

**STRATEGY AND RESOURCES SCRUTINY COMMITTEE** 15 January 2024  
5.30 - 7.25 pm

**Present:** Councillors Robertson (Chair), Baigent (Vice-Chair), Bick, Gawthrop Wood, Griffin, Holloway, Sheil, Young, Bennett, Davey (Executive Councillor) and S. Smith (Executive Councillor)

**Also Present:**

Council's representative on the CPCA: Councillor Anna Smith  
Executive Councillor for Open Spaces and City Services: Councillor Sam Carling  
Executive Councillor for Planning, Building Control and Infrastructure: Councillor Katie Thornburrow

**Officers:**

Assistant Chief Executive: Andrew Limb  
Chief Operating Officer: Jane Wilson  
Chief Finance Officer: Caroline Ryba  
Assistant Chief Finance Officer: Neil Krejewski  
Director City Services (remotely): James Elms  
Strategic Delivery Manager (remotely): Alistair Wilson  
Development Assistant Director: Ben Binns  
Committee Manager: Chris Connor  
Producer: Boris Herzog

**FOR THE INFORMATION OF THE COUNCIL**

**24/114/SR Apologies for Absence**

No apologies were received.

**24/115/SR Declarations of Interest**

Name	Item	Interest
------	------	----------

Councillor Baigent	All	Personal: Member of Cambridge Cycling Campaign
-----------------------	-----	--

## 24/116/SR Public Questions

A list of public questions was publishing on the meeting page available via: [\(Public Pack\)Public Questions for Strategy and Resources Committee - 15 January 2024 Agenda Supplement for Strategy and Resources Scrutiny Committee, 15/01/2024 17:30 \(cambridge.gov.uk\)](#)

Responses to public questions and supplementary questions are included below:

### Question 1

I should like to ask a question on behalf of the Federation of Cambridge Residents about the use of the general fund to pay for the refurbishment of the Guildhall, Corn Exchange and Cambridge market Square. Item 6 on the agenda. The BBC reported that “The Guildhall, Corn Exchange & the Market Square in Cambridge could all be refurbished as part of a £20 million project and that the £20 million would come from the council’s general reserve”. Residents say there has been no consultation about these plans or the vision for the city centre and that there is no mention of Cambridge’s traditional market or of the market traders. This is important because at the last market square stakeholders’ meeting the CEO of Cambridge Bid told attendees a bid for investment in the city centre was going out to tender and that the vision for the city centre would be commercially driven and not civic. Cambridge residents ask why there has been no public disclosure of the discussions about using the General Fund for this, which involves large sums of taxpayer money and impacts world famous city spaces and people’s livelihoods?

The Chair of the Committee responded:

- i. There was a report coming to Strategy and Resources Scrutiny Committee on 29 January 2024 and that the Committee would be better position to respond to the question at that time. The Chair therefore deferred the public question to the 29 January 2024 meeting.

## 24/117/SR Capital Strategy

### Matter for Decision

This report presents the capital strategy of the council together with a summary capital programme for the General Fund (GF) and Housing Revenue Account (HRA). The previous capital strategy was approved by Council on 23 February 2023. The strategy is focused on providing a framework for delivery of capital expenditure plans over a 10-30 year period. These plans cover spending on operational assets to support service delivery and on investments which provide an income for the council alongside meeting the council's objectives in relation to economic development and place-making, regeneration and climate change mitigation. Governance arrangements are also outlined in order to ensure the capital programme continues to deliver value for money.

### **Decisions of Executive Councillor for Finance and Resources**

The Executive Councillor is asked to:

- Recommend the capital strategy to Council; and
- Note the summary capital programme

### **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 Deputy Chief Finance Officer.

The Deputy Chief Finance Officer and the Chief Finance Officer said the following in response to Members' questions:

- i. Regarding heritage assets, within the capital strategy the approached decision making about the capital programme, part of the process of producing that document was to understand that there may be non-financial considerations that form part of the Councils overall objectives.
- ii. There was a recognition within the capital strategy of the alignment of the Councils corporate plan. The capital strategy was about ensuring there were prudent arrangements for financing that expenditure.
- iii. Regarding the restrictions in place in terms of the acquisition of assets for commercial benefit or investments for yield, the government guidance

- on the topic is clear in prohibiting investments which were purely for yield however it does give local authorities through their section 151 officer the flexibility to consider other motivations regarding proposed investment which could include regeneration. The proceeds of any regeneration were required to be recycled rather than fund delivery of future services.
- iv. Councillor Bennett requested a list of the Council's peppercorn leases.
  - v. The change assurance team is led by the Head of the Shared Internal Audit Service. Does not currently have the list available of members however it had representatives from Finance, HR, Legal, Procurement and others. A full list could be provided.
  - vi. The commercial property income target was less than 50% because it was seen as a risk. Whereas income received from government was seen as more secure.
  - vii. In the general fund the level of reserves would be reduced in the next year or so due to significant investments being made. The report showed figures that do not include business rates growth. That would increase the need for the Council to borrow in order to deliver the capital expenditure that was set out in the report.

The Scrutiny Committee unanimously approved the recommendations.

The Executive Councillor for Finance and Resources 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.

### **24/118/SR Treasury Management Strategy Statement 2024/25 to 2026/27**

#### **Matter for Decision**

- i. The Council is required to receive and approve, as a minimum, three main treasury management reports each year.
- ii. The first and most important is the Treasury Management Strategy (this report), which covers:
  - capital plans (including prudential indicators);
  - a Minimum Revenue Provision policy which explains how unfinanced capital expenditure will be charged to revenue over time;
  - the Treasury Management Strategy (how investments and borrowings are to be organised) including treasury indicators; and

- a Treasury Management Investment Strategy (the parameters on how investments are to be managed).
- iii. A mid-year treasury management report is produced to update Members on the progress of the capital position, amending prudential indicators as necessary, and advising if any policies require revision.
- iv. The Outturn or Annual Report compares actual performance to the estimates in the Strategy.
- v. The statutory framework for the prudential system under which local government operates is set out in the Local Government Act 2003 and Capital Financing and Accounting Statutory Instruments. The framework incorporates four statutory codes. These are:
  - the Prudential Code (2021 edition) prepared by CIPFA;
  - the Treasury Management Code (2021 edition) prepared by CIPFA;
  - the Statutory Guidance on Local Government Investments prepared by the Department for Levelling Up, Housing and Communities (DLUHC) (effective 1 April 2018); and
  - the Statutory Guidance on Minimum Revenue Provision prepared by DLUHC (effective 1 April 2019).
- vi. The Council's S151 Officer has considered the deliverability, affordability and risk associated with the Council's capital expenditure plans and treasury management activities. The plans are affordable. Where there are risks such as the slippage of capital expenditure, or reductions in investment values or income, these have been reviewed and mitigated at an acceptable level. The Council has access to specialist advice where appropriate.
- vii. Treasury Management Reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Strategy and Resources Scrutiny Committee.

## **Decisions of Executive Councillor for Finance and Resources**

The Executive Councillor is asked to recommend to Council:-

- i. That this report, including the estimated Prudential and Treasury Indicators for 2024/25 to 2027/28 (inclusive) as set out in Appendix C, be approved.

## **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 Deputy Chief Finance Officer.

The Deputy Chief Finance Officer and the Chief Finance Officer said the following in response to Members' questions:

- i. The amount of money borrowed were set during the budget setting process. Amount borrowed must be approved by Full Council.
- ii. There was a reserves policy presented with the MTFS.
- iii. The use of reserves always comes to Committee for scrutiny principally through the MTFS and the budget setting report.

The Scrutiny Committee unanimously approved the recommendations.

The Executive Councillor for Finance and Resources 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.

### **24/119/SR Detailed General Fund Budget Proposals 2024/25 and an Update to the Budget Setting Context**

#### **Matter for Decision**

- i. This report updates the financial context for budget setting and presents GF budget proposals and allocations of general reserves for scrutiny (Appendix 1).
- ii. Following scrutiny and the completion of the budget consultation, the GF budget setting report (BSR) will be produced for consideration by The Executive on 5 February 2024 and recommendation to Full Council for 15 February 2024.

## **Decisions of Executive Councillor for Finance and Resources**

The Executive Councillor is asked to:

- i. Approve the GF revenue and capital proposals as presented in Appendices B(a), B(b), and C, pages 16 to 23, of the attached report, for inclusion in the GF BSR.
- ii. Note the impact of the revenue proposals on the five year savings requirement identified in the GF Medium Term Financial Strategy (MTFS), section 3 page 9.
- iii. To approve for inclusion in the GF BSR:
  - the creation of the Civic Quarter Development Reserve with the remit set out in section 5, pages 11 and 12.
  - the allocation of £20m of general reserves to this new reserve.
  - the allocation of £750k of general reserves to the Climate Change Fund, as set out in section 5, page 11.

### **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 Finance Officer.

The Chief Finance Officer, City Services Director, the Assistant Chief Executive, The Leader, the Executive Councillor for Finance and Resources, the Executive Councillor for Open Spaces and City Services, the Executive Councillor for Planning, Building Control and Infrastructure and the Council's representative on the Cambridge and Peterborough Combined Authority (CPCA) said the following in response to Members' questions:

- i. Reserves were being brought forward for substantial Capital schemes.
- ii. The title Civic Quarter was a working title. It encompasses the refurbishment of the market and the Corn Exchange. That coincided with

- successful bid to the CPCA with a contribution of £1.5 million. Council required to prepare an outline business case. All government arrangement would be reported to 29 January Committee.
- iii. The Guildhall would also be refurbished as part of the Council's accommodation strategy.
  - iv. £20 million would be earmarked for Civic Quarter project, the funding arrangements are currently confidential due to competitive tender. This would be reported in due course.
  - v. Business rates retention scheduled to be reset in 2025/2026, however need to campaign for it to continue to Government.
  - vi. Central provision had been reduced. There was approximately £300,000 remaining.
  - vii. Income had reduced at the crematorium. Mitigations in place include:
    - Entering into new markets.
    - Partnering with other District Councils.
    - Partnering with the Rosie bereavement.
    - Would reduce operational costs.
  - viii. Reduced income from Market, however Cambridge was considered a successful market. Mitigations in place include:
    - Cutting down fixed costs.
    - Encourage traders to manage their own waste.
    - Reviewing electricity usage.
    - Exploring satellite markets.
    - Would review casual trading policy which may boost occupancy.
  - ix. There was a green burial option at the crematorium, it was advertised on the Councils website however there had been a low take up.
  - x. Recruiting younger market stall holders was a national problem.
  - xi. There was a dedicated team of 3-4 people who operate the market service and who seek new customers.
  - xii. The purpose of £50,000 contribution to Innovate Cambridge from the Council was assisting with the University and affiliated business's goal to promote Cambridge as a city and to support local residents and communities. Chief Executive of Cambridge City Council Robert Pollock sat on the Innovate Cambridge board.
  - xiii. The removal of the bus subsidy was due to the confidence that the Council had that the CPCA would take it over. It was currently in the proposed budget of the CPCA.
  - xiv. The bus subsidy of the CPCA was not conditional on additional precept. That was something that has already been factored into budget.
  - xv. Allotment income had increased not due to an increase in fees but due to an increase in plots.

- xvi. There was a 7% increase in fees and charges for events. The number of events on open spaces would remain the same.
- xvii. The number of events taking place on open spaces is constrained by the event policy. There was still an opportunity for councillors to provide feedback on what events take place during scrutiny committee.
- xviii. The priorities for use of Donkey Common uses were still a work in progress.
- xix. Resources would be provided for the District Heat Network project and Energy Efficiency works and retrofit on the Council's corporate assets.

The Scrutiny Committee approved the recommendations by a vote of 6-1 (2 abstentions).

The Executive Councillor for Finance and Resources 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 7.25 pm

**CHAIR**