

STRATEGY AND RESOURCES: MINUTES

Date: 17 December 2021

Time: 10.02a.m. to 11.50a.m.

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

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

32. Apologies for Absence and Declarations of Interest

Apologies were received from Councillors Criswell, Goldsack, Hoy, Murphy, J Schumann and Wilson. No declarations of interest were made.

33. Minutes – 2nd November 2021 and Action Log

The minutes of the meeting held on 2nd November 2021 were agreed as a correct record and signed by the Chair. A completed action log was noted.

One Member reported that at the last meeting the Chair had agreed to review the way the Farms Estate reported into the Council. In response, the Chair acknowledged that it had been discussed and, whilst it had been considered, it had not necessarily been agreed as an action. She reported that the County Farms Working Group was working effectively so she did not see any need for further action. The same Member highlighted the fact that the County Farms Working Group had no decision-making powers, and the Farms Estate was a significant responsibility, which was why its reporting arrangements had been raised at the last meeting. The Chair confirmed that this issue would be picked up by the Corporate Peer Review in February 2022 when it was due to consider how the whole committee system worked. **Action Required.**

34. Petitions and Public Questions

No petitions or public questions were received.

35. Joint Agreement and Peer Review Action Tracking

The Committee considered its regular update on the Joint Agreement and Peer Review Action Plan. It was noted that there were several actions which were just relevant to the Committee's remit; the report also drew together actions which were delivered and monitored through service committees. Members were informed that the Committee was being presented with the milestones within the reporting period whilst the full tracker and action plan

were both linked from the report. Attention was drawn to page 19 of the agenda where it was noted that LGA training on the role of statutory officers had been rescheduled from 8 December to 31 January to allow more time for Members to attend.

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

- queried which Members had attended a facilitated workshop to explore the decoupling of joint management arrangements with Peterborough City Council (PCC) and requested an update on future actions. The Chair reported that she had together with the Vice-Chair attended the workshop where they had been constructive discussions with the Leader and Deputy Leader of PCC. The conclusion was that discussions would continue as there were some areas where it was felt it was the right option, for the moment, to continue to work together, which had been reflected in the Peer Review report particularly in relation to health. It was noted that the area of most uncertainty was Children's Services, and because of the discussion between the Councils' leaders a report was being commissioned in January/February reviewing the impact of shared Children's Services, which would be considered by the Council in March.
- reminded the Committee that the Joint Agreement had placed a moratorium on any new senior (Director level and above) appointments shared with Peterborough with all new senior appointments being made for Cambridgeshire only. It was felt that the Joint Administration needed to make an announcement on what it intended to do in relation to this statement. There was concern that the level of uncertainty was impacting negatively on the Council's Management Team. Another Member highlighted the very constructive and considered discussion taking place between Cambridgeshire and Peterborough Members and officers; the position alluded to above was therefore not recognised. It was acknowledged that there was a process of change but it was being carried out step by step starting with the appointment of separate Chief Executives.
- highlighted the difference between the original Joint Agreement and the milestones and commented that it was therefore disappointing they were not presented side by side. Another Member commented that there was a difference between watering down and increasing and extending on the promises agreed.
- highlighted the Holiday Activity Fund and the statement in the Joint Agreement that "We will maintain free school meals for eligible children during school holidays." It was suggested that the Joint Administration was now going to consider what could be done such as the Holiday Activity Fund rather than maintain free school meals. Attention was drawn to the fact that approximately 60% more eligible pupils in Cambridge City accessed the Fund compared to East Cambridgeshire and there were similar access discrepancy levels for Fenland. It was therefore not sufficient to just monitor numbers in the Holiday Activity Fund instead the

Council should be monitoring the proportion of pupils eligible and try to address the gap. It was noted that this issue had been raised with the Chair of Children and Young People Committee who had asked the Member to champion it in his own area. However, whilst he had tried to do so it was important the Council's resources were used to do this work.

- reported that the statement in relation to the Real Living Wage (RLW) on page 12 of the agenda was not completely accurate. Staff had been told on 19 November that there would be paid the RLW back dated to April at the rate of £9.50, which was the old rate rather than new rate £9.90. It was therefore queried when staff would receive the RLW. The Council was also working to achieve full RLW accreditation, which was difficult to understand when the Council would have to pay the RLW to contracted staff and the Joint Administration had already voted against making it mandatory as part of the procurement rules for the cleaning contract. Another Member reported that he would welcome cross party support for the RLW.
- highlighted the lack of transformation of services since the election in May as there appeared to be no transformation projects presented to committee. The Council was therefore becoming increasingly dependent on its level of reserves and tax rises to deliver the budget.
- expressed concern about another level of bureaucracy involved in establishing area boards to deliver services locally in conjunction with District and Parish Councils.
- suggested that a full review of the library service to ensure it was meeting the needs of residents was a watering down of the Joint Agreement statement for the library service to remain free for everyone on Universal Credit. Another Member reported that the aim of the review was to hopefully make the service free for everyone.
- suggested that the establishment of a Strategic Programme Management Office needed a reporting route through the governance process.

The Chair reported that the Joint Administration was proud of the achievements recorded in the report in particular the funding of free school meals at the full rate for children throughout Cambridgeshire since May. This was very important given the cost-of-living crisis. She was also pleased with the progress of the RLW, and environment and sustainability work.

It was resolved unanimously to review the monitoring against actions identified in the joint agreement and peer review action plans.

36. Integrated Finance Monitoring Report for the period ending 31 October 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 -£7.027m at year-end whilst the Capital Programme was showing a -£7.3m underspend. The £4m increase in revenue underspend was due primarily to the reducing pressure on the Adult Social Care budget. 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. It was noted that much of this underspend was baselined out in the Business Plan for next year. However, it was partly offset by pressures in the working age adults' cohort. It was important to remember that there was a significant amount of uncertainty around these budgets particularly given the impact of the new variant. Attention was drawn to the other two areas making up this underspend, which included capital financing costs being lower than expected and the unwinding of corporate provision around increasing social care costs reflecting confirmed government grants.

One Member queried why the earmarking of £2m to reserves for Adults and Health had not been included in the total underspend which should therefore be £9m; he was therefore concerned about the lack of transparency regarding the reporting of the underspend. The Chair challenged the fact that there was £9m sitting in an account. The Council had a very high level of debt so additional funding reduced its debt, which then reduced the Council's debt charges, which was important in an environment of major inflation risks and rising costs.

Councillor Count moved an amendment to recommendation b) to add the following: "The reserve to be controlled and allocated by the Adults and Health committee, if needed, to specifically address unplanned for increased demographic or cost pressures. Any amounts not utilised to be returned to S&R committee for further consideration in two years' time;". He explained that he did not agree with this proposal because when the Adults and Health Committee asked for this it was not in the wider context of the business planning process and was therefore a very isolated decision. He felt that it had been inadequately described in the report. It was allocated to the Adults and Health Committee in the short-term but the short-term had not been defined. He had therefore allowed two years in his amendment which should provide for some clarity and flexibility in relation to Covid. It was also important that the Adults and Health Committee managed this expenditure rather than Strategy and Resources Committee.

The Chair of Adults and Health Committee welcomed the amendment if the motivation behind it was to have a better explanation. He reminded the Committee that the previous administration had left an £80m funding gap over four years so where the Joint Administration was able to identify some underspends it was prudent financial management not to spend them all in the short-term.

He informed the Committee that recommendation b) was all about Covid and reflected huge fluctuations in demand for adult social care. It was impossible to predict the outcome of the pandemic and therefore difficult to put the Council's financial projections for adults and health on a confident basis. These projections were changing monthly with the Council monitoring and

understanding the consequences. There was an underspend in the Older People's budget but the reasons behind that were tragic and highly regrettable. It was unclear whether this would continue in the future so the creation of the reserve was a sensible decision. He reported that he was very concerned about care homes handing back contracts and the Council having to deal with the consequences. Many care home providers were suffering from workforce pressures including fair pay which had an impact on the Council's budget. Although the Government had given some funding for winter pressures, this funding finished in March and those pressures were unlikely to be finished by then. The funding announced for social care in the Local Government settlement was less than the extra cost of the care, which government announcements had placed on the authority. The Council had to cope so this was a sensible financial way of managing a very unpredictable situation.

Councillor Count also moved the addition of recommendation e) "Reallocate the current in year underspend of £424k for new scheme development, from the joint administration's proposal to be rolled over into next year. Instead transfer the £424k to the Highways Safety Team budget, for the creation of a 20mph capital fund." He was of the view that there had been a lack of imagination regarding the use of the £9m underspend. He suggested that there were items within the coronavirus area which could be funded such as children's mental health. He was concerned that there had been no new highways schemes between May and December. After discussions with the Highways Safety Team, he was proposing the creation of a 20mph capital fund, which was in line with the Joint Agreement. He was of the view that 20mph limits should be available for those areas who wanted them.

The Chair of Highways and Transport Committee reminded Members that it was set out in the Joint Administration Agreement to work in the Highways and Transport Committee towards delivering a revised 20mph policy and implementation. The Highways and Transport Committee had already discussed this issue and a report would be presented to its meeting in January with the amount of funding identified in the amendment. Given that it was already planned to take it to committee, there was therefore no benefit allocating it towards development costs and repaying it once a funding mechanism was approved by the committee.

Another Member reported that he thought the funding in the amendment was an addition to progress 20mph zones. It was important to note there was a difference in introducing it in the City compared to rural areas particularly in relation to affordability for parish councils. The Chair of Highways and Transport Committee reminded Members that there would be a three-year programme if approved by Highways and Transport Committee.

The Chair welcomed cross party support for the 20mph policy but the £424k funding was intended for new schemes and development and it would therefore be rolled over to next year for that purpose.

It was queried whether it was possible in future to share amendments on the screen for the public to view whilst they were being discussed. **Action Required.**

On being put to the vote, the first amendment to recommendation b) was carried unanimously, the second amendment to add recommendation e) was lost.

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

- suggested that the table on page 27 of the agenda was out of date and needed reviewing for the start of the new financial year. Members were reminded of why the schools funding was listed separately. It was suggested that the public health funding should also be considered separately as the current presentation was misleading in terms of the Council's spend. The Chair acknowledged that it would be a good idea to review this report for the start of the new financial year. **Action Required.** The Chair of Adults and Health Committee reminded Members that the Joint Administration supported an integrated health and social care system so he was not supportive of separating out the public health budget.
- expressed concern regarding how public health funding was managed. Although it was acknowledged that there had been a Covid crisis for nearly the last two years, the public health grant reserve had been allowed to increase significantly with no action taken to manage the situation. At the recent Adults and Health Committee, it had been reported that there would be some spending of the reserve; the proposals for funding were very good and welcomed. Unfortunately, they only addressed part of the public health reserve and failed to take account of a similar underspend next year for the same reasons. Some of the funding announced at committee was spread over three years so the effect was slower. Given all these reasons, there was likely to be an even higher public health reserve at the end of the next financial year. At a time of crisis, it was important to use all resources available, it was acknowledged that the Public Health Team was inundated with work but there were other ways public health outcomes could be achieved, for example by involving the City and District Councils. The Chair of Adults and Health Committee reported that the issue had been debated fully at two meetings of the Adults and Health Committee. The Joint Administration had inherited an underspend in public health. However, it should be noted that the Public Health Team was working at full capacity to manage the Covid crisis. It was important to spend the ringfenced public health funding, which was why the Director of Public Health had presented a programme in October, which was sustainable and deliverable during the pandemic; the remaining £0.9m would fund the potential health service pay increase.
- noted on page 39 of the agenda that 46 Local Highways Improvement Schemes had been delayed and carried forward to 22/23. This was

primarily due to safety audits which were taking around 10-12 weeks instead of 6-8 weeks. It was queried why they were now taking so long. Attention was drawn to the fact that other delays to date were due to approval times from parish councils and had been exacerbated by project team resources. It was suggested that Local Members should be asked to encourage their parishes to accelerate the process, and more detail should be provided on project team resources. Concern was also raised regarding the fact that the Council was not invoicing parish councils promptly for work already carried out in previous years. The Chair of Highways and Transport Committee reported that the situation was complex and he would provide the Committee with a written response. He added that the significant backlog of safety audits was addressed partly in the summer. **Action Required.**

- highlighted an error on page 56 of the agenda relating to A/R.6.255 Children in Care – Placement composition and reduction in numbers which was on track but had a RAG rating of black, which was 100% non-achieving.

- highlighted a £300k in-year underspend for staff vacancies in the capitalisation of the Transformation Team. As no new transformation schemes had been developed since May and this funding related to monitoring, it was queried whether the same Transformation Team was required, and if the Council was recruiting to the vacant positions. The Chair commented that there would be a review of the Transformation Team. The Director of Business Improvement and Development acknowledged that the Team did often carry vacancies due to the way it was funded and the number of projects in operation. There were also five members of the Team who had been redeployed to deal with Covid related responsibilities. There was an active succession programme and the Team was always recruiting people with the right skills for the relevant pieces of transformation work. It was important to note that it was not an indication of less work as the Team could be supporting projects situated in different places.

It was resolved unanimously to:

- a) Earmark a total of £1.55m to offset one-off revenue costs related to waste diversion while plant works were carried out, as set out in section 6.1;

- b) Approve the £2m transfer to earmarked reserves for adults risks as set out in section 6.2. The reserve to be controlled and allocated by the Adults and Health committee, if needed, to specifically address unplanned for increased demographic or cost pressures. Any amounts not utilised to be returned to S&R committee for further consideration in two years' time;

- c) Note the Combined Authority funding reduction of £1.9m in line with the reduced scope of the Wisbech Town Centre Access Study scheme, as

set out in section 7.6; and

- d) Note and comment on the Finance Monitoring Report for Corporate Services (Appendix 4).

One Member asked the Chair whether she would be prepared to review the deadline for amendments to Policy and Service Committees as some amendments were in response to officer comments on the day. The other issue was the timing of the meetings as some committees might meet just before the Strategy and Resources Committee and after the deadline for amendments to that committee. The Chair reported that she would consider it but she felt the current process was helpful and that the Chair always had flexibility. Action Required.

37. Business Planning Proposals for 2022-27 – Current position

The Committee considered a report detailing the current business and budgetary planning position and estimates for 2022-27, the principal risks, contingencies and implications facing the Committee and the Council's resources, and the process and next steps for the Council in agreeing a business plan and budget for future years. Since the last meeting the uncertainties around the Covid pandemic had increased with rising prices and volatile patterns of demand in social care.

Attention was drawn to the revised budget gap of £15.2m rising to £24.4m in the following year in the table at Section 3.6. The primary means to deal with the challenges were savings, Council Tax, and the outcome of the one-year funding settlement. The settlement had been released on 16 December and officers were currently working through the detail. Attention was drawn to the assumptions and risks set out in Section 4. It was likely that the Council would need to set a one-year budget with plans for the years ahead.

Councillor Count moved an amendment to add an additional recommendation g) as follows: "Reverse out the new proposal contained on tables page 76 over the MTFs and the corresponding mirror image in the capital to "Replace highways/footways revenue investment with capital"".

The Conservative amendments for previous budgets had identified £18m a year to stop the roads deteriorating further, which had then been raised to £19m. However, it had been confirmed last year that it did not include cycleways and footpaths, which needed another £4m. A realistic four-year plan had therefore been proposed with £1m revenue and £3m capital in year one, £2m revenue and £2m capital in year two, £3m revenue and £1m capital in year three and £4m revenue in year four resulting in the base budget for maintenance being correct at the end of this period. However, this had been reversed in the report resulting in a cliff edge at year five with no plan of action. It was also not appropriate to keep capitalising a routine maintenance budget and therefore increasing debt.

The Chair of Highways and Transport Committee acknowledged the history. When the footpaths and pavements revenue investment was put in the business plan originally it was never a funded budget because there was a £22m funding shortfall so new savings were required to fund that proposal. The Joint Administration was proposing to fund this proposal with capital funding. If the Committee agreed the amendment it would create a £1.3m additional revenue pressure next year increasing to £4m per annum across the years. There should be proposals for funding changes to the revenue budget but none were included in the amendment therefore making it unworkable.

Another Member commented that the numbers for year five could be addressed as they were not as large as earlier years. Grants used for this type of work were generally capital so it was important to maintain consistency.

On being put to the vote, the amendment was lost.

One Member drew attention to the heavy reliance on reserves to balance the revenue budget. There also appeared to be no transformation, a strong reliance on Government funding, spending of Covid reserves, and the Minimum Revenue Provision Fund, which was lacking in information at this stage. Attention was also drawn to Section 3.5 of the report, which set out the deployment of the Coronavirus Fund of £20m. It was proposed to deploy this funding over the MTFS period and the phased deployment of the reserve was shown in the table at 3.6. The same Member commented that there was a £12m shortfall in the reserve figure shown demonstrating a lack of transparency.

The Chief Finance Officer emphasised the uncertainty of the spending from now to year end on the pandemic so it was important to retain some flexibility. The information was already in the MTFS documents and it would be presented clearly in the report to committee in January. The Chair added that there was no intention to keep anything hidden and any unclear language would be reviewed.

It was resolved unanimous to:

- a) Note the progress made to date and next steps required to develop the business plan for 2022-2027
- b) Note the budget and savings proposals that were within the remit of the Committee as part of consideration of the Council's overall Business Plan
- c) Note the changes to the capital programme that were within the remit of the Committee as part of consideration of the Council's overall Business Plan
- d) Note the draft Medium Term Financial Strategy for 2022/23

- e) Note the draft Capital Strategy for 2022/23
- f) Note the draft Treasury Management Strategy for 2022/23

38. Treasury Management Report – Quarter Two Update 2021-22

The Committee considered the Treasury Management Quarter Two report for 2021/22 to enable it to supervise the Council's treasury management, and ensure that public money across the Council's cashflows, borrowing and investments was utilised and deployed effectively and in compliance with the Treasury Management Strategy. It was noted that the increase in the bank rate on 16 December was generally priced in for much of this quarter's activity. However, it was likely that there would be further bank rate rises later this financial year.

It was resolved unanimously to note the Treasury Management Quarter Two Report for 2021/22 and forward to Full Council to note.

39. Corporate Services Performance Report Quarter 2 2021-22

The Committee was provided with an overview of the proposed performance reporting protocol, a renewed Key Performance Indicator (KPI) list and a quarterly performance report for Corporate Services.

One Member welcomed the report but queried what was happening from an external communications perspective in relation to coverage on F20 lobbying. The Chief Finance Officer reported that the Government had not adopted F20's recommendations per capital flooring. However, there was the opportunity, as it was a one-year settlement, to lobby for that as part of a fair funding review, which would be launched in 2022.

The same Member highlighted the effort the previous administration had made to lobby the government for fairer funding. However, several authorities who were part of the F20 group had instigated significant media coverage but this did not appear to be the case for Cambridgeshire. It was therefore important that the Council utilised the F20 resources fully to get press statements out. The Director of Customer and Digital Services agreed to investigate. Action required.

The Chair reported that she had raised the issue with the Secretary of State for Levelling Up, Housing and Communities at the recent CCN conference in the context of broader funding and Special Education Needs and Disability funding. The Council was continuing to lobby government for fairer funding.

It was resolved unanimously to:

- a) Review and approve the proposed performance reporting protocol for Corporate Services set out in Section 2 of the report.

- b) Approve addition to and removal of KPIs from Corporate Services KPI list set out in Section 3 of the report.
- c) Monitor progress of Corporate Services set out in Section 4 of the report and consider whether performance is at an acceptable level and identify remedial action as required.

40. Mill and Rumbolds Farmhouse, Somersham

The Committee welcomed a report detailing the replacement of a farmhouse on the County Farms Estate at Mill Farm (Somersham) that was beyond economic repair as requested at its last meeting.

One Member suggested to the Committee that this item had received very little coverage in the last report to committee. He stressed the need for more detail in future when making significant decisions on spending and reiterated his request to the Chair to consider how County Farms was managed within the governance process. Another Member commented that the County Farms Working Group had considered this item in detail and achieved a consensus.

It was resolved unanimously following approval of budget at the last meeting and endorsement by the County Farms Working Group to note this report.

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

The Chair with the agreement of the Committee deferred this item to the next meeting in January due to the current Covid situation. In the meantime, it had been agreed to arrange a virtual Members' Seminar for CUPSE reports during January with a report back to the January meeting of the committee to note and adopt the recommendations.

42. 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 the above item to the January meeting and the rescheduling of the Corporate Risk Register to March.

It was resolved unanimously to note the Committee Agenda Plan.

Before closing the meeting, the Chair thanked the Chief Executive, Gillian Beasley, who would be retiring from the Council at the end of the year for her astonishing leadership in very difficult times.

Chair