

STRATEGY AND RESOURCES SCRUTINY COMMITTEE

11 July 2022
5.00 - 9.25 pm

Present: Councillors Robertson (Chair), S. Smith (Vice-Chair), Bennett, Bick, Herbert, Payne, Scutt, Smart and Sweeney

Executive Councillors: Davey (Executive Councillor for Finance, Resources and Transformation), Gilderdale (Executive Councillor for Recovery, Employment and Community Safety) and A. Smith (Leader of the Council)

Officers:

Chief Executive: Robert Pollock

Director: Fiona Bryant

Assistant Chief Executive: Andrew Limb

Benefits Manager: Naomi Armstrong

Head of Finance: Caroline Ryba

Head of Environmental Services: Joel Carre

Committee Manager: Gary Cliff

Others Present:

Independent Financial Consultant-Chris West for 22/31/SR

CEO, Cambridge BID Ian Sandison for 22/27/SR

FOR THE INFORMATION OF THE COUNCIL

22/23/SR Apologies for Absence

No apologies were received.

22/24/SR Declarations of Interest

22/xx/SR new site acquisition-Cllr Davey as a Board member of Cambridge Investment Partnership

22/25/SR Minutes

The minutes of the meeting held on 28 March 2022 were confirmed as a correct record and signed by the Chair.

22/26/SR Public Questions

There were no public questions.

22/27/SR To Note Record of Urgent Decision Taken by the Executive Councillor for Finance, Resources and Transformation

5a ROD Acquisition of Nursery, Timberworks (Cromwell Road), Cambridge
The decision was noted.

22/28/SR Annual Performance and Customer Feedback Report 2021/22**Matter for Decision**

The report covers the Annual Report against the Corporate Plan 2021/22 and associated key performance indicators; the Annual Complaints and Customer Feedback Report 2021/22; and a State of the City profile.

The Corporate Plan 2019-22 set out the objectives the Council has been planning to achieve over the past three years, grouped under three key themes. The Annual Report provides a summary of progress against those objectives during 2021/22. Appendix B provides the latest available figures for the key performance indicators in the Corporate Plan 2019-22. The Annual Complaints and Customer Feedback Report 2021/22 at Appendix C provides an overview and summary of complaints, compliments and feedback received during 2021/22.

The State of the City profile at Appendix D provides a brief analysis of how Cambridge measures up on a range of social, economic and environmental factors. This provides a broad overview of the context in which the council and its partners operate. It is intended that a fuller analysis will be developed over the coming year to provide a richer “City Portrait”, which would then be replicated, developed and reported each year.

Decision of the Leader of the Council

Noted the contents of the Annual Report against the Corporate Plan 2021/22, the Annual Complaints and Customer Feedback Report 2021/22, and the State of the City profile.

Reason for the Decision

As set out in the Officer’s report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee considered a report from the Assistant Chief Executive.

The following points/clarifications were made:

Further information on the reduction of Crematoria market share volume (page 64 of the agenda) would be provided.

Clarification on how missed bins are defined (page 78)

Explanation of increased share of total waste going to landfill

Performance of complaints arising from planning enforcement

Clarification on the increase on complaints about Councillors (page 108).

The Executive Councillor for Finance, Resources and Transformation proposed that the thanks for councillors was conveyed to officers for their continued impressive work and to the Head of Human Resources for retaining the Investors in People accreditation.

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.

22/29/SR Combined Authority Update

Matter for Decision

This is a regular report to provide an update on the activities of the Cambridgeshire and Peterborough Combined Authority (CPCA) Board since 28 March 2022 meeting of Strategy & Resources Scrutiny Committee.

Decision of Leader of the Council

To note the update, alongside the Council's representative on the Board on issues considered at the meetings of the Combined Authority Board held on 30 March, 20 May, 8 June and 27 June 2022.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

Members noted the update provided by Councillor Herbert and the Leader of the Council thanked Cllr Herbert for the on-going dedicated work on the Combined Authority Board during the current difficulties.

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

No conflicts of interest were declared by the Executive Councillor.

22/30/SR Cambridge Business Improvement District (BID) Third Term Ballot

Matter for Decision

Cambridge BID's (Business Improvement District) second consecutive five-year term concludes on 31st March 2023. Cambridge BID is seeking a third five-year term, to run from 1st April 2023 to 31st March 2028, which will be determined by a legally required ballot of non-domestic rate payers within the BID area, to take place between 14th October and 10th November 2022.

Decision of the Leader of the Council (as the Executive Councillor for Recovery, Employment and Community Safety was attending virtually)

To exercise the Council's voting entitlement in the forthcoming Cambridge BID third term ballot.

To support Cambridge BID's third term ballot.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Head of Environmental Services introduced the report and Ian Sandison, CEO of the BID attended the meeting to answer questions.

Councillor Payne proposed that the decision be deferred until the next meeting (and after the business plan launch) which was still before the ballot commenced. The Committee rejected the amendment by 5 against 3 in favour and 1 abstention with the Chair casting their vote against the amendment. The Committee endorsed the recommendation by 5 votes to 3.

Cllr Gilderdale would meet with Cllr Payne and the Head of Service for an update on this item if it was considered appropriate taking account of Members' comments during the debate. Cllr Gilderdale also requested a report on the Purple Flag scheme in due course.

The Leader of the Council 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.

22/31/SR Update on the Our Cambridge Programme Including the Direction of the Future Council as Part of the Wider Cambridge System

Matter for Decision

The committee noted a paper providing an update on the following areas:

- The progress made on preparing the council for transformation since the inception of the Our Cambridge Programme (OCP) in October 2021
- The programme's scheduled activity during the next 3 months that will establish the strategic design of future council services
- The current investment made in by the council in the OCP and an explanation of any variance against pre-programme forecast

Decision of Executive Councillor for Finance, Resources and Transformation

Noted the approach and progress of the Our Cambridge Transformation Programme outlined in the report; and noted the proposals for the development of the organisation design for presentation to S&R in October 2022.

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 descriptions in the revenue improvement section (page 163 of the agenda) will be adapted to reflect the work on transformation and Our Cambridge which has taken place since October 2021.

The Committee and Executive Councillor noted the update report.

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

No conflicts of interest were declared by the Executive Councillor.

22/32/SR Council Tax Reduction Local Scheme April 2023 to March 2026.**Matter for Decision**

Councils are required to review their Council Tax Reduction scheme annually and determine whether to revise it or not.

In October 2019 it was agreed for an annual, light touch review, to be delegated to Head of Service followed by consultation with preceptors and for a full review and comprehensive consultation in 2022 for the 2023-2026 Council Tax Reduction Schemes.

Decision of Executive Councillor for Finance, Resources and Transformation

outline proposals and consultation process for the review of the Council Tax Reduction Scheme for Universal Credit households;
retain the Non-Universal Credit scheme and approve annual uprating based on September CPI figures.
approved delegation of the Council Tax Reduction schemes and annual review to the Head of Finance, and subject to the final recommendations post consultation being adopted, that these schemes continue (subject to uprating) until 31 March 2026.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee unanimously endorsed the recommendations.

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.

22/33/SR Cambridge City Housing Company (CCHC) Expansion**Matter for Decision**

The report presents the findings from a project carried out between Cambridge City Council (CCC), Cambridge City Housing Company Ltd (CCHC) and Social Finance (a not for profit organisation who seek to tackle social problems in the UK and abroad).

The project has explored the potential for CCHC to expand its property portfolio by up to 250 homes over a 5 year period, offering affordable homes to lower income residents, living or working in Cambridge City, in an operationally efficient, cost effective and carbon neutral manner.

An initial feasibility study was carried out in the summer of 2021, with the positive findings from this early work prompting a more in depth project to be conducted. This project has however noted significant changes in the market assumptions since last summer, culminating in more cautious recommendations than initially hoped.

Decisions of Executive Councillor for Finance, Resources and Transformation

To recognise that the proposed expansion of the CCHC portfolio by 250 new homes over the next 5 years, is not financially feasible at this time, in the current market conditions.

To agree that CCHC keep the expansion metrics under review on a quarterly basis, reporting back to the Council, as shareholder, on an annual basis as part of the business plan update, unless a quarterly review results in a recommendation for moving forward with the expansion. If this is the case, a report will be presented to the Council for an expansion decision at the earliest opportunity.

To authorise officers to explore in detail the potential for equity injection of an estimated £25 million, or a contribution towards the operating costs of the business, from partner organisations employing essential workers, in return for nomination rights to the homes acquired, presenting any proposals to the Council for consideration as shareholder.

To agree that CCHC continues to explore expansion opportunities on a smaller scale, presenting independent funding requests for Council consideration and approval.

To note that the Council, following a recent decision at Housing Scrutiny Committee, can now deliver some new affordable homes to be let at 80% of market rent, subject to award of Homes England Grant, to be managed within the Housing Revenue Account.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee unanimously endorsed 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.

22/34/SR Independent Review of the Budget Setting Process and Wider Governance Issues

Matter for Decision

An independent review, attached at Appendix 1, has been commissioned assessing the Council's budget policy framework and process. This builds on wider work the Council is developing to enable and support its transformation journey. This report considers the review's recommendations for changes to current arrangements.

The review makes ten wide-ranging recommendations, covering political management arrangements, member training and development, as well as specific recommendations relating to the budget process and timetable. Whilst some recommendations can be implemented immediately, others require changes to the council's constitution and further consideration of their wider impacts.

Decision of Executive Councillor for Finance, Resources and Transformation

Note the recommendations in Section 10 of the review report attached at Appendix 1.

Agree to transition to the new budget process this year, with further changes being brought in next year, both subject to constitutional change.

Ask officers to draft proposals for changes to the council's constitution arising from the review of the budget setting process, to be brought forward for approval by Civic Affairs and Full Council.

Ask officers to work with the Leader/Executive to develop a broader consultative process, with input from opposition Group Leaders, to consider how to take forward the recommendations of the Independent Remuneration Panel and Council-commissioned analysis of its decision making, and democratic processes undertaken by Centre for Governance and Scrutiny (CfGS).

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee considered a report from the Head of Finance. The Independent Consultant, Chris West was also present to answer questions.

The Committee unanimously endorsed 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.

22/35/SR Annual Treasury Management Outturn Report 2021/22

Matter for Decision

The Council was required by regulations issued under the Local Government Act 2003, to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for each financial year.

The report considered and attached meets the requirements of both the CIPFA Treasury Management in the Public Services: Code of Practice 2021 (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities 2021 (the Prudential Code) in respect of 2021/22.

During the 2020/21 the minimum requirements were that Council should receive:

- An annual strategy in advance of the year
- A mid-year treasury update report and;
- An annual review following the end of the year describing the activity compared to the strategy.

In line with the Code of Practice on Treasury Management all treasury management reports have been presented to the Strategy and Resources Scrutiny Committee and to Council.

Decision of Executive Councillor for Finance, Resources and Transformation

To recommend to Council the report with the Council's actual Prudential and Treasury Indicators for 2021/22 [~~and; a loan of £50,000 to Cherry Hinton Community Benefit Society for their contribution to the building costs of the Cherry Hinton Hub~~]. *Postscript to the meeting, the Strategic Project Manager, Community Services advised that the loan was not being progressed, the same postscript is minuted in Council 21 July 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 unanimously endorsed 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.

22/36/SR 2021/22 General Fund Revenue and Capital Outturn, Carry Forwards and Significant Variances**Matter for Decision**

The outturn report considered and attached reflects the Executive Portfolios for which budgets were originally approved (which may have changed since, for example for any changes in Portfolio responsibilities).

Decisions of Executive Councillor for Finance, Resources and Transformation

To recommend to the Council carry forward requests totalling £2,132,920 of revenue funding from 2021/22 to 2022/23, as detailed in Appendix C of the attached report ; to approve additional budget in 2022/23 of £22k for Arboriculture and £12k for Project Delivery funded from reserves, as detailed in Paragraphs 3.6 and 3.7 in the attached report and ; to carry forward requests of £71,909,000 of capital resources from 2021/22 to 2022/23 to fund rephased net capital spending, as detailed in Appendix D of the attached 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 resolved by 6 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.

22/37/SR New Site Acquisition

Matter for Decision

The scrutiny committee considered a joint report from the Head of Housing Development and the Head of Finance (s151 Officer) concerning a potential site acquisition to enable further development toward the new city council housing programme target for 1,000 net additional Council rented homes over the next 10 years.

Decision of Executive Councillor for Finance, Resources and Transformation

To recommend to Council to provide a budget of £33.94 million for a loan to the Cambridge Investment Partnership to cover land acquisition for the scheme explained in the confidential appendix to this recommendation.

To delegate authority to the Section 151 officer in consultation with the Executive Councillor to agree the final terms of the loan including the interest rate.

To note the risk that, due to revised MRP rules and PWLB funding rates at the time of the transaction, alternative funding arrangements may be more advantageous for CIP and the proposed scheme. In this case, CIP would make the decision on the choice of funding route from available options.

To note that the current scheme is an estimate and will require further detailed development. A final scheme and costs will be brought to the Housing Scrutiny Committee to consider the purchase of the affordable housing on this site.

To Delegate to the S151 officer to build the necessary funding requirement into the Medium Term Financial Strategy and to negotiate and agree terms for development finance to support this project in consultation with the Executive Councillor.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee unanimously agreed to exclude the public after considering that the public interest was outweighed by paragraph 3 of Part 1 of schedule 12A of the Local Government Act 1972 to enable committee debate of the officer report.

The Committee unanimously endorsed 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 9.25 pm

CHAIR

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