

STRATEGY AND RESOURCES SCRUTINY COMMITTEE

5 October 2020
5.00 - 7.37 pm

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

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

Officers:

Interim Chief Executive: Andrew Grant
Strategic Director: Fiona Bryant
Strategic Director: Suzanne Hemingway
Assistant Director Delivery: Sharon Brown
Head of Corporate Strategy: Andrew Limb
Head of Finance: Caroline Ryba
Head of Housing Maintenance and Assets: Lynn Thomas
Head of Shared Waste Service: Trevor Nicholl
Head of Transformation: Elissa Rospigliosi
Business and Development Manager: Tony Stead
Committee Manager: Sarah Steed
Democratic Services Manager: Gary Clift

FOR THE INFORMATION OF THE COUNCIL

20/28/SR Election of Chair and Vice-Chair

Nominations were invited for the Chair.

Councillor Barnett was proposed by Councillor Green, and seconded by Councillor Davies.

On a show of hands, Councillor Barnett was elected as Chair.

Nominations were invited for Vice-Chair

Councillor Robertson was proposed by Councillor Green and seconded by Councillor Davies.

On a show of hands, Councillor Robertson was elected as Vice-Chair.

20/29/SR Apologies for Absence

No apologies were received.

20/30/SR Declarations of Interest

Name	Item	Interest
Councillor Green	20/38/SRa	Prejudicial: Received grant as small business owner

20/31/SR Minutes

The minutes of the meeting held on 6 July 2020 were approved as a correct record and signed by the Chair.

20/32/SR Public Questions

There were no public questions.

20/33/SR Combined Authority Update**Matter for Decision**

The Officer's report provided an update on the activities of the Cambridgeshire and Peterborough Combined Authority since the 6 July Strategy and Resources Scrutiny Committee.

Decision of Executive Councillor for Strategy and External Partnerships

- i. Noted the update provided on issues considered at the meetings of the Combined Authority held on the 5 August and 30 September 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 Head of Corporate Strategy.

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

- i. Noted that the Cambridgeshire and Peterborough Combined Authority (CPCA) Mayor had joined the Greater Cambridge Partnership (GCP) Board as an observer and asked the Executive Councillor whether he thought this would be advantageous.
- ii. Asked if the Executive Councillor shared concerns regarding the length of time taken with the Cambridge Autonomous Metro (CAM) project and commented that if the project was deliverable then it needed to progress but if the project was not deliverable this needed to be acknowledged as further work on the project could affect work on other planning for transport projects.
- iii. Noted that the Combined Authority should not focus solely on dualling the A10 between Ely and Cambridge as there were other initiatives which were being considered by the GCP.
- iv. Noted the e-scooter pilot scheme the Combined Authority was looking to promote in Cambridge and raised concerns regarding parking, distribution and management of the project following issues with previous 2 wheel hire schemes.
- v. Expressed concerns regarding the abolition of regional planning structures and asked what was being done by the CPCA Mayor in response to the White Planning Paper 'Planning for the Future' as Mayors were identified within the White Paper.

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

- i. All the authorities needed to work together to link up homes, jobs and work whilst also taking into consideration climate change impacts. The CPCA Mayor had delayed work on the Cambourne to Cambridge link for 9 months because the CPCA Mayor had an alternative route. The Combined Authority projects needed to link up with the GCP projects.
- ii. Noted that the CPCA Mayor had returned to technology that the GCP had been working on regarding the CAM project which involved narrower tunnels as a technical group had identified that the wider tunnels were unaffordable. He expressed concerns regarding the amount of time and money which had been spent on the CAM project and also expressed concerns regarding the transparency of the external company which was being set up to take the project further.
- iii. Noted that a good outline business case had been prepared regarding the A10. Expressed concerns regarding the dualling of the A10 because there was a lot of traffic that used the A10. Referred to work which had been undertaken by the GCP regarding a northern route rather than a large roundabout linking the A14 and the A10.

- iv. Noted that the CPCA Mayor had publicised the e-scooter project but commented that there wasn't a lot of detail available regarding the e-scooter project. He would prefer to see an e-bike trial as he thought these would be more important in the future to connect homes with employment sites. He shared the concern expressed by the Royal National Institute of Blind People regarding the unregulated aspect of e-scooters.
- v. A lot of work had been put into the non-statutory spatial strategy which contained a lot of good evidence, this included information regarding the imbalance of the growth in the south of the county and the disadvantage in the north of the county. He wasn't clear how the CPCA Mayor would take this issue forward. Acknowledged it was important that the City Council responded to the White Paper 'Planning for the Future' consultation.

The Committee noted the recommendations.

The Executive Councillor noted the recommendation.

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

No conflicts of interest were declared by the Executive Councillor.

20/34/SR Annual Complaints Report

Matter for Decision

The report provided an analysis of the complaints and compliments received by the Council during 2019/20 under the Corporate Complaints, Compliments and Comments procedure.

Decision of Executive Councillor for Finance and Resources

- i. Approved the draft Annual Complaints Report for 2019/20, and approved the report could be published on the Council's website.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Corporate Strategy and the Business and Development Manager.

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

- i. Thanked officers for the report and said it was helpful that the report included more contextual information around the areas where complaints were counted and assessed as this enabled councillors to scrutinise the report.
- ii. Referred specifically to the Waste Service and p59 of the agenda and noted that complaints were still at high levels compared with 2017/18 levels. Questioned why complaints regarding bins not being emptied were treated as a service request and not as a complaint.
- iii. Questioned if the lessons learnt by the Waste Service could be applied to other services across the council.
- iv. Thought there were greater problems with the commercial four wheeled bins rather than domestic bins, and wondered if this was due to cross-contamination or the bins not being put back where they should be. Asked for commercial and domestic bin complaints to be separated in future reports.
- v. Acknowledged the good work done by the Waste Team, which was evident in the £25,000 surplus and was also pleased that changes made to the service were now coming to fruition.
- vi. The number of complaints regarding the Housing Assets and Maintenance Department had increased. There were several tenants who were unhappy with the failure of the service to deliver its programme of maintenance and repairs. The narrative accompanying the complaint assessment did not adequately explain why there were a number of complaints.
- vii. Noted a report which was later on the agenda which talked about digital transformation and the Responsive Repairs Appointing System which may assist the Housing, Maintenance and Assets Department improve their service. He asked whether the system was on target to be introduced in November 2020.

The Head of Shared Waste Service and Head of Housing Maintenance and Assets said the following in response to Members' questions:

- i. 99.82% of bins were collected on time. There were occasions when bins were collected late and this could be due to staffing issues / road closures etc but crews would always return to the properties to collect the bins.
- ii. The Waste Service visited resident's properties 1 and a half times a week and therefore had a huge interaction with residents. Lessons were

- learnt from formal complaints and the number of formal complaints had reduced. Processes had been put in place to ensure that issues raised through the complaint system did not arise again.
- iii. Complaints made to the Waste Service were now put at the heart of what the service does. All of the Waste Service Management Team reviewed complaints to see if there were trends and problems in certain areas. They tried to find solutions to patterns of problems rather than just dealing with individual complaints.
 - iv. Confirmed the way in which bin complaints were recorded would be looked at and noted that there had been issues with communal bins stores and a lot of work had been undertaken with residents in those communal locations.
 - v. Previously complaints regarding the Housing Maintenance and Assets Service were not always being logged through the complaint system and staff were instead individually responding to tenants and meant that officer weren't always able to see patterns in complaints. She acknowledged that there had been an increase in the number of complaints and dissatisfaction with the service and a full-service review had been undertaken.
 - vi. It was confirmed that the Responsive Repairs Appointing System was due to go live in November 2020.

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.

20/35/SR Treasury Management Half Yearly Update Report 2020/21

Matter for Decision

The Council has adopted The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (Revised 2017).

The Code of Practice requires as a minimum receipt by full Council of an Annual Treasury Management Strategy Statement – including the Annual Investment Strategy and Minimum Revenue Provision Policy – for the year ahead, a half-year review report and an Annual Report (stewardship report) covering activities in the previous year

This half-year report has been prepared in accordance with the Code and covers the following: -

- The Council's capital expenditure (Prudential Indicators);
- A review of compliance with Treasury and Prudential Limits for 2020/21;
- A review of the Council's borrowing strategy for 2020/21;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- A review of the Council's investment portfolio for 2020/21; and;
- An update on interest rate forecasts following economic news in the first half of the 2020/21 financial year.

In line with the Code of Practice, all treasury management reports have been presented to both Strategy & Resources Scrutiny Committee and to full Council.

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

- i. Approve the Council's estimated Prudential and Treasury Indicators 2020/21 to 2023/24 as detailed in Appendix A of the officer's report.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance. She advised that the capital numbers within the report reflected figures in the General Fund (GF) and Housing Revenue Account (HRA) Medium Term Financial Strategies (MTFS) relating to the proposed 1000 homes 10-year capital plan and the L2 Orchard Park development loan.

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

- i. Asked whether the council had experienced any cashflow problems during lockdown as he was aware that other local councils had experienced cashflow problems because of the collection of business rates and council tax.

- ii. Referred to Appendix D of the officer's report which showed the current interest rates and noted that due to economic stimulus the rates were low at the moment. Referred to item 7.5 and noted that cash balances had protected the council from certain challenges. He assumed that target inflation rates would be kept at 2% and asked whether there were any steps the council could take to protect the real term value of investments.

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

- i. The council had not experienced any cashflow issues because the Government had brought forward significant cash payments particularly in relation to business rates relief. Cashflow was monitored daily and it was not likely that there would be any cashflow issues until the implementation of the capital plan which wasn't until the new financial year.
- ii. When treasury investment was undertaken, officers were encouraged by CIPFA guidance to think about investments in a three stage hierarchy, the first stage was the security of the investment, then liquidity and then yield. The security of capital sums was the most important consideration and the risks of investments had to be considered very seriously. Referred to problems which had arisen with the Icelandic bank loans.

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.

20/36/SR General Fund Medium Term Financial Strategy 2020

Matter for Decision

This report presented and recommended the budget strategy for the 2021/22 budget cycle and specific implications, as outlined in the Medium-Term Financial Strategy (MTFS) October 2020 document, which was attached and to be agreed.

This report also recommended the approval of new capital items and funding proposals for the Council's Capital Plan, the results of which were shown in the MTFS.

At this stage in the 2021/22 budget process the range of assumptions on which the Budget-Setting Report (BSR) published in February 2020 was based need to be reviewed, in light of the latest information available, to determine whether any aspects of the strategy need to be revised. This then provides the basis for updating budgets for 2021/22 to 2025/26. All references in the recommendations to Appendices, pages and sections relate to the MTFS.

The recommended budget strategy was based on the outcome of the review undertaken together with financial modelling and projections of the Council's expenditure and resources, in the light of local policies and priorities, national policy and economic context. Service managers had identified financial and budget issues and pressures and this information had been used to inform the MTFS.

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

- i. Agree the budget strategy and timetable as outlined in Section 1 [pages 5 to 7 refer] of the MTFS document.
- ii. Agree the incorporation of changed assumptions and specific, identifiable Covid-19 pressures, as presented in Sections 3 and 4 respectively [pages 18 to 23 refer]. This provides an indication of the net savings requirement, by year for the next five years, and revised projections for General Fund (GF) revenue and funding as shown in Section 5 [page 27 refers] and reserves [section 7 pages 32 to 35 refer] of the MTFS document.
- iii. Note the changes to the capital plan and funding as set out in Section 6 [pages 28 to 31 refer] and Appendix A [pages 40 to 44] of the MTFS document and agree the new proposals.

Ref.	Description / £'000s		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	Proposals								
SC744	L2 – Development loan to CIP		-	3,400	5,200				8,600
SC745	L2 – Equity loan to CIP		500	800	500				1,800
PV554	Development of land at Clay Farm (reprofiling existing spend)		(783)	49	14	15	705		0
	Total proposals		(283)	4,249	5,714	15	705		10,400

- iv. Agree changes to GF reserve levels, the prudent minimum balance being set at £6.33m and the target level at £7.59m as detailed in section 7 [pages 32 to 35 of the MTFS refers] and Appendix B [pages 45 and 46 of the MTFS refers].

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 for clarification of the officer's discussion of reserves as on the one hand she thought the officer had said that reserves would be used to offset financial pressures but on the other hand that the council's reserves would be increased.
- ii. Asked how the reserves could be used over the next few years considering the challenges which lay ahead.
- iii. Referred to pages 123 – 126 of the agenda and noted that the scenario analysis which had been undertaken and acknowledged that a prudent position had been taken. Queried whether pressure had been taken off the Government by Council's adopting a prudent approach. Questioned the prudent minimum balance and whether this would cover the council's risks.
- iv. Asked if there were more forecast figures taken from across the council since the figures which were approved at the July council meeting.
- v. Commented that this was the time when residents needed to feel the benefit of the council's good financial management.
- vi. Queried if the council was going to receive any Covid-19 grant funding and if they were how much this would be. Noted that the council was currently showing a surplus of money because a few capital schemes had been deferred. Also asked what the cashflow situation was for business rates, council tax and commercial tenants.
- vii. Queried why the pay assumption had been increased from 2% to 2.5% and asked where the narrative was regarding this in the report. Referred to the statement on p130 of the agenda and asked which service reviews members should be expecting to hear about. Referred to 3 areas suffering particular impact because of Covid-19 which included parking, commercial rents and Cambridge Live and commented that there should

be an explanation why the impacts were being extended into financial years 2021/22 and 2022/23. Asked if members could see bid from officers regarding 'unavoidable items' and whether these would be included within the budget.

- viii. Referred to section 8 of the report which looked at new ways of working and maintaining priorities and noted three interesting bullet points in that section. Asked the Executive Councillor to explain the directional financial impact of that section for example would it cost the council money or save the council money.

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

- i. She referred to a table on p141 of the agenda which set out the reserves that the council had and it showed in the 2021/22 column that the council was using £2.9 million of reserves over the next couple of years. The prudent minimum balance was shown in the table at the top of p143 of the agenda and set out the minimum balance that the reserves should be kept at. The difference between the prudent minimum balance and the council's amount of reserves could be used by the council in a number of ways. The council's reserves were not increasing; the prudent minimum balance of reserves was being raised.
- ii. There were a number of options for how the council's reserves could be used and it was important to consider how the council could use the reserves to generate an income. Reserves could be used to invest in a regeneration project which provided rental income, or a renewable energy projects which provided climate change benefits and generated an income, to support the council's capital programme.
- iii. Setting a prudent minimum balance required not only officer judgement but also a calculation to support it. Consideration had to be given to what had happened within the financial year. The Council had seen a reduction in its income of around £8 - 9 million. There was a Government income compensation scheme which should reduce this deficit in a substantial way. The prudent minimum balance would be reviewed on a regular basis and would be reviewed again in the Budget Setting Report.
- iv. The forecast figures were looked at on a regular monthly basis, and a detailed end of quarter report was done. The second quarter report was not available at the moment. Monthly flash reports were done but these were not as detailed as the quarterly reports. There was a projected underspend of approximately £2 million following the interim MTFS which was approved in July 2020.
- v. An application had been made to the Cultural Relief Fund to cover the costs of Cambridge Live. She had now seen guidance for claiming for loss of income and had just submitted the initial claim for the first 4

months of the year. This would be for approximately £2 million but she noted that as the guidance was general and that MHCLG would be auditing claims and there was a considerable amount of judgement when claims were compiled. She expected future claims for the rest of the year to be a lot lower. As the lockdown eased there were conditions around what could be claimed and whether these were as a result of Government guidance or local decisions. Council tax income had held up but she expressed concerns that impacts of the lockdown were yet to be seen for example as a result of the end of the furlough scheme, increase in unemployment and more claims on council tax support scheme. The Council had been relatively shielded by the losses in business rates because of Government grants.

- vi. Officer's view was that a 2.5% pay rise was a better estimate given the recent pay award. There were a number of service reviews in progress and a number planned for the future. She would expect to see the outcomes of reviews of fees and charges, revenues and benefits and customer services in the budget setting report. The Head of Commercial services continued to do detailed forecasts regarding income which was based on assumptions relating to Covid-19, the recovering of the city centre and the return of full car parking charges. The Head of Property Services had done a detailed review of the property portfolio on a property by property basis and what properties might be provide opportunities for improvement or redevelopment. Cambridge Live had looked at how outdoor events might be delivered in 21/22 and how social distancing may affect the events. When preparing the BSR if things are truly unavoidable they are identified as such in the BSR the challenge is deciding whether something is truly unavoidable or whether it could be delivered in a different way or were not 100% necessary.

The Executive Councillor commented:

- i. That the council was facing very unusual and uncertain circumstances, which included Covid-19, Brexit and the fair funding review, which meant the council needed to be prudent in how it considered using its reserves. The Council was not saying that it would not spend reserves but at the moment careful consideration needed to be given to the use of reserves so that the council was in a strong position to face challenges which lay ahead.
- ii. Section 8 of the budget strategy section was alerting people to the potential ways that the council can move forward and this might cost money initially but the intention would be to save money in the longer term. The Council will look in relation to Covid-19 how it can build on the

work with the Mutual Aid Networks and how the council can continue to work with the community.

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.

20/37/SR Service Review: Customer Services

Matter for Decision

A review of Customer Services has been carried out to identify the right service model for the future. The report sets out the findings and recommendations from the review

Decision of Executive Councillor for Finance and Resources

- i. Approved the changes to Customer Services provision detailed in the body of the report, including, where necessary, introducing a revised staffing structure.
- ii. Delegated to the Head of Transformation the work to implement these changes, noting that the staff restructure is subject to consultation with staff and unions and engagement with tenant representatives on issues affecting the Council's tenants and leaseholders, and that the changes will be signed off by the Leader in accordance with the Council's Organisational Change policy.

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 Transformation.

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

- i. The report proposed the removal of the cashier service from Mandela House and Arbury Road, the member asked how spread out and accessible the Paypoint and Post Office services are for tenants and

residents to make payments. Also asked for a timescale when the website would be updated to accommodate the provision of more services online.

- ii. Asked how support would be provided to residents to help them access the online services.
- iii. Referred to page 56 of the agenda pack which detailed an analysis of complaints via different types of contact. Face to face contact had the best review at 80% customer satisfaction rate compared to email which had a 50% satisfaction rate. Asked how it could be ensured that the council did not get complaints about customer service as a result of the proposed changes to the service. Noted that there were increases in complaints against other services when new technology was rolled out.
- iv. Acknowledged that the council needed to facilitate residents being able to access services online but questioned if a person with an urgent and / or complex query would be able to speak with someone rather than having to engage with the council online only and that this was an option available to members of the public early on rather than as the last option.

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

- i. Alternative locations for making payments to the city council were widely spread out across the city this included high street banks, post offices and shops with Paypoint services (there were approximately 25-30 locations within the city). Acknowledged that some customers will need assistance to transition to the new online services and that measures had been put in place since the early stages of lockdown. The council was in the soft launch phase of its customer portal and some services had had online options for some time (for example council tax and benefits). The website would be updated in the next few weeks so that customers could navigate to services online better.
- ii. Customer Services Officers would be trained to be able to offer support to residents to help them access services online. This could either be on the telephone or by face to face appointment. Assistance could include signposting people to the portal, helping residents to set up a customer portal account or an email address and asking questions to draw out what the barriers were for residents being able to access services online. The trial stage detailed in the report would be a good intelligence gathering exercise to understand barriers for people being able to access services online.
- iii. Referred to page 56 of the agenda and the table showing the GovMetric feedback. The highest volume of negative feedback was provided by website feedback but she advised that sometimes negative feedback can

be more about the advice provided and not the way in which it was provided and therefore caution needed to be exercised when considering feedback via the website. She wanted to ensure that the same high quality of service could be provided to customers via a new way and customer feedback and insight would be taken into account in the new design.

- iv. Would be happy to provide a further briefing to members on concerns raised regarding the detail of the review. A set of criteria had been agreed to try and identify customers who may require additional assistance. A trial period was proposed to see how customers responded to the proposed changes and to allow time for a staff consultation and to ensure that resources met demand.

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.

20/38/SR To Note Record of Urgent Decision Taken by the Executive Councillor for Finance and Resources

11a Revised Local Authority Discretionary Grant Policy Under section 31 of the Local Government Act 2003

The decision was noted.

11b Procurement of electricity supply contract 2020

The decision was noted.

The meeting ended at 7.37 pm

CHAIR