

STRATEGY AND RESOURCES SCRUTINY COMMITTEE

6 July 2020
5.00 - 9.30 pm

Present: Councillors Davey (Chair), Barnett (Vice-Chair), Bick, Davies, Dalzell and Green

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

Strategic Director: Suzanne Hemmingway

Head of Finance: Caroline Ryba

Head of Human Resources: Deborah Simpson.

Organisational Development Manager: Vince Webb

Democratic Services Manager: Gary Clift

Committee Manager: Claire Tunncliffe

FOR THE INFORMATION OF THE COUNCIL

20/13/SR Apologies for Absence

No apologies were received.

20/14/SR Declarations of Interest

Name	Item	Interest
Councillor Green	20/18/SR	Personal: Covid Recovery Plan in relations to grants and small business.
Councillor Green	20/25/SR	Prejudicial: Received a grant as small business owner.

20/15/SR Minutes

The minutes of the meeting held on 3 February 2020 were approved as a correct record and signed by the Chair.

20/16/SR Public Questions

A member of the public put forward the following statement as set out below.

- i. Wanted to highlight the deletion of the named dog warden post referred to in agenda item 12, service variations.
- ii. Aware that it was part of the initial savings put forward by the Environment and Community Scrutiny Committee before lockdown but wanted to ask about the rationale behind this saving.
- iii. Wished to highlight the impact on an important and effective service provided by the Council which reflected the feelings of the local community.
- iv. The current post provided a responsive personal service which treated each issue on an individual basis; this was not a one size fits all service.
- v. Enforcement was not the only option the post required understanding, specialist knowledge and education.
- vi. Had witnessed locally the work of the named dog warden post; a local resident having taken advice from the dog warden improved their care of the dog, equally taking care of themselves and began sharing their issues and needs with members of their local community. Enforcement would not have achieved such positive results.
- vii. The saving proposed does not recognise the benefit of the service to those who use and pay for this service locally, plus the work that has been done with those in the homeless community.
- viii. All the individuals that had been informed of this deletion in the local community did not support these proposals.
- ix. Queried if the free microchipping would still be offered; a valuable service to those on low incomes.
- x. The service in its current form won an award in 2019, offering a corporate delivery would lose the specialism of an individual post.

The Executive Councillor for Finance and Resource said the following:

- i. The proposal for this saving had been agreed at the beginning of the year; the review had been delayed for six months but was now underway.

- ii. The enforcement team would share the dog warden responsibilities and would be given the necessary training.
- iii. This should mean an increase in the availability of officers who could deal with dog duties when and where this was needed.

The Chief Executive advised there was a benefit for several teams across the council not to rely on one single specialist but to spread the skills across a range of people. This provided flexibility and resilience to the service.

The following supplementary points were point forward:

- i. Understood the need to build resilience but would lose the expertise of a specialist.
- ii. Believed that enforcement officers undertook numerous tasks and adding dog services to that list would not allow an in-depth knowledge and service in that area; just covered the basic responsibilities of the Environmental Protection Act 1990.
- iii. The current post worked consistently well covering a diverse range of issues throughout the city and offered an expert service to all residents.

20/17/SR Combined Authority Update

Matter for Decision

The report provided an update on the activities of the Cambridgeshire and Peterborough Combined Authority (CPCA) since the 3 February 2020 meeting of Strategy & Resources Scrutiny Committee.

Decision of Executive Councillor for Strategy and External Partnerships

Noted the update on issues considered at the meetings of the Combined Authority held on 25 March, 29 April and 3 June 2020.

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 presented by the Executive Councillor for Strategy and External Partnerships.

Matter for Decision

The report provided an update on the activities of the Cambridgeshire and Peterborough Combined Authority (CPCA) since the 3 February 2020 meeting of Strategy & Resources Scrutiny Committee.

Decision of Executive Councillor for Strategy and External Partnerships

Noted the update on issues considered at the meetings of the Combined Authority held on 25 March, 29 April and 3 June 2020.

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 presented by the Executive Councillor for Strategy and External Partnerships.

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

- i. Agreed the Mayor's approach to the transport projects in relation to the Greater Cambridge Partnership (GCP) was not positive for public accountability or public understanding of the issues that were involved which was regrettable.
- ii. The GCP had just completed their first five years of project delivery and had recently been awarded the next tranche of government funding, therefore the GCP clearly the right organisation to undertake the transport project work.
- iii. Asked if the capital grants scheme had been widely advertised and if the criteria to apply for a grant was clear. It was vital there was transparency to show where and how public money had been allocated, particularly as funds were being dispersed into the private sector.
- iv. Questioned if the Mayor understood the need for affordable housing in Cambridge, any delivery was welcome.
- v. Highlighted an article in the local press regarding affordable housing being delivered by the Combined Authority Mayor. It also referenced that he had negotiated £100 million as part of the devolution deal. The council had also taken part in the negotiations and believed a proportion of funding had been allocated to the city for affordable housing. Questioned how the income stream was allocated.

- vi. A recent Savills report highlighted the lack of affordable housing in the city; the median house price to median income ratio was 13 times the average income, compared with the national average of 7.8.
- vii. Queried the £40million rolling fund the Combined Authority had, which the same newspaper article referred to.
- viii. Asked how the Mayor decided what the funding criteria was for strategic projects as this did not appear to be clear. Provided the example of Lancaster Way Roundabout on the outskirts of Ely and noted there were projects that required more urgent works.
- ix. Queried the Mayor's declarations of interests at meetings as they did not seem to be consistent.
- x. Requested an update on the CAM metro policy.
- xi. Asked for an update on Alconbury Weald as had read the lease was being surrendered.

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

- i. Understood there had been a widespread publicity campaign regarding the grant scheme for the first round. Comments made by the committee overlapped the concern expressed outside of the committee regarding the governance of the business board. It was important for the board to remain accountable and to report on their spending.
- ii. Having reviewed the grant applications these had been submitted by a diverse selection of businesses.
- iii. The grants awarded were to those organisations who needed the funding to protect jobs.
- iv. The capital grant funding had been linked to the previous growth hub funding in terms of innovation specifically linked to COVID-19, shared by the economic sub-groups and had been promoted very strongly.
- v. Acknowledged the hard work and support that had been undertaken and given during the COVID-19 pandemic by the Combined Authority.
- vi. With regards to the CAM metro it did feel that the Mayor was trying to create 'banana skins'. The Mayor's recent actions and comments were not compatible with the Local Transport Plan agreed at the GCP January meeting.
- vii. Suggested the Mayor could be invited to a future meeting of the Strategy and Resources Committee.

- viii. The Alconbury Weald lease was expensive and unnecessary, the Mayor proposed to relocate but no future strategy had been provided where this would be.
- ix. The revolving fund of up to £40million could be used for projects which would achieve an outcome and bring a return.
- x. £10million of the revolving fund had been allocated to a development on Histon Road on the former squash club site, four of the nine units would be affordable homes (£100,000 homes). Up to one thousand people had registered an interest in this scheme.
- xi. Believed that more could be achieved with the revolving fund.
- xii. Questioned the allocation of funding of projects and if the best outcome had been achieved; would suggest working with the committee to look in detail at the work going forward.
- xiii. Suggested that members read the annual finance report to look at the money spent and what had been delivered.

The Committee **resolved unanimously** to note the report.

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.

20/18/SR Cambridge City Council Outline Coronavirus Recovery Plan

Matter for Decision

The report provided a brief summary of the actions taken by Cambridge City Council in response to the Coronavirus emergency in the Spring of 2020, and set out the key areas of activity and emerging issues that the Council was working on as it developed its recovery plan.

Decision of Executive Councillor for Strategy and External Partnerships

- i. Noted the Council's response to the Coronavirus emergency.
- ii. Agreed the priorities for recovery.

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 that outlined the council's rapid responses to the crisis, which had continued to evolve in the subsequent weeks and months since the City Council put its business continuity arrangements and pandemic plan into operation in March 2020.

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

- i. Reiterated the comments of the Chief Executive at how hard the staff had worked during this period and what had been achieved.
- ii. Asked if the council had begun the furlough scheme early enough.
- iii. Noted it was difficult for some staff working at home such as poor internet connection, lack of space and not being able to work in an environment that was removed from 'life at home'.
- iv. Believed working from home could result in an unequal work / life balance with staff working more hours; there were no boundaries away from work.
- v. Queried what help was being given to staff who were finding it difficult to work from home.
- vi. Virtual meetings suited some members of the council but not all; some felt that they did not offer a quick resolution of issues and could be tiring for those members who attended on a frequent basis.
- vii. Questioned what tools the council had to encourage and work with businesses to continue to employ furloughed staff as Government funding ended as stated in the officers' report.
- viii. Asked how the council would sustain the appropriate support and care packages for those rough sleepers who had moved into emergency accommodation.
- ix. Requested feedback on the city centre reopening since lock down, particularly when public houses, restaurants and cafes opened the previous weekend.
- x. Asked if there was a local lock down plan.
- xi. Queried where the level of business support grants sat in comparison to other local authorities.
- xii. Cambridge Sustainable Food spending had increased due to COVID-19. The organisation was quickly spending their council grant to meet demand. Questioned if it was possible for the council to increase their funding due to the exceptional circumstances.
- xiii. Enquired if steps had been taken to encourage staff to take leave or was there an option to wait until travel was permitted.
- xiv. Queried what could be done to encourage the wearing of face masks when shopping and in public places. Although not compulsory it should be supported.

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

- i. At the beginning of the furlough scheme the council had been advised it was not appropriate for local authorities to apply, this advice quickly changed. At the start, there were service areas where staff still had work to do, such as Estate and Facilities working on void properties or staff under Cambridge Live who were dealing with immediate issues such as cancelling shows. They were subsequently furloughed when that work ran out
- ii. The Council began to enquire about the furlough scheme on 20 April and applications were backdated to 16 March.
- iii. Agreed that working from home did not suit everyone. Arrangements had been made for staff who required additional equipment to be delivered. Preparations were made for staff to work at Mandela House who needed to do so or were finding working from home a challenge.
- iv. Moving forward, the Council would facilitate staff to work from home as much as possible but recognised it will not be right for everyone.
- v. Work / life balance was a challenge for some staff before COVID-19; working in a virtual environment was intense and staff were encouraged to take regular breaks, physical activity advice, mental health advice and the counselling service was regularly shared with staff.
- vi. Senior Management enforced the message that working from home did not mean you were permanently on call and boundaries needed to be set.
- vii. Recognised it was also hard for Members to work virtually and there would be a time when meetings would take place in the committee rooms or council chamber but could not say when that would be. However, there would be an opportunity to continue some meetings and briefings virtually.
- viii. It was an aspiration of the council to work with businesses to continue to employ furloughed staff as Government funding ended. Currently the tools available were the council grants available, the council was also the landlord of commercial tenants and ran the market
- ix. Moving forward the council would work with the Combined Authority and other agencies who had funding available to look at how businesses could be supported.
- x. The council would continue to support the homeless and rough sleepers, it was not just about supplying bricks and mortar, but the right services

and support would be given working with various agencies while looking at individual's needs.

- xi. Following the opening of public houses and restaurants on 4 July, the Police had acknowledged the hard work of the Environmental Health Team who had worked closely with licensees to ensure the correct safeguarding procedures were in place. Not all the public houses had opened; there would be challenges moving forward but the Environmental Health Team would continue to work with the licensees and other external agencies.
- xii. The weekend before the meeting, there had been challenges enforcing social distancing in the parks and open spaces, such as Midsummer Common and the Police approach had been one of education.
- xiii. The council had been involved in developing a local lock down plan for Cambridgeshire and Peterborough should this be required
- xiv. Officers were currently working on specific arrangements for Cambridge, ensuring the right environmental health response would be communicated, how to mobilise community groups efficiently and effectively, and how to support those in quarantine.
- xv. At a meeting with the Director of Public Health, the Chief Executive and Head of Community Services had suggested training for community leaders such as faith groups and councillors, looking at the different languages required to spread preventative communication and public health messages throughout the city.
- xvi. Over the last three months the council had awarded 1400 businesses support grants of £21,500,000 funded by central government and provided rate relief for a year.
- xvii. Discretionary grants were available to those business who did not meet the criteria for the business support grants. Since these grants became available (three weeks ago) £500,000 had been paid out to 140 business, charities and not for profit organisations.
- xviii. Funding had been allocated from central government based on the business rate relief list, therefore the allocation of funds was different for each local authority.
- xix. Could not answer the question regarding funding for Cambridge Sustainable Food but would make enquires and respond outside of the meeting.
- xx. Staff were encouraged to take leave by their line managers. The Chief Executive had reminded staff on the importance of taking leave during this lockdown period; she had reinforced this mentioning her own annual leave at the beginning of June in her regular communication to all staff.

- xxi. A certain number of holiday days had been permitted to be carried over to next year which would help staff and spread the holidays.
- xxii. The council had provided advice about wearing masks but was not enforcing this as the government had not yet made this compulsory. This was in line with the current public health messages. Face masks had been purchased for staff.

The Executive Councillor for Strategy and External Partnerships spoke of the financial impact Covid-19 had placed on the council and how some of the issues would be addressed at the next meeting of full council. He also acknowledged the phenomenal effort of the council's response to the pandemic led by the Chief Executive and the senior management team and the effect this had had on all council services.

The Committee **resolved by 5 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.

20/19/SR 3Cs Legal and ICT Services and Greater Cambridge - Internal Audit Shared Service - 2019/20 Annual Reports and Partnership Agreement Review

Matter for Decision

The Officer's report summarised the performance for the 3Cs ICT, Legal Shared Services and the Greater Cambridge Shared Internal Audit Service during 2019/20.

Decision of Executive Councillor for Finance and Resources

- i. Noted the content of the annual reports.
- ii. Noted the requirement for renewal of the 3Cs services partnership agreement the principle variations planned
- iii. Delegated authority to the Chief Executive and Strategic Director to finalise and agree the renewed partnership agreement by September 2020, in consultation with Executive Councillor, Chair and Spokes.

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. Asked if consideration had been given to greater shared scrutiny between the authorities, such as meeting virtually. There had been recently been a couple of ICT outages and suggested it could have been resolved more efficiently if all stake holders had been involved.
- ii. Enquired why the city council's consumption of legal services was higher than South Cambridgeshire District Council and Huntingdonshire District Council.

The Strategic Director said the following in response to Members' questions:

- i. There had been a previous proposal for a shared scrutiny committee. However, there were complications for agreeing the overall decision-making process in line with each authorities' constitution and the number of member allocations. Therefore, it had been decided not to pursue this further.
- ii. The level and complexity of the services delivered by the city council was currently greater than the other two local authorities therefore more advice and support was required from legal services when dealing with issues such as commercial portfolios.

The Executive Councillor for Finance and Resources made the following comments:

- i. Echoed the technical difficulties that had occurred when investigating a greater scrutiny committee; the executive councillor and scrutiny model used by the City Council was not compatible with the other local authorities.
- ii. Officers across the local authorities had regular debate and communication on the business plans and services. This worked well and there was no need to change.

The Committee **unanimously resolved** 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.

20/20/SR Cambridge City Council Apprenticeship Strategy 2020**Matter for Decision**

The report proposed a new revised Cambridge City Council 'Apprenticeship Strategy 2020' to replace the existing Apprenticeship Strategy approved at the Strategy and Resources Scrutiny Committee in March 2017.

Decision of Executive Councillor for Finance and Resources

- i. Approved the proposed measures for a revised Cambridge City Council Apprenticeship Strategy 2020.
- ii. Agreed to consider a new provision for the transference of up to 10% p.a. to local SMEs, charitable and not for profit organisations as a pilot during 2020/21. This could be achieved by either working directly with external organisations or through the exiting schemes such as the Cambridge & Peterborough's Apprenticeship Levy Pooling Service which supports local business to take on apprentices.

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 Organisational Development Manager.

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

- i. Asked how easy it was to find apprentices for these schemes particularly at entry level.
- ii. Welcomed the move away from using the levy on management apprenticeships.
- iii. Apprenticeships were going to be difficult for people to find, particularly school leavers in the future, especially in the current conditions.
- iv. Believed over the next two years the council's focus on the use of apprenticeships should be coupled with recruitment rather than internal development. The priority for the community at large was for people to enter the labour market. If there was any levy left the remainder could be

put into the levy pool and provide support for SME business, charitable and non-profit organisations who had a recruitment plan for sustainable employment.

- v. Queried when the absolute deadline was to make a final decision regarding the apprenticeship strategy?

The Organisational Development Manager said the following in response to Members' questions:

- i. Would expect several applicants for each apprenticeship, particularly given the current climate of the job market that COVID-19 had caused.
- ii. The council's focus was in three parts, the levy transfer, supporting existing staff and new recruits. No level had been put on support for new recruits and existing staff.
- iii. The Government allowed 25% of the total levy to be transferred annually, approximately £30,000 could be transferable. The proposal is to transfer 10% approx. £12,000 p.a.
- iv. The Council pays £120,000 to £100,000 into the apprenticeship levy annually which lasts two years. This is a rolling programme with each month's payment expiring after 24 months.
- v. It would be best to make the decision as soon as possible so that the funds could be transferred.

The Executive Councillor for Finance and Resources responded with the following comments:

- i. That the apprenticeship levy was for training and not for apprenticeship themselves. Recognising this, the committee should think about the impact on the voluntary sector, SME's and non-profit organisations who could make use of the levy.
- ii. Consideration had been given to put 25% immediately into this sector but felt emphasis should be for the city council to develop its own apprentices first. This would allow those organisations the opportunity to develop apprenticeship if appropriate or express an interest. Salary costs would also have to be picked up by the businesses as the levy did not cover this cost.
- iii. Believed there had an issue in the past in finding the appropriate training scheme for SME's.
- iv. The work that the levy had been proposed would see an increase in manual trades that traditionally had not been offered and was what the apprenticeship scheme was for. The scheme would be reviewed on a regular basis it could be possible that the transference of the Council's apprenticeship levy to local businesses, charitable and not for profit organisations could be increased in future.

Councillor Bick proposed and Councillor Dalzell seconded an additional recommendation:

NOTE the report and proposals

RECOMMEND a rethink of the proposed strategy applicable to apprentice starts over the next two years in the light of the post pandemic depression, with a view to emphasising the use of apprenticeships to improve recruitment offers, potentially sharing an increased surplus from the council with local SMEs, charitable and Not For Profit organisations who provide sustainable, recruitment-based business plans

AGREE a modified version of the strategy through the procedure for an urgent decision

The additional recommendation was lost by 2 votes to 4.

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.

20/21/SR Service Review: Revenues and Benefits

Matter for Decision

The introduction of Universal Credit meant that new working-age claimants, or claimants who have certain specified changes in circumstances, no longer claim Housing Benefit from the Council, but claim Universal Credit (UC) from the Department for Work and Pensions (DWP), which includes an amount for housing costs.

The report brought forward recommendations following a review of the Revenues and Benefits service in the light of this change.

Decision of Executive Councillor for Finance and Resources

- i. To restructure the Revenues and Benefits service, as detailed in the officer's 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. Queried what if any impact the changes would have on staff; would staff be TUPE'd (Transfer of Undertakings Protection of Employment) across.
- ii. Requested reassurance that staff would be supported during this period.
- iii. Asked if the council could be sure that standards would not drop supporting the vulnerable residents in the city.
- iv. Indicated that the decision was inevitable
- v. Acknowledged the hard work and dedicated staff that the council had and expressed disappointment that the changes would have on them.

The Strategic Director said the following in response to Members' questions:

- i. Staff would not be TUPE'd as the Department of Working Pensions (DWP) had hired additional staff to undertake the additional work. Therefore, there could be potential redundancies.
- ii. When roles were redundant the council did try to redeploy staff within the council and would work with staff to look at the opportunities available.
- iii. Staff would be consulted and supported throughout the process.
- iv. The Council did not have the power to redeploy staff to external agencies.
- v. The work to support vulnerable people with their housing cost would be dealt with by the DWP through the universal credit scheme.
- vi. The council had a strategic interest to ensure that residents had accessed their benefits, offering financial advice through inclusion workers and council funding to external agencies such as citizens advice bureau.

The Committee **unanimously resolved** 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.

20/22/SR Annual Treasury Management Outturn Report 2019/20**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 2018/19. Both these publications have been revised by CIPFA and references to these documents are to the 2017 Editions.

During the 2019/20 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 to recommend to Council to:

- i. Approve the report with the Council's actual Prudential and Treasury Indicators for 2019/20

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 **unanimously resolved** 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.

20/23/SR 2019/20 General Fund Revenue and Capital Outturn, Carry Forwards and Significant Variances**Matter for Decision**

The report presented a summary of the 2019/20 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. Specific requests to carry forward funding from budget underspends in 2019/20 were reported.

This was the first year that one combined General Fund outturn report covering all portfolios was produced for scrutiny at Strategy and Resources Scrutiny Committee

Decision of Executive Councillor for Finance and Resources to recommend to council to:

- i. Approve carry forward requests totalling £1,070,060 revenue funding from 2019/20 to 2020/21, as detailed in Appendix C of the officer's report.
- ii. Carry forward requests of £27,634k capital resources from 2019/20 to 2020/21 to fund rephased net capital spending, as detailed in Appendix D of the officer's report.
- iii. To fund the overspend of two capital schemes – Lammas Land Car Parking and Barnwell Business Park remedial projects totalling £29,757 from reserves.
- iv. Transfer the Bateman Street tree replacement underspend of £17k to the Environmental Improvements programme – South.
- v. Transfer the underspend of £24k on Grafton East car park essential roof repair project to Structural Holding Repairs & Lift Refurbishment - Queen Anne project which is renamed Car Park Structural Holding Repairs.

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. It was important part to note the carry forwards in Appendix C, particularly reference 4, tourism cost centre, regarding Visit Cambridge and Beyond. There was reference to a report being prepared for the end of June which had not been seen and questioned if there were further financial costs that the committee should be aware of.
- ii. Requested information to the carry forward for the refit carbon reduction projects and queried if this had been delayed from the previous year.
- iii. Asked for an update on the vacancy for the cycling and walking officer.
- iv. Requested further information on the reason for large variances for the Crematorium (Appendix A p184) and asked what was creating the greater loss, the impact of the closure of the A14 or the increase competition in the general area.
- v. Asked if officers would appraise the performance of Cambridge Live as it was difficult to evaluate the accounts which were no longer separate now the organisation was back under the remit of the council.
- vi. Questioned what the sum of money was the council had allocated to deal with the original bailout of Cambridge Live and where on the officer's report was this shown,
- vii. Enquired if an explanation on the significant overspend regarding Environment Improvements (p136) could be provided.
- viii. Asked if the Executive Councillor for Finance and Resources would comment on the 57.5% failure rate to deliver on the capital programme.
- ix. Paid credit to garage services and car parking services.
- x. Welcomed the improvement under the refuse and recycling collection and the surplus by the Bereavement Services and Town Hall lettings.
- xi. Questioned why there was areas of overspend and underspend in the open spaces' portfolio.

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

- i. The carry forward for the refit carbon reduction would have been carried for a purpose.
- ii. A detailed answer would be given outside of the meeting on the Visit Cambridge and Beyond report and Cycling and Walking Officer as this could not be provided.

- iii. Referenced p144 of the agenda pack provided a response to the Environment Improvements question. This confirmed a lack of recharging income on officer's time against a budget which required reviewing as it had been set higher than the potential income that was possible.
- iv. Suggested the staff (environment improvements) in the team were not sufficient to generate the income suggested in the budget. This was a significant imbalance and would be investigated further in the budget process.
- v. Under Culture and Communities, p143, the following headings - Corn Exchange and Guildhall, City Events and Folk festival and Cambridge Live when added together represented Cambridge Live that was the external organisation. The variances added together showed a figure of £100,000 overspend.
- vi. Reminded the committee that Cambridge Live was taken over by the council at the start of the year with a considerable amount of work required to be done with the organisation.
- vii. Work had been undertaken by officers to change the structure of Cambridge Live which would help to bring down the deficit. The COVID-19 pandemic had severely impacted on this work and the finances required additional attention. Officers were waiting to find out what funding was available to support Cambridge Live.
- viii. £750,000 had been allocated to cover the cost of bringing Cambridge Live back into the council. Dealing with the deficit on the balance sheet which came into the council and developing structures to improve ways of running the organisation, legal advice, accountancy advice and audit. The money had almost been spent.
- ix. Before COVID-19 the Culture and Community Manager was confident that Cambridge Live was 'back on track'.
- x. Noted the request for the breakdown of how the £750,000 had been spent and what was left and would be given outside of the meeting.
- xi. The crematorium had been significantly impacted by the upgrade of the A14 which had contributed to three quarters of the loss revenue. There was an ongoing claim for loss of income regarding the A14 upgrade.
- xii. Prior to COVID-19 officers had put together a work plan to compete with the new competition, offering a low-cost funeral service and the introduction of a café on site which would increase income and match the competition.
- xiii. £13million of the £27million underspend was in CIP loans with £2.8million in bonds; all of which was for development and outside the council's control. If these figures were taken out of the underspend, the total was still significant but not as large at first glance.

- xiv. There were variables in the open spaces budget each with a specific reason as referenced on p144 of the agenda pack; different businesses had been impacted differently by COVID-19.

The Executive Councillor for Finance and Resource said the following:

- i. The original budget for Environment Improvements was higher and there had been an underspend. Could not comment why it had been reduced as much as it had.
- ii. Further information on Cambridge Live could be read on p142 of the agenda pack. The folk festival did not have the ticket sales anticipated when the council took over and the festival would not be taking place this year.
- iii. Agreed it was not satisfactory that there was an underspend on capital and this needed to be looked into further.
- iv. Expressed thanks to the finance department for compiling such a comprehensive report while all working from home.

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.

20/24/SR Interim Update to Medium Term Financial Strategy

Matter for Decision

The report presented an overview of the impact of the Coronavirus emergency in the Spring of 2020 on Cambridge City Council's budget for 2020/21. It set out how estimates had been made and the uncertainties within those estimates. It lists the financial support that central government has provided to the council and proposes several actions that the council can take to balance its budget in 2020/21.

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

- i. Note the forecast impact of the Covid-19 crisis on the council's finances.
- ii. Approve changes to the 2020/21 GF revenue and capital budgets as set out in Section 7 and Appendices 1 and 2 of the officer's report.
- iii. Approve the use of earmarked reserves, as set out in Section 7 and Appendix 3 of the officer's report.

- iv. Note the revised savings requirements identified in Section 8 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. Asked what priorities were being set and what the areas were that the council might stop spending on.
- ii. Questioned if the council was looking to make cuts before they were required. What processes were in place to reverse these cuts if government funding came through to the council.
- iii. Questioned what the process for was reviewing the reserve target if required.
- iv. Questioned if funding had been cut in the right areas.
- v. Stated it was clear why some projects had been cancelled, others had been set as lower priority or cut and do not need to be completed this year. However, there needed to be a clear definition between the two as it was not clear for all the projects referenced, the reason why this decision had been taken and by who. This information was required to undertake accurate scrutiny before the next meeting of full council.
- vi. It was important the public sector invested and spent finances to support the local economy especially as there was a prospect of additional government funding designed to support local authorities' loss of income. The council were able to do just this.
- vii. The council had stopped work at a time when the community and local economy needed it most, if the projects stopped it could be too late to reverse the decision.
- viii. Noted there was a few partnerships working projects (notably the Greater Cambridge Partnership) where funding cuts had been made. Questioned if these projects had been postponed as those partners had decided they could not be delivered due to COVID-19, or had they been negotiated with both parties or was it the council's decision.
- ix. Asked for the status on the youth liaison officer.

The Executive Councillor for Finance and Resources said the following in response to Members' questions:

- i. Items that had been retained in the budget were anti-poverty, climate change, biodiversity, homelessness to maintain these services during this difficult time.
- ii. There had been items which had been deferred until the following year as the work could not be carried out during the pandemic; other deferred items had been retained in the budget while others would be considered in the new year if financially viable.
- iii. The next round of government funding which had recently been announced amounted to £500 million for local authorities to cover additional expenditure which met certain criteria. There would not be assistance with property income losses.
- iv. With regards to car parking, the council would have to pay the first 5% of the losses and the government three quarters of the remainder. This could give approximately £2 million if the council met all conditions, however, detailed guidance was not yet available.
- v. Funding from government received on homelessness amounted to £24,750 (additional cost to the council was £1.2million).
- vi. In total a £1.3million grant had been received to date.
- vii. If government funding were more than anticipated, it would be possible to review the council's reserves and adjust the figures again.
- viii. Stated there were far more imponderables on the income side and reminded the committee there would be no assistance with the commercial property incomes. There was a variety of fees across the council which needed to be recovered across the council. It was uncertain if these costs would recover from government and the council would have to pay the first 5%.
- ix. Projects postponed were capital schemes funded from revenue, therefore these could be moved back and forth from one year to the next without much issue if the work could be completed.
- x. Acknowledged there were some climate change and biodiversity items which had been deferred but much of these works could not be restarted this year. The doubling of the wildflower meadows should already be completed.
- xi. The council had planned to spend £100,000 on its tree programme, but this funding had been spread over a longer period.
- xii. As the government had agreed a further tranche of funding to the GCP and the council did not have the financial resources available, it seemed sensible the contribution to the GCP could be reduced without hindering the work they were undertaking.

- xiii. The amount of money that the council allocated to the GCP was related to the new homes bonus which had been reduced.
- xiv. Could not provide a response to the query regarding the youth liaison officer but would ask that this was provided outside of the meeting.

The Committee **unanimously resolved** to:

- i. Note the forecast impact of the Covid-19 crisis on the council's finances.

The Committee **resolved 4 votes to 0** to:

- ii. Approve changes to the 2020/21 GF revenue and capital budgets as set out in Section 7 and Appendices 1 and 2 of the officer's report.

The Committee **unanimously resolved** to:

- iii. Approve the use of earmarked reserves, as set out in Section 7 and Appendix 3 of the officer's report.

The Committee **resolved 4 votes to 0** to:

- iv. Note the revised savings requirements identified in Section 8 of the officer's report.

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.

20/25/SR To Note Record of Urgent Decision Taken by the Executive Councillor for Finance and Resources

20/25/SRa Business plans: ICT, Legal and Internal Audit

The decision was noted.

20/25/SRb Criteria and process for distribution of the Local Authority discretionary grant under section 31 of the Local Government Act 2003.

The decision was noted.

20/26/SR To Note Record of Officer Urgent Decisions

20/26/SRa Amendment of the City Council Tax aggregate amounts

The decision was noted.

20/26/SRb Cambridgeshire and Peterborough Combined Authority- Appointment of the Council's substitute member

The decision was noted.

20/26/SRc Powers of the Chief Executive, Cambridge City Council-delegation to the Strategic Directors

The decision was noted.

20/26/SRd Action to support commercial tenants
The decision was noted.

20/27/SR Land purchase / funding opportunity Abbey Ward

Under 9.4 of Part 4B (Access to Information Procedure Rules), the agreement of the Chair had been sought as the taking of the decisions could not be reasonably be deferred listed for the Executive Councillors for both (i) Finance and Resources and (ii) Housing.

The committee unanimously agreed to exclude the press and public from the meeting following a public interest test under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Matter for Decision

The confidential report sought approval to acquire a site for development. The final proposals would be brought to a future meeting of the Housing Scrutiny Committee

Decision of Executive Councillor for Strategy and External Partnerships

i. Approved the amended recommendations as outlined in the confidential report and amendment sheet.

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 and tabled amendment sheet on the size and interest rate on a loan.

The committee discussed the report and amendment sheet.

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

The Executive Councillor for Finance and Resources and the Executive Councillor for Housing approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

The meeting ended at 9.30 pm

CHAIR