

MINUTES OF CABINET MEETING HELD 16 JANUARY 2017

PRESENT:

Cabinet Members: Councillor Holdich (Chair), Councillor Fitzgerald, Councillor Hiller, 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 Lamb, Councillor Goodwin, and Councillor Elsey.

2. DECLARATIONS OF INTEREST

There were no declarations of interest received.

3. MINUTES OF THE CABINET MEETINGS HELD ON 5 DECEMBER 2016

The minutes of the extraordinary meeting held on 5 December were agreed as a true and accurate record.

4. PETITIONS PRESENTED TO CABINET

There were no petitions presented to Cabinet.

STRATEGIC DECISIONS

5. COUNCIL TAXBASE, BUSINESS RATES, AND COLLECTION FUND DECLARATION 2017/18*

Cabinet received a report that formed part of the preparation for setting the Council's budget. The purpose of the report was to consider the Council taxbase, business rates and Collection Fund, so that figures for these could be used in setting the Council Tax and business rate income and could be notified to other affected authorities.

The Cabinet Member for Resources introduced the report, highlighting the main issues contained within. Attention was drawn to the matter of appeals on business rates and the impact this had had on business rates deficit position. This had been highlighted as a concern of the Council to central Government. The report was technical in nature, but also outlined what the Council's aspirations were, including ensuring that resources were available to maintain services.

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

- It was noted that the Council did not play any role in the hearing of appeals, or the determination of their outcome. The main cause of concern was the volume of appeals being placed. There had been, however, a number of appeal decisions to reduce the amount of business rates paid.
- The method for setting the value of business rates was discussed. This included both the rateable value of a business, and the multiplier level. This was a

- national method of determination, in order to cater to increase levels of inflation.
- A reevaluation of premises' rateable value was undertaken every five years. If a decrease in value was seen, an increase in the multiplier level would generally also be seen, in order to result in no overall change in business rate levels received by the Council. It was, however, noted that individual business may see a difference in the business rates they paid.
 - The level of business rates may impact the rate of growth in the Council area, however, additional growth would also create further business rate and council tax generation.
 - It was advised that the concept of the level of business rates received before and after the reevaluation process staying level resulted from a national view that Council's should not significantly benefit.
 - It was highlighted that central Government had doubled the small business rate relief from 50 %to 100%.
 - An increase in the level of appeals was expected following the reevaluation process.
 - Advice was available to business on rate levels. The Cabinet were advised that the Council also made use of these advice services. It was further noted that the Council was able to make representations during the appeals process, similarly to other interested parties.

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

1. Propose the calculation of the Council Tax Base for 2017/18 set at a level of 54,879.00 Band D equivalent properties based on a council tax support scheme of 30%, delegating authority of final confirmation of the Band D equivalent properties to Corporate Director Resources following approval of the council tax support scheme by Council on 25 January;
2. Note the estimated position on the Collection Fund in respect of Council Tax as at 31 March 2017 being:

| | |
|-------------|-----------------|
| Council Tax | £0.210m surplus |
|-------------|-----------------|
3. Note the estimated position on the Collection Fund in respect of Business Rates as at 31 March 2017 being:

| | |
|----------------|-----------------|
| Business Rates | £2.228m deficit |
|----------------|-----------------|
4. Delegate to the Corporate Director Resources authority for approving and returning the final NNDR1 return to the Secretary of State by 31 January 2017 to include any further revision to the business rates position 2016/17 and Business Rate income 2017/18.

REASONS FOR THE DECISION

The Council Tax Base could be set at a higher or lower level. However, this could have the effect of either inflating unnecessarily the amount of Council Tax to be set, or setting the tax at a level insufficient to meet the Council's budget requirements. A similar position could arise if the surplus or deficit were set at a higher or lower level.

The calculation and return of the information included in the NNDR1 was a statutory requirement which could be formally delegated to an officer. As with council tax if the amount of business rates estimated to be collected was increased or reduced, or the surplus or deficit was set at a higher or lower level than the amount of income available to the council, this would change with the consequent effect on service provision or council tax levels.

ALTERNATIVE OPTIONS CONSIDERED

The report covered calculations that were all prescribed by regulations with the effect that no other options needed to be considered. Furthermore, alternative tax base calculations had been prepared dependent on the option Council approved on the Council Tax Support Scheme for 2017/18.

6. SCHOOLS BUDGET*

Cabinet received a report that requested approval of the 2017/18 draft budget proposals for schools, to meet requirements detailed in the "Schools revenue funding 2017 to 2018 operational guide".

The purpose of the report was to provide Cabinet with the schools budget proposals for the financial year 2017/18, detailing the basis for the allocation of budgets to schools and identify pressures resulting from government policy.

The Cabinet Member for Resources introduced the report, highlighting the main issues contained within. It was advised that the key issues to note included the Government alteration to the banding of deprivation, in order to allow more funding to be provided to 'deprived' schools. Central Government had also adjusted the standards of 'low prior attainment' to allow from the higher level of testing applied to pupils. Education Services Grants were to cease, although the duties of schools remained the same. This was now intended to be met through school contribution.

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

- The Government were currently consulting on the national schools funding formula. This was a decision that would, in the future, be made by central Government and not local authorities.
- It was noted that full implementation of the schools budget would not occur until 2019/2020.
- In relation to the removal of the Education Services Grant, it was considered that schools with a higher level of pupils may fare better than those with low numbers, as they would receive a greater contribution from the pupil fund.
- The Looked After Children funding factor was to provide specific support for the particular qualifying children. It was to be removed on a national level as the data was unreliable. Alternative funding would be provided through the pupil premium grant.
- Communication to schools was provided each year in relation to the Armed Forces Allocation. Schools should be passing this information onto parents.
- A large proportion of funding was held back for the school improvement board.

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

1. Approve the 2017/18 draft budget proposals for schools;
2. Delegate authority for any minor adjustment to proposals to the Corporate Director Resources following the Government's publication of the final 2017/18 Dedicated Schools Grant (DSG) and Education Services Grant (ESG) arrangements; and
3. Note the resultant pressures arising, and that the impact will be included in the phase 2 budget proposals.

REASONS FOR THE DECISION

Cabinet had a statutory duty to agree schools budgets each year.

ALTERNATIVE OPTIONS CONSIDERED

Cabinet could consider using alternative approaches to allocating funding through the formula, however schools forum had been consulted on the approach recommended.

7. COUNCIL TAX SUPPORT SCHEME 2017/18

Cabinet received a report following consultation on proposals for the Council Tax Support Scheme 2017/18, including discussion at the cross party Budget Working Group.

The purpose of the report was to make a recommendation to Council on the Council Tax Support Scheme in Peterborough for the financial year 2017/18. There was a statutory requirement for the Council to set a localised Council Tax Support Scheme by 31 January 2017 and this formed part of the formal budget process under the Budget and Policy Framework.

The Cabinet Member for Resources introduced the report, highlighting the main issues contained within. It was advised that in 2013 the national scheme was replaced with local schemes. The Council had been able to maintain the level of its scheme for the past four years. No comments had been received during the consultation period from the Scrutiny Committee or the Peterborough Community Assistance Scheme Board. Pensioner households would continue to be exempt from the proposals. It was advised that the Council was signed up to the Citizen's Advice Bureau's (CAB) Council Tax Arrears Good Practice Protocol as well as the Discretionary Hardship Policy. The proposals had been shared with the cross party Budget Working Group, where no specific comments were raised.

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

- In order to claim through the Hardship Fund, individuals would need to approach the CAB, who could guide them through the process. This would allow them to access other guidance from the CAB at the same time.
- A question was raised of the provision of polygamous marriages in relation to determining dependents, as such marriages were not recognised under British law. The Cabinet were advised that the guidance mirrored the national scheme. The number of dependents in such circumstances were still limited to one. The Equality Impact Assessment considered all potential groups.
- It was suggested that that an additional note be included in this section explaining such for future years.

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

1. Consider the consultation on the council tax support scheme;
2. Note the continuation of the discretionary council tax hardship policy; and
3. Recommend to the meeting of Council on 25 January 2017 a Local Council Tax Support scheme for Peterborough that contains the following local components:
 - a) No change to the existing scheme reduction of 30% for all eligible working age claimants
 - b) Aligns the Council Tax Support Scheme to Housing Benefit rules making it less complicated for claimants.

REASONS FOR THE DECISION

The Council is statutorily required to approve a council tax support scheme by the 31 January 2017 having had regard for the council's financial position and feedback from responses to the consultation. As part of this consultation, the council is consulting on a council tax discretionary hardship policy.

ALTERNATIVE OPTIONS CONSIDERED

The Council is statutorily required to approve a local scheme by 31 January. Cabinet had discussed the current 30% Council Tax Support Scheme with the cross party Budget Working Group as part of ongoing budget discussions. Options discussed were:

- One option would be to increase the 30% scheme, however this would have a negative impact on low income households with claimants having to pay more council tax.
- Another option would be to reduce the 30% scheme, however, this would require the Council to find savings of up to £2.4m from elsewhere in the budget.

8. SCHOOLS ORGANISATION PLAN 2015-2020

Cabinet received a report that sought agreement of the 2016 update to the Schools Organisation Plan 2015-2020, following the Children and Education Scrutiny Committee held on 14 November 2016.

The purpose of the report was to update the Cabinet further to the School Organisation Plan (2015-2020) which was published in December 2015. This update to the School Organisation Plan (2015-2020) described the 2016 position with regard to school place planning and demography, and proposals for expansion of primary and secondary schools.

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

- The figure assumptions used within calculations included current pupil levels, birth rates, previous trends, in year growth and house building.
- It was noted that a number of primary schools had received investment to continue to meet the demands placed on them. Growth for a number of primary schools had been over original forecasts.
- Two schools were to be developed in Hampton Garden for 2019, with four form entry by 2021.
- Progress on the Hampton Academies Trust pre-school bid was positive.
- It was noted that there was 577 spare spaces within primary schools across the city at the current time. Work was being done now to cater to future needs and demands.
- Future expansions of Omiston Academy and Nene Trust Academy were expected. This had been considered partly on the basis of a postcode analysis and to ensure that local places were available for local children to mitigate transport.

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

1. Note the 2016 update to the School Organisation plan (2015-2020); and
2. Agree its contents for publication.

REASONS FOR THE DECISION

The challenge of meeting the demand for school places remained a constant pressure. Peterborough had the third highest birth rate in the country and one of the highest rates of In Year school admissions in the country. The 2015 – 2020 School Organisation Plan had been reviewed and an update was submitted to the Creating Opportunities and Tackling Inequalities Scrutiny Committee in November 2016. The demographic forecasts had been updated and a strategy was in place to ensure that Peterborough fulfilled its statutory responsibility to provide school places. The 2016 update outlined how we met this need.

ALTERNATIVE OPTIONS CONSIDERED

Do Nothing – The consequences of not responding to the recommendations would mean that the Council would be unable to provide sufficient school places and would be in breach of its statutory responsibility.

MONITORING ITEMS

9. OUTCOME OF PETITIONS

Cabinet received a report following the presentation of petitions directly to Council officers and to Council at its meeting held on 14 December 2016. The purpose of the report was to update Cabinet on the progress being made in response to petitions submitted at meetings of Cabinet and Council.

Cabinet considered the report and **RESOLVED** to note the actions taken in respect of petitions.

REASONS FOR THE DECISION

As the petitions presented in this report had been dealt with by Cabinet Members or officers, it was appropriate that the action taken was reported to Cabinet, prior to it being included within the Executive's report to Council.

ALTERNATIVE OPTIONS CONSIDERED

There had been no alternative options considered.

Chairman
10.00am – 10:55am