

STRATEGY AND RESOURCES SCRUTINY COMMITTEE 20 December 2012
5.00 - 6.11 pm

Present: Councillors Brown (Chair), Rosenstiel (Vice-Chair), Birtles, Boyce, Ashton, Benstead, Herbert and Blackhurst

Executive Councillors:

Leader of the Council – Councillor Bick
Executive Councillor for Customer Services and Resources – Councillor Smith

Officers Present:

Chief Executive – Antoinette Jackson
Director of Customer and Community Services – Liz Bisset
Head of Corporate Strategy – Andrew Limb
Head of Revenues and Benefits – Alison Cole
Head of Strategic Housing – Alan Carter
Benefits Manager - Naomi Armstrong
Local Taxation Manager – Kevin Jay
Committee Manager – Martin Whelan

FOR THE INFORMATION OF THE COUNCIL

12/86/SR Apologies for absence

Apologies for absence were received from Councillor Tucker. Councillor Blackhurst attended as an alternate member.

12/87/SR Declarations of interest

There were no declarations of interest.

12/88/SR Public Questions

There were no public questions.

12/89/SR Update from the Chief Executive on the emerging budget issues

The committee received an update from the Chief Executive regarding the emerging budget issues.

The committee were advised that an error had been identified in the financial forecasts, which had consequential effects on the accuracy of the Medium Term Financial Strategy approved by Council in October.

The committee advised that the mismatch could be significant, so the assistance of the External Auditors had been sought. The Chief Executive advised that Ernst and Young were currently investigating what had gone wrong and why this had happened. It was also indicated that it was hoped to include an item on the agenda for Civic Affairs on 30 January 2013 on this issue.

The Chief Executive explained that the priority was to ensure that Councillors were in a position to set a legal budget on 21 February, and depending on the outcome of the External Audit investigation it may require a revision of scrutiny schedule in early 2013. The Chief Executive explained that consultation would be undertaken with Group Leaders once things were clearer.

The Leader of the Council also addressed the committee, and re-iterated that in the light of the consistently high audit assurance ratings from the External Auditors that this was unexpected. The Leader committed to working with the Chief Executive and Group Leaders to ensure that the right decisions on the process were taken.

Councillor Herbert requested a briefing for all Councillors once the issues were clear and circulation of the Ernst and Young report promptly to all members. Councillor Herbert asked the following questions

- i. When were finance first aware of the problem, and when were the problems highlighted to the Chief Executive?
- ii. Further clarification was requested on the nature of the problem, and whether it also affected this year's budget or not.

The Chief Executive advised that the Director of Resources first highlighted a potential problem on 5th December and that she received a full briefing on 7th

December. The committee were advised that the External Audit would be establishing who knew and at what point.

The Chief Executive explained that the exact nature of the problem was being established by the External Auditors.

Councillor Rosenstiel questioned whether the issues were likely to be beyond a simple matter of translation. The Chief Executive explained that the exact nature of the problem was being established by the External Auditors.

12/90/SR Greater Cambridge City Deal

Matter for Decision: To consider the proposal for a Greater Cambridge City Deal.

Decision of the Leader of the Council;

The Leader of the Council resolved to

- 1) Agree the principles included in the expression of interest document attached in Appendix 1 of the committee report and approve in principle the submission of a fully worked up version of this document to Government.
- 2) Delegate to the Chief Executive responsibility to work with the Leader, officers and Leaders of each partner local authority and key external partners to finalise the expression of interest document; and, subject to consultation with the Leader, Chair and opposition spokes, to submit this to Government by 15 January 2013.
- 3) Delegate to the Chief Executive responsibility to work with the Leader, officers and Leaders of each partner local authority, and key external partners, to work on negotiating a full city deal with Government if the expression of interest is successful; agree a draft City Deal with Government and partners, subject to consultation with the Leader, chair and spokes; and to bring any final City Deal to Strategy and Resources Committee for recommendation of adoption to full Council.

Reason for the decision;

As per the officers report.

Any alternative options considered and rejected:

Not applicable

Scrutiny Considerations

The committee received a report from the Head of Corporate Strategy regarding the Greater Cambridge City Deal.

The committee made the following comments on the report

- i. Clarification was requested on whether the proposals would provide an opportunity to challenge the monopoly of Stagecoach. The Head of Corporate Strategy explained that whilst public transport was an important element of the issue, it was unlikely that the City Deal would get into the specific issue raised.
- ii. The proposals were welcomed, but a desire to avoid creating another quango was expressed. The aspiration should be unitary local government in the Greater Cambridge area. The Leader was challenged, whether the City Council would walk away if the proposals lacked transparency or would result in a significant increase in bureaucracy.

The Leader responded to the comment and emphasised that any governance arrangements needed to be fair, transparent and be able to resolve Cambridge specific issues effectively.

- iii. Reference was made to the other City Deals across the country, and the positive benefits that they were already delivering. It was highlighted that operating a City Deal in a two-tier structure was unusual. The committee were encouraged to support the proposal.
- iv. With reference to page 14, it was suggested that it appeared to unduly prioritise bus travel over rail. The Head of Corporate Strategy noted the comment. Councillors agreed that the public transport, as a whole should be the priority.

- v. The committee questioned why the A14 improvements featured so heavily, as the route was a major strategic asset and its improvements were being progressed nationally.
- vi. There was strong support for “connectivity” as theme, and whilst it was focussed on the Greater Cambridge area, this did not preclude an interest in the wider county.

The Scrutiny Committee considered the recommendations and endorsed them by 4 votes 0.

The Leader approved the recommendations.

Conflict of interest declared by the Executive Councillor (and any dispensations granted)

N/A

12/91/SR Localisation of Support for Council Tax

Matter for Decision: To consider the proposals for the localisation of support for Council Tax.

Decision of the Executive Councillor for Customer Services and Resources;

The Executive Councillor resolved to recommend to Council that

- i. The proposed localised Council Tax Support Scheme, as set out in the committee report, be approved to be put forward to Council for its approval at the meeting to be held on 9th January 2013.
- ii. The proposals to take advantage of new powers set out in the Local Government Finance Act 2012 (amending the Local Government Finance Act 1992) to vary statutory exemptions from Council Tax in respect of vacant and unoccupied dwellings, as set out in paragraph 5.2 of the committee report, be approved (Annex A of the committee report provides background information).

- iii. Authority be delegated to the Director of Customer and Community Services to make minor amendments to the scheme. Major amendments or fundamental changes will be referred to Executive Councillor, Chair and Oppositions Spokes of the Strategy and Resources Scrutiny Committee.
- iv. Authority be delegated to the Head of Revenues and Benefits, to make the detailed arrangements required to implement the proposed localised Council Tax Support Scheme and the variations to the exemptions from Council Tax.
- v. Authority be delegated to the Director of Resources to calculate and approve the Council Tax Base for 2013/14 and to notify precepting bodies by 31 January 2013.

Reason for the decision;

As per the officers report.

Any alternative options considered and rejected:

Not applicable

Scrutiny Considerations

The committee received a report from the Head of Revenues and Benefits regarding the "Localisation of Support for Council Tax".

The committee made the following comments

- i. Clarification on the accuracy of the modelling. The Director of Customer and Community Services explained that this was a new process and that the models used were based on the best available assumptions.
- ii. Clarification was requested on Class C exemptions, and it was suggested that the new time limit of one month (previously 6 months) was not flexible enough for all circumstances for example where the landlord has died.

- iii. The proposal to not decrease the level of support for vulnerable groups was welcomed, particularly as some authorities were reducing support by 25%/30%.
- iv. Further information was requested on how fraudulent activities were tackled. The Head of Revenues and Benefits acknowledge that it was a difficult area to tackle, but that single person discounts were regularly reviewed and that the council undertook a number of anti fraud initiatives.
- v. It was requested that the option to pay 12 instead of 10 months was promoted openly. The Head of Revenues and Benefits noted the comment.

Officers were thanked for their hard work and developing a solution which had resulted in no change to the level of support.

The Scrutiny Committee considered the recommendations and endorsed them by 4 votes 0.

The Executive Councillor approved the recommendations.

Conflict of interest declared by the Executive Councillor (and any dispensations granted)

N/A

12/92/SR Commercial Property at Clay Farm, Cambridge

Matter for Decision: To consider the recommendations in the exempt report.

Decision of the Executive Councillor for Customer Services and Resources;

The Executive Councillor resolved to approve the recommendations in the exempt report.

Reason for the decision;

As per the officers report.

Any alternative options considered and rejected:

Not applicable

Scrutiny Considerations

The committee received a report from the Head of Property Services regarding the “Commercial Property at Clay Farm”.

The Scrutiny Committee considered the recommendations and endorsed them by 8 votes 0 (Unanimously).

The Executive Councillor approved the recommendations.

Conflict of interest declared by the Executive Councillor (and any dispensations granted)

N/A

The meeting ended at 6.11 pm

CHAIR