

STRATEGY, RESOURCES AND PERFORMANCE COMMITTEE: MINUTES

Date: 11th March 2025

Time: 10.00a.m. to 12.40p.m.

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

Present: Councillors Ambrose Smith, Boden, Count, Goldsack, Howitt, Meschini, Murphy, Nethsingha (Chair), Sanderson, Sharp, Slatter (substituting for Councillor Wilson) and Whelan

248. Apologies for Absence and Declarations of Interest

Apologies were received from Councillors Dupré and Wilson. There were no declarations of interest.

249. Minutes – 28th January 2025 and Action Log

The minutes of the meeting held on 28th January 2025 were agreed unanimously as a correct record and signed by the Chair. The action log was noted.

250. Petitions and Public Questions

No petitions or public questions were received.

251. Integrated Finance Monitoring Report for Period 10 2024-25

The Committee was informed that the forecast overspend of £6.3m in the revenue budget was a slight improvement on the previous reported forecast for period 8. This overspend continued to reflect the pressures in looked after children placement costs, home to school transport, and mental health services, as well as waste disposal costs, delays in income generation, and higher than expected capital financing costs. These pressures continued to be off set partly by lower than expected demand for Adult Social Care, and additional funding received in year. The forecast in-year pressure in the Dedicated Schools Grant (DSG) had increased to £23m with a cumulative £64m deficit projected. Members were reminded that this worsening position reflected the outcome of detailed forecasting work, and pressure in out of school tuition and independent placements. The Council was forecasting a £16m overspend on the Capital Programme due to fully meeting the overall budget on slippage as a result of better delivery against agreed schemes than previous years. Attention was also drawn to the background to the recommendations.

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

- questioned the implications of the £6m overspend on budget setting for the 2026/27 financial year. The Executive Director of Finance and Resources confirmed that the level of overspend allowed for in the 2025/26 business plan from the previous year

was £3.2m, which if it remained the same following budget closedown would require additional savings to be identified in 2025/26.

- queried what the £1m drawn-down from the change and digital reserve to fund costs related to local government reform would actually be spent on over and above the costs of using the Council's own staff which would be met internally. The Chief Executive reminded Members that the recommendation was for up to £1m. The funding would be used to employ additional short term staffing with specialist skills. The Council was also likely to need to engage short term consultancy to provide specialist support particularly in relation to financial modelling. In line with other authorities, the Council would need independent assurance of its business case before submission to Government. The Chief Executive reported that Suffolk County Council had engaged two different sets of external support to help prepare its business case and separately engaged external independent assurance. Members were advised that the minimum cost of Local Government Reorganisation (LGR) for Cambridgeshire based on the costs reflected in other parts of the country was likely to be at least £18.6m across the whole system. It was noted that Government had been very clear that it expected the Council to continue to provide business as usual and subsume the costs of LGR.
- expressed concern at the proposed minimum costs of LGR and highlighted the need for Members to receive regular reports on costs in order to maintain control and for scrutiny. The Chief Executive explained that subject to the Council decision on 18 March, it was proposed to establish a Member Working Group which would maintain oversight with the Strategy, Resources and Performance Committee continuing to receive regular financial updates to ensure proper assurance.
- stressed the need to avoid losing a significant amount of corporate memory following LGR.
- highlighted the number of strategies, contracts and capital schemes being approved by policy and service committees which would go on beyond LGR. It was therefore important that these committees received clear guidance as to how they fulfilled their obligations in this area in the future. The Chief Executive acknowledged the importance of this point and drew attention to the report to be considered by full Council on 18 March which set out proposed governance to enable the Council to move forward.
- illustrated a personal example of where a user was nearing the capital threshold for adult social care. Given the proposal to write-off four cases of adult social care debt, it was suggested that there was a need for greater clarity and education for families of how the system worked. The Head of Finance commented that the four adult social care debt cases were unusual and linked, but there was debt improvement work going on with a report back to Audit and Accounts Committee (AAC). The Chair of Adults and Health Committee (AHC) acknowledged that improvements had been made following the charges review reflected in the Adults and Public Health Finance Team being highly commended in the recent Spotlight awards. There were currently only 55 people out of 6,000 who were waiting a short amount of time for an assessment. The Chair acknowledged the importance of informing and educating people about the adult social care process and suggested using digital technology

to help do this. The Chief Executive commented that the forthcoming Care Quality Commission Adult Social Care inspection would be helpful as one area of focus was the level of coproduction with service users and families.

- highlighted that it was not the first time adult social care debt cases had been written off following reviews and the Council informed of the subsequent improvement journey. It was requested that the next time similar recommendations were presented to committee there should be commentary detailing how long these debts had been known about and what action had been taken to scrutinise the improvement journey. The Executive Director of Finance and Resources reported that detailed reports had been presented to the AAC and AHC.
- queried the scale of the net £18.5m overspend in the Capital Programme allowing for slippage and whether there were any financing lessons to learn for next year's programme. The Head of Finance reported that there was a slippage budget within the Place and Sustainability Directorate (PSD) of £30m of which around £12m was being forecast against that budget leaving an overspend of £18.5m. It was noted that this slippage budget was the largest of the directorates and was based on historic trends. Attention was drawn to the fact that this reflected the significant delivery of capital schemes for this directorate. It was noted that the slippage budget for the PSD had been reduced in 2025/26 to be more in line with other directorates. As part of the annual rebaselining and reforecasting exercise of the capital programme at the start of the financial year, officers would review the appropriateness of all slippage budgets. The Chief Executive highlighted that this situation reflected a significant improvement in the delivery of the Capital Programme particularly by the PSD. It was suggested that the Council should in future be taking a less optimistic assumption from a financial perspective of capital underspend and a more optimistic assumption of capital delivery. The Chair acknowledged the importance of this learning for future budget processes and future councils.
- suggested that the changes to the slippage budget needed to be described as an improvement journey rather than good news, as there was still £12m of approved capital expenditure which had not been delivered on time. The ultimate aim was to get better at prediction modelling and delivery rather than making it easier to handle finances.

It was resolved unanimously to:

- a) note the changes in capital grants set out in section 4.5.1 of Annex A;
- b) approve draw-down of £249 thousand from the regional adoption agency reserve, as per section 5.1.3 of Annex A;
- c) delegate authority to the Chief Executive, in consultation with the Chair and Vice-Chair of this committee, to draw-down up to £1 million from the change and digital reserve to fund costs related to local government reform, as per section 5.1.4 of Annex A;

- d) approve debt write-offs for four customer accounts totalling £183 thousand, where it was judged that economic recovery of the debt is not possible, as per section 5.3.6 of Annex A; and
- e) authorise the Executive Director of Finance and Resources, in consultation with the Chair and Vice-Chair of this committee, to make arrangements regarding the council's loans to This Land Ltd and the appropriate accounting entries as set out in the confidential Annex C.

252. Future Digital Opportunities

The Committee received a report detailing the response to the Council motion regarding the impact of new technologies. As part of the preparation of the report, discussions had taken place with the Member Champion for digital. Attention was drawn to the benefits of aligning Customer and Digital Services outcomes. Technology would also support the development of the Our Future Council Strategy including adapting to LGR. The immediate priorities were building the foundations for change and stability in order to lead by digital by design with digital enabling change. The key was to support services across the council, residents and communities to make sure digital was delivering all the change required.

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

- expressed concern that there was no strategy at this time to anticipate the problems, which could occur as part of LGR in 2028, when there might be a need to separate some work being done by the Council and integrate work being done by other authorities particularly Peterborough City Council (PCC). It was therefore important that the Council avoided acting in a divergent manner for those areas which might end up in the same area as PCC. The Executive Director of Finance and Resources reminded Members that the main purpose of the report was to respond to the Council motion. It was noted that the decoupling from PCC had gone well and the Council maintained good relationships with PCC and other partners. However, Members were reminded that the Council's position in relation to LGR was not yet clear. It was acknowledged that there would be a need to prioritise the ability both of the workforce in terms of capacity and the scope of the change. Our Future Council programmes which would lead to improvements in customer engagement, and data, digital and technology remained the focus,
- acknowledged that there was a need to work with all councils and not predict LGR before a decision had been taken. Another Member was concerned that LGR might be the subject of every report in the future. In relation to this report, the Council was obliged to bequeath something to its successors regarding its engagement with the modern world. However, this report was not about the technical detail of decoupling the IT Service amongst the new unitary authorities following LGR.
- highlighted the need to make clear that leveraging of technological advancements meant bringing strength in from different places. It was also important that no policy decisions were made automatically by Artificial Intelligence (AI). Genomic Integration (GI) was welcomed into the Council's health and social care strategies but the Council needed to keep track of this cutting edge area. The Service Director:

Customer and Digital Services explained that the report reflected how the Council would augment the use of AI. There was also a need in relation to GI to take the lead from services.

- suggested that digital exclusion should be seen in the same way as a learning disability. It was therefore important that the Digital Forum included people who had been digitally excluded. Another Member suggested that every report needed to reflect this issue. In response, it was noted that all officers were very mindful of the need to bear in mind digital exclusion. The Forum would bring together organisations to have a conversation across Cambridgeshire about digital. The Committee would then receive strategies at future meetings.
- welcomed better connectivity but expressed concern about infrastructure in particular the state of pavements following work by broadband companies. The Chief Executive acknowledged the point raised which was covered by the Environment and Green Investment and Highways and Transport Committees. There therefore needed to be strong alignment between the Connecting Cambridgeshire and Highways Teams so that work was carried out on time with effective repairs and followed the Council's "Dig Once" policy.
- welcomed the report but highlighted the lack of outcomes and benchmarking against other authorities. The Council needed to be ambitious to go further and faster than others so it was ahead of the curve. It was suggested that the next report should include examples to demonstrate the progressiveness of the Council. It was noted that the Council was working on better visibility of technological enhancements.
- welcomed discussions between the Council and the Health Service locally about data sharing to enable need to be predicted and targeted in terms of social and health care provision.
- queried whether the Council had the expertise to be at the cutting edge of technological developments. Another Member commented that it was not appropriate from a risk, skill or political perspective for local government to be at the cutting edge of AI development but instead to use it when it was proven to work. It was therefore important to consider how work in this area could be maximised within current funding restraints. Members were informed that it was important to maximise partnerships to achieve better value. The shape of Customer and Digital Services was being considered to identify the skills needed and how it could be modernised.
- welcomed the comprehensive action plan and the proposal for reports to future meetings. It was acknowledged that the report set out how council services could be improved by existing technology. There was a need to think beyond what was realistic and achievable by considering how the Council could change its back office functions by utilising technology in order to improve the customer journey. It was suggested that the Council should engage some external capacity in order to have some 'blue sky' thinking with the people responsible for delivering services. The Executive Director of Finance and Resources acknowledged the need to consider the future direction against the capacity of people and resources in order to take the Digital Strategy to its next level.

It was resolved unanimously to:

- a) Note this report and acknowledge that the immediate priority was to stabilise and build strong foundations to enable the future technology direction that would be adopted over the next 10 years.
- b) Receive updated Digital, Data and Cyber Strategies later in 2025 to reflect progress and alignment with the Council's Change Strategy.

254. Corporate Risk Register

The Committee received the full updated Corporate Risk Register. It was noted that Risk 6 "Risk that the Council's workforce is not able to meet business need" had seen a reduction in its score reflecting improved recruitment outcomes across the Council. Risk 13 "Arrangements to support people with Learning Disabilities result in poor outcomes due to uncertainty of decoupling of funding arrangements via section 75 agreement" was a new risk and had been escalated to the Register after exceeding the Council's risk appetite. Members were provided with an update on LGR which would impact on the Council's management of organisational risk. It was noted that Cambridgeshire's external auditors had completed their review on the value for money opinion and highlighted a concern that some aspects of risk were not fully captured in Corporate and Directorate Risk Registers. Members also noted progress on the actions from the updated Corporate Risk Strategy considered at the July 2024 meeting.

The Chief Executive reported that Risk 13 had been reviewed first by the Corporate Leadership Team (CLT) Quarterly Risk and Assurance Group and then subsequently discussed by the AHC. The Council's current focus was on sustainable and effective learning disability services and support for individuals who needed the Council's services. It would ensure that there was a safe transition for service users the Council was supporting from 1 April 2025 following the cessation of the current pooled budget and partnership arrangements with the NHS. It was disappointing that an agreement had not been reached on historical debt issues with the NHS. As such, the Council would be moving into legal external mediation from 12 March. Escalating the risk was therefore not just about the funding, it was also about ensuring that the Council's NHS partners provided equally for the service users they would be supporting with arrangements set out in a transparent manner. However, there was still time, even at this late stage, for the Integrated Care Board (ICB) to make a revised offer to settle the historical debt.

The Chair of AHC reported that the decoupling of funding arrangements via section 75 agreement had cross party support. It was noted that officers had been negotiating with the NHS for years on this issue and there had also been discussions with Councillors and ICB members. The Council had therefore done everything it could to avoid the situation reaching this stage. Members were reminded that there was an agreed funding share between the Council and the ICB but the ICB had not funded its share. The Council did not have the funding to provide health care provision which was legally the responsibility of the NHS. It had taken two years before a mediator had been agreed as a result of challenges to the terms of reference regarding the appointment. The Council had previously escalated this issue to NHS England resulting in the NHS partially paying its share.

The Chair of AHC reassured people with learning difficulties and their families that their social care was assured. Unfortunately, it was not clear from the NHS who would be carrying out the assessments, taking the decisions and providing the services for the health care funded support for people with learning difficulties. There was therefore concern that people could lose their services so it was very important the Council continued to try and resolve this issue. The NHS needed to be transparent about the services it would deliver from 1 April identifying an interim amount of money so people did not lose their services in the short term. Integration of health and social care was inevitable, desirable and was the future so any disaggregation of services was not to be welcomed. The Council would therefore try to keep good relations with its health partners and hoped the ICB would change its view.

The opposition Spokes highlighted involvement in this issue six years ago which had identified that something had gone wrong with the allocation of funding between social care and health. The continuing care of vulnerable people should be the core focus so it was concerning that the ICB was not adhering to the underlying principles of the NHS to put patients at the heart of decision making. Council officers had followed processes correctly but the Clinical Commissioning Group and ICB had been unreasonable in their approach. It was therefore appropriate for this risk to be included on the Corporate Risk Register. It was important that all Members continued to support and accelerate, if necessary, the actions being taken by the Council in the interests of people with learning disabilities.

Another Member queried why there should be poorer outcomes, as set out in the risk, if the funding was split with the NHS and the Council funding health and social care respectively. The Chief Executive explained that the gap arose from splitting the teams resulting in users having two sets of conversations with two different providers with the break creating an unnecessary bureaucracy which could result in poorer outcomes, as the ability of users to navigate the system would be more challenging and complicated. It was agreed that the Executive Director for Adults, Health and Commissioning to provide a detailed note on this issue. **Action Required.** The Chair of AHC added that if the Health Service kept to its current budget forecast as each case was reassessed people would lose services. It was very concerning that this would not be carried out transparently.

One Member queried why the consequence had been lowered to achieve a reduction in score for Risk 6 or if the likelihood had been lowered why the Business Plan still included references to staff shortages. It was suggested that there was a significant cost to reducing the appetite for risk, which was reflected in the fact the Council was spending more in this area than planned. The Chief Executive reported that the likelihood of this risk had been reduced from 3 to 2 following consideration by the CLT Risk and Assurance Group. Recruitment data demonstrated that the Council was filling more posts successfully and retention and exit information suggested that the likelihood of the risk had reduced. Whilst this risk covered the whole council, it was important to consider the detail where it showed a higher risk for qualified Children's Social Workers compared to Adults Social Workers because of the workforce framework implemented by the latter for some time. The Chief Executive at the CLT Risk and Assurance Group had highlighted the need for risk scores to be managed more dynamically. It was possible this risk could increase in light of LGR. It was agreed that the Service Director:

Human Resources should provide a detailed note, which would also include vacancy factors including the impact on the budget and areas of concern. **Action Required.**

One Member highlighted the lack of dialogue regarding Risk 8 “The Council is a victim of cyber-crime” because the risk was not classified as red even though the numerous consequences were significant. The Head of Internal Audit and Risk Management reported that the risk standard on the system was set at 15 with a likelihood of 3 and a consequence of 5. However, this risk had a likelihood score of 5 to reflect the fact the Council was targeted on a regular basis by cyber criminals so the focus of this risk was to reduce the consequences through a range of measures.

Another Member expressed disappointment that the report contained no information as to how the disaggregation of contracts would proceed in the light of LGR. Whilst the requirement for an organisation-level risk captured on Directorate/Corporate level risk registers and a more operational project-level risk register was welcomed, there was a need to bring information to committee as soon as possible including how LGR would be integrated into all reports in the future. The Chief Executive assured Members that work on the risk registers was in progress, at pace. The Chair acknowledged that it would be difficult to know whether LGR should be on the agenda for the next meeting. The Chief Executive reminded Members that Council was being asked to appoint an LGR working group so it was important to reserve the right to bring reports to committee, if necessary.

The same Member also expressed disappointment about the misunderstanding regarding risk registers and the evaluation of risk. The appetite for risk continued to be the same for every risk and did not reflect the Council's policy of risk management. This was reflected in a target being set for the climate change risk. The Head of Internal Audit and Risk Management explained that a number of sessions had taken place with CLT to look at the Council's risk appetite and the outcome of which was that a score of 16 should be considered as the maximum tolerable risk position. Risk statements setting out the optimal risk positions had also been agreed. Refreshed wording would be included in the Risk Management Policy for consideration by committee in June. It was noted that a new Risk Manager in post would assist with bringing forward these changes. The Chief Executive reported that there was greater nuance at the operational end in the risk appetite statements.

It was resolved unanimously to note the Corporate Risk Register.

255. Corporate Services Performance Report Quarter 3

The Committee received an update on the performance monitoring information for the 2024/25 quarter 3 period, covering 1 October to 31 December. It was noted this quarter's corporate performance report would be the last version in this current style of performance reporting. For quarter 4 this committee would receive the first annual performance report, detailing performance of the Strategic Key Performance Indicators from each Policy and Service Committee across the 2024/25 financial year, as set out in accordance with the Performance Management Framework that was approved in October 2024. It was noted that there were currently no red indicators with Indicator 182: Proportion of Freedom of Information requests responded to within statutory timescales moving from Red to Amber.

One Member drew attention to website quality and accessibility and also queried the average response time for the Council website. The Executive Director of Strategy and Partnerships agreed to provide a written response. **Action Required.**

Another Member congratulated the Information Governance Team on Indicator 183: Percentage of Subject Access Requests completed within statutory timescales achieving a response rate of 90%.

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

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

The Committee considered its agenda plan, training plan, appointments to outside bodies and internal advisory groups and panels, and noted the removal of the item on blue badges. It was agreed to add LGR to the agenda for the next meeting but noting that it might not be necessary at this stage.

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

Chair