

GENERAL PURPOSES COMMITTEE: MINUTES

Date: Tuesday, 18th December 2018

Time: 10.00a.m. – 11.15a.m.

Present: Councillors Bailey, Bates, Bywater, Count (Chairman), Criswell, Dupre, Hickford, Hudson, Jenkins, Meschini, Sanderson (substituting for Councillor Giles), Schumann, Shuter, and Whitehead

129. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies were received from Councillors Giles and Nethsingha.

Councillor Hickford declared a disclosable interest under the Code of Conduct in recommendation c) of Minute no.133, Integrated Resources and Performance Report for the Period Ending 31st October 2018, as the tenant of Manor Farm, Girton. He was not present whilst the item was discussed or for the vote.

130. MINUTES – 27TH NOVEMBER 2018 AND ACTION LOG

The minutes of the meeting held on 27th November 2018 were agreed as a correct record and signed by the Chairman. In noting the action log, Members were informed that the briefing detailing how new schools were funded would be circulated as soon as additional benchmarking material had been included. Councillor Jenkins confirmed that the first action on the action log was still ongoing. **Action Required.**

131. PETITIONS

No petitions were received.

132. FINANCE AND PERFORMANCE REPORT – OCTOBER 2018

The Committee was presented with the October 2018 Finance and Performance report for Corporate Services and LGSS Cambridge Office, which was showing a forecast underspend of £920k.

It was resolved unanimously to review, note and comment upon the report.

133. INTEGRATED RESOURCES AND PERFORMANCE REPORT FOR THE PERIOD ENDING 31ST OCTOBER 2018

The Chairman reported that he intended to take this report in two parts. The first part would focus on the whole report except for recommendation c). The Committee would then vote on the other recommendations before Councillor Hickford left the meeting. When Councillor Hickford had left the meeting, the Committee would then discuss and vote on recommendation c).

Before asking officers to introduce the report, the Chairman reported that recommendation b) had been withdrawn as it had not yet been considered fully by Commercial and Investment Committee.

The Committee received a report detailing the financial and performance information to assess progress in delivering the Council's Business Plan. The overall revenue budget position was showing a forecast year-end pressure of £4.5m, which was a reduction of £0.1m on the previous month. It was noted that the position in People and Communities had worsened. The main issue this month was the pressure on Special Educational Needs and Disability (SEND) Specialist Services which had created a pressure on the Dedicated Schools Grant and the local authority. There had been a net increase of 500 Education, Health and Care Plans over the course of the 2017/18 academic year. There was also a pressure in Home to School Transport for SEND. It was noted that the expected income from Business Rates would be used to offset this pressure, and would help to improve forecasting going forward.

Attention was drawn to recommendation d) relating to the Combined Authority levy, which reflected the introduction of legislation which had come into effect from 1 October 2018. At this stage, the Committee was just being asked to note a net nil technical adjustment for 2018/19 but this could change in the future.

The Chairman queried whether there was evidence to show that the roll out of the cap on credit in London had resulted in families moving out of the capital which had created an additional pressure on county councils and unitary authorities. He drew attention to the overspends being experienced by these authorities compared to the underspends in the capital. The Service Director: Children's Services and Safeguarding reported that there was some evidence of an exodus of families moving out of the capital and costs therefore being transferred to other authorities. However, it was important to note that the main issue was the funding differential in education. The Chairman asked the Service Director to quantify this financially and to ask the County Councils' Network to investigate. **Action Required.**

It was resolved unanimously to:

- a) Approve the carry forward of £0.097m capital funding from 2017/18 to 2018/19 as set out in section 5.7.
- d) Note a net nil technical adjustment of +/-£13.615m in relation to the Combined Authority Levy related budgets, as set out in section 6.3.

[Councillor Hickford left the meeting]

In discussing recommendation c), a Member reported that she had requested further information at Commercial and Investment Committee on the pay back beyond retirement. In response, the Group Asset Manager reported that the period covered an additional three years. The Chairman reminded the Committee that it was important to consider whether the County Farm could afford to fund this increase in rent rather than the individual. The Chairman of Commercial and Investment Committee reported that there was a need to

review the policy regarding the cessation of tenancies at 65, as this figure was now out of kilter with the national pension age. The Chairman acknowledged the importance of adjusting the Council's policy in line with Government policy to avoid the need to keep reviewing it.

The Chairman of Commercial and Investment Committee reported that the quantum pot for investment in County Farms had been underspent last year, and as a result this funding had been carried over to 2018/19. However, he was pleased to report that the Council had allocated 7% over and above the pot this year to enable County Farms to diversify.

It was resolved to:

- c) Approve additional prudential borrowing of £183,000 in 2018/19 for the Manor Farm, Girton house extension scheme, as set out in section 5.9;

[Councillor Hickford returned to the meeting]

134. GENERAL PURPOSES COMMITTEE REVIEW OF DRAFT REVENUE AND CAPITAL BUSINESS PLANNING PROPOSALS FOR 2019-20 TO 2023-24

The Committee considered an overview of the draft Business Plan revenue and capital proposals that were within its remit, as well as consideration of the draft tables for the whole Council following review by service committees. The Chief Finance Officer (CFO) reported that the agenda for this meeting had been published before the announcement of the provisional Local Government Finance Settlement. Although Members had received a briefing on the settlement, the CFO drew attention to the key points, as follows:

- The Government had increased the general council tax referendum limit from 1.99 per cent to 2.99 per cent for 2018/19 and 2019/20. (It was noted that a 1% flexibility had been built into the original Business Plan forecast).
- The Government had removed the negative Revenue Support Grant (RSG) in 2018/19, which for Cambridgeshire amounted to £7m.
- The Council had not been selected to be one of ten further 100 per cent business rates retention pilots.

Members were informed that the report to the next meeting would reflect the outcome of the settlement.

During discussion, individual Members raised the following:

- the reference to negative RSG being deferred in the table at 2.11 on page 62 of the report and the reference to £11,190m of residual savings to be identified in 2020/21. The Chairman queried whether this should be increased to £18,190m to reflect negative RSG in the future. The CFO confirmed that negative RSG would continue as the Government could not yet guarantee that funding allocations for those authorities which had not accepted the multi-year offer would not be reduced or distributed on a

different basis. It was noted that given this lack of clarity the baseline would remain at £11,190m. The CFO reminded the Committee of the uncertainty around the Council's grant position due to the Government's Fair Funding Review.

- the fact that Spring Common Academy had not been included in the capital programme as more research was required. This £3m project was unlikely to be included until after Council had approved the Business Plan. The Chairman of Children and Young People Committee acknowledged the importance of working out the practicalities of delivering the project first. The CFO drew attention to the fact that the Council's large budget was constantly evolving. It was important to note that there would be further iterations throughout the financial year. The Chairman reminded the Committee that the Council had changed the way it operated in order to become more flexible. It could not therefore wait until every budget meeting to make changes.
- the continuation of the Adult Social Care precept. The CFO reported that 2019/20 would be the final year of this three year scheme, and as yet there had been no indication it would continue. One Member queried the Administration's approach if the precept became available in 2020/21. The Chairman reported that the Administration would inform the Council at the appropriate time. However, it was currently working on the most up to date available figures.
- the reference to the LGSS additional ask detailed on page 151 of the report. One Member queried the options available for achieving the savings target. The CFO reported that the LGSS business model was predicated on growth to achieve savings. Unfortunately, the issues affecting Northamptonshire County Council had limited the opportunities associated with growth. The three core organisations were currently working with CIPFA to identify the most appropriate financial and operational model for LGSS going forward. At the moment, it was not possible to comment on how the level of saving would be determined but it was likely to be by restructuring.
- the reference to the project, working with District Councils, to increase Council Tax contributions and income. One Member drew attention to the reference to make it easier for people who genuinely could not pay their Council Tax to be able to do so. She suggested that there might be some people who could not afford to pay their Council Tax so different mechanisms to help them pay would not be effective. The Head of Finance reported that this project was focused on the appropriate use of the single person's discount. It was noted that making it easier for people who could genuinely not pay their Council Tax was an ancillary objective. This project had been operating to different degrees across District Councils and was now being moved to the same level. The CFO reminded the Committee that this project had diminishing returns and would need to be implemented over time to be effective. He welcomed the opportunity to work with billing colleagues to improve flexibility in order to generate more collection income. The Chairman highlighted the

importance of this project leaving a legacy to help the District Councils meet their responsibilities.

- the importance of the Adults Positive Challenge programme to the whole Council to achieve the saving target of £3.8m. The Chairwoman of Adults Committee drew attention to the need to involve the whole Council in the delivery of this programme. She highlighted some successes over the first three months in helping people to identify solutions which were community based. She explained that significant detail would be included as part of individual business cases.

It was resolved to:

- a) note the overview and context provided for the 2019/20 to 2023/24 Business Plan revenue proposals for the Service, updated since the last report to the Committee in October.
- b) comment on the draft revenue savings proposals that were within the remit of the General Purposes Committee for 2019/20 to 2023/24, as part of consideration for the Council's overall Business Plan.
- c) comment on the changes to the capital programme that were within the remit of the General Purposes Committee, as part of consideration for the Council's overall Business Plan.
- d) note the Fees and Charges as submitted to the Highways and Community Infrastructure and Economy and Environment Committees.
- e) note the draft revenue savings proposals and draft capital programme for the whole Council, as part of consideration for the Council's overall Business Plan.

135. TREASURY MANAGEMENT STRATEGY 2019-20

The Committee received a report detailing the proposed Treasury Management Strategy for 2019/20 which would be considered by Full Council as part of the Business Planning process. Attention was drawn to a new requirement, which instructed Councils to disaggregate financial investments from non-financial investments. The CFO explained that the Corporate Strategy dealt with the latter, and the level of governance around the amount the authority could invest in commercial acquisitions was covered in the Capital Strategy.

It was noted that recent guidelines published by Government were designed to address the risk resulting from a number of local authorities investing in commercial acquisitions. The CFO reminded the Committee that the Council did seek commercial acquisitions but did not expose the Council to risk. All Councils therefore needed to be mindful of this, particularly as the Government had made reference in the provisional settlement to the fact it would be bringing in regulations. The Council had made assumptions

regarding the flexibility to invest but this might change following the publication of new regulations.

One Member queried why there had been a 15% increase in borrowing as set out in Table 1 of page 265 of the report, and the year on year movement in the borrowing requirement from 19/20 and 20/21. The CFO reported that this level of borrowing was expected and linked to the capital programme. He agreed to provide a summary of the key items affecting the increase. **Action Required.** The Chairman reminded the Committee that Council borrowed money both to deliver projects such as new schools, also revenue generating schemes such as solar or This Land. It was therefore important to note that not all borrowing was bad.

The Chairman highlighted the importance of this report to the organisation. For example, it highlighted the need for Government to get the guidance regarding IFRS 9 right as it could have major implications for the Council in relation to recounting its balance sheet. He also reminded the Committee that in relation to the Council's Minimum Revenue Position, the establishment of a transformation fund had delivered significant savings.

It was resolved unanimously to:

comment on, endorse and recommend to Full Council to agree the Treasury Management Strategy for 2019-20, as part of the Business Planning process.

136. RESOURCE FUNDING REQUEST FOR THE CONTINUATION OF THE POSITIVE BEHAVIOUR SUPPORT PROJECT

The Committee considered a request to approve the necessary resources required to commission an intensive support team to work with children and young people with learning disabilities and/or autism across Cambridgeshire and Peterborough who were at high risk of exclusion from local support and at risk of inpatient admission or 52 week placement as a consequence of challenging behaviour.

The Service Director: Children's Services and Safeguarding drew attention to the background to the project, which currently worked intensively with eight children. He reported that the project had achieved outcomes including significant cost avoidance. He provided the Committee with a case study, which demonstrated the positive impact of the project on a young person. The Service Director also highlighted the importance of providing evidence to the Council's Health partners, as this project needed to attract multi-agency funding.

The Chairman of Children and Young People Committee expressed his strong support for the project. A couple of Members queried why the project was being presented to General Purposes Committee for funding. One Member suggested that it was not a transformation project as the Council was setting up a service offer which would need to be considered as part of the People and Communities budget. The Chairman explained that this was a pilot, and

if it was successful would need to be considered as part of the service's budget in future.

In response to a query regarding the number of Support Workers that would be required, it was noted that there would be five Support Workers covering Cambridgeshire and Peterborough who would work with an additional ten children.

One Member raised the need to focus on the positive outcomes of transformation projects and not just the financial ones. It was important that these were recorded against each project. The Chairman acknowledged that the focus had been financial when the Transformation Fund had first been set up. However, the Council was now focussing more on outcomes. He stressed the value of case studies to reflect the fact that the Council was an outcome based organisation. It was therefore important that outcomes were scheduled first in the regular transformation reports to committee. **Action Required.**

Another Member queried what happened when a transformation project which had achieved good outcomes but had not saved sufficient funding ended. She was concerned that in order to save money the Council had cut a project designed to stop children going into care. The Chairman reminded the Committee that it had already acknowledged the need to focus on outcomes. However, it was important to note that one programme designed to stop children going into care might not provide the value of a different programme. The Director Business Improvement and Development informed the Committee that every transformation project had a clear benefits realisation form attached detailing both the social and financial benefits, which would help the Council decide which project to continue to fund in the future. The Chairwoman of Adults Committee reported that the Committee challenged how each transformation project in its area could be mainstreamed.

It was resolved unanimously to

approve the funding of the resources not currently within the Council's base budget from the Council's Transformation Fund as summarised in Appendix A.

137. GENERAL PURPOSES COMMITTEE AGENDA PLAN, TRAINING PLAN AND APPOINTMENT TO OUTSIDE BODIES, AND INTERNAL ADVISORY GROUPS AND PANELS

The Committee considered its agenda plan and training plan. It noted a number of changes to its agenda for the January meeting.

It was resolved unanimously to:

- a) review its agenda plan attached at Appendix 1 to the report; and
- b) review its training plan attached at Appendix 2 to the report.

Chairman