

**GENERAL PURPOSES COMMITTEE DISCUSSION OF THE REPORT
'INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE
PERIOD ENDING 31ST MARCH 2015**

To: **Audit and Accounts Committee**
Date: **22nd September 2015**
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Purpose: This report should be taken at the same time as 13a). It provides Audit and Accounts Committee with details of the brief discussion from the General Purposes Committee meeting held on 15th September 2015 in relation to the Integrated Resources and Performance report to the end of July 2015.

1. Background

- 1.1 Different meetings receive the same Integrated Resources and Performance Report for the following reasons:
- General Purposes Committee to make decisions and approve virements;
 - **Audit and Accounts Committee role is limited to consider whether effective processes are in place for financial management.**

It was agreed during the last administration that Audit and Accounts Committee meetings where practicable and time allowed, should receive details of the discussion included in the minutes of the previous Cabinet meeting and the Performance and Resources Overview and Scrutiny Committee who may have also considered the same report in advance of the Audit and Accounts Committee. The arrangement is now continuing with General Purposes Committee.

2. **Extract of the Minutes from the General Purposes Committee 15th September. They will be formally agreed at their next meeting.**

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The Committee received a report detailing the financial and performance information to assess progress in delivering the Council's Business Plan. It was noted that the overall revenue budget position had improved since the last meeting. This was primarily due to the Government decision to delay the Care Act funding reforms until 2020. Members were informed that an assumption had been made that Government would not recover £873k for this function. It was also noted that there had been an increase in debt charges mainly due to favourable variances for Minimum Revenue Provision and Interest Payable.

Members were reminded that the Committee had agreed a recommendation at its last meeting inviting Committee Chairs to report at the next meeting of General Purposes Committee on actions in place to address emerging overspends. Attention was drawn to the actions detailed in Appendix 7 of the report. The Chairman invited the Chairs to address the Committee as follows:

- Councillor Tew, Chairman of Adults Policy and Service Committee, reported that Children, Families and Adults (CFA) would need to cut services as it could not cut care packages which it had a legal obligation to provide. The Chairman of General Purposes Committee highlighted the need to review the interpretation of what constituted a statutory minimum. The Vice-Chairwoman of Adults, Councillor Bailey, reported that the Committee had managed to reduce its overspend from £4m to £1.8m. Although it was not possible to cut a percentage off care packages, it was possible to review people's needs which changed all the time. She was keen to achieve a better understanding of the staffing structure which would be considered in detail at a future Spokes meeting. She added that it was not proposed to cut front-line staff.
- Councillor Whitehead, Chairwoman of Children and Young People Policy and Service Committee, reminded Members that CFA was a demand led service governed by national legislation. The Committee had considered how it could reduce the budget long-term but it was difficult to make short-term reductions. There was the dilemma that if it cut non-statutory services such as early help this would result in bigger overspends in the future. There was a danger that reducing staff costs further could increase pressure on remaining staff. The Chairman of General Purposes Committee informed Members that they would need to take unpalatable decisions in the future. The Chairwoman added that the Service

had earmarked funding for any possible emergencies resulting from the increase in risk.

- in the absence of Councillor Bates, Councillor Cearnas as Vice-Chairman of Economy and Environment Policy and Service Committee was invited to address the Committee. Councillor Cearnas reported that he had not been informed of the need to stand in for Councillor Bates nor involved in the compilation of the report from the Committee.
- Councillor Jenkins, Chairman of Health Policy and Service Committee, drew attention to the fact that Public Health was forecasting a balanced budget at year end. However, he was disappointed that the Government had made an in year budget cut in grant. The Committee would be meeting to see how this could be addressed.
- Councillor Hickford, Chairman of Highways and Community Infrastructure Policy and Service Committee, explained that the Economy, Transport and Environment (ETE) report covered both Economy and Environment, and Highways and Community Infrastructure Committees. He reported that there was a small overspend relating to Park and Ride which would be covered partially by increased income from bus lane enforcement. He gave assurance that his Committee would achieve a balanced budget.
- Councillor McGuire, Chairman of the LGSS Joint Committee, reported on actions to manage the £1m overspend in the LGSS Managed budget. Members were informed that the Council now expected to receive £281k in rental income from Castle Court if planning permission was granted this month. County Farm rent reviews and investments in energy reduction had resulted in an additional £170k. It was proposed to release the £475k reserve for IT Asset Replacement and carry forward demand. It was also proposed to release the £225k redundancy budget to help achieve a balanced budget.

During discussion, members made the following comments:

- expressed nervousness regarding the assumption made on the funding for the Care Act.
- queried what was meant by ETE having a number of budgets that could easily be varied. The CFO explained that the spend for a number of ETE budgets could be influenced. It was noted that Highway Maintenance spending could be varied in the short-term although there were likely to be long-term consequences. One Member suggested that moving funding from Highway Maintenance was contrary to policy. The CFO reminded the Committee that the Council determined the allocation of budgets in

its Business Plan. However, it was noted that activity led to a number of variables in year which were managed via the rules set out in the Council's Constitution. The Chairman of Highways and Community Infrastructure Policy and Service Committee acknowledged that the wording in the report was unfortunate.

- asked how the Community Transport budget could be varied. One Member expressed concerned about where the Cambridgeshire Future Transport project was heading and that any cut in funding would have major implications. The CFO agreed to report to a future meeting. **Action Required.**
- expressed concern that resources required for City Deal schemes had impacted directly on other Council activities when Members had been assured that this would not be the case. The Chairman reported that he had taken this issue up directly with the Executive Director: ETE. The CFO explained that there had been a short-term redirection of resources to get the City Deal up and running. However, it was important to note that the City Deal was fully funded. One Member drew attention to the Yaxley to Farcet Scheme which had been delayed previously by landowner problems. The Local Member was concerned that he had only recently found out at Economy and Environment Policy and Service Committee that it was now being partly delayed because of the decision to redirect resources to the City Deal. The CFO agreed to provide the Local Member with a note as to how this would be rectified. **Action Required.** One Member commented that the decision to redirect resources highlighted the fact that the Council did not have enough staff. It was noted that staffing costs had been budgeted for in the City Deal.
- highlighted the fact that a number of issues had been considered at Economy and Environment Policy and Service Committee including Ely Crossing. It was noted that this scheme would now be completed by the end of 2017.
- noted that the Council would receive £3.578m in Section 106 contributions for the Guided Busway at some point. Members were informed that this funding was dictated by the level of development for Northstowe. It was queried whether the Council was certain the Section 106 funding for Northstowe would be delivered. Members were informed that new legislation had impacted on delivery as the Council could only pool five developments, which had resulted in the CB1 developers not contributing. The Chief Executive agreed to provide a briefing note on the CB1 Development. **Action Required.**
- highlighted the need to bear in mind that General Purposes Committee should not encourage cuts in services in the short-term to meet budget savings which could in the long-term result in the

Council avoiding higher costs. The Chairman explained that it was the responsibility of each Policy and Service Committee to identify actions to achieve a balanced budget in order to avoid storing up a problem for the future. The CFO reminded the Committee that there was £16m in the general reserve to mitigate for unforeseen circumstances.

- suggested a sensible increase in Council Tax. It was proposed that any referenda should be timed to coincide with the referenda taking place in 2017.
- expressed disappointment at the standard of some of the reports as it was not always clear as to what should be cut to achieve a balanced budget. The Chairman acknowledged the need for the Committee to receive a report at its next meeting about how each Policy and Service Committee planned to achieve a balanced budget. **Action Required.**
- queried the impact of unaccompanied foreign children on the CFA budget. It was also queried whether social workers were being risk averse and whether the Council was providing a 'gold plated' service compared to other authorities for Looked After Children.

It was resolved unanimously to:

- a) Analyse resources and performance information and note the remedial action currently being taken and consider if any further remedial action was required.
- b) Approve the use of the further £1.0m capital carry forward funding in 2015/16 (section 6.5).
- c) Approve the increase of £3.578m to the Prudential Borrowing requirement in 2015/16 (section 6.5).
- d) Approve the -£17.5m rephasing of Economy, Transport and Environment's (ETE's) Department for Transport (DfT) Grant requirement in 2015/16 regarding City Deal (section 6.5).
- e) Approve that the Independent Living Fund (ILF) grant of £1,037,438 be allocated in full to Children, Families and Adults (CFA) in 2015/16 (section 7.1).
- f) Approve that the additional Deprivation of Liberty Safeguards (DoLS) funding of £247,899 received in 2015/16 be transferred to the General Fund at year end, to replenish the County's resources used in the first instance to fund this activity (section 7.1).
- g) Approve the updated corporate performance scorecard for 2015/16 (section 5.1).