

**MINUTES OF THE EXTRAORDINARY CABINET MEETING
HELD AT 10:00AM, ON
MONDAY, 15 OCTOBER 2018
BOURGES/VIERSEN ROOM, TOWN HALL, PETERBOROUGH**

Cabinet Members Present: Councillor Holdich (Chair), Councillor Ayres, Councillor Cereste, Councillor Fitzgerald, Councillor Hiller, Councillor Lamb, Councillor Smith, Councillor Walsh and Councillor Seaton.

Cabinet Advisors Present: Councillor Allen and Councillor Fuller.

37. APOLOGIES FOR ABSENCE

No apologies for absence were received.

38. DECLARATIONS OF INTEREST

No declarations of interest were received.

39. MEDIUM TERM FINANCIAL STRATEGY 2019/20 to 2021/22

The Cabinet received a report detailing the consultation proposals for the Medium Term Financial Strategy 2019/20 to 2021/22 – Tranche Two.

The purpose of this report was to form part of the Council's formal Budget and Policy Framework. This required Cabinet to initiate and propose service proposals and updated assumptions to set a balanced and sustainable budget for the financial years 2019/20 to 2021/22. There was a legal requirement to set a balanced budget for 2019/20.

The Cabinet Member for Resources introduced the report and advised that this tranche of the budget was the second of three for the year. Huge pressures had been put on local authorities with a cut to the Revenue Support Grant of over 80 per cent. The number of children in care was increasing as well as the need for support for the elderly. It was advised that the reductions proposed in relation to the bus service included a reduction in the subsidy for the 60's service, as not increase in demand had been seen, and a reduction in the Sunday evening service for routes 2 to 6, as these were little used.

Thanks were passed on to the Acting Corporate Director for Resources and the Corporate Management Team for their hard work.

The Cabinet Member for Resources would be monitoring the progress of the Government's Fair Funding Review. It was further noted that following Tranche 2 the Council faced a £3 million deficit for 2019/20 and £18 million for future years. More work would continue on initiatives to decrease this gap in future budgets. This included identifying the Council's 'core offer', commercialisation, rationalisation and further integration with partners.

The Cabinet Member noted the increase use of infographics and social media in engaging the public to take part in the budget consultation. It was advised that responses were already higher than previously experienced.

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

- The Acting Corporate Director of Resources would provide a list of all the funding available in relation to the Fair Funding Review.
- The Youth Council were being consulted on 16 October and further consultation would take place with Children in Care, the Parish Councils and the Disability Forum.

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

1. The Tranche Two service proposals, outlined in Appendix E to the report as the basis for public consultation.
2. The updated budget assumptions, to be incorporated within the Medium Term Financial Strategy (MTFS) 2019/20- 2021/22. These were outlined in section 5.4 of the report.
3. The revised capital programme approach outlined in section 5.7 and referencing Appendix D to the report.
4. The Medium Term Financial Strategy 2019/20-2021/22-Tranche Two, as set out in the body of the report and the following appendices:
 - Appendix A – 2019/20-2021/22 MTFS Detailed Budget Position – Tranche Two
 - Appendix B – Local Government Finance Event Timeline
 - Appendix C – Performance Data
 - Appendix D – Capital Programme 2018/19 - 2021/22
 - Appendix E – Budget Consultation Document, including Budget Proposals
 - Appendix F – Equality Impact Assessments

Cabinet **RESOLVED** to note:

5. The future strategic direction for the Council outlined in section 5.6 of the report.
6. The forecast reserves position outlined in section 5.8 of the report.

REASONS FOR THE DECISION

The Council must set a lawful and balanced budget. The approach outlined in this report work 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.

40. BUDGET CONTROL REPORT AUGUST 2018

The Cabinet received a Budget Control Report for August 2018. The purpose of this report was to provide Cabinet with an update of the August 2018 Budgetary Control position.

The Cabinet Member for Resources introduced the report and advised that the outturn position had worsened by approximately £500,000. It was further noted that the capital programme figure was lower than had been expected. This was, however, in line with trends from previous years. An increase towards the end of the year would become more difficult the greater the savings required.

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

- It was noted that while the capital programme was following observed trends, it was considered that extra vigilance was needed in times where pressure are not expected to ease. A Plan B was needed.
- Suggestion was made that further discussion take place between Cabinet Members in order to consider possible future steps.
- Comment was made that many of the areas of pressure faced by the Council were not within the Council's control.
- Discussion was had in relation to the impact of Brexit on Council pressures and that this needed to be taken into consideration.
- It was further noted that preventative measure should be considered once more as, although not a statutory requirement, did have a beneficial effect.

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

1. The Revenue Budgetary Control position for 2018/19 at August 2018 included a £6.482m overspend position on the revenue budget.
2. The key variance analysis and explanations that were contained in Appendix A to the report.
3. The estimated reserves position for 2018/19 as outlined in Appendix B to the report.
4. In year budget risks were highlighted in Appendix C to the report.
5. The Asset Investment and Treasury Budget Report as contained in Appendix D to the report.

REASONS FOR THE DECISION

The report updated Cabinet on the August 2018 budgetary control position.

ALTERNATIVE OPTIONS CONSIDERED

There had been no alternative options considered.

Chairman
10:00am – 10:16pm
15 October 2018