

## STRATEGY AND RESOURCES: MINUTES

Date: 21 September 2021

Time: 10.00a.m. to 1.15p.m.

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

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

### 12. Apologies for Absence and Declarations of Interest

Apologies were received from Councillors Goldsack and M King. No declarations of interest were made.

### 13. Minutes – 6th July 2021

The minutes of the meeting held on 6th July 2021 were agreed as a correct record and signed by the Chair. In the action log, the following updates were noted:

- Action 6(b) there was a monthly process to review Combined Authority funding which was signed off by Finance and submitted by budget managers each month.
- Action 7 was included in Agenda Item No.6 so was complete.

### 14. Petitions and Public Questions

No petitions or public questions were received.

### 15. Peer Challenge Report and Action Plan

The Chief Executive drew attention to the background to the Local Government Association (LGA) Corporate Peer Challenge, which was a proven improvement approach for Local Government, supported by Government, delivered by a team of experienced councillors and officers. The process had focused on five key themes and four additional areas identified by the Council. The full report and action plan had been published on 6 September. As well as recommending areas for improvement the report highlighted a number of strengths and challenges. It was noted that the action plan reflected the main recommendations in the report but there were other recommendations, which had been picked up in the Joint Agreement Action Plan.

Attention was drawn to the action plan relating to the 11 key recommendations and 5 further shared services recommendations. Lead officers raised the following in addition to what was detailed in the plan:

- Recommendation 1.1  
Business planning was currently well underway mobilising the officer governance including the Rapid Improvement Team (RIT) and Capital Programme Board. Member governance involved monthly meetings with Chairs and Vice-Chairs, and meetings of the Strategy and Resources Committee. There were specific actions in the Peer Challenge which were also being addressed such as capacity around the high needs block deficit and capital prioritisation and slippage.
- Recommendation 1.3  
The LGA was providing a trainer free of charge. The four Peers who had supported the Peer Challenge had indicated their support for this training and some of them had offered to attend if possible.
- Recommendation 1.5  
The Council together with Peterborough City Council had completed the Covid 19 review of emerging evidence, needs and impacts of Covid alongside some work with the Combined Authority. The outcome of this work was being presented at a summit of public service leaders on 14 October. It would also be presented to a Member workshop at the County Council. Both events would enable the Council to identify what public sector organisations could do together or on their own. There would also be a review, reset and rationalisation of the numerous partnership structures. This work was just the start and would be progressed in the future by the Council's new Chief Executive.
- Recommendation 1.6  
Avison Young had been appointed as the specialist reviewer of This Land; the review would cover five set questions and was scheduled to take 8 weeks.
- Recommendation 1.7  
The LGA would build this recommendation into its six month review in order to assist the Council.
- Recommendation 1.8  
The Council's new Corporate Strategy and corresponding action plans would be the output from the reset of the Council's system priorities, the Joint Agreement, work being carried out by the committees, Chair and Vice-Chair meetings, the Covid impact assessment work and the system wide leaders' summit. Strategy and Resources Committee would consider the strategy before it was presented to Council in February. It was noted that this would include identifying the skills and capacity needed as the action plans were developed as well as taking into account the innovation across the public, private and voluntary sectors.
- Recommendation 2.1  
The Council had been working with the LGA to design a workshop for Cambridgeshire and Peterborough involving the Leader and Deputy Leader of both councils and senior officers towards the end of October. The LGA's Local Partnerships Team and both Peer Challenge Teams including the political leaders involved had offered support. Chairs and Vice-Chairs were reviewing original

business cases in their areas as well as the current context to see what had changed. The output of that work would be shared with the Strategy and Resources Committee and service committees.

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

- suggested that it was not appropriate to refer to “member forums” in Recommendation 1.1 as the process at this stage just involved the Joint Administration. The Chair confirmed that strategic financial decisions would remain within the realm of Members.
- thanked the Chief Executive, officers, Members and partners who had taken part in the Peer Review Challenge. Gratitude was expressed to the LGA and the opportunity to continue to work in collaboration was welcomed. It was important to acknowledge that the review had been a remarkable learning and constructive exercise.
- welcomed Recommendation 1.5 as it was important for the authority to reflect on its economic development function in order to avoid duplicating the work of the Combined Authority. It was noted that a number of County Councils had Economic Development Strategies. It was therefore hoped that the Council would have some reflection in advance of the summit on 14 October about how it could develop an economic development approach, which was relevant to its services and the Cambridgeshire economy and complementary to the Combined Authority.
- welcomed the joint workshop with Peterborough to review shared services although there would need to be time for Cambridgeshire Members and officers to talk to each other in advance of this event. The Council needed to be clear about what its intentions were in order to avoid partners over interpreting what was planned. It was proposed to delineate services, but it was not about tearing up all the arrangements. There would be a deliberative process involving Members and officers and it would be a rolling programme. It was acknowledged that it in the past the arrangements had been opportunistic but now needed to be strategic. It was not proposed for example to disentangle joint arrangements in the health sector but instead make them more successful in the future.

The Chair acknowledged how valuable the Peer Challenge had been. The Council would continue to work with the Peer Challenge Team over the coming months on elements of its report. Attention was drawn to the clarity which had come out of the report regarding the questions concerning shared services. For example, where the Councils were now and the direction that they might be heading in. There would not be a single answer on the future of shared services instead there would be different responses to different parts of the Council. Some areas might involve moving services so they were more closely related to local communities and for others it might involve deepening and broadening the current relationship. There would therefore be ongoing work in this area involving the Chief Executives of both councils.

The Chair drew attention to Recommendation 1.5. She suggested that the changes at the Combined Authority along with the changes at the Council provided a real opportunity to rethink how both organisations worked together as a team and avoided

duplication. It was important that this opportunity was taken quickly, and good steps were currently being made.

It was resolved unanimously to note and comment on the Peer Challenge Report and draft Action Plan and agree to:

- a) discuss, develop and agree actions with the relevant committees and officer leads.
- b) monitor progress against the Peer Challenge Action Plan at each meeting of this committee for this municipal year.

## 16. Joint Agreement Action Plan Tracking and Monitoring

The Committee considered a report describing activity to deliver the priorities and approaches for achieving improved outcomes for the people of Cambridgeshire as set out in the Joint Agreement. Members were reminded that they had considered the Joint Agreement Action Plan at their last meeting and agreed that a tracker should be produced to monitor the activities in the action plan. Attention was drawn to the tracker which was split into two sections relating to activity and policy development. As new policies were agreed in committees the activity section would grow, and these actions would be monitored by the relevant committee. There would be a clearly defined performance indicator and success criterion for each of the actions. The tracker would be reviewed at each meeting until March 2022. Attention was drawn to the milestones set out in the tracker relating to the Strategy and Resources Committee.

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

- suggested that the translation of the Joint Agreement into the tracker had not included some areas. It was noted that the Agreement had asked for all library services to be free to those on universal credit but the focus in the tracker was just on the 50p charge on reserving books rather than the other library services. The Agreement had referred to increasing finance for highways maintenance in relation to footpaths, cycleways and gully clearance whilst the tracker was just measuring footpaths. It was also missing items such as social value and procurement. It was therefore proposed that the tracker should be revisited with a new first column including the actual wording of the Agreement or the first column should be taken out and replaced with the actual Agreement wording. It was important to maintain honesty and transparency both for the public and scrutiny purposes, as well as for the Members who had signed up to the Agreement. The Director of Business Improvement and Development (BID) acknowledged the need to be more specific about how the Council had moved from one action to another, but the focus was now on the more detailed actions that needed to be undertaken. The Chair reported that the Joint Agreement was a published document so there was no need to include additional information in the tracker.
- expressed surprise at the extent to which the objectives and specific wording of the Joint Agreement were not reflected in the first column. If it was proposed to measure the effectiveness of the Agreement, then it was important to note what it actually said. It was noted that the Agreement had a very bold and interesting comment about procurement stating that equal weight would be given to financial and social

value. However, the reference in F.6 on page 64 of the report had been so diluted that it was not possible to track it back to the original commitment in the Agreement. Therefore there needed to be clear line back to the Joint Agreement. The Director of BID drew attention to F.12 on page 62 of the report which set out that there would be a review of the process for decision making on spending and investments in relation to equally weighted for social, environmental and financial criteria. It was acknowledged that actions might have moved as they were translated into the original tracker, but every care had been taken to ensure that the statements in the Agreement were included as an activity or policy.

- noted the aspiration to keep state nursery schools open, and schools in local authority control. However, it was stated that there would be “No reduction in numbers of schools in LA control (excl. those changed due to inadequate rating, forced changed or new school).” It was suggested that the words “those changed due to inadequate rating” should be removed as the authority did have some control via the Education Achievement Board, and it should be monitoring, and actively working with schools in danger of receiving a poor Ofsted report. The Authority should therefore be aiming to avoid having schools forced into academisation using the mechanisms currently in place. It was also important to reflect all the numbers in the tracker. The Chair reported that the Council would continue to work as hard as possible to ensure its schools maintained good ratings.
- expressed concern that schools which had experienced a difficult Ofsted had been forced to academise in order to achieve improvements in education. It was suggested that it was not best practice to set targets in a tracker for issues which were totally outside the Council’s control. Whilst acknowledging the need to work constantly with schools and support them to avoid a poor Ofsted, the Council could not control the point where the Government could force a school into academisation. Members were informed that the Joint Administration was in favour of keeping schools in local authority control but also cared about children in academies.

Councillor Count proposed an amendment to the tracker, seconded by Councillor Schumann, to include a new first column on the left hand side with the actual words of the Joint Agreement. On being put to the vote, the amendment was lost.

- expressed support for the way the tracker had been presented given the complexity of the information. It had taken a lot of thought and care to take a broad statement and put it into manageable actions with timelines with accountability.
- confirmed that the Joint Administration Agreement was for a four year term. The tracker showed the milestones being set up to the four years in order for the Joint Administration to achieve its overall ambition, which was why there were updates included as the process moved along.
- requested that the tracker include a column which would indicate whether the actions were aligned, partly aligned or not aligned to the Joint Agreement in order to make the document clearer and more accessible. It was noted that the tracker was aligned completely to the Joint Agreement and that it was not unusual to look at two documents in conjunction with each other.

The Director of BID suggested that as the numbers on the left hand side related to the action plan, it was proposed to include the Action Plan as an appendix in future reports to provide a cross reference. Action Required.

In conclusion, the Chair reported that the tracker was a working document which would respond to circumstances. The Joint Administration would therefore need to respond to events over the next four years including circumstances outside of its control. It would also need to respond to the severe financial constraints facing the Council as part of its decision making. The Chair reported that she was very proud of the work which had been done by officers over the summer to deliver on the Joint Administration's programme.

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

## 17. Integrated Finance Monitoring Report for the period ending 31 July 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 -£0.930m at year-end whilst the Capital Programme was showing a -£1m underspend. It was important to bear in mind the ongoing effect of Covid and how challenging that made forecasting. The appendices included the Transformation Fund Monitoring Report and the Finance Monitoring Report for the services the committee had responsibility for.

The Chair reported that if the Committee wished to discuss the exempt Appendices 6 and 7, it would be necessary to exclude the press and public. One Member expressed a wish to discuss the confidential appendices, so it was agreed to move the discussion of Recommendations J and K to the end of the meeting.

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

- queried the nature of the request to make available additional funds for investment in biodiversity activities during 2021/22. One Member expressed concern that this request had not gone through the committee system, which meant there had been no scrutiny. The funds had also been identified from the Transformation Fund. It was therefore queried whether there was a minor reserve now set up in the Transformation Fund or if funding had just been taken from the Fund because it was under the officer limit. The Chief Finance Officer (CFO) reported that the future of the Transformation Fund was an issue for the business planning process. This was not a Transformation Fund investment subject to the Transformation Fund criteria

and monitoring instead it was a re-allocation of reserves which were not allocated to any current transformation projects. It was acknowledged that the urgency of the recommendation related to the seasonality of this work. Transparency was achieved by reporting the decision to the Committee. The Chair confirmed that this was an unusual situation as the funding was needed urgently to do work over this winter. The same Member suggested that this should therefore have been acknowledged in the report.

- highlighted the fact that the investment in biodiversity activities should not have come as a surprise and should have gone through the committee process. The CFO reported that the Scheme of Financial Management allowed officers to approve reallocations of this type up to £175k. It therefore did not need committee sign off, but it had been reported to committee for transparency purposes.
- queried in relation to Section 8.8 Building Maintenance who would decide whether works which had an environment benefit were eligible for funding from the existing Environment Fund within the capital budget. The CFO reported that it was unlikely that these proposals would receive funding from the Environment Fund. A report would be presented to Environment and Green Investment Committee to enable it to review the criteria, which would need to happen before any funding could be allocated from the Fund. He drew attention to the Government's third wave of public sector decarbonisation grant where it focused on a whole building approach.

It was resolved unanimously to:

- a) Note the additional £292k extended rights to free home to school travel grant for 2021-22, as set out in section 6.1;
- b) Note the allocation by CCC of £109k for biodiversity activities as set out in section 6.2;
- c) Approve the debt write-offs of £71,737 and £27,253 relating to the estates of service users where there was now no prospect of debts being recovered, as set out in section 7.2;
- d) Approve the -£4.2m revised phasing of the capital programme variations budgets as set out in section 8.6;
- e) Note the additional £0.4m grant funding awarded for the Papworth to Cambourne cycling scheme as set out in section 8.6;
- f) Note the receipt of £21.955m as the local transport capital grant allocation for 2021/22 and its application towards the spending plans set for the 2021/22 budget, as set out in section 8.7;
- g) Approve additional prudential borrowing of £432k in 2021/22 for the Building Maintenance scheme as set out in section 8.8;
- h) Note and comment on the Transformation Fund Monitoring Report as set out in Appendix 4; and
- i) Note and comment on the Finance Monitoring Report for Corporate Services (appendix 5).

## 18. This Land monitoring update and land at Soham Northern Gateway (pre-emption)

The CFO reported that this was the first time an abbreviated Business Plan had been published for This Land. The report included the progress the company had made over the last year since the significant Business Plan refresh in 2020. He reminded the Committee of the activity covered in the Business Plan. The company had reported a number of successes in implementing its 2020 Business Plan in particular achieving disposal values in excess of expected values. The report set out progress with construction and the validation of individual assumptions. This Land continued to make a very important contribution to the Council's budget by way of interest on loans. Set against that there was a significant amount of money on loan to This Land, the company had net liabilities set out in its accounts, and an assessment of principal risks was set out at Section 2.9 of the report. The report also set out the review of This Land by Avison Young a global real estate services consultancy. It was noted that Avison Young would be rechecking the assumptions as part of its review. The Committee was invited to attend the shareholder meeting scheduled for 30 September 2021.

Attention was drawn to the reacquisition of property from This Land at Soham Northern. The Council had sold land to This Land in 2018. A significant development elsewhere in Soham had not progressed as planned, which had led to a reconsideration of where primary school provision would come from in the Town and an updating of the Council's estimates of future need. On that basis, it was therefore proposed to reacquire part of the plot previous sold to This Land adjacent to the Shade Primary School.

Speaking as one of the statutory directors on This Land, the Executive Director of Place and Economy gave his reflections on the Board he had joined about 18 months ago. He had seen continuous improvement in management and governance of the company, which included the appointment of a Finance Director, and the leadership of the Acting Chief Executive had brought clearer direction. There were challenges ahead with a company still in its start-up phase particularly around ongoing delivery rates. The delivery of affordable housing was good with 36% of the schemes identified so far. There were further challenges in relation to delivering zero carbon developments and the move towards place shaping on the larger sites. This Land was delivering high quality communities at an affordable level and addressing zero carbon ambitions.

One Member queried whether the word "permit" in recommendation b) was appropriate given the relationship of This Land (a limited company) and the County Council (the shareholder). He challenged whether the Council could legally give permission to This Land to sell the property. The CFO explained that he had thought carefully about this wording. It was noted that the wording mirrored the recommendation to committee in

2020 in relation to other properties. It was acknowledged that there needed to be an arms-length relationship between the Council and This Land. It was a decision for the company to reach about timing and the nature of the sales, but the Council retained certain rights around the mortgages and pre-emption rights.

The same Member acknowledged the comments made but suggested that recommendation b) be reworded to recommend that the Committee abrogates its pre-

emption rights thus giving the opportunity to This Land Limited to sell the property at Burwell and Worts Causeway, in accordance with the Business Plan, and consequential amendments to legal charges on those properties. The CFO confirmed that he was satisfied that the current wording was correct as it was not about approving or agreeing the sale. Another Member suggested adding subject to legal advice at the end of the recommendation or change the word “permit” to allow. The CFO confirmed that the Council did have significant input at this stage because it had the mortgages and pre-emption rights, so permit was the right word. It was important to note that the Council was taking legal advice continuously.

Another Member commented that if the Council was to agree to abrogate then if anything happened to the sale the Council would have lost its rights in this matter. It was suggested that this should not be done without the benefit of legal advice. The Chair confirmed that she wished to stick with the current wording and suggested that it would have been helpful if the opposition could have given notice of such changes at the Spokes meeting in advance of committee. The same Member confirmed that the Council was abrogating its pre-emption rights, so some clarity was needed. There were two different meanings to permit so it was important to use the correct one. In response the Member confirmed that the issue was one of sequencing so the Council should not abrogate its rights until the sale was sufficiently progressed. The CFO acknowledged the point made and confirmed that the recommendation would allow the Council to respond in a reactive way when the sale came forward.

In drawing attention to the review on page 130 of the agenda, one Member asked if the Joint Administration would be willing to consider an additional question to questions a) to e) to ask how This Land could further develop its affordable housing on its site and land owned. The Chair confirmed that the terms of the review were now set, and work had already started. However, the point made was high on the Administration’s agenda and could be included as part of question c). The CFO added that affordable housing would be part of the discussion as the reviewers would be looking across the whole aspect of This Land’s business plan. Another Member queried the actual objective of the questions as in relation to question c) This Land could go in any direction. It was therefore important to set the context by using the Joint Agreement to clarify the purpose of the questions. The Chair confirmed that the review was underway and the context for the review was clear, but the Council needed to be cautious about how it directed the company.

It was resolved unanimously to:

- a) approve the acquisition of land at Soham Northern Gateway and agree delegation of the final terms to the Director of Resources in consultation with the Chair and Vice-Chair;
- c) note the updated This Land business plan 2021; and
- d) note the commencement of a formal review of This Land as set out in section 2.8

It was resolved by a majority to:

- b) permit the sale of property by This Land, at Burwell and Worts Causeway, in accordance with the Business Plan, and consequential amendments to legal charges on those properties

## 19. Contract Commencements and Renewals

The CFO introduced three contract commencements and renewals as set out in items a) to c). Item d) related to a procurement conducted in a different way via a Teckel arrangement with partner authorities.

### a) Re-procurement of Minor Works Contractor Framework and Relocation of Temporary Buildings & Associated Groundworks Term Contract

One Member drew attention to the review process for decision making on spending and investments to ensure all decisions were equally weighted for social, environmental and financial criteria as set out in the Joint Agreement Tracker at F.12, which had been completed with mechanisms in place. It was therefore queried whether those mechanisms had been applied to the re-procurement in 8a) as there was no reference to this in Section 4.2 of the report. It was also asked whether there had been any change in the weighting which would be given for different criteria and what action would be taken to allow for differential scoring sensitivity in the different ratings. The Director of BID reported that the milestone for this action in the Tracker was that it was due to come back to the Committee in November 2021, so the new criteria had not yet been adopted. In response it was requested that when the criteria was agreed Members should receive significant detail on the weighting between each criterion and how the Council was accounting for differential scoring sensitivity.

It was resolved unanimously to:

- a) Endorse the re-procurement of the following frameworks which were due to expire in the next 12 months:
  - (i) Minor Works Contractor Framework (due to expire 31 March 2022)
  - (ii) Relocation of Temporary Buildings and Associated Groundworks Term Contract (due to expire 30 April 2022)
- b) Endorse the appointment of contractors once the re-procurement process had completed in the Spring of 2022 in conjunction with the Councils procurement team (both frameworks).
- c) Delegate the award of the new Framework to the Director of Resources in consultation with the Chair and Vice Chair of the Strategy and Resources Committee

b) Cleaning re-tender of contract for Cambridgeshire county offices & buildings

One Member queried whether the Joint Administration would honour its commitment to the Real Living Wage to the 108 cleaning staff covered in this contract as it was reported that the Real Living Wage would be considered within the procurement process but not mandated pending further development within the Council. The Chair reminded the Committee that the new procurement strategy, which looked at a range of different elements, would be considered by Members first and would apply to this tender.

It was resolved unanimously to authorise the re-tender of the cleaning and grounds contract that was due to expire on 31st March 2022 and:

- a) Approve the commencement of the re-procurement of the Cleaning & Grounds Maintenance Facilities Management Framework Contract for a term of three years from 1 April 2022 to 31 March 2025 with the option to extend for a further year;
- b) Delegate authority to the Chief Finance Officer and Assistant Director Property to appoint a contractor following a competitive procurement process and complete all necessary contractual documents in accordance with Council procedures.
- c) Delegate authority to the Chief Finance Officer and Head of Procurement to approve a procurement waiver for a temporary extension to the existing contract pending completion of the re-procurement.

c) Procurement of laptop supply and Multifunction Device (MFD) contracts

It was resolved unanimously to:

- A) Agree to the procurement of two call-off contracts for an initial period of three years from October 2021 to October 2024, with options to extend for up to a further two years.
- B) Agree to delegate the award of these contracts to the Section 151 Officer in consultation with the Chair of the Strategy and Resources Committee.

d) Opus LGSS Update

One Member queried the status of Peterborough City Council and whether the Council coming on board as an external customer would threaten the Teckel limit of 20% or would the Council be joining as a shareholder to avoid the problems with Teckel. Concern was expressed about the lack of Member oversight as there was no Member on the Board.

The same Member highlighted the fact that the company was ending up with a significant profit at the end of each year, payable to the Council in the form of dividends. It was suggested that this was not the most tax efficient way for the Teckel company to work. It was more efficient to avoid some of the corporation tax being paid by having lower charges to the members of the company. It was reported that it was permissible in a Teckel company to have two tier pricing i.e. pricing for members of the company and pricing for third parties and it was queried whether this had been considered.

The CFO agreed to provide the Committee with a detailed briefing on the operation of Opus. **Action Required.** It was noted that the Director Customer and Digital Services was the Council's representative on the Opus Board, which mirrored the representation from the other councils, and the Member oversight was through the Strategy and Resources Committee. He explained that the largest shareholder of Opus was Suffolk County Council who owned the parent company, and did not purchase from this subsidiary, so would probably want to see the highest profit rather than deal with it through repricing.

It was resolved unanimously to approve:

- a) an extension of the joint venture for a further 5 years from 8 January 2022; and
- b) to delegate the re-negotiation of the Services Agreement for Cambridgeshire to the Section 151 Officer, in consultation with the Chair of Strategy and Resources Committee

## 20. Business Planning Proposals for 2022-27 – opening update and overview

The Committee considered a report detailing the process of setting a business plan and financial strategy for 2022-2027, which would culminate at the February full Council. Attention was drawn to the overview, which showed a budget gap of -£22.2m in 2022-23, which had now increased to -£23.5m. Besides the pandemic, the CFO outlined a number of other major risks and uncertainties in setting budgets for 2022-27. Members noted a table in Section 2.12 detailing changes which had been applied to reach the revised budget gap of -£23.5m. The Committee was informed of actions currently being taken to close the gap, and a small number of financing options that might be available to contribute to closing the gap such as additional central Government funding, the one off reallocation of reserves, and Council Tax. The next steps would be presented to the Committee in November with the business cases available in December.

The Chair reported that the report highlighted a difficult situation inherited by the Joint Administration, which had been reflected in the Peer Challenge. While the Peer Challenge had indicated that the Council should not place any reliance on additional Government funding, the Council was still fighting for fairer funding including recognising the new burdens placed on local authorities. One Member commented that the Peer Challenge had not indicated that the previous administration had left the Council in a less good position. Instead it had stated that historic decisions not to increase Council Tax by the maximum level had resulted in significant lost income recognising that lost income was by not taxing residents. Another Member commented that the previous administration had faced a significant funding gap for each of the four years it had been in power but had still balanced the budget.

One Member supported the CFO's view that the General Fund balance should not be reduced from its current level in view of the risks the Council was currently facing. It was noted that the general reserves were approximately £64m but it was stressed that these one off reserves should not be used without a plan for future funding. It was queried why the Joint Administration was working to the previous administration's 1.99% increase in Council Tax when it could increase Council Tax by 4%. It was important that the Joint Administration revealed its plans for Council Tax as early as possible. Another Member reminded the Committee that the previous administration's business plan had only been released on publication of the February full Council agenda.

It was resolved unanimously to:

- a) Note the overview and context provided for the 2022 – 2027 business plan.
- b) Note the initial estimates made for demand, inflationary and other pressures.

## 21. Treasury Management Report – Quarter One Update 2021-22

The Committee considered the quarterly update on the Treasury Management Strategy 2021-22, approved by Council in February 2021. Attention was drawn to the Section 5 of the report detailing the Council's treasury investments which showed a pleasing capital value in line with expectations. Members also noted that in relation to Section 6 Borrowing, the Council had taken opportunities in quarter one to finance short term loans onto a longer term footing to take advantage of lower PWLB rates.

One Member expressed concern about the little challenge in the report to the optimistic consensus from the Government and Bank of England regarding future rates of inflation. There was some scepticism about how quickly inflation would come down again. Therefore the Council needed to plan for a worst case scenario to reflect a higher rate of inflation than being forecast. It was important the Council made the right decisions in terms of being cautious of the maturity periods it was refinancing. It was queried whether any analysis had been undertaken to protect the Council in the future.

The CFO reported that in terms of the PWLB borrowing the Council was led by its Treasury Advisers who had a view that interest rates in the short term would persist at a

low level and they would help the Council identify the best value in the PWLB borrowing curve. The borrowing with PWLB was very long term taking the Council up to fifty years. The Council was very conscious not to take loans which matured in points of the year when it was difficult to get further local authority financing. He acknowledged it was a balance in fixing rates for the long term when it was beneficial but there was also tremendous value in very short term borrowing. It was noted that the estimates did update regularly but the Council was very alive to this issue.

Another Member reported that it was possible to get a fan graph detailing inflation projections. It was felt that inflation could lie higher on the fan graph which would impact on areas such as social care. It was therefore suggested that there should be some work carried out on an 80% scenario followed by some what if scenario planning.

It was resolved unanimously to note the Treasury Management Quarter One Report for 2021/22.

## 22. 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 need for the reserve meeting in November and change of date for the Integrated Finance Monitoring Report from 30 September to 31 August 2021. Members were reminded that an e-mail listing a number of training topics had been circulated.

It was resolved unanimously to note the Committee Agenda Plan.

It was proposed by the Chair, and seconded by the Vice-Chair and agreed unanimously to exclude the press and public from the meeting on the grounds that appendices 6 and 7 of Agenda Item No.6 were likely to involve the disclosure of exempt information under paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972 as they referred to information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

## 23. Integrated Finance Monitoring Report for the period ending 31 July 2021 (Continued)

The Committee considered appendices 6 and 7.

It was resolved unanimously to:

- j) Delegate authority to the Chief Finance Officer, in consultation with the Chair and Vice-Chair, to progress and/ or settle litigation in relation to a property in Fenland, as set out in exempt Appendix 6, including a potential debt write-off exceeding the normal officer threshold.
- k) Approve additional prudential borrowing in 2021/22 for the Waterbeach Waste Treatment Facilities scheme as set out in exempt Appendix 7.

Chair

