

**MINUTES OF THE CABINET MEETING
HELD AT 10:00AM, ON
MONDAY 13 FEBRUARY 2023
COUNCIL CHAMBER, TOWN HALL, PETERBOROUGH**

Cabinet Members Present: Councillor Fitzgerald (Chair), Councillor Steve Allen (Vice-Chair), Councillor Ayres, Councillor Coles, Councillor Howard, Councillor Simons

Cabinet Advisor Present: Councillor Bisby, Councillor Hussain, Councillor Moyo, Councillor Gul Nawaz, Councillor Sainsbury

87. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Cereste.

88. DECLARATIONS OF INTEREST

There were no declarations interest received.

89. MINUTES OF THE CABINET MEETING HELD ON 16 JANUARY 2023

The minutes of the Cabinet meeting held on 16 January 2023 were agreed as a true and accurate record.

90. PETITIONS PRESENTED TO CABINET

There were no petitions presented to Cabinet.

STRATEGIC DECISIONS

91. FINAL BUDGET 2023/2024 AND MTFS 2023-2026

The Cabinet received a report in relation to the Final Budget for 2023/2024 and the Medium Term Financial Strategy (MTFS) for 2023-2026.

The purpose of this report was to fulfil the Council's process for developing a Medium-Term Financial Strategy (MTFS) and budget setting process.

Councillor Coles, Cabinet Member for Finance and Corporate Governance, introduced the report and provided an overview of the key points.

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

- It was felt that the consultation process, including the budget simulator, had been a vast improvement on previous years, with four times the numbers of responses received. The Council had been contacted by a number of other authorities interested in trying something similar.
- New methods of consultation were being considered for next year in order to engage more of Peterborough's residents.

- Members noted that the “- 2%” in relation to key assumptions around transport was a dash, and not a minus. This reflected the transport levy and was not the same as the Combined Authority precept for bus services.
- Members commended the structure of the invest to save strategy, as this provided an opportunity to improve services while making a saving.
- It was considered that the Council was in a far better position than it had been last year, however savings still needed to be delivered.
- In relation to the proposed Council Tax of 4.99%, Members noted that a Hardship Fund was available, with funding from central Government, as well as the Council’s Household Support Grant. These were to be reviewed in order to determine if more residents could be supported.
- It was recognised that, in order to achieve a balanced budget, services would be impacted and budgets would be smaller across the Council.
- Comment was made that the balance between increasing Council Tax and the provision of services was a careful one.
- Members praised the work of officers, opposition group Leaders, and all members of the Financial Sustainability Working Group.
- Final comment was made that the final figures were to be reviewed to see if money could be found for a Spring clean of the city.

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

1. The final Medium Term Financial Strategy 2023/26 outlined in Appendix A- Medium Term Financial Strategy 2023/2026 Final Settlement, which includes the key financial assumptions, strategic direction, and estimated budget gaps in future years.
2. The proposed Final Budget for 2023/24, outlined in Appendix B- Revenue & Capital Budget 2023/24 Final Settlement which includes:
 - a. Funding and Council Tax Summary, which includes a proposed Council Tax increase of 4.99% in 2023/24 and 2024/25.
 - b. Detailed Revenue budgets and proposal detail
 - c. Detailed Capital Budget (Programme)
 - d. Section 25 robustness statement
3. The feedback from the budget consultation summarised in section 4 of this report and outlined in Appendix C- Budget Consultation Feedback
4. The Reserves commitments outlined in section 2 of the draft budget report and the Reserves Strategy and Policy outlined in Appendix D- Reserves Strategy & Policy which sets the future direction of travel and planned use of reserves.
5. The Equality Impact Assessments outlined in Appendix E- Equality Impact Assessments, which have been completed for all major budget proposals
6. The Carbon Impact Assessments outlined in Appendix F- Carbon Impact Assessments, which have been completed for all major budget proposals
7. The Treasury Management Strategy outlined in Appendix G- Treasury Management Strategy, which has the fundamental roles of managing external investments, outlining the Prudential Indicators, ensuring debt is prudent and economic, and that decisions comply with regulations.

8. The Capital and Investment Strategy outlined in Appendix H- Capital and Investment Strategy 2022-25, which manages its assets and investment resources to help achieve the strategic priorities of the Council.
9. The proposed Schools Budget as set out in Appendix I- The Schools Budget 2023/24
10. The outline Asset Management Plan (AMP) as set out in Appendix J- Asset Management Plan, which sets out principles for managing the Councils assets in the most efficient and effective manner and the direction of travel for future years while a more detailed and refreshed AMP is developed.
11. The Council Tax Resolution, setting out the Council Tax requirement and precepts including those from the Parish Councils, the Police and Crime Commissioner for Cambridgeshire, Cambridgeshire & Peterborough Fire Authority and the Cambridgeshire and Peterborough Combined Authority (new for 2023/24) is outlined in Appendix K- Council Tax Resolution 2023/24 Final Settlement - NOTE- The Cambridgeshire and Cambridgeshire & Peterborough Fire Authority are set to approve their rate of Band D Council Tax on 10th February therefore this appendix includes a provisional figure and will be finalised before this meeting on 13 February.
12. The Budget Virement Rules Appendix L- Budget Virement rules which sets out the financial approval limits for transferring budgets between different cost codes and directorates.
13. Community Leadership Fund policy for 2023/24 as outlined in Appendix M- Community Leadership Fund, which outlines revised spending criteria and an allocation per Councillor of £3,000, (£180,000 in total).
14. The Councils response to the Budget Consultation feedback received from residents, businesses, and community groups, as set out in Appendix N- Response to the Budget Consultation

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

1. The Final Local Government Finance Settlement was published on the 6th of February including the following changes:
 - Services Grant allocations had increased by £0.067m, from £1.632m to £1.699m
 - A slight reduction of £0.001m from the ASC Market Sustainability and Improvement Fund reducing from £1.859m to £1.858m.
 - All other grants remain at the value confirmed in the provisional settlement.
2. This has increased the Councils funding position by a net £0.066m, resulting in the final net funding position moving from £202,568m to £202,634m.
3. Changes have been made to the various tables within the documents to reflect this change including the covering report and appendix's A, B and K. These revised documents will be submitted to Council for approval.
4. The following text has also been added to Appendix B section 4, following suggestions from the members of the Green party, and discussions with other Local Authorities:

- The council is continuing to support those most impacted by the national cost of living challenge in a number of ways, including through the council tax hardship and household support funds. Also following a suggestion from Green Councillor's to liaise with Lewes and Eastbourne councils to see if we can learn from anything they are doing, officers have spoken to counterparts at these Councils, and we are consequently also considering whether to procure an additional system that uses exiting data sets to better identify low-income households to help ensure we are targeting our resources to support those most in need.

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. 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.

92. ELECTRICITY CONTRACT RENEWAL: 1 OCTOBER 2024 – 20 SEPTEMBER 2028

The Cabinet received a report in relation to the renewal of the Council's electricity contract from 1 October 2024 to 20 September 2028.

The purpose of this report was to renew of the Council's electricity contract following the end of the existing agreement on the 30 September 2024

Councillor Coles, Cabinet Member for Finance and Corporate Governance, introduced the report and provided an overview of the key points.

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

- In relation to ESPO, the Cabinet Member, as representative, attended meetings regularly and was confident that the organisation offered the best arrangement for the Council's future electricity contract.
- It was not known if decarbonisation of the national grid was proceeding as expected, though a response would be sought with ESPO.
- Comment was made that predictions currently suggested that the cost of energy may stabilise towards the end of the year, though there was still a risk around international activity.

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

1. Approve the new contractual arrangements for the Council's supply of electricity and authorise the contract award to Total Energies Gas and Power Ltd via the ESPO Framework 191_24 for a maximum value of £21,691,780, relating to the period 1 October 2024 to 30 September 2028.

REASONS FOR THE DECISION

Renewal of the Electricity Contract with ESPO was the recommended option due to current market conditions. ESPO framework supplied electricity for non-half hourly, half hourly metered and unmetered supplies whereby ESPO acted as an intermediary to buy electricity in the wholesale market on behalf of PCC via Total Energies Gas and Power Ltd. Moving to CCS Framework would not deliver any benefit at the current time due to market conditions. ESPO had a clearer and more transparent framework, and it was therefore in the best interest of the Council to renew at this time as to move to CCS would mean that we had a short period of paying off-contract flexible pricing which would be more expensive

ALTERNATIVE OPTIONS CONSIDERED

Other options considered:

- Full Compliant Tender process –this was discounted as PCC volume would be insufficient to achieve best value for money in the market.
- Award via CCS Framework – This was discounted as in the current climate moving away from ESPO would see increases to pricing in the short/ long term.
- Do Nothing – this was discounted as we would be off-contract and pricing would be at the market rate and this would not be beneficial to PCC

93. SHARED PROSPERITY FUNDING

The Cabinet received a report in relation to funding received as part of the Shared Prosperity Fund.

The purpose of this report was to seek the support of Cabinet to allocate Shared Prosperity Funding to the eight outlined projects. The report also sought approval to Delegate to the Executive Director of Place and Economy in consultation with the Director of Law and Governance the ability to finalise the details of the individual projects in line with the Council's normal procurement and governance procedures. Councillor Fitzgerald, Leader of the Council, introduced the report and provided an overview of the key points.

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

- Members were advised that the Shared Prosperity Fund was distributed on a national level from central Government using the specified Levelling Up criteria.
- Peterborough, it was one of the priority areas of Levelling Up.
- The £5,000 set aside for fly tipping was the breakdown of costs shared across the county.
- It was noted that Peterborough had received, in addition to the Shared Prosperity Funding, £80 million of funding, enabling it to invest in tackling deprivation.

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

1. Approve the Council's intended allocation of Shared Prosperity Funding to support eight projects as follows:
Youth Zone for Peterborough - £1,255,000
Peterborough Cultural Alliance - £265,000
Peterborough Digital Incubator - £309,000
Local Resilience: Flood and Climate Risks - £100,000
Community Carbon Literacy - £87,000

Lincoln Road Regeneration - £150,000
CPCA Skills - £254,562 CPCA
Fly Tipping - £5,000

2. Delegate to the Executive Director of Place and Economy in consultation with the Director of Law and Governance the ability to finalise the details of, and the documents relating to, the individual projects in line with the Council's normal procurement and governance procedures.

REASONS FOR THE DECISION

The projects selected to receive funding from the Shared Prosperity fund had been carefully considered in order to align with the aims and objectives of the scheme and the decision ensured that the necessary governance was in place to commence delivery.

ALTERNATIVE OPTIONS CONSIDERED

The reasons for the recommendations in the report were to allow the Council to make full use of its allocation of Shared Prosperity Funding to deliver a wide range of projects that would deliver tangible benefits across the city.

94. TREE MANAGEMENT: ASH DIEBACK ACTION PLAN

The Cabinet received a report in relation to the Council's Ash Dieback Action Plan.

The purpose of this report was to seek Cabinet's endorsement of the Ash Dieback Action Plan.

Councillor Simons, Cabinet Member for Waste, Street Scene and the Environment, introduced the report and provided an overview of the key points.

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

- It was advised that some ash trees were more resistant to Dieback than others and therefore the action plan only required action in extreme cases, identified as category 3 or 4 in the plan.
- Owners of land with infected trees would have to submit a 211 notification to the Council, it was advised, with the merits of removing the tree considered on a case by case basis. Residents would be asked to retain trees for as long as possible.
- It was confirmed that Mountain Ash was not affected.
- It was noted that, where possible, costs would be subsumed into routine maintenance work. This would not be possible in all cases and additional costs were anticipated.
- The future costs implications of Ash Dieback was not fully known, but more detail would be available year on year about rate of spread. This would allow estimates to be refined.
- It was advised that a number of small grants were available to tackle Ash Dieback, with proactive work being undertaken with the DEFRA 'Tree Scape' scheme to address Dieback and well as reaching tree-planting targets.
- Members noted that work would continue with partners to address this issue, include PECT. Any opportunity for involvement from community groups was also welcomed.

- In relation to the waste generated from felling, Members were advised that the preference was to sell the wood commercially, if possible. It was noted, however, that often this was not practical, due to logistics or economics. In some cases, it was considered to be more cost-effective to allow for natural degradation, which would benefit bio-diversity.

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

1. Agree and endorse the proposals set out in the draft Ash Dieback Action Plan (Appendix A and Appendix 1 to the report).
2. Delegate authority to the Executive Director Place & Economy to make minor changes to the Action Plan, if required.

REASONS FOR THE DECISION

The proposed Ash Dieback Action Plan for dealing with tree Ash Dieback had considered current best practice and had been developed alongside the framework of resources available to the Council and extensive working knowledge of the tree resource within the city.

Although the existing approach taken in respect to managing the historically low levels of Ash Dieback was considered an effective form of risk mitigation it was considered that a more detailed plan was required to prepare the Council for this significant tree disease. The Action Plan added clarity to operational guidelines, prepared the authority for the potential financial impacts and provided a clearer understanding for all customers.

ALTERNATIVE OPTIONS CONSIDERED

Other alternative options include:

1. Have no Action Plan - This was dismissed as it was considered that the Council would not comply with best practice and would be inadequately prepared for Ash Dieback within the city.
2. Create an alternative ADAP template - This was dismissed as it was considered that the Tree Council ADAP template was extensively used and proven to have been published and updated with the assistance of a broad range of authorities and experts within the sector.

95. SMALL HOMES IN MULTIPLE OCCUPATION (HiMO) ARTICLE 4 DIRECTION DRAFT FOR CONSULTATION

The Cabinet received a report in relation to a draft Article 4 Direction for consultation in relation to Small Homes in Multiple Occupation (HiMO).

The purpose of this report was to consider the draft Article 4 Direction with respect to Small Homes in Multiple Occupation. This followed the decision of the Member Working Group, which met on 15th December 2022, which resolved that two pilot areas would be subject to an Article 4 direction, and a subsequent discussion with Cabinet Members which resolved that a third pilot area should also be subject to an Article 4 direction. The pilot status would provide the opportunity to evaluate the effectiveness of the direction in the real world, to enable subsequent consideration of additional initiatives and/or amendment of the scope of the Article 4 Direction itself.

Councillor Steve Allen, Cabinet Member for Communication, Culture and Communities, introduced the report and provided an overview of the key points.

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

- It was advised that Article 4 Directions could be permanent or for a fixed time.
- It was noted that once a lawful HiMO had been implemented, an Article 4 Direction could not impact this, however, if a HiMO converted back to residential then back again to an HiMO further permission would be required, which would be subject to any Article 4 Direction in place.
- Comment was made that the areas specified in the report were for a trial and further areas would be kept under review.
- Members were advised that the trial would allow any knock-on implications to be identified, which would inform any subsequent review.
- Members noted that the principles of HiMOs was not being challenged, but the concentration of a high number of HiMOs in particular areas.
- It was comment that the proposals was subject to approval from the Secretary of State.

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

1. Endorse the draft 'Small Homes in Multiple Occupation Article 4 Direction' at Appendix 1, to cover the areas shown on the map/s at Appendix 2, for a period of public consultation between Friday 24th February and Friday 19th May;
2. Delegate to the Executive Director Place & Economy, in consultation with the Cabinet Member for Climate Change, Planning, Housing and Transport, to consider consultation responses, and make any minor amendments to the draft Article 4 Direction (including minor detailed boundary corrections to the areas to be covered by the Direction); and
3. Delegate to the Executive Director Place & Economy, in consultation with the Cabinet Member for Climate Change, Planning, Housing and Transport, to advertise and submit the Direction (as amended) to the Secretary of State.

REASONS FOR THE DECISION

To implement Key Decision KEY/28MAR2022/01.

ALTERNATIVE OPTIONS CONSIDERED

To do nothing. This was discounted because:

- a. It was felt there was a legitimate expectation from the public that an Article 4 Direction would be prepared by the Council, with respect to Small HMOs, due to the Council and Cabinet resolutions to that effect; and
- b. The Article 4 Direction, together with the preparation of a new Residential Design Guide Supplementary Planning Document, offered a good opportunity to raise standards among new housing developments, including small HMOs

To prepare an Article 4 Direction to cover the areas listed in KEY/28MAR2022/01 (Bretton, Fletton & Woodston, Hargate & Hempstead, Hampton Vale, Park, North and Central wards), with other areas subsequently put forward by a number of Ward Members. This was discounted because:

- a. There was not a compelling evidential basis for the areas selected; and

b. In total, the areas that had been put forward (at the time the Member Working Group met) would have covered approximately half of the area of the city, with the likely implication being that new small HMOs would simply be moved to the other half of the city, which would neither address the issues attributed to small HMOs, nor provide any useful data for the purposes of evaluating the approach

To prepare an Article 4 Direction to cover the entire city. This was discounted because there was not a compelling evidential basis to justify placing the restriction on the whole of the city.

MONITORING ITEMS

96. BUDGET CONTROL REPORT DECEMBER 2022 – QUARTER 3

The Cabinet received a report in relation to the Budget Control Report for December 2022.

The purpose of this report was to provide Cabinet with the forecast outturn for 2022/23 as at December 2022 budgetary control position.

Councillor Coles, Cabinet Member for Finance and Corporate Governance, introduced the report and provided an overview of the key points.

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

1. The budgetary control position for 2022/23 on 31 December 2022 is a forecast overspend of £0.8m position.
2. The key variance analysis and explanations are contained in section 4.2 and Appendix A to the report.
3. The Council's performance with respect to Business Rates (NNDR) and Council Tax Collection, as outlined within Appendix B to the report.
4. The Council's capital financial performance as outlined in Appendix C to the report.

REASONS FOR THE DECISION

To ensure members of the Cabinet were abreast of the Council's current year forecast Outturn Position for 2022/23.

ALTERNATIVE OPTIONS CONSIDERED

Not Applicable - Performance report, item for information.

Chairman
10.00am to 10.58am
13 February 2023