

South Cambridgeshire District Council

Minutes of a meeting of the Scrutiny and Overview Committee held on
Thursday, 14 October 2021 at 5.20 p.m.

PRESENT: Councillor Grenville Chamberlain – Chair
Councillor Judith Rippeth – Vice-Chair

Councillors: Anna Bradnam
Gavin Clayton (substitute)
Dr. Claire Daunton
Sally Ann Hart
Steve Hunt
Dr. Richard Williams

Dr. Martin Cahn
Graham Cone
Peter Fane
Geoff Harvey
Dr. Aidan Van de Weyer

Officers in attendance for all or part of the meeting:

Stephen Kelly (Joint Director of Planning and Economic Development),
Peter Maddock (Head of Finance), Matt Paterson (Strategic Planning
Consultant for Cambridge City Council and South Cambridgeshire District
Council), and Ian Senior (Scrutiny and Governance Adviser)

Councillor John Williams (Lead Cabinet Member for Finance) was in attendance, by invitation.

1. Chair's announcements

The Chair made several brief housekeeping announcements.

2. Apologies for absence

Councillors Nigel Cathcart and Sarah Cheung Johnson sent apologies. Councillor Gavin Clayton substituted for Councillor Cathcart.

3. Declarations of Interest

Councillors Anna Bradnam and Judith Rippeth declared non-pecuniary interests in Minute 7 (In Principle Commitment to Delivery of Area Action Plan for North East Cambridge) as local Members for the ward of Milton and Waterbeach which would be impacted by the proposed Area Action Plan.

4. Minutes of Previous Meeting

The Committee authorised the Chair to sign, as correct records, the minutes of the meetings held on 20 July 2021 and 21 September 2021.

5. Public Questions

Daniel Fulton of the Few's Lane Consortium withdrew his public question and apologised for not having done so prior to the meeting.

6. General Fund Medium Term Financial Strategy

The Scrutiny and Overview Committee reviewed a report on the Council's Medium-Term Financial Strategy (MTFS) and financial forecasts. The report covered the MTFS up to the financial year 2026-27 and set out the updated medium term financial plan following the outcome of a mid-year review of financial forecasts.

Committee members noted that an early draft of the MTFS had already been considered by Full Council as part of the new process for developing the Budget. This review by the Scrutiny and Overview Committee was another part of that process.

Councillor John Williams (Lead Cabinet Member for Finance) briefly introduced the report, and then Committee members engaged in debate about the following.

The potential impact of inflation – especially wage inflation

In response to a question from Councillor Dr. Claire Daunton, the Head of Finance highlighted inflation as being one of the uncertainties in developing a Strategy taking the Council through to the year 2026-27. He summarised several other challenges and said that, at a time of such financial uncertainty, various assumptions had had to be made. Inflation was just one of those assumptions likely to vary over time.

Nature of the savings outlined in the report

The Head of Finance confirmed that predicted savings were on-going savings at this stage. He said that the extent of such savings might be reduced in the event of enhanced levels of service provision. Members cautioned against an over-reliance on efficiency savings to make the budget balance and attempting to claim all the savings from transformation but overlook service provision. Underlying that there was the assumption that once one round of efficiency savings had been made, subsequent ones would be harder to achieve.

Business Rates

The Head of Finance said that South Cambridgeshire District Council is in the top ten for business rates growth above the baseline. This had resulted in the Council benefitting from a substantial increase in income from business rates in recent years. He therefore acknowledged and highlighted the potential implications for the Council of the impending review of that source of local authority revenue. In response to a request to clarify a statement in his report that "...The financial forecast assumes neither a surplus or deficit in the period to 2026-27...", the Head of Finance said that there was a significant gap between revenue and expenditure but that the Council's Transformation Project might reduce that gap by up to 50%. In response to a query about a deficit in the Collection Fund, he said that this had been identified as a one-off occurrence. The Council's exposure to the possible abolition of Business Rates needed to be recognised and guarded against.

The impact of Brexit

The Head of Finance acknowledged the possible increase in costs.

Covid-19 costs

In response to a request to quantify reduced income aligned to business confidence (commercial rents, planning applications), the Head of Finance said there would be additional costs in 2022-23 and that the extent of the reduced income should become clearer in the next two to three months. In terms of income from planning applications, the Joint Director of Planning and Economic Development said that the Greater Cambridge Planning Service was constantly monitoring anticipated planning applications and revising its forecast of fees income. He said the current position was better than anticipated, but officers were continuing to assess matters and engage with developers, especially those whose applications were likely to generate higher levels of income.

Comparison between South Cambridgeshire District Council and other local authorities

Councillor Gavin Clayton wondered whether there were local authorities elsewhere with more certain forecasts. In reply, the Head of Finance said that South Cambridgeshire District Council was not alone in facing an uncertain financial future: while Councils had control over Council Tax revenue, the impending review of Business Rates was a major concern.

Council Tax

The Head of Finance said the figure for Council Tax was assessed on three elements: an increase of 1.99% or £5 whichever is the higher, an increased charging base, and Increased income from the Council Tax Counter-Fraud project.

Information

Councillor Peter Fane said that South Cambridgeshire District Council should endeavour to acquire first-hand information from Central Government rather than relying on information provided by third parties, no matter how trusted those third parties were.

Conclusion by the Scrutiny and Overview Committee

The Committee applauded the work being undertaken by the Head of Finance and his team. The Chair observed that the only certainty seemed to be uncertainty. He thanked the Head of Finance for giving the Scrutiny and Overview Committee the opportunity to understand the financial challenges that lie ahead.

7. In Principle Commitment to Delivery of Area Action Plan for North East Cambridge

The Scrutiny and Overview Committee considered a report concerning the deliverability of a joint Area Action Plan (AAP) being prepared by Cambridge City Council and South Cambridgeshire District Council for North East Cambridge. An AAP was likely to promote future structural change in the layout and land use of parts of the area, including 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.

Noting some confusion as to the purpose of the report, Councillor John Williams, the Lead Cabinet Member for Finance, said that South Cambridgeshire District Council (and Cambridge City Council) needed to approve an 'In Principle' commitment to delivery of an AAP for North East Cambridge to show intent to landowners. However, he undertook to consider clearer report headings in future while maintaining the purpose behind using technical language. To clarify, the Committee Chair emphasised that this report was concerned solely with financial matters and the Council's commitment to back the project. He said that a further report would be brought before the Scrutiny and Overview Committee in December, which would focus on planning issues.

The Scrutiny and Overview Committee saw the process as positive, demonstrating the two Councils' commitment to the project and willingness to use all means available to carry it through.

The Strategic Planning Consultant for Cambridge City Council and South Cambridgeshire District Council explained that the use of compulsory purchase powers was a tool of last resort, and that the two Councils would seek to further their ambitions first through other means.

Councillor Anna Bradnam recognised the need for an 'in principle' report highlighting the fact that different parts of the site were owned by South Cambridgeshire District Council, Cambridge City Council, Milton Parish Council and by private landowners. Referring to paragraph 24 of the report, Councillor Peter Fane noted how the AAP would strive to provide housing that was truly affordable for everyone to live in.

In response to a question from the Chair, the Strategic Planning Consultant said that Cambridge City Council had approved a similar report.

The Scrutiny and Overview Committee supported the officer recommendation to Cabinet.

8. Work Programme

The Scrutiny and Overview Committee received and noted its work programme for 2021-2022. This indicated that the meeting on 11 November would consider a report on planning performance, referred to the Committee by Full Council on 23 September 2021. The Chair announced that, provisionally, there would be four other substantive agenda items, namely

- North East Cambridge Area Action Plan (Proposed Submission)
- Investment Strategy
- Empty Homes Strategy
- HRA Asset Management

In response to Councillor Gavin Clayton, the Chair said that a decision on whether to establish a Task and Finish Group to review the needs of Gypsy, Traveller and Roma people in South Cambridgeshire was currently on hold pending clarity on how that matter was to be addressed as part of ongoing work on the Greater Cambridge Local Plan.

9. To Note the Dates of Future Meetings

The next Scrutiny and Overview Committee meeting would be on Thursday 11 November 2021. The Chair emphasise that the meeting would be held in the Guildhall, Cambridge, and would start at 4.30pm.

The Meeting ended at 6.25 p.m.
