

STRATEGY AND RESOURCES SCRUTINY COMMITTEE 11 October 2021
5.00 - 7.15 pm

Present: Councillors Robertson (Chair), H. Davies (Vice-Chair), Bick, Dalzell, Healy and S. Smith

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

Officers:

Chief Executive: Robert Pollock

Strategic Director: Fiona Bryant

Head of Finance: Caroline Ryba

Committee Manager: Gary Clift

FOR THE INFORMATION OF THE COUNCIL

21/30/SR Apologies for Absence

There were no apologies for absence.

21/31/SR Declarations of Interest

No declarations of interest were made.

21/32/SR Minutes

The minutes of the meeting held on 12 July 2021 were approved as a correct record and signed by the Chair.

21/33/SR Public Questions

There were no public questions.

21/34/SR Combined Authority Update

The Leader of the Council updated the Scrutiny Committee on the issues considered at the last three meetings of the Combined Authority. Members of the Scrutiny Committee raised points about the use of regulated and unregulated electric scooters in the city, noting that the Voi trial, which was regulated, had been agreed to continue to March 2022.

The Leader undertook to write to the Mayor seeking a wider consultation on pros and cons of the Voi pilot in the city.

The Scrutiny Committee noted the update on issues considered at the meetings on 28 July, 25 August and 29 September 2021.

21/35/SR North East Cambridge 'In Principle' Commitment to Delivery of AAP

Matter for Decision

A joint Area Action Plan (AAP) is being prepared by Cambridge City and South Cambridgeshire District Councils for North East Cambridge that will promote future structural change in the layout and land use of parts of the area. This includes new strategic walking and cycling connections; residential use of Nuffield Industrial Estate; the consolidation of industrial uses around the aggregate railhead; and the relocation of incompatible uses.

In addition to landowners, developers and other delivery partners, the councils may have a role in facilitating delivery of a new spatial framework for the area. Depending on the circumstances and delivery options available, this may include the acquisition or disposal of land, and may require use of compulsory purchase order powers.

To take the AAP to its next formal stage, the councils must be able to demonstrate that the AAP is 'deliverable', including ensuring any required land assembly or relocations can be delivered. An 'in principle' commitment to delivery of the AAP is therefore sought from both councils to satisfy this requirement ahead of the respective authority's consideration of the Regulation 19 draft of the Plan programmed for December 2021 – January 2022.

This is a not key decision as this report seeks to establish an 'in principle' commitment to deliver the AAP; a decision to acquire or dispose of land, or to use compulsory purchase order powers, would be subject to a separate report to outline the specific circumstances, the case for Council intervention, and resource implications.

Decision of Executive Councillor for Strategy and External Partnerships

- i) Noted that the North East Cambridge Area Action Plan is contingent upon the separate Development Control Order being undertaken by Anglian Water for the relocation of the Waste Water Treatment Plant being approved;
- ii) Subject to (i), agreed that the Council is committed to the delivery of the North East Cambridge Area Action Plan, including land disposal or assembly, and subject to formal adoption of the Area Action Plan in due course, to use its Compulsory Purchase Orders powers if required.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Senior Planning Policy Officer introduced the report.

It was noted that the scrutiny committee and Executive Councillor were not being asked to consider the detail of the AAP.

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.

21/36/SR Update on Recovery

Matter for Decision

The report provided an update on the progress to date and proposals in regard to the recovery programme and followed on the update provided to committee in July 2021

Decision of Executive Councillor for Finance and Resources

Noted the:

- i) content of the report and the update on financial support progress
- ii) emerging draft strategy and the intention to develop it further with partners and stakeholders before bringing it back to committee
- iii) requirement to review the plans for council assets and related activity outlined in section 5.10 to ensure that they align broadly with the vision and principles developed and discussed at committee in January 2021 and also with reviewed partner proposals around wider transport and other related issues

Approved the

- iv) in-principle proposals for residual grant funding support and delegated approval of final details, contracting and oversight of implementation and monitoring to the Strategic Director, in consultation with 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. It was noted that the grant funding had only recently been confirmed hence the recommendation to delegate to the Strategic Director in consultation with Executive Councillor, Chair and spokes.

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

- i. Important to focus on the impact the pandemic has had on opportunity for young people.
- ii. Would like to see what the Council is doing outside of the city centre ie in the local neighbourhood centres?
- iii. Appendix A (Making Space for People Jan 2021) needs to address the changes to retail ie internet shopping. How will Appendix 2 (Emerging Draft Strategy) gel with both planned Local Plan and Transport Access to City consultations?
- iv. Is there a clear listing of the urgent risks (and if not the Council's whose) and prioritising the actions.

The Strategic Director replied on local neighbourhood centres that the Draft Strategy would address this, the current focus on the city centre was primarily because of the Council's key assets in that area.

The Executive Councillor stated that the work undertaken by officers during this challenging time had to be recognised. In answering the points, he explained that the Vision was a draft but believed it was better to present where we currently are, to share with the scrutiny committee and interested stakeholders and residents. The Executive Councillor agreed that disadvantaged young people must be a priority.

The Committee unanimously resolved (i, iii, iv) and by 4-0 (ii) 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.

21/37/SR UK Municipal Bonds Agency Framework Agreement

Matter for Decision

To seek approval for the council to enter into legal agreements with the UK Municipal Bonds Agency (the "agency" or "UKMBA") to enable the council to borrow from the UKMBA in the future, should it wish to do so.

Decisions of Executive Councillor for Finance and Resources

- i) Approved the council's entry into the UK Municipal Bonds Agency's framework agreement and its accompanying schedules including the joint and proportional guarantee;
- ii) Delegate authority to the Head of Finance as Section 151 Officer and the Head of 3C Shared Legal Practice as Monitoring Officer to sign those documents, as appropriate, on behalf of the council;
- iii) Grant the Section 151 Officer delegated authority to agree amendments to the framework agreement as appropriate.

Noted:

- iv) the framework agreement and its schedules, including the joint and proportional guarantee, as set out in Appendix 2;
- v) consideration of the council's financial position and financial standing in section 5;
- vi) signing the framework agreement does not make the Council subject to the joint and proportional guarantee or other provisions of the framework agreement until such time it borrows from the agency; and
- vii) the assessment of the advantages and disadvantages of entering into the framework agreement in section 6.

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 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.

21/38/SR Treasury Management Half Yearly Update Report 2021/22

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 2021/22;
- A review of the Council's borrowing strategy for 2021/22;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- A review of the Council's investment portfolio for 2021/22; and;
- An update on interest rate forecasts following economic news in the first half of the 2021/22 financial year.

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

- i. Approve the Council's estimated Prudential and Treasury Indicators 2021/22 to 2024/25 (Appendix A of the officer's report).
- ii. Approve that the counterparty limit for building societies with assets over

£100bn be increased by £10m to £30m (Appendix B of the officer's report).

- iii. Approve the changes to the Cambridge Investment Partnership loans in the counterparty list, to bring these into line with the approved expenditure per the approved capital plan (Appendix B 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.

In response to a request for further information, the Head of Finance undertook to provide to the scrutiny committee the value of the CCLA Property Fund investment each year since it was purchased.

Subsequent to the meeting, the following was provided:

Date	Nominal Value (Cash deposited)	Fair Value
31 March 2015	£10,000,000	£9,434,022
31 March 2016	£10,000,000	£10,000,348
31 March 2017	£15,000,000	£14,534,900
31 March 2018	£15,000,000	£15,225,160
31 March 2019	£15,000,000	£15,461,733
31 March 2020	£15,000,000	£14,908,706
31 March 2021	£15,000,000	£14,802,709

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.

21/39/SR Cherry Hinton Library Community Hub**Matter for Decision**

To provide additional funding to the capital project following the decision by a key partner organisation to withdraw financial support.

Decision of Executive Councillor for Finance and Resources

- i) Approved £210,000 of funding from capital receipts or borrowing (according to availability of receipts) in addition to the £282,000 capital funding already approved in the February 2019 budget bid (ref. 100256). This brings the total Council capital funding required to deliver this scheme to £492,000 within a total estimated scheme budget of £767,000.
- ii) Delegated authority to the Strategic Director in consultation with the Head of Property Services and Executive Councillor for Finance & Resources, to approve any leases and associated management agreements for up to 50 years, as may be required for the management of the CH Hub building.

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 Project Manager, Community Services.

The Committee expressed dismay at the way the Royal British Legion had conducted itself with regard to this project. Members were supportive that this facility is provided in Cherry Hinton nevertheless.

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.

21/40/SR General Fund Medium Term Financial Strategy 2021**Matter for Decision**

This report presented and recommended the budget strategy for the 2022/23 budget cycle and specific implications, as outlined in the Medium-Term Financial Strategy (MTFS) October 2021 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 2022/23 budget process showed the range of assumptions on which the Budget-Setting Report (BSR) published in February 2021 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 2022/23 to provide indicative budgets to 2031/32. 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.

It was noted that the budgetary implications of the Depot Relocation reported elsewhere on the agenda and agreed by the Executive Councillor would be incorporated into an updated version of the MTFS reported to Full Council.

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

- i) To agree the budget strategy and timetable as outlined in Section 1 [pages 5 to 7 refer] of the MTFS document.
- ii) To agree the incorporation of changed assumptions and specific, identifiable pressures, as presented in Sections 3 and 4 respectively [pages 19 to 30 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 6 [page 36 refers] and reserves [Section 7 pages 37 to 41 refer] of the MTFS document.
- iii) To agree the revenue budget proposals as set out in Section 4 [pages 19 and 20 refer].

Description	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Additional communications posts and digital consultation platform (license fee) - recurring	45	125	125	125	125
Additional costs of redevelopment of commercial units at Colville Road Phase 3		120	120		
Set up costs of a new housing company and Registered Provider	73				
Feasibility study to expand Cambridge City Housing Company	70				
Total	188	245	125	125	125

Capital

- iv) To note the changes to the capital plan and funding as set out in Section 5 [pages 31 to 35 refer] and Appendix A [pages 49 to 52] of the MTFS document.
- v) To agree changes to the budget for the Meadows Community Hub and Buchan Street retail outlet scheme as set out below.

Ref.	Description / £'000s	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	Proposals							
SC694	Meadows Community Hub	(1,224)	2,551	158	-	-	-	1,485

Ref.	Description / £'000s	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	and Buchan Street retail outlet							
	Total proposals	(1,224)	2,551	158	0	0	0	1,485

- vi) To agree the replacement of third-party contributions of £210k for the community extension to Cherry Hinton library with council funding.

Reserves

vii) To agree the transfer of £3.1m and £0.8m of GF reserves into earmarked reserves to support the delivery of the Our Cambridge transformation and recovery programme and to provide a contingency fund for the programme [page 41 refers]. Furthermore, to agree authorisation to draw down funding from these reserves to be as described.

viii) To agree changes to GF reserve levels, the prudent minimum balance being set at £6.64m and the target level at £7.98m as detailed in Section 7 [page 39 refers] and Appendix B [pages 53 and 54 refer].

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:

- v. Requested clarification on the additional communication posts.
- vi. Will the Transformation Programme be analysed project by project by Scrutiny/Executive Councillor?

In reply to Members' questions:

- i. Officers would provide the paper recommending additional communication posts.
- ii. Transformation Programme projects would be taken to the relevant Scrutiny Committee, along with the necessary consultation with residents, staff and partners.

The Committee by 4 votes to 0 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.

21/41/SR Depot Relocation

Matter for Decision

The current depot relocation programme has reached two fundamental milestones that require the approval of funding to enable the programme to proceed to meet the required timetable.

- a. Land acquisition – requires a commitment to purchase if certain criteria are met. This needs to be in this calendar year
- b. The procurement of a supplier to complete the construction phase of the programme – requires a commitment to procure early in Q4 of this financial year

The £10m capital bid is to cover all costs incurred in relocating the depot and consists of land acquisition and associated costs, design, planning, costing and associated costs, construction and associated costs, consultant support both for the depot build and to support elements of service redesign key to the programme.

This programme will lead only those elements of service redesign that directly affect the overall depot relocation programme, seeking to rationalise processes/delivery models to drive out cost, increase efficiency, reduce carbon impact, looking to minimise land requirements and therefore reducing the capital cost of the depot relocation programme.

It is hoped that the elements of service redesign will also reduce ongoing costs that the Council bears in running those services.

Following a site search, several possible sites have been identified and work is ongoing to consider these further and agree provisional terms

The full cost of the depot relocation has yet to be fully understood. For forecasting purposes, the capital bid for this programme is £10m though this figure is a forecast and may be subject to change either way as the project progresses.

In light of current funding pressures and limits on available capital funding, the Lion Yard shopping centre investment scheme will be removed from the approved capital plan and the funding allocated to that scheme repurposed to depot relocation. It is proposed that a further £1m of funding is allocated from the General Fund Development Reserve and the balance from capital receipts and/or additional borrowing.

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

- i) Approve capital funding of £10m for the depot relocation
- ii) Remove the Lion Yard shopping centre investment scheme from the capital plan, reallocating the funding from that scheme to the Depot Relocation programme
- iii) Allocate £1m of funding from the General Fund (GF) Development Reserve to the Depot Relocation programme
- iv) Allocate an additional £3m of capital receipts or borrowing to fund the balance of the scheme

And agreed to:

- v) Proceed with the depot relocation programme on the basis as set out in the officer report
- vi) Grant delegated authority to approve the acquisition of a site to the Strategic Director in consultation with the Executive Councillor for Finance and Resources, Opposition Spokesperson, Head of Property Services and Head of Finance.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee noted that the Chair had ruled under Local Government Act 1972, schedule 100 B (4) (b) that this item was considered as a matter of urgency for the reasons explained on the supplemental agenda published on 7/10/21.

The Committee received a report from the Head of Finance.

The Committee resolved unanimously 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.

The meeting ended at 7.15 pm

CHAIR