

STRATEGY AND RESOURCES SCRUTINY COMMITTEE

8 July 2013
5.00 - 7.15 pm

Present: Councillors Pitt (Chair), Cantrill (Vice-Chair), Ashton, Benstead, Boyce, Herbert, O'Reilly and Rosenstiel

Leader of the Council: Councillor Bick

Executive Councillor for Customer Services & Resources: Councillor Smith

Officers Present:

Chief Executive: Antoinette Jackson

Director of Environment: Simon Payne

Director of Resources: David Horspool

Head of Corporate Strategy: Andrew Limb

Head of Legal: Simon Pugh

Head of Property Services: David Prinsep

Corporate Project Manager: Frances Barratt

Support Services Manager: Karl Tattam

Committee Manager: James Goddard

Committee Manager: Claire Tunnicliffe

FOR THE INFORMATION OF THE COUNCIL

13/38/SR Apologies for absence

No apologies were received.

13/39/SR Declarations of interest

No declarations of interest were made.

13/40/SR Minutes of the previous meeting

The minutes of the meetings held on 9 April and 23 May 2013 were approved and signed as correct records.

13/41/SR Public Questions

None were received.

13/42/SR 2012/13 Revenue and Capital Outturn, Carry Forwards and Significant Variances - Customer Services and Resources Portfolio

Matter for Decision

The report presented a summary of the 2012/13 outturn position (actual income and expenditure) for services within the Customer Services & Resources portfolio, compared to the final budget for the year. The position for revenue and capital was reported and variances from budgets highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2013/14 (and for capital later years) were identified.

Decision of the Executive Councillor for Customer Services and Resources

Resolved to recommend the Council to:

- (i) Carry forward £105,170 of revenue budgets from 2012/13 to 2013/14, as detailed in Appendix C in the officer's report.
- (ii) Carry forward capital resources to fund re-phased net capital spending of £881,000 from 2012/13 into 2013/14 and future years, as detailed in Appendix D as set out in the officer's report.

Reasons 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 Director of Resources regarding Revenue and Capital Outturn.

In response to a question by Councillor Pitt, the Director of Resources stated that SC539 was listed as 0 in the final budget because it was rephased as part of the BSR. It appeared in the list as 0 for technical budgetary reasons.

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)

Not applicable.

13/43/SR Electoral Management Software - Project Appraisal**Matter for Decision**

The Executive Councillor was asked to recommend this scheme for the procurement of electoral management software for approval by Council, subject to resources being available to fund the capital and revenue costs. This would be a joint procurement with Fenland District Council with the City Council as the lead authority.

Decision of the Executive Councillor for Customer Services and Resources

Resolved to:

Financial recommendations

- (i) Recommend this scheme (which is not included in the Council's Capital & Revenue Project Plan) for approval by Council, subject to resources being available to fund the capital and revenue costs.
 - The total cost of the project is up to £25,000 funded from Corporate Strategy repairs and renewals funding.
 - The ongoing revenue costs of the project are up to £10,000 per annum which will be funded from electoral services base budgets.

Procurement recommendations

- (ii) Approved the carrying out and completion of the procurement of electoral management software subject to:
 - The permission of the Director of Resources being sought prior to proceeding if the quotation or tender sum exceeds the estimated contract.
 - The permission from the Executive Councillor being sought before proceeding if the value exceeds the estimated contract by more than 15%.

Reasons 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 regarding electoral management software.

In response to the Councillor Rosenstiel's question the Officer confirmed that Fenland District Council were in a similar procurement position to the City Council.

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)

Not applicable.

13/44/SR Office Accommodation Strategy

Matter for Decision

The report set out the Council's aspirations and approach to the future provision of office accommodation working towards a future where the City Council would require less office accommodation, thereby providing a reduction in cost and the potential to redeploy its assets to generate revenue income or capital receipts. The report described the options, funding requirements and timescales for office reallocations to vacate Lion House ahead of the termination of the lease in September 2014.

Decision of the Executive Councillor for Customer Services and Resources

- (i) Approved the aspirations of the long term strategy.
- (ii) Supported the approach to the further development of long term strategy, noting the desires of the Committee to consider the wider options and with suitable Member engagement.
- (iii) Approved the approach, described as option 2, to vacate Lion House.
- (iv) Approved option 2 based on internal borrowing for the cost of change to be repaid out of savings and the income generated by Option 2.
- (v) Agreed to review the financial implications of the office accommodation strategy in the mid-year Financial Review in September.

Reasons 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 Corporate Project Manager regarding the Office Accommodation Strategy.

The committee made the following comments on the report:

- (i) Questioned whether the Guildhall was the right building to accommodate a modern office working environment.
- (ii) With additional staff relocating into the Guildhall the question was raised if the building was being used to its full potential in terms of commercial income.
- (iii) The Council needed to use its buildings in a more effective way than in the past. For example, taking more commercial bookings. The Guildhall may not meet modern plan office needs, but was recognised as the Civic Centre of the City; so it was hard to move in short to medium term.
- (iv) Stated unease at the timing of the relocation as it was so close to the expiry of the lease for Lion House and asked why this report had not been made earlier.
- (v) Would have liked to have more Member consultation.

In response to Members' questions the Director of Resources said the following:

- (i) Recognised the building constraints of Guildhall as it was a listed building. Its historic layout did not reflect modern open plan designs.
- (ii) Officers were reviewing the internal layout of the Guildhall and options for change would be reported back to a future Committee.

Councillors requested a change to recommendation 2.2. Councillor Pitt formally proposed to amend the following recommendation from the Officer's report (amendments shown as bold text):

Support the approach to the further development of the long term strategy, **noting the desires of the Committee to consider the wider options and with suitable Member engagement.**

The Committee unanimously approved this amended recommendation.

The Committee resolved unanimously to endorse the recommendations as amended.

The Executive Councillor approved the amended recommendations.

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

Not applicable.

13/45/SR Shared Services - Payroll

Matter for Decision

The report summarised the detailed Draft Business Case which had been drawn up by officers of both Cambridge City Council and South District Council authorities and sought in principle approval for the establishment of a shared payroll service in partnership with South Cambridgeshire District Council.

Decision of the Executive Councillor for Customer Services and Resources

- (i) Approved in principle the establishment of a shared Payroll Service with South Cambridgeshire District Council as detailed in the report.
- (ii) Approved the delegation of authority to the Director of Resources, in consultation with the Executive Councillor for Customer Services and Resources, to implement the shared service subject to the viability of the Final Business Case.
- (iii) Approved the delegation of authority to the Director of Resources and the Head of Legal Services, to agree legal protocols to govern the shared services arrangements.

Reasons for the Decision

As set out in the officer's report.

Any Alternative Options Considered and Rejected

As set out in the officer's report.

Scrutiny Considerations

The committee received a report from the Support Services Manager. The Officer informed the committee that the critical mass of employees enrolled into the scheme was more important than the split between numbers in each authority.

The committee made the following comments on the report:

- (i) Encouraged partnership working and would support more shared services.
- (ii) Recommended the City Council hosted the service.

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)

Not applicable.

13/46/SR Barnwell House Offices – Replacement of Windows

Matter for Decision

To consider the replacement of the existing single glazed windows within the Barnwell House Offices with double glazed sealed units.

Decision of the Executive Councillor for Customer Services and Resources

Financial recommendations

- (i) Approved the commencement of this scheme, which is already included in the Council's Capital & Revenue Project Plan (PR024 – Commercial Properties Asset Replacement Programme).

Procurement recommendations

- (ii) Approved the carrying out and completion of the procurement of the replacement of the windows within the Barnwell House Offices subject to:
 - The permission of the Director of Resources being sought prior to proceeding if the quotation or tender sum exceeds the estimated contract.
 - The permission from the Executive Councillor being sought before proceeding if the value exceeds the estimated contract by more than 15%.

Reasons 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 Property regarding Barnwell House Offices.

In response to Councillor Rosenstiel's question the Head of Property said that installing the double glazing would make the building more commercially attractive and therefore easier to rent out.

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)

Not applicable.

13/47/SR Pensions - Auto Enrolment**Matter for Decision**

The report referred to the Pensions Act 2011 which requires employers to automatically enrol eligible employees into a qualifying pension scheme, where they were not currently a member. This task would then be repeated every three years.

Decision of the Leader

- (i) Approved the use of the transitional arrangements to defer the assessment of the existing workforce, under the pension's auto-enrolment arrangements, from 1st October 2013 to 30th September 2017.
- (ii) Approved the use of the option to postpone automatic enrolment for certain categories of workers for a period of up to three months (as set out in paragraph 3.7 of the agenda).

Reasons 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 Director of Resources.

No comments were made on this report.

The Committee resolved unanimously to endorse the recommendations.

The Leader approved the recommendations.

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

Not applicable.

13/48/SR Annual Treasury Management Report 2012/13**Matter for Decision**

The report stated that the Council is 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.

Decision of the Leader

Agreed to recommend the report (which includes the Council's actual prudential and treasury indicators for 2012/13) for approval by Council.

Reasons 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 Director of Resources.

In response to Members' questions the Director of Resources said the following:

- (i) The Council aimed to reclaim capital and interest from Icelandic Banks.
- (ii) The Council could consider selling its interest. Options would be brought back for consideration by the committee at a future meeting.

- (iii) The Treasury Management Advisor was reviewing the Council's position on a day to day basis.

The Committee resolved by 4 votes to 0 to endorse the recommendation.

The Leader approved the recommendation.

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

Not applicable.

13/49/SR 2012/13 Revenue and Capital Outturn, Carry Forwards and Significant Variances - Strategy

Matter for Decision

The report referred to a summary of the 2012/13 outturn position (actual income and expenditure) for services within the Strategy (previously “& Climate Change”) portfolio, compared to the final budget for the year. The position for revenue and capital was reported and variances from budgets highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2013/14 and future years were identified.

Decision of the Leader

Resolved to:

- (i) Carry forward £33,700 of revenue budgets, as detailed in Appendix C of the Officer's report.
- (ii) Seek approval from Council to carry forward capital resources to fund rephased net capital spending of £33,000 from 2012/13 into 2013/14 as detailed in Appendix D of the Officer's Report.

Reasons 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 Director of Resources.

No comments were made.

The Committee resolved unanimously to endorse the recommendations.

The Leader approved the recommendations.

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

Not applicable.

13/50/SR 2012/13 Revenue and Capital Outturn, Carry Forwards and Significant Variances - Overview

Matter for Decision

Members were presented with a summary of the 2012/13 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 highlighted. Explanations had been reported to individual Executive Councillors/Scrutiny Committees.

Decision of the Leader

Resolved to:

Revenue

- (i) Agree the final carry forward requests, totalling £717,250, as detailed in Appendix C of the Officer's report, be recommended to Council, subject to the final outturn position.

Capital

- (ii) Seek approval from Council to carry forward (net) capital resources to fund re-phased capital spending of £11,967,000 as shown in Appendix D - Overview.

Reasons 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 Director of Resources.

The committee commented on the report that all Councillors were concerned that slippage was occurring in the delivery of capital projects. The Council needed to deliver projects it undertook to do, and have the necessary funding available to do so.

In the discussion the following points and responses were made:

- (i) The Director of Resources said actual expenditure on capital schemes and programmes during 2012/13 is £20,237,000 giving an overall under-spend of £13,377,000. Of this net underspend £11,967,000 is due to net slippage.
- (ii) The Director of Resources said the Housing Revenue Account (HRA) has affected the total figure. Variance for the General Fund was similar to the last financial year, but the HRA variance was changeable.
- (iii) The Director of Environment said the aim was to deliver projects in the Capital Plan, but some work was held up whilst the Council sought specialist staff to undertake it.
- (iv) In response to Councillor Ashton's specific concerns regarding slippage, the Leader said that he was unhappy with slippage and that delivery could have been better. The Council needed to deliver what it promised to do, but needed to plan better so delivery was more in-line with expected timescales.
- (v) Councillor Cantrill said the Council needed to deliver identified projects and feedback progress to Councillors and residents. There were three projects where slippage exceeded £100,000 but were affected by circumstances outside of the Councils' control such as Clay Farm which was a joint project with other authorities.
- (vi) The Director of Environment said changes to Executive Portfolios led to an apparent duplication of details in P113 and P134 of the Officer's report. Officers updated the information on a monthly basis as part of a comprehensive monitoring system.
- (vii) In response to Councillor Herbert's specific concern that smaller project slippage was greater than larger projects, Councillor Cantrill said that some project delivery was delayed by the need to undertake consultation. A faster process would be to drive through projects without seeking views, but this may not be the preferred option. Officers needed to manage expectations to ensure delivery was realistic.

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

The Leader approved the recommendations.

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

Not applicable.

13/51/SR CCTV Operations and Shared Services

Matter for Decision

Cambridge City Council (CCC) and Huntingdonshire District Council (HDC) have both operated CCTV services for many years as part of their respective Community Safety initiatives. Following agreement by the leaders of both Councils to investigate the potential for sharing CCTV services, an officer group has considered a range of options for working collaboratively and the report recommended pursuing a shared service.

Decision of the Leader

Resolved to:

- (i) Seek in-principle agreement for establishing a joint CCTV service with Huntingdonshire District Council (HDC).
- (ii) Delegate authority to the Director of Environment, in consultation with the Leader of the Council, Chair and Opposition Spokes to establish a shared service, based in Huntingdon, on the basis of a detailed business case.

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 Director of Environment.

The committee made the following comments on the report:

- (i) Expressed concern that services could be relocated to Huntingdon and questioned whether HDC operators would have the specialist knowledge of the City to operate the service.
- (ii) Requested Cambridge City Council 'host' CCTV services.

- (iii) Requested further information on where the money would be saved for the service that would be delivered.

In response to Members' questions the Director of Environment said the following:

- (i) It was vital that operators would be given appropriate training; and this was part of the proposal.
- (ii) There were similar levels of service standards and professionalism in Huntingdon and Cambridge.
- (iii) Staff would be appointed on merit to the shared service as part of the recruitment process.
- (iv) Officers undertook to include the code of conduct in the key principles of the Officer's report (section 8.3).
- (v) There will be full consultation arrangements established with staff, Trade Unions, the Chair and Executive Councillor for the Strategy and Resources Scrutiny Committee, Opposition Spokespersons and other key stakeholders. Any issues would be reported back to committee.

Councillors requested a change to recommendation 2.2). Councillor Rosenstiel formally proposed to amend the following recommendation from the Officer's report (amendments shown as bold text):

To delegate authority to the Director of Environment, in consultation with the Leader of the Council, **Chair and Opposition Spokes** to establish a shared service, based in Huntingdon, on the basis of a detailed business case.

The Committee unanimously approved this amended recommendation.

The Committee resolved unanimously to endorse the recommendations as amended.

The Leader approved the amended recommendations.

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

Not applicable.

13/52/SR Greater Cambridge City Deal – Update on Negotiations

Matter for Decision

To consider whether Cambridge City Council should continue negotiations for a City Deal with local partners and Central Government.

Decision of the Leader

Resolved to continue negotiations for a City Deal with local partners and with Central Government.

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 on the report:

- (i) The City Deal would be beneficial to the City.
- (ii) The City Deal offered the potential for infrastructure investment.
- (iii) The City Deal would allow the Council to continue building relationships with outside organisations.
- (iv) The Committee resolved unanimously to endorse the recommendation.

The Committee unanimously resolved to endorse the recommendation.

The Leader approved the recommendation.

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

Not applicable.

13/53/SR District Heating Scheme – Update and Appointment of City Council Representatives to Sponsors Board**Matter for Decision**

The report referred to the City Council's partnership working with the University of Cambridge to explore the potential for a city centre district heating scheme. The Council is about to sign a memorandum of understanding with the University, and establish a sponsors board.

The Council will have three members on the board, but only one vote. The report sought agreement to appoint those members, and on how the single vote will be operated.

Decision of the Leader

- (i) Approved the draft Memorandum of Understanding listed in Appendix A of the Officer's report.
- (ii) Agreed to nominate two members from the largest Group on the Council (including at least one Executive Councillor), and to ask the Leader of the largest opposition Group to nominate one member, to represent the City Council on the Cambridge District Heating Scheme Sponsors Board.
- (iii) Agreed that the City Council's vote in the District Heating Scheme Sponsors Board shall be used by the Executive Councillor, taking account of the views of the City Council's representatives on the Board.
- (iv) Noted the update on progress with the project and proposed way forward.
- (v) Delegated authority to the Director for Environment to submit a bid for external funding to support development of the proposal from the Department for Energy & Climate Change.

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 Director of Environment.

The committee made the following comments on the report:

- (i) Welcomed the partnership working with Cambridge University.
- (ii) Welcomed the scheme but queried if it could deliver.
- (iii) In response to Members questions the Director of Environment acknowledged that a further review was required on the Mill Road Depot. This tied into the accommodation strategy.

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

The Leader approved the recommendations.

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

Not applicable.

13/54/SR Restructure of Resources Department

Matter for Decision

To consider recommending to Council to make the changes outlined in the report including investing the role of Section 151 officer in a new post of Head of Finance and creating a new post of Director (provisionally called Director of Business Transformation) to replace the post of Director of Resources.

Decision of the Leader

Recommended to Council to support the Chief Executive's recommendations:

- (i) To create a new post of Head of Finance which will become the Council's Section 151 Officer on appointment.
- (ii) To delete the post of Head of Accounting Services.
- (iii) To create a new post of (provisionally titled) Director of Business Transformation.
- (iv) To delete the post of Director of Resources and to approve notice of redundancy being given to the Director of Resources in the event that he is not appointed to another post.
- (v) To delegate authority to the Chief Executive to amend the Council's Constitution and Scheme of Delegation to reflect these changes.
- (vi) To delegate authority to the Chief Executive to take all steps necessary to implement the new structure (other than those delegated to the Employment (Senior Officer) Committee), including the timetable for implementation of the Director and Head of Service proposals and the final determination of the structure of the Finance service below Head of Service level.
- (vii) To authorise the Chief Executive to designate and make arrangements for the section 151 role and Director role on an interim basis should this become necessary.
- (viii) To make allocation from underspend in the 2012/13 budget to fund one-off redundancy and recruitment costs, should these be required.

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.

The committee made the following comments on the report

- (i) Supported the restructure proposal and stated this was not a reflection on the individuals concerned.
- (ii) Recognised the proposal offered a more strategic arrangement of the Council's resources.
- (iii) Agreed the restructure was necessary to move the organisation forward.

The Committee resolved unanimously to endorse the recommendations.

The Leader approved the recommendations.

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

Not applicable.

The meeting ended at 7.15 pm

CHAIR