

**MINUTES OF THE BUDGET CABINET MEETING  
HELD AT 10:00AM, ON  
MONDAY 21 FEBRUARY 2022  
SAND MARTIN HOUSE, PETERBOROUGH**

**Cabinet Members Present:** Councillor Steve Allen (Vice-Chair in the Chair), Councillor Ayres, Councillor Cereste, Councillor Coles, Councillor Hiller, Councillor Simons, Councillor Walsh

**Cabinet Advisor Present:** Councillor Bashir, Councillor Bisby, Councillor Howard

**53. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Fitzgerald and Councillor Gul Nawaz.

**52. DECLARATIONS OF INTEREST**

Councillor Hiller declared an interest in agenda item 8 'Budget Approval for the Construction of Peterborough City Market and for the Disposal of Land at Northminster', as a Board Member of Peterborough Investment Partnership. He would leave the room during the debate of the item and not take part in the vote.

**53. MINUTES OF THE CABINET MEETINGS HELD ON:**

**(a) 10 January 2022**

The minutes of the Cabinet meeting held on 10 January 2022 were agreed as a true and accurate record.

**(b) 31 January 2022 – Budget Meeting**

The minutes of the Budget Cabinet meeting held on 31 January 2022 were agreed as a true and accurate record.

**54. PETITIONS TO CABINET**

There were no petitions presented to Cabinet.

**STRATEGIC DECISIONS**

The Chair agreed to reorder the agenda, to consider agenda item 8 'Budget Approval for the Construction of Peterborough City Market and for the Disposal of Land at Northminster' after agenda item 9 'Budget Control Report December 2021', in order for the meeting to move into exempt session should Members resolve to do so.

**55. MEDIUM TERM FINANCIAL PLAN 2022/23 – PHASE TWO**

The Cabinet received a report in relation to phase two of the Medium Term Financial Plan for 2022/23.

There was a legal requirement to set a balanced budget for 2022/23. The purpose of this report was to recommend that Cabinet approve the Phase Two budget proposals, ask Cabinet to agree that the Medium-Term Financial Strategy was necessarily delayed until September 2022, as proposed in the Improvement Plan that was approved by Council on 16 December 2021, outline the financial challenges facing the Council in setting a balanced budget over the medium term, and outline the tactical approach and actions taken by the Council to deliver a balanced budget in 2022/23.

The Cabinet Member for Finance introduced the report and confirmed that proposals remained largely unchanged from those agreed for public consultation. This included the estimates, which was remained reasonable and deliverable. A fundamental review was taking place in relation to asset management in order to develop a coherent strategy. Members were reminded not to underestimate the size of the challenge facing the Council. The Cabinet Member went on to thank all those who had taken part in the public consultation, including the Joint Meeting of Scrutiny Committees, which comprised a good and open debate without any further recommendations to Cabinet.

Cabinet Members debated the report and in summary responses to questions raised included:

- Members were advised that the Cabinet Member was as confident as possible in the estimates set out within the plan.
- Emphasis was made on the need to reach a sustainable budget, without reliance on reserves.
- It was noted that the number of responses to the consultation was low, but that expectations for responses to any consultation must be realistic. Further engagement would itself attract further cost and this was something that Members would need to consider going forward.
- Clarification was provided on the risk categories set out within the plan, as the plan had used a four-category system, rather than the traditional three. Some 'high' risks would have been considered 'amber' in traditional systems.
- It was considered that avoiding all 'high' or 'very high' risks would have required closing Council-controlled services. The approach taken was felt to be the correct balance.
- It was noted that the risk in question was not risk to residents, or to vulnerable adults or children, but risk in relation to not delivering on savings.

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

1. This proposed budget includes a Council Tax increase of 2.99%, (1.99% general Council Tax and 1% Adult Social Care Precept), as outlined within section 5.2
2. The Phase Two budget proposals as outlined in Appendix B.
3. The updated budget assumptions, to be incorporated within the Medium-Term Financial Plan 2022/23. These are outlined in section 5.
4. The revised capital programme outlined in section 5 and referencing Appendix C.
5. The establishment of a Budget Risk Reserve and the forecast reserve commitments to fund the cost of transformational investment and the implementation of the Improvement Plan. These are outlined in section 6 and Appendix F.
6. The Education budget as outlined in section 5.6 and within Appendix J.
7. The proposed approach to the development of an Asset Management Strategy, in line with that included within the improvement plan. This is outlined in section 5.5.

8. The Medium-Term Financial Plan 2022/23 – Phase Two, as set out in the body of the report and the following appendices:
- Appendix A – 2022/23 MTFP Budget Position Phase Two
  - Appendix B – Phase Two Budget Consultation Document
  - Appendix C – Capital Programme Schemes 2022/23-2024/25
  - Appendix D – Financial Risk Register
  - Appendix E – Fees and Charges
  - Appendix F – Reserves Commitments
  - Appendix G – Equality Impact Assessments
  - Appendix H – Carbon Impact Assessments
  - Appendix J – Dedicated Schools Grant and the Schools Budget 2022-23
  - Appendix K – Treasury Management Strategy
  - Appendix L – Capital Strategy
  - Appendix M – Budget Consultation Feedback

Cabinet **RESOLVED** to note and recommend that Council note:

9. The strategic financial approach taken by the Council outlined in section 4 of this report.
10. The Council's core funding position following the Local Government Final Finance Settlement published on 7 February 2022. This shows a £0.005m favourable change in comparison to the provisional settlement previously reported. This is outlined in section 5.
11. The forecast reserves position, and the statutory advice of the Chief Finance Officer outlined in section 6 'The Robustness (Section 25) Statement'.
12. The Councils Improvement Plan within Appendix I, as agreed at Council on 16 December, from which this plan is outlined as a key deliverable within the financial sustainability theme.
13. The following changes which have been made since the 31 January Cabinet report:
- a. Confirmation of Final Settlement and grant allocations such as Public Health resulting in a £0.005m favourable change in budget position
  - b. Inclusion of the final parish precepts in section 5.2- net nil budget impact
  - c. Confirmation of no changes to the estimates/assumptions included within the budget proposals
  - d. Inclusion of the approach to the asset strategy
  - e. Inclusion of the budget consultation feedback received up to 10 February 2022.

## **REASONS FOR THE DECISION**

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

## **56. 'SAVE BRETTON OAK TREE' PETITION – ACTION TO BE TAKEN**

The Cabinet received a report in relation a petition received requesting that the Council 'save Bretton Oak Tree', as well as a supplementary report containing the recommendations of the Growth, Environment and Resources Committee held on 15 February 2022.

The purpose of this report was to determine whether or not to implement the felling consent for an oak tree in Bretton. The consent to fell already lawfully existed, Cabinet was being asked whether to implement the consent, or, if it determined not to implement the consent, indicate what alternative form of action was considered most appropriate.

The Cabinet Member for Waste, Street Scene and Environment introduced the report and advised that he had investigated alternative options with officers and commissioned expert reports. It was considered that evidence in favour of felling the tree was compelling, however, the Cabinet Member was happy to commission a further independent report within the next 14 days and to commit to planting 100 extra trees should the oak tree at Bretton require felling.

Councillor Sandford addressed the Cabinet and endorsed the recommendation of the Scrutiny Committee to seek an independent report. It was requested that the cost effectiveness of root barriers be investigated as an alternative. It was felt that root barriers could be effective in some circumstances. Councillor Sandford further raised that there were a number of floors in the application and that he felt there were discrepancies in estimated costs.

Mr Richard Elmer, on behalf of the Lead Petitioner, addressed the Cabinet and advised that independent legal advice had been sought from 'Tree Law', who had produced a report, which was available to Members. The conclusions of this report suggested that there was key information about the current status of affected properties missing, following the removal of tree 'T1'. It was felt that bold statements had been made in relation to costs, but the situation was not as bad as the Cabinet report suggested. New repair schemes now existed that may not be as expensive, and root barriers were not as costly as the proposals set out in the report.

Cabinet Members debated the report and in summary responses to questions raised included:

- Members were advised that the use of root barriers was a complicated issue. No specific quote had been source and the reason for not progressing this option was that the effectiveness of root barriers was unproven, with mortgage companies not trusting the procedure.
- Further issues were raised with root barriers, particularly that they would need to be installed on residents' land, not the Council, which would require consent and compensation.
- Members noted the different conclusion drawn by experts in relation to subsidence versus heave being the cause of the property damage, with the Council's commissioned expert advising that subsidence was the contributing factor. Heave, it was advised, was typical in cases of wide-scale vegetation clearance, which had not happened here.
- In relation to the cost of work, Members were advised that the cost of felling or pruning could be factoring into existing budgets. The implementation of root barriers would require additional budget allocation. The failure of any scheme would result in the Council being liable for damage caused.
- Comment was made by Councillor Ayres that, as Ward Councillor, she would not be voting.
- Members established that there were unlikely to be any lasting issues relating to the tree roots should the tree be felled, and that using root barriers would cause roots to grow in alternative directions, not to encircle them entirely.
- It was requested that if the final decision was delegated to the Cabinet Member, any further expert report should be circulated to all members of the Cabinet prior to a decision being taken.

Cabinet considered the report and the recommendation of the Growth, Resources and Environment Scrutiny Committee and **RESOLVED** (unanimously, with the exception of Councillor Lynne Ayres, who abstained from voting) to:

1. Delegate authority to the Cabinet Member for Waste, Street Scene and the Environment to determine whether the consent to fell the tree at 9 Barnard Way, Bretton be implemented or not, subject to:
  - Obtaining a further independent expert assessment (i.e. not from the experts who have already provided assessments) of the issues relating to the mature oak tree and the property of 9 Barnard Way, Bretton, with such an assessment reviewing the existing reports and clarifying any inconsistencies; and
  - Ensuring the effectiveness, cost and implications of providing root barrier treatment have been properly considered.

## **REASONS FOR THE DECISION**

Cabinet needed to decide whether proceeding to fell the tree was the most appropriate course of action, when considering all options and taking account of all harm and costs of such options.

## **ALTERNATIVE OPTIONS CONSIDERED**

1. To install root barriers – high risk of failure, despite considerable cost, and not under the control of the council to implement.
2. To prune the tree (and regularly prune thereafter) - not generally effective, unless extensive and frequent, negating the amenity value of the tree. Even with frequent pruning, risk remains. Relatively low cost, albeit ongoing annual (or so) costs.
3. To do nothing – not legally an available option. We are duty bound to abate the nuisance.
4. To accept liability and costs associated with underpinning properties affected. Effective, but very expensive, and not covered by insurance.
5. To fell the tree – effective at abating the nuisance, and low cost, though the tree is lost in its entirety.

## **57. THE PETERBOROUGH HOUSING ALLOCATIONS POLICY**

The Cabinet received a report in relation to the Allocations Policy for referral to Full Council.

The purpose of this report was to present to Cabinet the final draft of the Common Housing Allocations Policy.

The Cabinet Member for Housing, Culture and Communities introduced the report and explained that the update had been developed alongside registered housing providers and following a 12 week public consultation. The Strategy was designed to make best use of the resources available to the Council and to work as a homelessness prevention tool, rather than in a reactive manner.

Cabinet Members debated the report and in summary responses to questions raised included:

- It was advised that the police set out the Council's rules and would work alongside the eligibility criteria of most housing associations, however some will be difference. The policy allowed for discussion on a case by case basis with those partners.
- Those with specific medical needs would be made a priority, with assessments being conducted to determine whether appropriate changes

could be made to current accommodation and, if not, how housing stock could be best used to support them.

- Members noted that those leaving care were specifically mentioned in the policy, with processes in place to ensure a smooth transition into independent living.
- The authority was fully subscribed to the Armed Forces Covenant.
- It was noted that stable accommodation was a key contributor in prevent reoffending among those leaving prison and, as such, the policy aided work to ensure smooth transition or provide mitigating if that was not possible.
- In response to a query raised, Members were advised that the preference for those living in the city for 5 years or over had been removed, as this resulted in the majority of clients receiving preference as was, as such, ineffective.
- Members noted that the local connection criteria – that of having lived in the area for 6 of the past 12 months or 3 of the last 6 years – remained in effect.
- Comment was made around the allocation of bedrooms for children, which in the policy aligned to that of the housing benefit assessment.
- Members were advised that applicants themselves determined who would be included on any tenancy.
- The policy took into account, it was highlighted, situations where it would not be safe for individuals to remain in their current accommodation.
- Concern was raised in relation to the limited provision that could be provided to families where custody of children was shared, with bedroom allocation being provided to those in receipt of child benefit.

Cabinet considered the report and **RESOLVED** to recommend the new Allocations Policy to Full Council for approval.

## **REASONS FOR THE DECISION**

Part 6 of the Housing Act 1996 as amended regulated the allocation of social rented housing by local authorities.

Local housing authorities were required by s.166A(1) of the Act to have an allocations policy for determining priorities, and for defining the procedures to be followed in allocating housing accommodation.

Local housing authorities must allocate in accordance with the allocation policy (s.166A(14)).

All aspects of the allocation process must be covered in the policy including the people by whom decisions are taken.

## **ALTERNATIVE OPTIONS CONSIDERED**

Alternative options considered were:

Not to change the policy at all.

This was dismissed as the current policy was outdated and did not meet the needs of the city and demands on homelessness.

As the council was going through both a service re-design and the creation of a new Homeless strategy, it was vital that the allocations policy reflected the direction of the service and the current needs of Peterborough residents.

Other alternative options would be to make amendments to the current policy but not the changes that were proposed in this document. Officers were confident that the proposals suggested meet the council's aims to -

- Assist those in the highest need
- Let properties in a fair and transparent way
- Support vulnerable households
- Ensure there is a clear way of being reconsidered after a non-qualifying decision.

## **MONITORING ITEMS**

### **58. BUDGET CONTROL REPORT DECEMBER 2021**

The Cabinet received a report in relation to the Budget Control Report for December 2021.

The purpose of this report was to provide Cabinet with the forecast outturn for 2021/22 as at the December 2021 budgetary control position.

The Cabinet Member for Coles introduced the report and advised Members that the budget position had improved from the previous month. The level of drawdown from reserves had reduced, although were still being utilised. The Cabinet Member was mindful that the upcoming months included the typically unpredictable winter season, as well as general uncertainty around the economy and inflation levels.

Cabinet Members debated the report and in summary responses to questions raised included:

- It was noted that the Capital Strategy now formed part of the MTFS report.
- The Cabinet Member was optimistic with regard to the year-end position, and noted that it would be wonderful not to have to use reserves at all.
- Members were aware of the risk of possible inflation increases and noted that assumptions in relation to this had been building into the budget.
- It was advised that council tax support figures had almost returned to pre-pandemic levels, demonstrating the resilience and recovery of the Peterborough economy.
- Business rate collection was 6.6% behind target and was being closely monitored.
- It was further noted that support was still available to business not eligible under the rate relief scheme, who could apply for support until 28 February 2022.

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

1. The budgetary control position for 2021/22 at 31 December 2021 is a forecast break-even, however the use of £2.9m of reserves underpins the corporate financing position of the Council.
2. The key variance analysis and explanations are contained in Appendix A.
3. The Council's reserves position, as outlined within Appendix B.
4. The Council's capital financial performance as outlined in Appendix C.
5. The Council's performance with respect to Business Rates (NNDR) and Council Tax Collection, as outlined within Appendix D.

## **REASONS FOR THE DECISION**

To ensure that Cabinet are up to date on the forecast outturn for 2021/22 as at the December 2021 budgetary control position.

## **ALTERNATIVE OPTIONS CONSIDERED**

No alternative options were considered.

## STRATEGIC DECISIONS

### 59. BUDGET APPROVAL FOR THE CONSTRUCTION OF PETERBOROUGH CITY MARKET AND FOR THE DISPOSAL OF LAND AT NORTHMINSTER

Councillor Hiller left the meeting at this point.

The Cabinet received a report in relation to the capital budget and funding of revenue costs for the construction of Peterborough City Market and decant of Northminster.

The purpose of this report was for Cabinet to consider recommending to Council the the transfer of capital budget of up to £450,000 from Strategic Property and the funding of the revenue costs from reserves for the construction of the Peterborough City Market and decant of Northminster, in order to enable the Council to dispose of its land at Northminster to facilitate the development of new homes on this site as part of the Council's ambition for regeneration and growth of Peterborough. The report also sought Cabinet approval to the sale of land at Northminster to Peterborough Investment Partnership (LLP).

The Cabinet Member for Housing, Culture and Communities introduced the report and outlined plans to create a new market site along Bridge Street, as the current location was dated and not beneficial. It was felt that the new site would revitalise the public realm offering in the city and it was important to secure the best value for the land at Northminster, which was owned by the Council. The new Bridge Street market would include stylised stalls, a food court, and would be supplemented by pop-up stalls.

Cabinet Members debated the report and in summary responses to questions raised included:

- Critical milestones included the 31 March 2022, when the PIP would need to be on site at Northminster in order to secure the grant from the Combined Authority, and 30 June 2022, which was the absolute backstop to provide vacant possession of the site to develop to plan.
- Members were advised that plans currently located the food hall in the former customer services centre, with stalls immediately opposite. Pop-up stalls would be further along Bridge Street and into Cathedral Square itself.
- Members noted the importance of strong oversight throughout this project, and that schemes such as this one did attract a level of risk.

Cabinet considered the report and **RESOLVED** to recommend that Full Council:

1. Note the indicative costs in relation to the creation of a new city market as set out in exempt Appendix 1 and delegate final approval of those costs to the Director of Resources subject to the Financial Assessment.
2. Approve funding from reserves for the revenue costs to achieve vacant possession of the Northminster site and to meet costs associated with decanting market traders to a temporary location whilst the permanent market is under construction if necessary.
3. Approve the transfer of capital budget from Strategic Property of up to £450,000 for the construction of the Peterborough City Market.
4. Approve the proposed sale of the land at Northminster to the Peterborough Investment Partnership (PIP), as set out in exempt Appendix 3, with phased completion dates of 31 March 2022 and 30 June 2022, subject to final valuation and compliance with best consideration requirements in line with the joint venture agreement with the PIP and with final terms delegated to the



Director of Resources and Director of Law and Governance in consultation with the Cabinet Member for Finance.

### **REASONS FOR THE DECISION**

To enable the Council to dispose of its land at Northminster to facilitate the development of new homes on this site as part of the Council's ambition for regeneration and growth of Peterborough.

### **ALTERNATIVE OPTIONS CONSIDERED**

Option 1: Do nothing and retain the market in its current form at Northminster.

Option 2: Proceed with closing the Northminster market and opening a new city market in Bridge Street and agreeing with the PIP to phase the land transaction such that completion of the majority of the disposal takes place by 31 March 2022 with the Food Hall and/or Laxton Square taking place at a later point targeted for 30 June 2022.

Option 3: Agree changes to the land transaction with the PIP to exclude the Food Hall and Laxton Square and reopen the market on this site instead of Bridge Street.

Chairman  
10.00am to 11.31am  
21 February 2022