

STRATEGY AND RESOURCES SCRUTINY COMMITTEE 10 October 2022
5.00 - 8.50 pm

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

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

Officers:

Chief Executive: Robert Pollock

Director of Planning: Stephen Kelly

Director of Enterprise and Sustainable Development: Fiona Bryant

Benefits Manager: Naomi Armstrong

Head of Finance: Caroline Ryba

Head of Property Services: Dave Prinsep

Head of Human Resources: Deborah Simpson

Transformation Director: Nick Kemp

Head of Transformation: Tori Campbell

Committee Manager: Gary Cliff

Others Present:

South Cambridgeshire District Council Chief Executive Liz Watts

FOR THE INFORMATION OF THE COUNCIL

22/38/SR Apologies for Absence

Apologies were received from Councillor Scutt.

22/39/SR Declarations of Interest

Cllr Robertson declared a potential interest in 22/50/SR and left the room during consideration of the agenda item. The Vice Chair took the Chair for that item.

22/40/SR Minutes

The minutes of the meeting held on 11 July 2022 were approved as a correct record and signed by the Chair.

22/41/SR Public Questions

Re item 10 of the agenda on future office accommodation, what assessment has the Council made of high profile fund-raising from Cambridge's philanthropists and wealthy residents past and present regarding a revamp of The Guildhall? Please could you direct officers to incorporate an assessment of the likely costs and benefits of employing a fundraising officer to help raise some of the large sums needed to renovate the Guildhall so as to make it suitable for the 21st Century, including but not limited to: a) raising the council chamber up two levels to create a new state-of-the-art lecture theatre in the void, to rent out to the private sector, b) renovating the large hall from 1862 to improve access and acoustics to make it more suitable as a venue for large exercise-related evening classes, and c) creating a rooftop cafe giving splendid views of the city, and enabling the council to charge up-market tourist market rates for the beverages knowing many will pay to enjoy the view. (Noting there's always the option of a discount for residents similar to the old City Council leisure cards).

The Executive Councillor for Finance, Resources and Transformation answered under Minute 22/47/SR.

22/42/SR To Note Record of Urgent Decision Taken by the Executive Councillor for Finance, Resources and Transformation

Councillor Bennett had a follow up to page 22 of the report where it asked does the supply include heating of swimming pools. It was indicated that it does not and that there would be a 40% saving if they had ground source heat pumps.

Councillor Bennett stated that for the East Barnwell project would excavation to Abbey Pools car park give an opportunity to include ground source heat pumps on that site.

The Chair requested officers to get back to Councillor Bennett on that query.

The decision was noted.

5a Re-procurement of the Council's Gas Supplies

Under paragraph 4.2.1 of the Council Procedure Rules, the Chair used their discretion to alter the order of the agenda items. However, for ease

of the reader, these minutes will follow the order of the published agenda.

22/43/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.

Decisions of Executive Councillor for Finance, Resources and Transformation

The Executive Councillor for Finance, Resources and Transformation recommended to Council on 20 October 2022:

- To continue with the current Council Tax Reduction scheme (to include annual uprating in line with housing benefit rates) for working age.
- To reset the non-dependant deduction rates for both working-age schemes for 1 year from 1 April 2023 and to uprate by September CPI figures thereafter.
- To continue with an earnings based banded local Council Tax Reduction scheme for Universal Credit claimants and to have fixed non dependant deductions for these claims.
- To reset the earned income bands and contribution amounts set out in 4.03 Table 1 for 1 year from 1 April 2023 and to uprate by September CPI figures thereafter.
- To align non-dependant deductions so the rules for application are the same for all schemes (prescribed Pensioner scheme and the two Local Schemes, one for Universal Credit households and one for non-Universal Credit households).
- To not introduce a minimum contribution towards Council Tax for households on Local Council Tax Reduction.

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 Benefits Manager.
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.

22/44/SR Treasury Management Half Yearly Update Report 2022/23**Matter for Decision**

The Council has adopted The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (Revised 2021). This half-year report has been prepared in accordance with the Code and covers the following:

- An economic update for the first half of the 2022/23 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Council's investment portfolio for 2022/23;
- A review of the Council's borrowing strategy for 2022/23; and,
- A review of compliance with Treasury and Prudential Limits for 2022/23.
- Cash and investment balances are forecast to stay at the increased level seen over the past year at around £173 million by 31st March 2023.
- Interest receipts for the year are projected at £1,159,000 which is £358,000 above the original budget. Interest receipts are forecast higher than last year due mainly to increases in investment rates.

Decision of the Executive Councillor for Executive Councillor for Finance, Resources and Transformation

The Executive Councillor recommended to Council:

- The Council's estimated Prudential and Treasury Indicators for 2022/23 to 2025/26 (Appendix A).
- That the revised counterparty list be approved (Appendix B).
- To approve the addition of a loan to the Cambridge Investment Partnership in the counterparty list, to bring these into line with the approved expenditure per the approved capital plan (Appendix B).

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.

Members asked the following:

Was it appropriate to completely base the revised Counterparty list on a judgement of Link Asset Services (the Council's advisors)

Will the Council receive 100% of the Thurrock Council loan?

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

Yes, we have always based our counterparty list on Links' advice. Their colour coding is based on their review of a number of financial indicators and updated daily, therefore is more reliable and up-to-date than we could do ourselves.

We would not want to invest too much with one counterparty, so will work within the limits advised by Link, which bring together all types of investment held with each counterparty.

Yes, we are confident that we will receive back the funds loaned to Thurrock Council in full.

Councils are considered very low risk, as councils who are in difficulty are supported by government to recover. No council has failed to repay loans when due. Therefore, there is no need for further due diligence when lending to another local authority.

The Committee unanimously resolved to approve:

- i. The Council's estimated Prudential and Treasury Indicators for 2022/23 to 2025/26 (Appendix A).

The Committee resolved (6-0 with 2 abstentions) to approve:

- ii. That the revised counterparty list be approved (Appendix B)

The Committee unanimously resolved to approve:

- iii. To approve the addition of a loan to the Cambridge Investment Partnership in the counterparty list, to bring these into line with the approved expenditure per the approved capital plan (Appendix B).

The Executive Councillor approved the recommendations.

22/45/SR General Fund Medium Term Financial Strategy 2022

Matter for Decision

At this stage in the 2023/24 budget process the range of assumptions on which the Budget Setting Report (BSR) published in February 2022 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 further. This then provides the basis for updating the budget for 2023/24 and to provide indicative budgets to 2032/33. All references to the recommendations to Appendices, pages and sections relate to MTFS Version 1.0.

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

Decisions of the Executive Councillor for Finance, Resources and Transformation

The Executive Councillor recommended to council:

General Fund Revenue

- To agree the budget process and timetable as outlined in Section 8 [page 25] of the MTFS document.
- To agree the incorporation of changed assumptions as presented in Section 3 [pages 10 and 11], which provide an indication of the net savings requirement, by year for the next five years [page 13], and

revised projections for General Fund (GF) revenue and funding as shown in Appendix A [page 26] and reserves, Section 6 [page 18].

- To agree the 2022/23 revenue budget proposal as set out in Section 4 [page 12], for a £1,122k increase in pay budgets to reflect the current pay offer

Capital

- To note the changes to the capital plan and funding as set out in Section 5 [pages 15 to 17] and Appendix B [pages 27 to 30] of the MTFS document.
- To agree capital spending proposals as set out below.

Ref.	Description - £'000s	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	Proposals							
SC826	WREN solar project	-	1,170	130	-	-	-	1,300
SC654	Redevelopment of Silver Street Toilets	141	-	-	-	-	-	141
	Total proposals	141	1,170	130	0	0	0	1,441

Reserves

- To agree changes to GF reserve levels, the prudent minimum balance being set at £6.854m and the target level at £8.225m as detailed in Section 6 [page 18].
- To agree that the remaining balance of £213k on the Cambridge Live Development Fund is transferred to the GF reserve and the fund is closed [page 20].

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.

Members of the Committee made the following points:

Despite improvements in the presentation of the financial information for the public, the Council should do more to explain the Council's financial position to improve public awareness.

The Executive Councillor for Finance, Resources and Transformation said the following in response to Members' questions:

- The Council produces news releases at various stages of the budget process and explanatory films on the Council's YouTube and social media content but is willing to discuss other ideas and options with Members.
- Will look with the Head of Finance into Heads of Service's providing information how they are managing their in-year budgets to share with Members of the Scrutiny Committee (in addition to the Q2 information due to be circulated in the next 2 weeks).

General Fund Revenue

The Committee unanimously resolved:

- i. To agree the budget process and timetable as outlined in Section 8 [page 25] of the MTFs document.

The Committee resolved 6-0 (with 2 abstentions):

- ii. To agree the incorporation of changed assumptions as presented in Section 3 [pages 10 and 11], which provide an indication of the net savings requirement, by year for the next five years [page 13], and revised projections for General Fund (GF) revenue and funding as shown in Appendix A [page 26] and reserves, Section 6 [page 18].

The Committee unanimously resolved:

- iii. To agree the 2022/23 revenue budget proposal as set out in Section 4 [page 12], for a £1,122k increase in pay budgets to reflect the current pay offer.

Capital

- iv. To note the changes to the capital plan and funding as set out in Section 5 [pages 15 to 17] and Appendix B [pages 27 to 30] of the MTFs document.
- v. To agree capital spending proposals as set out below.

Ref.	Description - £'000s	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	Proposals							
SC826	WREN solar project	-	1,170	130	-	-	-	1,300
SC654	Redevelopment of Silver Street Toilets	141	-	-	-	-	-	141
	Total proposals	141	1,170	130	0	0	0	1,441

Revenues

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agree changes to GF reserve levels, the prudent minimum balance being set at £6.854m and the target level at £8.225m as detailed in Section 6 [page 18].

- vii. To agree that the remaining balance of £213k on the Cambridge Live Development Fund is transferred to the GF reserve and the fund is closed [page 20].

The Executive Councillor approved the recommendations.

22/46/SR Update on the Direction of the Future Council and Organisational Design

Matter for Decision

This paper provided:

- An update on the progress made on the development of a future organisation design for the council.
- Proposals for agreement on the new organisational design and work required to ensure delivery.
- An indicative savings and investment profile for the next phase, recognising dependencies and collaboration with Medium-Term Financial Strategy (MTFS) and accommodation papers.
- An outline timeline and sequencing of changes required over the next two years.

Decisions of the Executive Councillor for Finance, Resources and Transformation

The Executive Councillor agreed to:

- i) Note the progress made, and the proposals for changes to operations, future council infrastructure and identified areas for saving and reinvestment.
- ii) Confirm support for the direction of travel.
- iii) Agree that officers move forward with the development of changes that will achieve the savings required by Q1 April 2025
- iv) Note the programme timetable (section 8).

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 Transformation Director.

Members made the following comments:

Is an area-based model being considered?

The new service design must ensure advocate access for disabled residents.

No progress yet on any change in governance following the review by the Centre for Governance & Scrutiny (CfGS).

The Executive Councillor responded:

It was important to have a senior management structure to deliver transformation by April 2023.

A further report will be presented to scrutiny committee on the next steps.

The Council will have to make the financial targets sets and likely to have to accelerate those, to be addressed in the Budget Setting Report. Quarterly meetings will be set up with Group FR&T Spokes on transformation and financial implications.

There would be an all party working group on the CfGS report in time.

Thanked Nick Kemp for his work as Transformation Director.

The Scrutiny Committee agreed i) and iv) unanimous and ii) and iii) 6-0 with 1 abstention.

The Executive Councillor approved the recommendations.

22/47/SR Future Office Accommodation Strategy

Matter for Decision

A review has been carried out by the Council into its future needs for, and optimum use of its assets for civic and administrative purposes. This is to ensure that provision is efficient, effective and beneficial to customers, staff and Members. Executive Councillors have reviewed the options and have identified their preferred mix of options for further progress and development of a business case.

Decisions of the Executive Councillor for Finance, Resources and Transformation

- Noted the report and the options set out in 3.29 of the report
- Approved the proposal to take forward more detailed investigation on two options:
 - i. To retain the Guildhall as the main office and civic space for the Council, dependent upon the potential to ensure it is fit for purpose for future use and the cost of achieving this.
 - ii. To investigate as a comparator the potential for an alternative office and civic space which meets the Council's needs in or around a central location.
- Requested that a further report and recommendations be brought back to Committee at a later date for a final decision on the long-term office accommodation strategy aligned with the Our Cambridge business transformation outcomes.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

Members made the following points:

The majority who spoke supported the view that the Guildhall on the Market Square was a focus for the people of Cambridge, with the recent Proclamation of the King a real indication of that. Members commented that they were stewards of the building for future generations.

If the Guildhall were to remain the main accommodation the interior should be made more functional and the conservation interest should be robustly challenged

One member opposed the premise that disposal of the Guildhall appeared off the table.

The Executive Councillor for Finance, Resources and Transformation responded:

It was difficult to quantify civic value and explain that to residents, any final decision would need to be explained well.

In response to the public question, a recent example to look at is how Camden is revitalising its Town Hall.

It will be important to have the appropriate technology for future accommodation needs.

There is interest in the better use of the Large and Small Halls and the outcome of the Allia lease of the Ground Floor and look at the use of the Roof as well.

The scrutiny committee approved the recommendations by 7-1

The Executive Councillor approved the recommendations.

22/48/SR South Cambridgeshire District Council Four Day Working Week Trial

Matter for Decision

South Cambridgeshire District Council (SCDC) is proposing a four-day working week trial for 470 office-based staff over three months from January to March 2023. A second phase would involve considering how this could be applied to the Greater Cambridge Shared Waste Service.

This report provides information about the proposed trial, including implications for the Greater Cambridge Shared Planning Service.

Decisions of the Executive Councillor for Finance, Resources and Transformation

- Note the information contained in this report and at Appendix A about the trial of a 4-day working week, including that, SCDC want to involve Cambridge City Council (CCC) in the preparations, share updates on progress with the Strategy & Resources Scrutiny Committee, and that both councils explore how this could be applied to Shared Waste.
- Note that the role of Greater Cambridge Shared Planning in the trial is contingent on the agreement of the Executive Councillor for Finance, Resources and Transformation, and that formal preparations for the involvement of the shared planning service in the trial will not proceed until a decision has been taken.
- Agree that Greater Cambridge Shared Planning should take part in the trial on the basis that assurance will be provided, and mitigations developed during the preparatory phase to maintain service standards for Cambridge residents, including to halt the trial if necessary.
- Agree that future decisions which have significant implications for shared services, including a '4-day week' trial for Shared Waste, must be made jointly and that proposals to improve governance arrangements to address this should be presented to both councils for agreement.
- Agree that CCC will need to consider the evidence regarding the benefits, risks and costs of a '4-day week' in relation to its own transformation plans during 2023/24.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

Members of the Scrutiny Committee made the following comments:

Disappointment and dissatisfaction that neither a senior officer or senior councillor at South Cambridgeshire District Council (SCDC) did not consult or inform its shared services partner prior to announcing the trial and by not doing so, had caused unnecessary consternation and put the City Council's

leadership in a difficult place, notwithstanding the merits of the proposal of a 4 day week.

City residents must be reassured that there will be no diminution of service

The proposals were informed by a Health and Safety Audit of SCDC employees which the Chief Executive of SCDC would share with the Scrutiny Committee. After the three month trial, another Audit would be undertaken.

Wished to be assured that the Unions would be involved with the developing and monitoring of the trial.

The Council must be fully involved going forward as it is a joint partner.

Shared services governance requires reviewing and any review should come to the City Council's appropriate Committee.

The Chief Executive of SCDC responded:

The 3 month trial if successful would lead to a longer trial-likely a further year.

Hoped the City Council would support a trial for the Waste Service if it could be delivered which is subject to more work on modelling bin rounds and on the results of the first trial.

The Director of Planning stated that the service had tried many ways of securing employees and retaining them and gave the example of an Agency Worker at a senior level in the service costing double that of a salaried employee. On service delivery, the service has good performance monitoring data and systems and it will be clear if there is a deterioration delivery-and residents will make it clear.

The City Council's Chief Executive stated that monitoring information collated by SCDC would be reported to this Scrutiny Committee and the City Council's Head of Human Resources and Union Officers are involved with this project.

Members appreciated and thanked the SCDC Chief Executive for attending the meeting.

The scrutiny committee unanimously supported the recommendations.

The Executive Councillor approved the recommendations.

22/49/SR Combined Authority Update

The Committee received a report from Cllr Herbert.

Cllr Herbert said the following in response to Members' questions:

- i. Cllr Herbert is the Cambridge City Council representative of the combined authority and the deputy mayor. It is an interim role.
- ii. Regarding franchising the cities bus service, and what the Combined Authority is trying to achieve, they will need multiple operators.
- iii. Stagecoach will continue to reduce routes.
- iv. It is possible to move to franchising within two years.

The Leader wanted noted her thanks to Cllr Herbert for his service on the Combined Authority.

The report was noted.

22/50/SR Corporate Enforcement Policy 2022

Matter for Decision

- In 2014 the new enforcement policy was adopted. The Policy included a provision for it to be reviewed after three years.
- The policy was reviewed in 2017 and brought to Strategy and Resources Scrutiny Committee in October 2017 where it was adopted.
- The policy was due to be reviewed in October 2020, however with the pandemic this was delayed. The earliest opportunity to review the policy was this year in 2022.
- A review took place with all services who carry out enforcement activities and this allowed for amendments to be completed taking into account any operational and legislative changes.
- The main amendments were to make the policy more succinct, taking out references to paper copies and adding links to appropriate documentation as references.

Decision of the Leader of the Council

Agreed the proposed changes and adopt the revised Corporate Enforcement Policy 2022 as attached in Appendix A.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The item was not requested for pre-scrutiny.

The meeting ended at 8.50 pm

CHAIR