

STRATEGY, RESOURCES AND PERFORMANCE COMMITTEE: MINUTES

Date: 17th December 2024

Time: 10.00a.m. to 11.42a.m.

Venue: Red Kite Room, New Shire Hall, Alconbury Weald

Present: Councillors Ambrose Smith, Boden, Corney, Count, Dupré, Goldsack, Howitt, McDonald, Meschini, Murphy, Nethsingha (Chair), Sanderson, Sharp, Whelan and Wilson

233. Apologies for Absence and Declarations of Interest

There were no apologies for absence or declarations of interest.

234. Minutes – 31st October and 28th November 2024 and Action Log

The minutes of the meetings held on 31st October and 28th November 2024 were agreed unanimously as a correct record and signed by the Chair, and the action log was noted.

235. Petitions and Public Questions

No petitions or public questions were received.

236. Integrated Finance Monitoring Report for Period 7 2024-25

The Committee was informed that there was a forecast overspend of £7.5m in the revenue budget, which was a £2.1m reduction from the previous reported forecast. This overspend continued to reflect the pressures in looked after children placement costs, home to school transport, waste disposal costs, delays in income generation from renewable energy schemes and investments, and higher than expected capital financing costs. Some of this pressure was off set in lower than expected spend in Adult Social Care and additional funding from grants and business rates. Whilst this was an improved position, the council was working to identify further mitigations, as any overspend would be funded from the General Reserve which had implications for business planning.

There was also an £18.4m forecast in-year pressure and a cumulative £58m deficit projected in the Dedicated Schools Grant (DSG) budgets particularly in relation to high needs spend. Work was continuing with government through the Safety Valve Programme to address these pressures and reduce cost growth. A balanced in year position continued to be forecast for the capital budget, which reflected a higher level of spend compared to recent years. Attention was drawn to the recommendations in the report. The Executive Director for Children, Education and Families reported that

following discussion at Children and Young People Committee (CYPC) and having taken further advice, officers would not be moving recommendation c).

It was noted that the Conservative group had submitted an amendment in relation to this recommendation to ask for the design to be value engineered to accommodate a sprinkler system, so greater clarity was therefore requested regarding the process for progressing the Alconbury Weald Secondary School Scheme. The Chair confirmed that the decision of the CYPC to request a sprinkler system be included in the design remained the current decision. However, further investigation was needed to understand the cost, as the current assumption appeared to be high. Once those costs were known, a report would be presented to the relevant committee. In response to a request, the Chair agreed to add an action to report back on the outcome of the discussion at CYPC, and whether any further action was required in terms of budgeting.

Action Required.

In response to a query regarding growth funding in the older people's service not being required, it was noted that funding had been allocated to budgets for demand growth and inflation but the numbers and costs of people coming through meant that this funding was not required hence the underspend. The business plan for 2025-26 reflected the implications of any reduction going forward.

The Local Member for March North and Waldersey supported the March BMX Pump track which had been led by local people. He was concerned about the narrative in the report which implied that it was a County Council project when it had also involved local people, Local Members and sponsorship from companies. The Chair commented that it was delightful that the council had been able to support this community based project.

One Member expressed disappointment regarding the failure to deliver £16m of savings out of a target of £34m particularly given that some of the savings had been challenged previously as being unrealistic. There was also concern regarding the positive way the achievement of just over half the planned savings had been presented in the report. The Chair reminded the committee that councils set ambitious savings plans due to the pressure on local government spending, and it was therefore likely that not all savings would be met particularly when dealing with demand led services.

It was resolved unanimously:

- a) To note the changes in capital grants and contributions, set out in 4.5.1 of annex A.
- b) To agree to add the March BMX Pump track to the 2024-25 capital programme at a cost of £100k, funded by external contributions, set out in 4.5.2 of annex A.
- d) To agree to draw down of £448k from the elections sinking fund reserve, by the County Returning Officer, to fund cyclical advance payments to district councils for their role in the county council elections in 2025, as set out in section 5.1.3 of annex A

237. Business Planning and Budget Setting 2025-26 – 2029-30

The Committee received the draft 2025-30 Business Plan and Budget. Members were reminded that they had already approved the Strategic Framework and the Engagement and Consultation Strategy, which included two phases of engagement with the first already concluded and the commencement of the second phase on 9 December 2024 concluding on 9 January 2025. The report also set out a progress update on the council's Strategic Framework and seven ambitions, an overview of its new strategy for changing the way the council would operate in future years, a summary of resident views obtained via the council's ongoing engagement activity, an overview of directorate plans, and detailed proposals for achieving a legal budget. The Committee would receive the final draft Business Plan report at its January meeting with a recommendation to full Council in February.

One Member drew attention to the following statement in Section 3.6.1 of the report "52% of respondents supported an increase in council tax of up to 4.99% to maintain or improve essential services, recognising the current financial pressures faced by the council and supporting the delivery of the council's vision to be greener, fairer and more caring." He challenged the accuracy of this statement, as he was of the view that it distorted the views of the public who thought they were supporting an increase in council tax to fund roads maintenance when responding to the original question "Would you support an increase in Council Tax of up to 4.99% to maintain or improve essential services such as social care or highways and roads maintenance."

The Chief Executive had provided a written response to the Member and asked for this explanation to be included in the minutes. The response confirmed that the change reflected supporting documentation in the survey, which was clearly framed around the council's approved vision and equally clearly set out the financial context for the question that then appeared on council tax in the survey. The statement "recognising the financial pressures facing the council" was a clear reference back to this supporting information, otherwise respondents would not know anything about the financial pressures, because it was not included in the question itself (to prevent it being too leading). Additionally, there was no distinction between the vision/ambitions and delivering/maintaining essential services, because these were one and the same thing. Specific examples had been included in the question for clarity and to avoid the question being too abstract.

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

- questioned the achievability of the potential savings set out in the Business Plan and whether they were savings or cuts in services. It was noted that all the savings would be scrutinised by policy and service committees in January. The Committee was reminded that it would also receive the Section 151 Officer's assessment of the Council's financial standing in line with the statutory duty of that role under Section 25 of the Local Government Act at its next meeting. Members were advised to review table 3 in Appendix 1b, which focused on efficiencies and income, redesigning the way the council worked, and a reassessment of demand.

- acknowledged that the council had not been able to deliver all its savings due to the very challenging financial position. It was noted that the Chief Executive had brought in greater stringency regarding savings proposals.
- highlighted that the council was still awaiting the announcement of the Local Government Finance Settlement. Another Member commented that it was possible there would be less ringfencing and requirement to apply for different grants in the settlement for social care which was welcome. However, it would put greater emphasis on the committee and the council as to how to meet social care needs.
- highlighted decisions taken early in the administration which were impacting positively on the budget such as the decision to meet the real living wage, including for staff employed by contractors, before the government's recent increase in the national living wage. The council was also cushioned from some of the impact of the Employers National Insurance increase as it had been paying the lowest paid staff the real living wage.
- acknowledged the challenge for officers in projecting demand for learning disability and older people's services. It was noted that the pattern of demand for older people's services was being reflected nationally. An upturn in demand had been expected post Covid for permanent accommodation particularly in relation to older people, which had turned out not to be the case. The council had therefore provided for greater demand than had materialised so this budget would be rebaselined going forward.
- noted that officers were continually looking at the underlying reasons as to why the forecast had not met demand and would report back to Adults and Health Committee if the situation changed. It was important to ensure there were no barriers to accessing services and that the needs of older people were being met.
- stressed the importance of not underestimating demand in older people's services. The exercise in forecasting therefore needed to be conducted as rationally and dispassionately as possible with an appropriate sensitivity analysis to see what risk was being taken on board in relation to assessments. Given the amount of funding involved, it was suggested that Members should see the sensitivity analysis in order to understand the risks in forecasting demand for learning disability and older people's services.
- highlighted the need to consider the impact on the council of the depleting finances of older people in care, as excellent care and health care was helping them to live longer particularly those with dementia.
- acknowledged that birth rates were declining whilst the population was ageing with one older person to three working people compared to a previous ratio of 1:20, which would increase pressure on social care authorities.

The Chair thanked officers across the whole council who had worked hard to get the council to this position. She drew attention to the detrimental impact of single year financial settlements over the last ten years. The council faced a number of risks but

two particularly significant ones relating to the Waste PFI contract, and predicting demography in the field of social care after the pandemic.

It was resolved unanimously to consider the draft 2025-30 Business Plan and Budget, including:

- i. Medium Term Financial Strategy (Appendix 1a)
- ii. Financial Tables 1-5 (Appendix 1b)
- iii. Capital Strategy (Appendix 1c)
- iv. Fees and Charges (Appendix 2)
- v. Engagement Survey Results (Appendix 3).

238. Treasury Management Quarter Two Update 2024-25

This report fulfilled the requirement for full Council to consider the treasury management position twice annually. The council was generally in compliance in quarter 2 with its prudential indicators with only the estimated Minimum Revenue Provision for capital expected to exceed the budgeted level. Whilst the council was within its debt limits, the maturity structure of borrowing limits was being reviewed as part of the updated Treasury Management Strategy (TMS) for next year in order to provide narrower limits. The total level of the council's external borrowing was close to the position at the start of the year but interest rates for borrowing were higher than anticipated. The council continued to generally take out shorter term debt for refinancing and new borrowing (a mix of Public Works Loan Board and other authorities) in anticipation of lower rates in the medium term. The treasury investments were performing well due to the same high interest rates though cash balances were being reduced closer to the minimum level to defer taking out high cost borrowing. Dividends from the collective investment funds continued to perform well.

One Member highlighted that Table 4: Investment maturity profile at end of quarter 2, was just a snapshot of one day. As demands changed on a day by day basis, it would be helpful to understand the average position over a quarter including average returns for different levels of maturity. The Head of Finance acknowledged the need for the information in the report to be as useful as possible and agreed to investigate changes. It was noted that the council was seeing relatively good overnight rates compared to shorter dated deposits.

The same Member acknowledged the challenge of making future projections, and drew attention to the interest rate forecasts in Section 8 and the contradictory statement in the third bullet. There was unlikely to be a gradual reduction in interest rates in late 2024 and 2025 following the October budget, the US presidential election, and the Monetary Policy Committee meeting. The council had been taking out short-term debt in the expectation of continuing reductions in interest rates. It would therefore be helpful if an updated estimation could be provided as to likely future interest rates and the consequential impact on the council's short-term debt activity and future borrowing. The Head of Finance reminded the committee that it would receive the quarter three update soon. However, it was unlikely to change the Treasury Advisor's advice, which was interest rates were likely to decrease over the medium term so taking out short-dated debt was likely to be the best course of action to reduce the risk of locking in high interest rates for a longer period. In response the same Member suggested taking out

medium term debt instead. It was noted that the council was looking to take out debt in the two to four year range.

Another Member suggested holding a session to consider derisking the way prudential and treasury indicators were managed by reviewing minimum and maximum levels in the TMS. One Member commented that it was difficult to assess performance without historical information to consider budget versus actuals. It was queried whether this could be included for the Integrated Finance Management Report (IFMR). The Head of Finance agreed to consider this request for the Treasury Management Report and the IFMR.

It was resolved unanimously to note the Treasury Management Quarter Two Update for 2024-25 and endorse it for consideration at Full Council.

239. Corporate Performance Report

The Committee received an update on the performance monitoring information for the 2024/25 quarter 2 period, covering 1 July to 30 September. Members were reminded that work was taking place to develop new score cards to present to policy and service committees with a revised organisational score card to be presented to the Strategy, Resources and Performance Committee. Attention was drawn to Section 3.3 detailing current performance of available indicators.

One Member expressed disappointment regarding the failure to meet the target for Indicator 182: Proportion of Freedom of Information (FOI) requests responded to within statutory timescale, and Indicator 183: Percentage of Subject Access Requests completed within statutory timescales. In relation to the latter, it was queried why the target was not 100% when there was a statutory timescale. Another Member acknowledged that this failure had been a consistent problem, it was important therefore that FOI requests and complaints were seen as a positive part of democracy.

A Member queried whether continued high level of FOI requests on contentious issues relating to highways could be attributed to potholes. The Executive Director of Strategy and Partnerships agreed to provide a written response. **Action Required.**

Attention was drawn to Indicator 187: Proportion of staff feeling engaged as demonstrated through employee engagement survey. It was noted that there was no comparable data and there was surprise that the engagement score was only 55%; it was therefore queried how this could be improved. It was also noted that only 54% of staff had responded to the survey which meant that 46% had not engaged.

The Chief Executive explained that there was no comparable data as the 2023 survey had been the first of its kind for a number of years. It was important to note that the 46% of staff who had not responded did not necessarily mean there was a lack of engagement as they might have chosen not to respond, and some staff also did not have day to day access to digital systems so it was challenging to get their engagement. It was also important to note at this time some services were decoupling from Peterborough City Council, which might have had an impact on responses. Whilst a higher response rate would have been welcome, IPSOS Mori had confirmed that the current rate was still statistically significant with many other public sector organisations

having a lower response rate. Members were advised that there was also a degree of variation in responses across directorates. In response to a request, the Chief Executive agreed to provide information on the percentage of staff where a response had not been expected. **Action Required.**

Members were reminded of the council's People Strategy, which had a detailed action plan with a series of steps designed to improve engagement. It had recently been considered by the Staffing and Appeals Committee and a copy of the presentations presented to that committee and a briefing note from the Service Director: Human Resources would be circulated to Members. **Action Required.** It was noted that another full Employee Engagement Survey was scheduled for 2025, which in light of the steps taken would hopefully increase engagement. The council also continued to receive positive ratings from colleagues leaving the organisation on Glassdoor.

The Chair thanked IT staff who had recorded 98% against Indicator 195: Percentage of IT requests resolved a first line within expected timescales. She stressed the importance of identifying that resolution was to the satisfaction of the person who had made the contact. It was noted that feedback was sought from users after every experience.

It was resolved unanimously to note performance information and act, as necessary.

240. Agenda Plan, Training Plan, Appointments to Outside Bodies and Internal Advisory Groups and Panels

The Committee considered its agenda plan, training plan, appointments to outside bodies and internal advisory groups and panels. It was noted that dates for meetings up to June 2026 had been included on the agenda plan and work was taking place to prepare a training plan for the first meeting after the election. In response to questions, it was noted that a candidates' page would be available on the council's website in January detailing useful information and there would also be individual candidates' packs. Members were informed that the Corporate Leadership Team and the Member Development Panel had agreed the draft Members' Induction Programme which had been influenced by previous Member feedback and had been designed to avoid overwhelming Members early on. A copy of the programme would be circulated to Group Leaders. **Action Required.**

It was resolved unanimously to note the agenda plan and training plan.