

**STRATEGY AND RESOURCES SCRUTINY COMMITTEE** 20 January 2014  
5.00pm - 8.45 pm

**Present:** Councillors Pitt (Chair), Cantrill (Vice-Chair), Ashton, Benstead, Boyce, Herbert, Owers and Rosenstiel

Leader of the Council: Councillor Bick

Executive Councillor for Customer Services & Resources: Councillor Smith

**Officers Present:**

Chief Executive: Antoinette Jackson

Director of Resources: David Horspool

Director of Customer and Community Services: Liz Bisset

Director of Environment: Simon Payne

Head of Legal Services: Simon Pugh

Head of Corporate Strategy: Andrew Limb

Head of Revenues and Benefits: Alison Cole

Head of Human Resources: Deborah Simpson

Strategic Procurement Advisor: Debbie Quincey

Safer Communities Section Manager: Lynda Kilkelly

Committee Manager: Glenn Burgess

**Others Present:**

Grahame Nix – Local Enterprise Partnership (LEP)

<b>FOR THE INFORMATION OF THE COUNCIL</b>
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**14/1/SR Apologies for absence**

No apologies were received.

**14/2/SR Declarations of interest**

Councillor	Item	Interest
Cantrill	14/5/SR	Personal: Trustee of Winter Comfort

Boyce	14/5/SR	Personal: Works for a company that may be affected by some of the LEP work.
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### **14/3/SR Minutes of the previous meeting**

The minutes of the meetings held on 30 September 2013 and 14 October 2013 were approved and signed as a correct record.

### **Re-ordering of the agenda**

Under paragraph 4.2.1 of the Council Procedure Rules, the Chair used his discretion to alter the order of the agenda items. However, for ease of the reader, these minutes will follow the order of the agenda.

### **14/4/SR Public Questions**

Mr Kevin Roberts (GMB) addressed the committee and made the following points regarding agenda item 10 – Future of Building Cleaning Services:

- i. The decision to go out to hard market testing should be delayed.
- ii. The soft market testing identified a very wide range of potential saving assumptions – from £300k up to £1.25m – which is unrealistic. Pension and TUPE requirements would also have a big impact on any potential savings.
- iii. Soft market testing is very subjective and open to different interpretations.
- iv. Large savings would have an impact on the quality of work and have possible health and safety implications.
- v. The only realistic way to save on the contract would be to reduce staffing numbers or reduce the cost of materials.

- vi. The Living Wage should be factored in from the start of the contract and not phased in. This process has been followed recently by Councils including Brent and Enfield.
- vii. Data on the quality of the work following the implementation of the Improvement Plan (as circulated to members) on the in-house service is yielding good results. The Improvement plan should be given more time before a decision to go out to hard market testing is made.
- viii. There is a high cost to hard market testing and the Improvement Plan should be given more time.
- ix. Full integration of the Building Cleaning Service is needed.

The Executive Councillor for Customer Services and Resources thanked Mr Roberts and noted his comments.

The Director of Resources responded that soft market testing was, by its very nature, an inexact science. Whilst a range of savings assumptions had been identified, it was up to Officers to interpret the information and make a recommendation to members.

Officers were very conscious of maintaining quality and health and safety standards and these issues would be dealt with through the procurement process. There was a definite need to balance price and quality.

The Executive Councillor for Customer Services and Resources confirmed that the decision to go out to soft market testing had been made over 2 years ago, before she was an Executive Councillor, and had only been moved on significantly in the last 12 months.

A staff member from the Building Cleaning Service addressed the committee and made the following points regarding agenda item 10 – Future of Building Cleaning Services:

- i. The building cleaning staff like working for the Council and are concerned about the high costs of the procurement process.

The Chief Executive responded that, at this stage, a decision was only being made on whether to go out to hard market testing. A decision was not being made on any in-house bid for the contract. This point was reiterated by the Executive Councillor for Customer Services and Resources.

## **14/5/SR Annual Review of the Key Partnerships in Which the Council is Involved**

**Matter for Decision:** The report gave a feel for the direction that partnerships are moving in, their developing priorities and other associated work, notably the developing Greater Cambridge City Deal. It is part of a commitment given in the Council's "Principles of Partnership Working" that the Council's lead member provides an annual account of their work.

### **Decision of the Leader**

The Leader resolved to:

- i. Continue to work with the partnerships (LEP and Cambridge Community Safety Partnership) and the development of the Greater Cambridge City Deal, to ensure that the strategic issues affecting Cambridge and matters of concern to Cambridge citizens are responded to. This includes maintaining the economic success of our area, whilst respecting its unique character, and continuing to address and prevent incidents of anti-social behaviour and crime.

**Reasons for the Decision:** As set out in the Officer's report

**Any alternative options considered and rejected:** As set out in the Officer's report

### **Scrutiny Considerations:**

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

Mr Grahame Nix addressed the committee and made the following comments:

- i. Thanked the committee for the opportunity to attend the meeting.
- ii. Thanked the Leader of the Council for his input into the LEP.
- iii. Highlighted the important relationship between local authorities and the LEP.

- iv. 13 local authorities from a complex geographical area feed into the LEP.
- v. The LEP had consulted widely, with both partners and the general public, on its Strategic Economic Plan (SEP).
- vi. Over 300 project ideas had been formulated through the SEP consultation.
- vii. A range of Sub-Groups have also been involved in formulating ideas and these have now been grouped thematically.
- viii. A LEP Summit, attended by over 130 people, had been held to take feedback on the ideas generated.
- ix. Themes included:
  - Becoming a UK exemplar for digital technologies and developments.
  - Accelerating business growth.
  - Increasing the options for exporting businesses and ideas.
  - Responding to growth and ensuring innovation space is available to facilitate this.
  - Removing the skills barriers to ensure the continuation of growth.
  - Encouraging better transport networks.
  - Enabling the development and occupation of the Alconbury Enterprise Zone.
- x. The government has encouraged LEPs to:
  - Prioritise around no more than 5 key asks
  - Develop ambitious ideas and have a strong vision.
  - Ensure the money allocated in 2015 can be spent within that year.
- xi. A list of priority project ideas has been discussed by the LEP Board.
- xii. As part of the SEP we have bid for £389m over 5 years. Targets for the first year include:
  - £5m for digital technologies and developments.
  - £40m for transport network improvements.
  - £5 for education and skills provision.
  - £10 for commercial property provision.
  - £15m to help facilitate growth.
- xiii. Feedback on the SEP bid should be received this week, but further negotiations are expected.
- xiv. A European Structural Investment (ESI) Fund of £72m is also available to the LEP, with match funding from the government. This has been prioritised:  
ERDF
  - 40% for Innovation.
  - 10% for ICT

- 20% for supporting SMEs
  - 30% for Low Carbon
- SF
- 40% for Skills
  - 40% for Employability
  - 20% for Social Inclusion

1. The LEP are in the process of finalising their ESI bid and the outcome should be announced in February.

The committee thanked Mr Nix for attending, and made the following comments:

- i. Welcomed improvements to education and training provision to better meet the needs of local businesses.
- ii. Hoped that the LEP would look favourably on some of the projects brought forward for the City.
- iii. Welcomed the work of the LEP.

In response to member's questions Mr Nix said the following:

- i. Cambridge has a very clear skill set and the LEP are keen to promote and assist with this.
- ii. The LEP have launched a new Skills Survey to better understand the complex skills and training needs of local businesses.
- iii. The Alconbury Enterprise Zone gives huge potential for extra jobs.
- iv. Some examples of project ideas include:
  - Retro-fit.
  - Northern fringe and new station area development.
- v. At the moment SEP is 'thematic' and there is not a list of detailed projects.
- vi. The bid from Cambridge for Retro-fit fits into the EU framework for this fund.
- vii. The LEP works closely with local colleges and an educational representative sits on the Skills Strategy Sub-Group.
- viii. A challenge for the colleges is the critical mass for certain skill set areas.
- ix. The Skills Survey will pick up any additional areas that the LEP need to concentrate on.

In response to member's questions the Leader said the following:

- i. The bid for a shop front for the Rainbow Savers Credit Union is a joint project idea supported by both the City Council and County Council. It will target the ESI fund under the 'promoting social inclusion and combatting poverty' criteria.
- ii. It has become apparent how different the needs of Cambridge are from the rest of the LEP area. Whilst Cambridge does have the benefit of improved growth this does bring its own challenges such as the high cost of land and homes.
- iii. With regard to the Greater Cambridge City Deal; the government is committed, in principal, to delivering proposals on Gain Share. The process of negotiating and agreeing a good City Deal for Greater Cambridge are continuing and any deal will be brought back to Council for a decision.

The committee resolved unanimously to endorse the recommendations.

The Leader approved the recommendation.

**Conflicts of Interest Declared by the Leader (and any Dispensations Granted):**

Not applicable.

**14/6/SR     Review of Use of the Regulation of Investigatory Powers Act**

**Matter for Decision:** A Code of Practice introduced in April 2010 recommends that Councillors should review their authority's use of the Regulation of Investigatory Powers Act 2000 (RIPA) and set its general surveillance policy at least once a year. The report set out the Council's use of RIPA and the present surveillance policy.

**Decision of the Leader**

The Leader resolved to:

- i. Approve the general surveillance policy in Appendix 1 of the Officer's report.

**Reasons for the Decision:** As set out in the Officer's report

**Any alternative options considered and rejected:** As set out in the Officer's report

**Scrutiny Considerations:**

The committee received a report from the Head of Legal Services.

For clarity, the Head of Legal Services proposed that recommendation 2.1 and 2.2 of the Officer's report be deleted.

The committee agreed this amendment unanimously.

The committee resolved nem con to endorse the amended recommendations.

The Leader approved the recommendation.

**Conflicts of Interest Declared by the Leader (and any Dispensations Granted):**

Not applicable.

**14/7/SR Customer Services & Resources Portfolio Revenue and Capital Budgets 2013/14 (Revised), 2014/15 (Estimate) and 2015/16 (Forecast)**

**Matter for Decision:** The report detailed the budget proposals which relate to this portfolio that are included in the Budget-Setting Report (BSR) 2014/15. The report also included recommendations concerning the review of charges, project appraisals and capital re-phasing for schemes in the Capital and Revenues Project Plan for this portfolio.

**Decision of the Executive Councillor for Customer Services and Resources**

The Executive Councillor resolved to:



**Review of Charges:**

- a) Approve the proposed charges for this portfolio's services and facilities, as shown in Appendix A of the Officer's report.

**Capital:**

- b) Approve, where relevant, project appraisals (shown in Appendix D of the Officer's report).
- c) Seek approval from the Executive to carry forward resources from 2013/14, as detailed in Appendix C of the Officer's report, to fund re-phased capital spending.

**Reasons for the Decision:** As set out in the Officer's report

**Any alternative options considered and rejected:** As set out in the Officer's report

**Scrutiny Considerations:**

The committee received a report from the Director of Resources.

In response to member's questions the Director of Resources said the following:

- i. Following a review of the liabilities against the Insurance Fund, an additional contribution of £120,000 was required. It was agreed that more detail would be provided to Councillor Herbert outside of the meeting.
- ii. A review of the Corporate Document Management System Project has identified £148,000 of the original capital budget as a saving. As the original funding took into account implementation and roll out of the project across the Council it was therefore very difficult to calculate an accurate costing.
- iii. A detailed review of commercial property assets is ongoing.

In response to member's questions the Executive Councillor for Customer Services and Resources said the following:

- i. Increasing the commercial property net rental income has been greatly aided by having a new long term Head of Property in post.

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

The Executive Councillor approved the recommendation.

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

Not applicable.

**14/8/SR Strategy Portfolio Revenue and Capital Budgets 2013/14 (Revised), 2014/15 (Estimate) and 2015/16 (Forecast)**

**Matter for Decision:** The report detailed the budget proposals which relate to this portfolio that are included in the Budget-Setting Report (BSR) 2014/15. The report also included any recommendations concerning the review of charges, project appraisals and capital re-phasing / funding for schemes in the Capital & Revenue Projects Plan for this portfolio.

**Decision of the Leader**

The Leader resolved to:

**Capital:**

- a) Seek approval from the Executive to fund the additional spend of £3k in 2013/14 from the Climate Change Fund, as detailed in Appendix C of the Officer's report.

**Reasons for the Decision:** As set out in the Officer's report

**Any alternative options considered and rejected:** As set out in the Officer's report

**Scrutiny Considerations:**

The committee received a report from the Director of Resources.

In response to member's questions the Director of Resources and the Director of Environment said the following:

- ii. The capital contribution of £111,140 to the 'Keep Cambridge Moving' is a top up in order to meet the total investment of £1.5m.
- iii. Any final decision on how to spend the £1.5m would need to be brought to the Environment Scrutiny Committee and discussed in detail with the County Council. As an example however, it could pay for 350-500 additional Park and Ride spaces, or be used as a strategic intervention to address issues such as the Huntingdon Road Corridor.
- iv. £25,000 was spent on the District Heating System Pilot but unfortunately the business case has not been proved and the funding has therefore been cancelled. Lots of work was undertaken with the University to look at the financial viability but unfortunately the rate of return was lower than anticipated and it was deemed too risky to proceed. Good dialogue has been built up between the Council and the University and future joint projects are being investigated. A full report on the District Heating Scheme Pilot will be brought back to committee in due course.
- v. As a result of the creation of a shared CCTV service some surplus balance from Repairs and Renewal (R&R) has been returned. This is made up of a number of different components such as a reduction in the number of posts, and the reduction in maintenance and running of the control room and related equipment.

In response to member's questions the Leader said the following:

- ii. The aim of the 'keep Cambridge Moving' fund is to meet future transport demands and mitigate against the extra traffic coming into the City due to the improvements to the A14.
- iii. The £1.5 investment is not a contribution to the A14 improvements.
- iv. The aim of the City Council is to prioritise sustainable forms of transport.
- v. The fund would not be a grant pot for which projects could be bid against. The fund would most likely support a small number of significant projects delivered alongside the County Council.
- vi. Whilst the Council could have chosen to invest into the fund on an annual basis, the larger upfront investment was deemed the best option to address the particular issues that Cambridge faces.
- vii. The Neighbourhood Resolution Panel Co-ordinator's hours have been increased in order to deliver on the turnaround time target for the completion of the panel process and to replenish and train the pool of volunteers.

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

The Leader approved the recommendation.

**Conflicts of Interest Declared by the Leader (and any Dispensations Granted):**

Not applicable.

**14/9/SR Budget Setting Report February 2014**

**Matter for Decision:**

The Budget-Setting Report (BSR) provides an overview of the review of the key assumptions. It includes the detailed revenue bids and savings and sets out the key parameters for the detailed recommendations and budget finalisation to be considered at the meeting of the Executive on 23 January 2014. The Executive will make final budget recommendations to Council, for consideration at its meeting on 21 February 2014.

**Decision of the Leader**

The Leader resolved to:

**General Fund Revenue Budgets: [Section 4, page 37 of the BSR refers] Budget 2013/14:**

- a) Approve, with any amendments, the revised budget items shown in Appendix C(a) of the BSR.
- b) Approve, with any amendments, the Non Cash-Limit budget items for 2013/14 as shown in Appendix C(b) of the BSR.
- c) Approve, with any amendments, the overall revised budget for 2013/14 for the General Fund, as shown in Section 4 [page 37 refers] and Appendix D(a) of the BSR.

**Budget 2014/15:**

- d) Agree any recommendations for submission to the Executive in respect of:
  - Non Cash Limit items as shown in Appendix C(b) of the BSR.

- Revenue Savings and Bids as shown in Appendix C(c), (d) & (e) of the BSR.
- Priority Policy Fund (PPF) Bids as shown in Appendix C(f) – based on the position as outlined in Section 4 [page 37 refers] of the BSR.
- Bids to be funded from External or Earmarked Funds as shown in Appendix C(g) of the BSR.

e) Note the Council Tax taxbase, as set out in Appendix B(a) of the BSR, as calculated and determined by the Director of Resources under delegated authority.

f) Recommend to Council the level of Council Tax for 2014/15 as set out in Section 3 [page 32 refers] of the BSR.

*Note that the Cambridgeshire Police and Crime Panel will meet on 5 February 2014 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire & Peterborough Fire Authority will meet on 13 February 2014 and Cambridgeshire County Council will meet on 18 February 2014 to consider the amounts in precepts to be issued to the City Council for the year 2014/15.*

**Treasury Management: [Section 6, page 58 of the BSR refers]**

g) Recommend to Council to approve:

(i) the Prudential Indicators as set out in Appendix M(a) of the BSR and to confirm that the Authorised Limit for external borrowing determined for 2014/15 will be the statutory limit determined under section 3 of the Local Government Act 2003,

(ii) to delegate to the Director of Resources, within the borrowing totals for any financial year within (i) above, to effect movement between the separately agreed figures for 'borrowing' and 'other long term liabilities',

(iii) the Treasury Management Annual Borrowing and Investment Strategies set out in Appendices M(b) and M(c) of the BSR, and

(iv) the Council's Counterparty List shown in Appendix M(c), Annex 3 of the BSR.

**Other Revenue:**

h) Delegate to the Director of Resources authority to finalise changes relating to any corporate and/or departmental restructuring and any reallocation of support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).

**Capital: [Section 5, page 47 of the BSR refers]****Capital & Revenue Projects Plan: [Section 5, page 51 of the BSR refers]**

i) Approve project appraisals that have been referred by Executive Councillors:

j) Agree any recommendations to the Executive in respect of the bids outlined in Appendix G(a) & (b) of the BSR for approval to include in the Capital Plan, or put on the Hold List, including any additional use of reserves required.

k) Agree to carry forward resources from 2013/14, resulting from variances as detailed in Appendix G(c) of the BSR, to fund re-phased capital spending.

l) Agree the revised Capital & Revenue Projects Plan as set out in Appendix G(d), the Hold list set out in Appendix G(e), and the Funding as set out in Appendix G(f) of the BSR for the General Fund.

*Note that the Appendices do include new bids, but will be updated in subsequent versions to incorporate approved rephasing included in the above recommendations.*

**General Fund Reserves:**

m) Note the impact of revenue and capital budget approvals and approve the resulting level of reserves to be used to:

- (i) support the 2013/14 budget
- (ii) support the 2014/15 and future year's budgets.

as set out in Appendix D(c) of the BSR.

**Reasons for the Decision:** As set out in the Officer's report

**Any alternative options considered and rejected:** As set out in the Officer's report

**Scrutiny Considerations:**

The committee received a report from the Director of Resources.

In response to member's questions the Director of Resources said the following:

- i. Whilst the New Homes Bonus (NHB) funding needs to be used flexibly, the Council has tried to avoid using it for anything not connected to growth. Officer posts that facilitate growth have obviously been funded but these are fixed term positions.
- ii. The Priority Policy Fund (PPF) is a new amount of money allocated each year, and this lump sum approach allows flexibility.
- iii. Officers are undertaking further work as part of the Repairs and Renewals (R&R) Fund Review and will be looking at issues such as key criteria and projected expenditure. External Auditors and our own Service Reviews also challenge R&R assumptions.
- iv. With regard to a Council Tax Referendum, the BSR retains the assumption from the Mid-Year Financial Review (MFR) of a 2% increase. When the threshold is announced there may be a need to revisit this and decide whether to go to a referendum – which would be tied into the next elections. As an example; a ½% difference in Council Tax would equate to a £30,000-£35,000 difference in the budget. There would also be costs associated with any rebilling and the collection of changed payments.
- v. He was as confident as he could be that the Pension Fund was adequate.
- vi. With regards to the Icelandic Bank Investments the Council has been informed that the auction is likely to take place within a week. A full update will be provided to members in due course.
- vii. An adjustment has been made to the base line budgets for the underachievement of parking income in line with analysis of historic performance and revised forecasts.

In response to member's questions the Chief Executive said the following:

- i. The Council has a very structured approach to undertaking Service Reviews. Whilst the potential for savings needs to be identified this needs to be balanced by the capacity of the Council, as it cannot look at all of its services at the same time. There needs to be a phased approach and this, in part, is determined by what areas Councillors wish Officers to look at.

- ii. By the time Service Review savings feature in the BSR Officers are confident that they can be delivered.
- iii. The Council has a good track record of delivering the savings it identifies through Service Reviews.
- iv. For budgeting reasons savings have to be 'rounded up' to the nearest £100.
- v. Whilst the Council has a number of Service Reviews underway she was confident that the balance of the Efficiency Fund was adequate for the 2014/15 work programme.

Councillor Cantrill supported this view and reiterated the Council's strong track record and structured approach to Service Reviews.

In response to member's questions the Director of Environment said the following:

- i. The Pest Control Service has been discussed at length by the Environment Scrutiny Committee and Officers believe the proposed savings are realistic. The City Council is aware that there will still be statutory obligations to fulfil and a hardship fund of £10,000 has also been put in place. Modelling has been undertaken to ensure that this £10,000 is sufficient and takes into account seasonal aspects of the service.
- ii. Officers are confident that the proposed savings identified by the review and rationalisation of the Streets and Open Spaces Service can be achieved. A number of vacant posts are currently on hold until completion of the review.
- iii. Officers are confident that the proposed saving identified by the comprehensive review of the Bereavement Services Business Model can be achieved. This has been discussed at length with the relevant Heads of Service and Work Plans have been developed. The £100,000 saving represents only 2-3% of the overall expenditure so he was confident that it is achievable.
- iv. The Public Art Professional Support Services for 'on-site' public art delivery was discussed at the Environment Scrutiny Committee. It was agreed that more detail would be provided to Councillor Owers outside of the meeting.

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

The Leader approved the recommendation.



**Conflicts of Interest Declared by the Leader (and any Dispensations Granted):**

Not applicable.

**14/10/SR The Future Delivery of Building Cleaning Services**

**Matter for Decision:** Approval to carry out a procurement exercise for Building Cleaning Services.

**Decision of the Executive Councillor for Customer Services and Resources**

The Executive Councillor resolved to:

- ii. Approve the carrying out and completion of a procurement exercise for Building Cleaning Services on the following basis:
  - A contract term of five years (with a provision to terminate at the end of year 3 if performance is inadequate) with an option to extend by up to two further years, if the contractor is performing satisfactorily and the service can be shown to continue to provide best value to the Council, giving a maximum possible contract length of 7 years
  - A three lot structure with bidders being given the opportunity to bid for one, two or three 'Lots', with a discount on the tender price if two or three 'Lots' are won by the same bidder to provide a balance between giving opportunities for SMEs to bid and achieving best value from the contract
  - A fixed price for the first two years of the term and thereafter index-linked to an appropriate index
  - A price/quality split of 40% price/60% quality
  - Incorporation in the contract of an incentive scheme to drive continuous improvement in the delivery of the service
- ii. Approve giving the Director of Business Transformation authority to take delegated decisions in consultation with Executive Councillor, Chair and Opposition Spokes as required during the procurement process, including the items detailed in e) to i) of paragraph 4.1 of the Officer's report.

- iii Make an in principle decision that the contract should include a condition requiring that at least the Living Wage is to be paid to staff delivering cleaning services to the Council.
- iii Note an anticipated service start date of January 2015. Achieving this date depends on sufficient project resources being made available
- iv Request that Officers investigate the issue of bidders recognising Trade Unions and report back to the Chair and opposition Spokes on their findings.

**Reasons for the Decision:** As set out in the Officer's report

**Any alternative options considered and rejected:** As set out in the Officer's report

### **Scrutiny Considerations:**

The committee received a report from the Director of Resources. An updated Appendix A (Facilities Update) was circulated and is available via:

<http://democracy.cambridge.gov.uk/documents/b7996/Building%20Cleaning%20Contract%20-%20Revised%20Appendix%20A%2020th-Jan-2014%2017.00%20Strategy%20and%20Resources%20Scrutin.pdf?T=9>

In order to reinforce the Council's commitment to its existing staff and to highlight the good work already done on the Living Wage, Councillor Cantrill proposed the following amendment to recommendation 2.3 of the Officer's report (deletions ~~struck through~~, additions in **bold**):

To make an in principle decision **that** ~~decision about whether or not~~ the contract should include a condition requiring that the Living Wage is to be paid to staff delivering cleaning services to the Council ~~subject to the outcome of the further work referred to in para 4.2.12 of the Officers report.~~

In response to this proposal the Head of Legal Services said the following:

- i. The risk of a successful legal challenge by imposing a Living Wage requirement is very low, and would be minimised if the Council's decision was based on best value and social value.

After further discussion, and with particular input from the Chair and Councillor Herbert, Councillor Cantrill's proposed amendment was amended further to read (additions in **bold**):

To make an in principle decision that the contract should include a condition requiring that **at least** the Living Wage is to be paid to staff delivering cleaning services to the Council.

The committee agreed this amendment unanimously.

In response to member's questions the Director of Resources said the following:

- i. As part of the procurement process a detailed exercise would be done to identify, and remove, any internal overhead charges associated with the in-house provision.
- ii. Agreed with members that the procurement process needed to be as open and transparent as possible.
- iii. The option to terminate the contract at the end of year 3 if performance is inadequate is a standard contract 'break' clause. The Council would however build in ongoing monitoring to ensure that any under performance is picked up and addressed as it arises.
- iv. It would be possible to build in a shorter formal 'break' clause but this would represent greater risk for any bidder and would be reflected in the price that they bid for the contract.
- v. Whilst the Invitation to Tender (ITT) would look at this in more detail, and could impose financial penalties for poor performance, it is a careful balance.
- vi. The price/quality split suggested in 2012 was 60% price/40% quality – and it is now recommended to be 50% price/50% quality. It is however up to the committee to amend this if they see fit.
- vii. A contractor's current wage structure would not form part of the procurement process.
- viii. TUPE would apply to those Council staff eligible to transfer and their terms and conditions would be protected.
- ix. The in-house Improvement Plan was put in place in January 2012 and was due to run up until the original procurement timetable of April 2013. The Improvement Plan looks at all aspects normally covered by a more traditional Service Review.

In response to member's questions the Head of Legal Services and the Strategic Procurement Advisor said the following:

- ii. Under certain economic, technical or organisational criteria any winning bidder would be able to amend their staffing structure.

Councillor Herbert highlighted the importance of any winning bidder recognising the Trade Unions. Officers agreed to investigate this further and report back to the Chair and opposition Spokes on their findings.

Councillor Herbert proposed, and Councillor Cantrill seconded the following amendment to the price/quality split:

40% price/60% quality (instead of 50% price/50% quality)

In response to member's questions the Director of Resources said the following:

- i. This would not be an unusual price/quality split for this type of service contract.
- ii. It would be hard to judge how this might affect the bids received.
- iii. The procurement process would not be affected by this change, but the 'weighting' at the evaluation stage would be.

The committee agreed this amendment unanimously.

The committee resolved by 4 votes to 0 to endorse the amended recommendations.

The Leader approved the recommendation.

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

Not applicable.

**14/11/SR Review of Living Wage**

**Matter for Decision:** The report responds to the request of Full Council on 21 February 2013 to review within 12 months the payment of the minimum of the Living Wage to agency workers after 4 weeks of their engagement, and that any changes be proposed for the Pay Policy Statement 2014/15.

**Decision of the Executive Councillor for Customer Services and Resources**

The Executive Councillor resolved to:

- i. Accept the report and continue with the Living Wage Policy in respect of agency workers, as approved by Council in February 2013.
- ii. Request that Officers bring a report back to a future meeting exploring the options for accreditation by the Living Wage Foundation.

**Reasons for the Decision:** As set out in the Officer's report

**Any alternative options considered and rejected:** As set out in the Officer's report

**Scrutiny Considerations:**

The committee received a report from the Head of Human Resources.

Councillor Cantrill highlighted the importance of accreditation by the Living Wage Foundation and proposed that Officers bring a report back to a future meeting exploring the options for this.

The committee agreed with this proposal.

The committee resolved unanimously to endorse the amended recommendations.

The Executive Councillor approved the recommendations.

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

Not applicable.

**14/12/SR Council Tax Reduction Scheme 2014/15**

**Matter for Decision:** For each financial year, the Council is required under the Finance Act 2012 to consider whether to revise its scheme or to replace it with another scheme. The report provided details of the review of the Council's 2013-14 scheme and proposals for the continuation of the agreed current scheme rules for the financial year 2014-15.

**Decision of the Executive Councillor for Customer Services and Resources**

The Executive Councillor resolved to:

- iii. Agree to continue to administer the Cambridge City Council - Council Tax Reduction scheme (Persons who are not Pensioners) 2013 as approved by Council on 9 January 2013 and not to revise or replace it. For 2014/15
- iv. Agree to link allowances and premiums used in the calculation of Council Tax Reduction scheme with the same allowances and premiums used in Housing Benefit to make it easier to understand and to administer. These applicable amounts and premiums represent the needs of the individual and their family.
- v. Agree to invoke under paragraph 48(10) of the scheme to prescribe the amounts of non-dependant deductions annually and to increase the amounts set in sub-paragraphs (1) and (2) by 2.9% in line with the published Consumer Price Index (CPI) for June 2013.
- vi. Agree to retain the percentage reduction of an award (End of Calculation Deduction, see 3.3 below) as set out in paragraph 49A of the Scheme as "zero" per cent.
- vii. Agree to continue with the current position regarding discounts for empty dwellings and second homes as agreed at Council on 9<sup>th</sup> January 2013.

**Reasons for the Decision:** As set out in the Officer's report

**Any alternative options considered and rejected:** As set out in the Officer's report

**Scrutiny Considerations:**

The committee received a report from the Head of Revenues and Benefits.

The committee made the following comments on the report:

- iv. Welcomed the report and were pleased that the level of support would be maintained.

In response to member's questions the Head of Revenues and Benefits said the following:

- iii. Noted Councillor Owers comment regarding the need to be mindful that just because the number of people going into work is increasing, it doesn't necessarily mean that the average amount of reduction granted to each applicant will decrease.

The committee resolved unanimously to endorse the recommendations.

The Executive Councillor approved the recommendation.

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

Not applicable.

**Exclusion of the press and public**

The Committee resolved to exclude members of the press and public from the meeting on the grounds that, if they were present, there would be disclosure to them of information defined as exempt from publication by virtue of paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

**14/13/SR Irrecoverable debts for write off**

**Matter for Decision:** Write off of irrecoverable debts.

**Decision of the Executive Councillor for Customer Services and Resources**

The Executive Councillor resolved to:

- viii. Write-off the debts deemed irrecoverable as shown in the exempt Appendix 'A' of the Officer's report.

**Reasons for the Decision:** As set out in the Officer's report

**Any alternative options considered and rejected:** As set out in the Officer's report

**Scrutiny Considerations:**

The committee received a report from the Head of Revenues and Benefits.

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

The Executive Councillor approved the recommendation.

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

Not applicable.

#### **14/14/SR    General Debts - Bad Debts for Write-off**

**Matter for Decision:** Write off of bad debts.

**Decision of the Executive Councillor for Customer Services and Resources**

The Executive Councillor resolved to:

- ix. Write-off 2 debts totalling £7,674.61 as summarised in the exempt 'Appendix A' of the Officer's report.

**Reasons for the Decision:** As set out in the Officer's report

**Any alternative options considered and rejected:** As set out in the Officer's report

**Scrutiny Considerations:**

The committee received a report from the Director of Resources.

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



The Executive Councillor approved the recommendation.

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

Not applicable.

**14/15/SR Record of Urgent Decisions taken by the Executive Councillor for Customer Services and Resources**

Acquisition of a property

The decision was noted.

Sale of interest in a property

The decision was noted.

The meeting ended at 8.45 pm

**CHAIR**