

MINUTES OF CABINET MEETING HELD 5 DECEMBER 2016

PRESENT:

Cabinet Members: Councillor Holdich (Chair), Councillor Eley, Councillor Goodwin, Councillor Hiller, Councillor Lamb, Councillor Seaton, Councillor Smith and Councillor Walsh

Cabinet Advisors: Councillor Casey and Councillor Stokes

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Fitzgerald.

2. DECLARATIONS OF INTEREST

The Director of Governance advised that, in relation to Item 4 'Phase 1 Budget Proposals', this involved issues with regard to council tax and precept but as a dispensation had been secured through the Audit Committee, based on advice from DCLG, then Councillors would not have to declare a particular interest and would be able to speak and vote on the item. In relation to Members' Allowances issues, as Council had already made a decision in relation to the payment of these, Councillors would only be required to note the impact on the budget.

3. MINUTES OF THE CABINET MEETINGS HELD ON:

(a) 7 NOVEMBER 2016

The minutes of the meeting held on 7 November 2016 were agreed as a true and accurate record.

(b) 17 NOVEMBER 2016 – Extraordinary Meeting

The minutes of the extraordinary meeting held on 17 November 2016 were agreed as a true and accurate record.

STRATEGIC DECISIONS

4. PHASE 1 BUDGET PROPOSALS

Cabinet received a report as part of the Council's agreed two-stage budget process as outlined in a report considered by Cabinet on 7 November 2016.

The purpose of the report was to enable Cabinet to consider the feedback from the consultation undertaken to date with Scrutiny, residents, partner organisations, businesses and other interested parties to recommend to Council approval of phase one budget proposals.

The Cabinet Member for Resources introduced the report, highlighting the main issues contained within. Gratitude was expressed to all those who had shared their views and to Directors and Officers in supporting specific events and to the joint Scrutiny Committees for having thoroughly debating the proposals at their meeting. There were

no formal recommendations from the joint Scrutiny Committees to be considered but their comments were included within the report.

Within the first tranche of savings, the Council were not proposing any reduction in services; the Council's focus was to ensure it remained as efficient as possible. The government had made it clear that the grant would go and like all local authorities, the Council would have to move towards self-sufficiency.

The proposals included a council tax increase of 4%; half to be used to support adult social care. Despite this increase, taxpayers in Peterborough would still pay one of lowest rates in the country.

Where feedback included suggestions for saving money they had been reviewed and Councillor Seaton stated that whilst he was grateful for the comments, in most cases the Council was either undertaking them already or were planning to do so or the actual savings generated were not at the level thought by the respondent. On this basis it was not considered that there should be any changes to the Phase 1 Budget proposals.

The budget consultation would remain open until Monday 12 December 2016 and a further update would be brought to Full Council. A second set of proposals would be published in the New Year when the process of seeking feedback would be repeated.

Cabinet debated the report and in summary, key points raised and responses to questions included:

- All Members would receive an update regarding the final consultation feedback at Full Council on 14 December 2016.
- It was noted there were very few top tier local authorities that had announced their budget proposals for 2017/18 and not one had a balanced budget position; in particular did not have a single cut to help with the balance.
- It was questioned as to whether there were implications with regard to how the Council had balanced the budget as monies used could be needed in future years.
- It was noted that local government funding information was expected to be released on Thursday 8 December 2016 and this would be communicated to Cabinet.
- A series of meetings with interested parties had taken place and it was noted that there was an absence of comments; most were appreciative and understood the budget position and difficult financial position of the Council and were both surprised and relieved with the savings. As the budget stood for next year there were no reductions or cuts included and this was unusual for Councils in the current financial climate.
- Other authorities were not in as fortunate position as Peterborough who had built its reserves up to provide a buffer for future years.
- The homeless situation throughout the country was of concern to the Council and measures had been taken to deal with the issue; it was asked if there were any funding arrangements from the government to help and if so, would this have a positive impact on the budget. The government had mentioned potential options for intervention but this would not deal with the costs incurred to tackle the issue.
- It was noted and commended that the steps taken by the Council to achieve a balanced budget would help Peterborough retain a strong and healthy economy and protect frontline services for residents.
- The key strength in the local economy was due to increased council tax, new homes bonus, benefits and new business rate income. Unemployment rates had dropped dramatically, there were a large number of start-up businesses and an interest from larger businesses wanting to move into the area; all this

was important for the future wellbeing of the city and the financial situation of the Council.

Cabinet considered the report and **RESOLVED** to:

1. Have regard to the consultation feedback received to date and statutory advice detailed in the report when determining the phase one budget proposals, noting that consultation remains open and an addendum will be provided prior to the Cabinet meeting and to the Council meeting;
2. Note the timetable for the phase two consultation and formal approval of the 2017/18 to 2026/27 Medium Term Financial Strategy as detailed at section 5;
3. Note that budget proposals considered by Council on the 14 December 2016 will form part of the Medium Term Financial Strategy but will not form part of the second stage of consultation or Council debate on 8 March 2017; and
4. Recommend to Council, having had regard to feedback, approval of the phase one budget proposals, summarised in Appendices 1 and 2, to enable implementation of these budget proposals to commence. These proposals include a council tax increase of 2%, plus the increase of 2% for the Adult Social Care precept.

REASONS FOR THE DECISION

The Council must set a lawful and balanced budget. The approach outlined within the report worked towards this requirement.

ALTERNATIVE OPTIONS CONSIDERED

No alternative option had been considered as the Cabinet was responsible under the Constitution for initiating Budget Proposals and the Council was statutorily obliged to set a lawful and balanced budget by 11 March annually.

Chairman
10.00am – 10:20am