

## **STRATEGY AND RESOURCES SCRUTINY COMMITTEE**

2 July 2018

5.00 - 6.45 pm

**Present:** Councillors Barnett (Chair), Baigent (Vice-Chair), Bick, Dalzell, Sargeant and Sinnott

Executive Councillors: Herbert (Executive Councillor for Strategy and External Partnerships) and Robertson (Executive Councillor for Finance and Resources)

### **Officers:**

Chief Executive: Antoinette Jackson

Strategic Director: Fiona Bryant

Head of Corporate Strategy: Andrew Limb

Head of Finance: Caroline Ryba

Head of Legal Practice: Tom Lewis

Head of Shared Internal Audit Services: Jonathan Tully

Committee Manager: Sarah Steed

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| <b>FOR THE INFORMATION OF THE COUNCIL</b> |
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### **18/36/SR Apologies for Absence**

No apologies were received.

### **18/37/SR Declarations of Interest**

No interests were declared.

### **18/38/SR Minutes**

The minutes of the two meetings held on 24 May scheduled at 13.00 and 15.00 were agreed and signed as a correct record.

### **18/39/SR Public Questions**

There were no public questions.

**18/40/SR 2017/18 Annual Report Against Corporate Plan****Matter for Decision**

The Officer's report set out progress made during 2017/18 on implementing the objectives set out in the Corporate Plan 2016-19.

**Decision of Executive Councillor for Strategy and External Partnerships**

- i. Noted the annual report and agreed to its publication on the City Council website.

**Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

The Committee received a report from the Head of Corporate Strategy.

The Committee made the following comments in response to the report:

- i. Sought clarification regarding who the report was aimed at as the impact that the council made was not set against measurable targets.
- ii. Referred to p26 of the officer's report and the Public Spaces Protection Order (PSPO) and commented that the annual report did not provide the complete picture and explain public perception that the PSPO had not resolved the punt tout issue.
- iii. Referred to council achievements including 431 completed affordable housing units, 26 empty homes brought back into use, the collection of 98% of council property rents.
- iv. Asked for the Executive Councillor to comment on: the reduction in visits to community centres, p46 the reduction in the number of people cycling to work and p49 air quality.
- v. Asked that next year's report included good news as well as bad news.

The Head of Corporate Strategy said the following in response to Members' questions:

- i. The Annual Report was provided for members of the public and councillors to tell them what the council had achieved in the past year.

The Executive Councillor for Strategy and External Partnerships said the following in response to Members' questions:

- i. The report gave Councillors the opportunity to scrutinise the work the council had carried out.
- ii. The audience of the report also included members of staff who could celebrate their achievements.
- iii. The enforcement of the PSPO was a historical issue, due to court processes it had taken 9 months to get going and further work needed to be undertaken.
- iv. Confirmed a response regarding emissions and air quality would be forwarded on, as officers were not present to respond. The Air Quality Management Plan detailed that there were significant concentrations of emissions at bus stops, the train station, the Catholic Church at Hyde Park corner and the M11.
- v. Confirmed that variances of over 20% in performance indicators should be accompanied by a line of explanation.

The Committee resolved by 4 votes to 0 to endorse the recommendation.

The Executive Councillor agreed the recommendation.

### **Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)**

No conflicts of interest were declared by the Executive Councillor.

### **18/41/SR Combined Authority Update**

#### **Matter for Decision**

The Officer's report provided an update on the activities of the Cambridgeshire and Peterborough Combined Authority since the 19 March Strategy and Resources Scrutiny Committee.

#### **Decision of Executive Councillor for Strategy and External Partnerships**

- i. Noted the update provided on issues considered at the meetings of the Combined Authority held on the 28 March and 30 May and 27 June.

#### **Reason for the Decision**

As set out in the Officer's report.

#### **Any Alternative Options Considered and Rejected**

Not applicable.

#### **Scrutiny Considerations**

The Committee received a report from the Chief Executive.

The Committee made the following comments in response to the report:

- i. Sought clarification on the Combined Authority Mayor's decision to put a stop on some Greater Cambridgeshire Partnership (GCP) projects and questioned the Mayor's powers to do so.
- ii. Expressed concern regarding affordable housing.
- iii. Requested that a report was brought to this Committee to consider the Combined Authority's Strategic Spatial Framework.
- iv. Asked for the Executive Councillor to comment on the number of Combined Authority Staff, and also the budget for the Combined Authority. Originally a staff budget of £1 million was proposed; currently it is costed at £2.5 million.

The Executive Councillor said the following in response to Members' questions:

- i. He was unsure of the Mayor's reasons for pausing some GCP projects. He expected the Mayor to publish a transport strategy next year. He had asked to see the original brief for the Cam Metro study and was waiting for a response. He was going to attend a GCP board meeting so would seek further information then.
- ii. The Combined Authority's Affordable Housing Strategy was adopted in March 2017 which provided gap funding to enable affordable housing to be brought forward. He noted that East Cambridgeshire District Council was committed to delivering affordable housing through Community Land Trusts (CLTs).
- iii. Commented that the Combined Authority's Strategic Spatial Framework did not replace the Council's Local Plan. The Planning and Transport Scrutiny Committee would be the appropriate committee for any report on the Combined Authority's Strategic Spatial Framework.
- iv. There had been a commitment during the election period of staff expenditure for the Combined Authority to be £1 million. However the functions of the Combined Authority had grown for example they had recently taken on the work of the Cambridgeshire and Peterborough Local Enterprise Partnership (LEP). He would not comment on staff numbers but thought that there needed to be a refocus and clarity of roles at the Combined Authority.

The Committee noted the update.

The Executive Councillor noted the update.

**Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)**

No conflicts of interest were declared by the Executive Councillor.

**18/42/SR 2017/18 Revenue and Capital Outturn, Carry Forwards and Significant Variances - S&EP****Matter for Decision**

The report gave a summary of actual income and expenditure compared to the final budget for 2017/18 (outturn position). The report outlined the revenue and capital budget variances with explanations. It outlined specific requests to carry forward funding available from budget underspends into 2018/19.

**Decision of Executive Councillor for Strategy and External Partnerships**

- i. Agreed to carry forward requests totalling £424,000 revenue funding from 2017/18 to 2018/19, as detailed in **Appendix C**
- ii. Agreed to carry forward requests of £1,043k capital resources from 2017/18 to 2018/19 to fund rephased net capital spending, as detailed in **Appendix D**.

**Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

The Committee received a report from the Head of Finance, and she highlighted the following corrections and late changes that needed to be made to the report following publication.

In Appendix C the carry forward request for the Programme Office is reduced from £291,500 to £241,500, giving a total carry forward of £424,000.

The carry forward figures in Appendix A should then be aligned with Appendix C, with the figure for Central Provisions, Support Services and Centrally allocated costs being reduced from £160,000 to £137,500 and the Programme Office figure being changed from £219,000 to £241,500.

The Committee made the following comments in response to the report:

- i. Sought clarification on the underspend for the youth apprenticeship scheme £147,000 referred to on p75.

The Head of Finance agreed to provide the detail on this underspend.

The Committee resolved by 4 votes to 0 to endorse the recommendation.

The Executive Councillor approved the recommendation.

### **Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)**

No conflicts of interest were declared by the Executive Councillor.

### **18/43/SR Annual Treasury Management (Outturn) Report 2017/18**

#### **Matter for Decision**

The Council was required by regulations issued under the Local Government Act 2003, to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for each financial year.

This report met the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) in respect of 2017/18. Both these publications have been revised by CIPFA and references to these documents are to the 2017 Editions.

During the 2017/18 the minimum requirements were that Council should receive:

- An annual strategy in advance of the year
- A mid-year treasury update report and;
- An annual review following the end of the year describing the activity compared to the strategy.

In line with the Code of Practice on Treasury Management all treasury management reports have been presented to Strategy and Resources Scrutiny Committee and to Full Council.

#### **Decision of Executive Councillor for Finance and Resources**

- i. To recommend to Council to approve the report which included the Council's actual Prudential and Treasury Indicators for 2017/18.

#### **Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

The Committee received a report from the Head of Finance.

The Committee made the following comments in response to the report:

- i. Referred to p83 of the agenda and benchmarks and asked if the Council had a view on how the City Council was performing against peer Councils and if there was any other ways of monitoring.
- ii. Referred to Appendix D on p92 of the agenda and third party risk. He wanted to see associated credit ratings for these organisations so money which was no longer safe could be identified. Asked if visibility could be given in future and how credit ratings were monitored on a day to day basis.

The Head of Finance said the following in response to Members' questions:

- i. Interest rates on cash deposits are currently below the inflation rate. The council would generally consider CPI to be the relevant benchmark for comparison purposes, as its costs generally increase by CPI rather than RPI. Confirmed the council took part in benchmarking groups however these were of limited use as each council had its own investment strategy. Some comparisons were done but had to be viewed with caution.
- ii. Credit ratings were looked at on a day by day basis and advice was taken from treasury management advisors. She questioned if a credit rating would be useful in annual reports, but said she was happy to talk through investment decision making.

The Executive Councillor for Finance and Resources commented:

- i. That low interest rates were a concern, making it difficult for the council to get a good return on its investments. £15m had been put in the CCLA Property Fund, at higher rates of return than traditional cash deposits to improve returns.

The Committee resolved by 4 votes to 0 to endorse the recommendations.

The Executive Councillor approved the recommendations.

**Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)**

No conflicts of interest were declared by the Executive Councillor.

## **18/44/SR 2017/18 Revenue and Capital Outturn, Carry Forwards and Significant Variances - F&R**

### **Matter for Decision**

The report presented a summary of actual income and expenditure compared to the final budget for 2017/18 (outturn position). The report gave an overview of the revenue and capital budget variances with explanations and outlined specific requests to carry forward funding available from budget underspends into 2018/19.

### **Decision of Executive Councillor for Finance and Resources**

- i. Approved carry forward requests totaling £300k revenue funding from 2017/18 to 2018/19 as detailed in Appendix C of the officer's report.
- ii. Approved carry forward requests of £5,060k capital resources from 2017/18 to 2018/19 to fund rephased net capital spending as detailed in Appendix D of the officer's report.

### **Reason for the Decision**

As set out in the Officer's report.

### **Any Alternative Options Considered and Rejected**

Not applicable.

### **Scrutiny Considerations**

The Committee received a report from the Head of Finance.

The Committee made the following comments in response to the report:

- i. Referred to Appendix B on p105 of the agenda and the underspend in internal audit due to vacancies in post. He commented that these were core functions and vacancies might increase the operational risk to council, he sought assurances these were being addressed.

The Head of Finance said the following in response to Members' questions:

- i. A recruitment process was being undertaken and there were a number of potential candidates.

The Committee resolved by 4 votes to 0 to endorse the recommendation.

The Executive Councillor approved the recommendations.

**Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)**

No conflicts of interest were declared by the Executive Councillor.

**18/45/SR 2017/18 Revenue and Capital Outturn, Carry Forwards and Significant Variances – All General Fund Portfolios****Matter for Decision**

The report presented a summary of the 2017/18 outturn position (actual income and expenditure) for all portfolios, compared to the final budget for the year. The position for revenue and capital was reported and variances from budgets were highlighted. Explanations had been reported to individual Executive Councillors / Scrutiny Committees and were reproduced here.

**Decision of Executive Councillor for Finance and Resources to recommend to Council to:**

- i) Carry forward requests totalling £1,330k General Fund revenue funding from 2017/18 to 2018/19, as detailed in Appendix C (as amended).
- ii) Carry forward requests of £14,111k capital resources from 2017/18 to 2018/19 to fund rephased net capital spending, as detailed in Appendix D - Overview (including £10,313k General Fund and £3,798k relating to the Housing Capital Investment Plan).
- iii) (Request from Communities Portfolio:) allocation of an additional £100,000 from General Fund reserves to be made available for the Community Grants budget in 2019/20 to help fund projects delivered by the voluntary and community sector which will reduce poverty.

**Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

The Committee received a report from the Head of Finance, she confirmed that corrections referred to in the 2017/18 Revenue and Capital Outturn, Carry Forward and Significant Variances (S&EP) report would flow through to this report.

The Committee made the following comments in response to the report:

- i. Referred to the Environmental Improvement Project (EIP) programme and noted the report detailed an underspend but commented that there was an over subscription of projects from Area Committees and a backlog of projects being delivered. Questioned whether the Team was sufficiently resourced.
- ii. Referred to the corporate performance indicators and noted that although the car parks were being used less, this did not relate to the income generated. Questioned if there should be a long term strategy for how the council intended to use council car parks.

The Executive Councillor said the following in response to Members questions:

- i. Referred to p144 of the agenda and the vehicle replacement programme for streets and open spaces and commented that although £690k had been spent, the vehicles had not been delivered.
- ii. Commented that there were a lot of EIP projects that needed to be progressed and this needed to be looked at.
- iii. Commented that the council needed to get income from its assets (ie car parks) but also acknowledged the desire to restrict access to the city by car. Also commented that car parks (as assets) may not have the same use as they did in the past.

The Chief Executive said the following in response to Members' questions:

- i. Commented in relation to a request for there to be a strategic policy for the council's assets, that there were a lot of unknowns with the Combined Authority and the Greater Cambridgeshire Partnership's transport plans. The council's Head of Commercial Services was aware of these issues but until the transport solutions were understood it was a bit early to have a strategy. A report would be brought to members in the future.

The Committee resolved by 4 votes to 0 to endorse the recommendation.

The Executive Councillor approved the recommendations.

**Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)**

No conflicts of interest were declared by the Executive Councillor.

**18/46/SR Digital Transformation Strategy****Matter for Decision**

The Officer's report introduced a draft Digital Transformation Strategy for the Council. The strategy set out a vision and ambition for the council to use new technologies to improve customer services, improve productivity, achieve efficiencies and open up possibilities for involving and engaging residents in a new way.

**Decision of Executive Councillor for Finance and Resources**

- i. Approved the draft Digital Transformation Strategy attached at Appendix A of the officer's report.

**Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

The Committee received a report from the Head of Corporate Strategy.

The Committee made the following comments in response to the report:

- i. Commented that more than one officer would be required to roll the strategy out.
- ii. Welcomed the report as it pointed the council in the right direction but also expressed concern about digital exclusion.
- iii. Referred to the equality impact assessment which accompanied the report which highlighted that age was a factor in digital exclusion.
- iv. Referred to p177 of the agenda and asked how transparency would be ensured so that if something went wrong corrective action could be taken.
- v. Commented on the terminology used within the equality impact assessments.

The Head of Corporate Strategy said the following in response to Members' questions:

- i. The Head of Customer Services was looking at business processes and how services could be delivered better. A good deal of effort was going into recruiting people who had digital skills.
- ii. Commented that investment in digital inclusion was important and to try and prevent digital exclusion where possible. What was meant by digital

exclusion was changing and we needed to work with other councils to keep abreast of changes.

- iii. Major digital projects would identify the benefits they were seeking to deliver, so that these could be tracked. The public will also indicate whether the programme was successful or not in terms of the proportion of transactions through the different channels. The Council's Annual Report will report successes and issues that required improvement relating to the Corporate Plan.

The Chief Executive advised that the Single Equality Scheme was being reviewed and that the policy wording could be considered as part of this review. A report on this issue would be brought to the Environment and Community Scrutiny Committee in October.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendation.

### **Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)**

No conflicts of interest were declared by the Executive Councillor.

### **18/47/SR 3Cs ICT and Legal Shared Services and Greater Cambridge Internal Audit Shared Service - 2017/18 ANNUAL REPORTS**

#### **Matter for Decision**

The Officer's report summarized the performance for the 3Cs ICT, Legal Shared Services and the Greater Cambridge Shared Internal Audit Service during 2017/18.

#### **Decision of Executive Councillor for Finance and Resources**

- i. Noted the content of the report.

#### **Reason for the Decision**

As set out in the Officer's report.

#### **Any Alternative Options Considered and Rejected**

Not applicable.

#### **Scrutiny Considerations**

The Committee received a report from the Strategic Director.

The Committee made the following comments in response to the report:

- i. Wanted to see an annual report detailing the development of cost and profit since the inception of the shared services.
- ii. Asked if there could be a joint scrutiny process with the 3 councils involved in the shared services.
- iii. In relation to Legal Services, the comment regarding the absence of complaints was an out dated way to review processes.
- iv. Hoped the shared service would improve staff retention and resources.
- v. Asked whether any lack of staff resources in the audit service had meant any specific work wasn't able to be resourced.

The Strategic Director, Chief Executive, Head of Legal Practice and Head of Shared Internal Audit Services said the following in response to Members' questions:

- i. Would consider reporting on baselines and unfortunately there was not enough time to make amendments to the reports because report deadlines for the scrutiny committees were all at the same time.
- ii. In relation to the joint scrutiny process, no further conversations had been had with other councils to date. There was a desire not to introduce a new layer of scrutiny committees.
- iii. Customer satisfaction with Legal Services needed to be looked at. At the end of a matter, feedback would need to be requested from clients so that the service could be improved.
- iv. Commented that agency workers had been used in the Audit Service and the Audit Plan was reviewed by the Civic Affairs Committee.

The Committee unanimously resolved to approve the recommendations.

The Executive Councillor approved the recommendation.

**Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)**

No conflicts of interest were declared by the Executive Councillor.

The meeting ended at 6.45 pm

**CHAIR**

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