as an example, which focused on the

redistribution of wealth rather than wealth not being the answer to everything. The £5m Community Fund established by the previous administration was an example of this principle. It was acknowledged that the CUSPE recommendations would come at a cost but there was some support for a cross party approach.

- queried whether the Council currently had the ability to deliver the recommendations set out in the CUSPE report. The problem with the 'doughnut economics' approach was there was a danger of not using money if it fell into the middle of the doughnut.
- acknowledged the need to look at budgeting holistically and the need to fix the north/south divide. However, it was important to note that severe poverty had fallen by at least 75% in 25 years because of free and global markets. It was queried how it was proposed to measure people's happiness. It was not clear whether politicians had sufficient information and incentives to behave in a way that the CUSPE report was proposing. It was felt that the doughnut theory misunderstood the reasons for growth. However, the most concerning issue was the comments about infrastructure, which was so important for the levelling up agenda. There was concern about taxing businesses, which behaved badly as it was not clear how this bad behaviour would be defined. There was also concern that these businesses could leave the County resulting in job losses which would make poverty worse. It was suggested that throwing money at creating wrong solutions did not fix poverty.
- suggested that the CUSPE report was based on fundamentally flawed analysis and principle so it was not appropriate to do more work. The assumption that it was not possible to have continued growth was based on a very restricted assumption of resource-based growth. It was suggested instead that the new Chief Executive should be asked to review the report, allowing for the Council's financial situation, to consider where the Council should be on this journey.
- confirmed that the hole in the middle of 'doughnut economics' was the many people who did not have access to the share of the world's resources to live the kind of life expected to be lived by most human beings rather than a hole to throw money in. The outer space reflected the overshooting of the planetary capacity and the middle reflected the safe and just space for humanity. It was therefore important to get beyond looking at the financial bottom line. The cost of not looking at social and environmental issues would also have an impact. Members were informed that there was a world happiness report. The CUSPE report provided the opportunity to have conversations to achieve a society which worked for everyone.
- suggested that it was not appropriate to employ a single officer in a very large organisation to progress this work instead a different structure was needed.

- questioned why the report had not focussed on new models of local government in relation to addressing the current different tiers. It was suggested that the report did not reflect the question it had originally been asked.
- suggested that productivity was a better measure than gross value added.

It was resolved unanimously to:

- a) Note and comment on the research undertaken by CUSPE on the wellbeing economy as a proposed model of local government decision-making after the emergence of COVID-19;
- b) Consider the recommendations made by CUSPE as set out in the full report at Appendix 1, pages 17-18; and

It was resolved by a majority to:

- c) Task officers to prepare a detailed strategy setting out the ways in which recommendations (if agreed) could be driven forward and delivered, either by the Council or in collaboration with our partners.

52. Strategy and Resources Committee Agenda Plan & Training Plan & Appointments to Outside Bodies & Internal Advisory Groups & Panels

The Committee noted the agenda plan, which included the addition of an item on the replacement of Storage Area Network to the March meeting.

It was resolved unanimously to note the Committee Agenda Plan.

53. Exclusion of Press and Public

It was resolved unanimously to exclude the press and public from the meeting on the grounds that agenda item no. 12 contained exempt information under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as it referred to information relating to the financial or business affairs of any particular person (including the authority holding that information).

54. Shire Hall Campus. Cambridge – Commercial Update

The Committee considered a report providing an update on the commercial position of the Shire Hall Campus, Cambridge.

It was resolved unanimously to:

- a) approve the updated commercial arrangements set out in this report; and

- b) re-confirm the delegation to agree the final terms and consequential amendments to the contractual documentation, as set in the July 2021 report, to the Director of Resources in consultation with the Chair & Vice Chair of this Committee.

Chair

STRATEGY & RESOURCES COMMITTEE**Appendix A**

27 January 2022

Amendment to item 8 – Business Planning Proposals for 2022-27

Proposed by: Councillor S Count

Seconded by: Councillor Boden

Add a recommendation 1a

1a: Amends the Medium-term Financial Strategy, ahead of forwarding to Full Council, as follows -
Medium Term Financial Strategy

Page	Amendment
265	<i>Add the text in bold:</i> “We also retain £40m of earmarked reserves in 2022/23, much of which it may be possible to redirect and bolster the general reserve if needed”
273	<i>Add the text in bold</i> “Notwithstanding the policy minimum, by 1 April 2021, the Council actually held 4% in the general reserve, due to the addition of underspends from 2021/22 and budget re-alignment being allocated to reserves, at July S&R 2021”
277	<i>Replace the table at 9.2 with the following, inserting the two shaded columns (from the 2021-26 MTFS) in place of estimates from 2022-27:</i>

	previous plans		updated plans				
Balance as at:	31 March 2021 (planned) £m	31 March 2022 (planned) £m	31 March 2023 £m	31 March 2024 £m	31 March 2025 £m	31 March 2026 £m	31 March 2027 £m
General reserve	19.5	19.4	27.41	28.08	28.84	29.54	30.25
Earmarked reserves	33.4	38.5	44.56	41.75	39.03	39.03	39.03
Covid Grant Reserve	unplanned	26.99	16.82	11.50	7.02	3.28	1.02
School Reserves	-13.30	-22.50	-23.00	-23.00	-23.00	-23.00	-23.00
Just Transition Fund			10.78	9.78	8.82	8.07	8.07
High Needs Block Offset Reserve			14.40	14.40	14.40	14.40	14.40
Transformation Fund	28.0	23.0	-	-	-	-	-
Total	67.6	85.39	90.96	82.50	75.11	71.32	69.77
General reserve as % of gross budget	3.0%	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%

Add a recommendation 1b

1b: Notes the supplementary information set out in this amendment document.

Supplementary Information

Page	Supplementary Information
206	<p>This page states that investments already approved against the former transformation fund will continue.</p> <p>It is understood that the value of legacy commitments is £450k and it is planned that budget at this level will be held over in an earmarked reserve for this purpose</p>
211	<p>For a Band D property the annual uplift is £69.84</p> <p>The band-by-band increases (as presented in the MTFS) are:</p>

Band	Amount	Increase	Increase per week
A	£979.74	£46.56	£0.90
B	£1,143.03	£54.32	£1.04
C	£1,306.32	£62.08	£1.19
D	£1,469.61	£69.84	£1.34
E	£1,796.19	£85.36	£1.64
F	£2,122.77	£100.88	£1.94
G	£2,449.35	£116.40	£2.24
H	£2,939.22	£139.68	£2.69

211

This page also refers to the historic levels of change in Council Tax each year.

The cumulative annual impact on a band D household is as follows:

	<table><tr><th></th><th></th><th colspan="3">Council Decision</th><th colspan="2">Band D Council tax impact</th></tr><tr><th>Financial Year</th><th>Maximum tax rise</th><th>General precept</th><th>ASC precept</th><th>Total precept</th><th>Actual Cumulative Impact</th><th>Maximum Cumulative Impact</th></tr><tr><td>2016/17</td><td>3.99%</td><td>0.00%</td><td>2.00%</td><td>2.00%</td><td>22.77</td><td>57.06</td></tr><tr><td>2017/18</td><td>3.99%</td><td>0.00%</td><td>2.00%</td><td>2.00%</td><td>46.08</td><td>115.29</td></tr><tr><td>2018/19</td><td>4.99%</td><td>2.99%</td><td>2.00%</td><td>4.99%</td><td>105.48</td><td>174.69</td></tr><tr><td>2019/20</td><td>4.99%</td><td>2.99%</td><td>2.00%</td><td>4.99%</td><td>167.76</td><td>236.97</td></tr><tr><td>2020/21</td><td>3.99%</td><td>1.59%</td><td>2.00%</td><td>3.59%</td><td>214.83</td><td>302.40</td></tr><tr><td>2021/22</td><td>3.99%</td><td>1.99%</td><td>1.00%</td><td>2.99%</td><td>255.42</td><td>370.17</td></tr><tr><td>2022/23</td><td>4.99%</td><td>2.99%</td><td>2.00%</td><td>4.99%</td><td>325.26</td><td>440.01</td></tr></table>			Council Decision			Band D Council tax impact		Financial Year	Maximum tax rise	General precept	ASC precept	Total precept	Actual Cumulative Impact	Maximum Cumulative Impact	2016/17	3.99%	0.00%	2.00%	2.00%	22.77	57.06	2017/18	3.99%	0.00%	2.00%	2.00%	46.08	115.29	2018/19	4.99%	2.99%	2.00%	4.99%	105.48	174.69	2019/20	4.99%	2.99%	2.00%	4.99%	167.76	236.97	2020/21	3.99%	1.59%	2.00%	3.59%	214.83	302.40	2021/22	3.99%	1.99%	1.00%	2.99%	255.42	370.17	2022/23	4.99%	2.99%	2.00%	4.99%	325.26	440.01
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212	<p>The following table illustrates the impact on budget gaps of applying all of the additional available funding announced in the settlement to 2022-23 (and then the impact of removing the single year element in year 2).</p> <table><tr><th></th><th>2022-23</th><th>2023-24</th><th>2024-25</th><th>2025-26</th><th>2026-27</th></tr><tr><td>Remaining Budget Gap</td><td>16,700</td><td>19,626</td><td>23,127</td><td>15,006</td><td>18,731</td></tr><tr><td>Funding from Settlement</td><td>-11,021</td><td>4,508</td><td></td><td></td><td></td></tr><tr><td>4.99% increase in Council Tax, versus 2% increase already assumed</td><td>-9,877</td><td>-379</td><td>-390</td><td>-386</td><td>-394</td></tr><tr><td>Residual gap</td><td>-4,198</td><td>23,755</td><td>22,737</td><td>14,620</td><td>18,337</td></tr></table>		2022-23	2023-24	2024-25	2025-26	2026-27	Remaining Budget Gap	16,700	19,626	23,127	15,006	18,731	Funding from Settlement	-11,021	4,508				4.99% increase in Council Tax, versus 2% increase already assumed	-9,877	-379	-390	-386	-394	Residual gap	-4,198	23,755	22,737	14,620	18,337																																	
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218	<p>This page refers to the level of general reserves held and that this is consistent with actual balances held on 1 April 2021. However it is confirmed that the current policy level of the MTFs is 3% of expenditure, meaning that this budget proposes to increase the policy level by 1%</p>																																																															

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The following table is provided to give context to use of one-off monies across the next five years. Negative figures represent using more one-off monies and positive figures represent planned reductions in funding from one-off sources.

<i>Presented as absolute rather than cumulative values</i>					
Use of one off grant reserves	2022-23	2023-24	2024-25	2025-26	2026-27
Draw down of covid grant	-4,573	-5,321	-4,477	-3,734	-2,261
Public Health reserve	-400	-400	-200	0	0
Other one off funding in 2022/23 settlement	-311	-2,162	-2,162	0	0
(One off funds within budget)	-5,284	-7,883	-6,839	-3,734	-2,261
Budget gap as published (including above)	0	17396	22737	16782	18337
Budget gap excluding one-off funds	5,284	25,279	29,576	20,516	20,598

586

The latest real living wage announced is £9.90

Core purpose: To add to and further refine information, to aid decision making on this matter at full council.

Summary: One of the key purposes of any committee is to provide scrutiny to proposals. In examining the papers to be submitted to council it became apparent that good decision making would be aided, by refining and adding to various pieces of information contained in the document. The overall document itself is 713 pages long so it is inevitable that there would be areas where information may be missed or not deemed necessary from certain perspectives but not others.

We do not submit this in an attempt to undermine the paper by picking up minor typo's or heading areas, but genuine changes to information necessary to aid good decision making. In that respect it is important to recognise that this amendment has been vetted as factually accurate by the S151 officer Tom Kelly and is factually correct