

**DRAFT MINUTES OF THE JOINT SCRUTINY COMMITTEES MEETING
HELD AT 6.00PM ON
29 NOVEMBER 2017
IN THE COUNCIL CHAMBER, TOWN HALL PETERBOROUGH**

Committee Members Present: Councillors J Peach (Chairman), A Ali, S Barkham, R Bisby, R Brown, J Bull, G Casey, CAV M Cereste OMRI OSSI, A Dowson, A Ellis, D Fower, J A Fox, J R Fox, H Fuller, J Goodwin, C Harper, M Hussain, A Iqbal, M Jamil, J Johnson, N Khan, D King, S Lane, S Martin, S Nawaz, B Rush, L Serluca, N Simons, J Whitby

Parish Councillor Co-opted Members: Neil Boyce, Henry Clark, Richard Clarke, Keith Lievesley, Susie Lucas

Co-opted Members: Dr Steve Watson, Razwan Rehmatullah

Also Present: Councillor Holdich, Leader of the Council and Member of the Cambridgeshire and Peterborough Combined Authority
Councillor Fitzgerald, Deputy Leader and Cabinet Member for Integrated Adult Social Care and Health
Councillor Ayres, Cabinet Member for Education Skills and University
Councillor Elsey, Cabinet Member for Waste and Street Scene
Councillor Hiller, Cabinet Member for Growth, Planning, Housing and Economic Development
Councillor Lamb, Cabinet Member for Public Health
Councillor Seaton, Cabinet Member for Resources
Councillor Smith, Cabinet Member for Children's Services
Councillor Walsh, Cabinet Member for Communities

Officers Present: Gillian Beasley, Chief Executive
Peter Carpenter, Service Director, Financial Services
Adrian Chapman, Service Director, Communities and Safety
Stephen Gerrard, Interim Director of Law and Governance
Simon Machen, Corporate Director, Growth and Regeneration
Wendi Ogle-Welbourn, Executive Director, People and Communities, Cambridgeshire and Peterborough Councils
Will Patten, Service Director Commissioning
Dr Liz Robin, Director of Public Health
Lou Williams, Service Director Children's Services & Safeguarding
Paulina Ford, Senior Democratic Services Officer

1. APPOINTMENT OF CHAIRMAN

The Senior Democratic Services Officer opened the meeting and advised the Committee that in accordance with *Part 4, Section 8 – Scrutiny Committee Procedure Rules, section 13, Joint*

Meetings of Scrutiny Committees a Chairman would be required to be appointed from among the Chairmen of the Committees who were holding the meeting. Nominations were sought from those Chairmen present at the meeting which were Councillor Peach, Chairman of Growth Environment and Resources Scrutiny Committee, Councillor Fuller, Chairman of Adults and Communities Scrutiny Committee, Councillor Goodwin, Chairman of Children and Education Scrutiny Committee and Councillor Cereste, Chairman of Health Scrutiny Committee. Councillor Peach was nominated by Councillor Cereste and seconded by Councillor Goodwin, there being no further nominations Councillor Peach was appointed Chairman.

The Chairman welcomed everyone present and explained that the purpose of the meeting was to provide an opportunity for all members of each Scrutiny Committee to scrutinise the Medium Term Financial Strategy, Budget 2018/19 Phase One Proposals document as part of the formal consultation process before being presented to Cabinet on 4 December 2017 for approval and recommendation to Full Council on 13 December 2017.

2. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Over, Councillor Shaheed, Councillor Gul Nawaz, Councillor Saltmarsh, Councillor Ferris, Councillor Sandford, Councillor Mahabadi and Councillor Aitken.

The following co-opted members also sent apologies: Liz Youngman, Flavio Vettese,

Apologies for absence were also received from Councillor Stokes Cabinet Advisor Children's and Safeguarding, Marion Kelly, Corporate Director for Resources and Terry Reynolds, Service Director, Education.

3. DECLARATIONS OF INTEREST AND WHIPPING DECLARATIONS

There were no declarations of interest or whipping declarations.

4. MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2018/19 - 2020/21

The Cabinet Member for Resources gave a short presentation and introduction to the Budget Strategy including Council Tax.

The following key points covering Peterborough specific issues were highlighted:

- Revenue Support Grant – 80 per cent cut over seven years
- Fast growing city – but no extra funding
- Low council tax rate – council tax was frozen in four out of the past seven years. Peterborough residents pay one of the lowest council tax rates for a unitary authority in the country
- Relatively high levels of deprivation in the city – with some of the most deprived areas in the UK, ranking the 14th highest deprived unitary authority area.
- Unprecedented demand in certain services such as homeless households, residential care demand, children in care – but no extra funding
- Phase One proposals to include:
 - Significant increase in temporary accommodation budget due to rise in number of homeless families

- Investment in adult social care to manage demand - residential care and care home demand
 - Pressures on Environmental Health and Coroner service due to population rise
 - Also investment in schemes to tackle verge parking, improve CCTV system for the city
 - Generating income through commercial property and Peterborough Highway Services
 - Savings through management restructure and savings in long-term public health contracts
- Peterborough receive a Flexible Homelessness Support Grant, which is based on the number of people in temporary accommodation.
 - This year Peterborough will get £489,321, yet Luton will receive £2.7million. This is because the funding formula is based on out of date homelessness figures which do not reflect the sharp increase we have seen in Peterborough in the past two years
 - Budget “Gap” after Phase One of the 2018/19 Budget Process:
 - 2018/19 - £15.7m
 - 2019/20 – £21.4m
 - 2020/21 - £35.2m
 - The Council are lobbying central government and have set up the “Stand up for Peterborough Campaign” launched on 20 November
 - Consideration is being given to more Shared Services

Each section of the budget was then taken in order according to how it was presented in the Budget Book. The relevant Cabinet Member or Corporate Director were given the opportunity to introduce their section of the budget before taking questions from the Committee.

Questions and observations were made around the following areas:

Item / Section of the Budget	Questions / Comment	Response from relevant Cabinet Member / Corporate Director
<p>Introduction of the Budget Strategy, including Council Tax</p> <p><i>Cabinet report dated 20 November (pages 1 to 15 Budget 2018/19 Phase One Proposals Document and Appendix C page 31 and Appendix D page 33)</i></p>	<p>Members commented that when compared to other Unitary Authorities Peterborough had the lowest council tax rate and questioned whether a 1.9% increase was sufficient.</p> <p>Concern was raised with regard to continuing to use the reserves to fill the budget gap. The budget gap was a long term issue and using reserves would not provide a long term solution.</p> <p>Hypothecated central funding. What gaps will occur beyond 2018/19.</p> <p>Members noted that Peterborough would only get £489,321, yet Luton would receive £2.7million due to the funding formula being based on out of date homelessness figures. Was this gap likely to be filled going forward.</p> <p>Is the General Fund balance of £6million a usable Reserve?</p> <p>Clarification was sought as to whether the numbers including in the financial</p>	<p>A 1.9% increase in Council Tax plus the full Adult Social Care Precept of 3% will cover next year's gap. However if only the Council Tax rate were to rise it would mean an increase in Council Tax of 30% to cover the gap next year and that would need a referendum.</p> <p>Members were informed that the Chief Executive had been asked to engage with other Local Authorities regarding shared service arrangements. The outcome of those discussions would be brought back to Cabinet.</p> <p>The income and expenditure for all budgets were currently being looked at. In the short term there was a need to set a legal budget but going forward there was a need to move to a sustainable budget over the three year time horizon.</p> <p>Members were informed that the gap was unlikely to change going forward.</p> <p>Yes. The general fund is part of the Councils usable reserves.</p> <p>Yes.</p>

Item / Section of the Budget	Questions / Comment	Response from relevant Cabinet Member / Corporate Director
	statement included the future increase in demand on services.	
<p>The Committee RESOLVED to note this section of the budget.</p> <p>ACTION</p> <p>The Cabinet Member for Resources to provide the Committee with a statement of the Hypothecated figures in the grant.</p>		
<p>People and Communities</p> <p><i>Appendix A Phase 1 Budget Pressures (Pages 17 – 21)</i> and <i>Appendix B Phase 1 Savings Proposals (Pages 25 to 26)</i></p>	<p>Clarification was sought as to what actions were being taken to address the rise in homelessness.</p> <p>Concern was raised with regard to the increase in the charge to schools converting to an academy from £5000 to</p>	<p>If the use of bed and breakfast accommodation were to continue the cost would rise to £5.5million in 2021. The council was therefore finalising arrangements to purchase housing stock through Medesham Homes to use as both temporary and permanent accommodation.</p> <p>Work was being done to redesign the housing service in response to the forthcoming change in legislation. This change in legislation is predicted to lead to an increase in demand on services due to a requirement to assist people much earlier to prevent their homelessness.</p> <p>There will also be some minor changes to the Housing Allocations Policy, and the Cabinet Member for Growth, Planning, Housing and Economic Development has requested that a Task and Finish Group be set up to draft a new Homelessness Reduction Strategy.</p> <p>There had been no negative feedback and the Executive Director for People and Communities would provide information on how Peterborough compared</p>

Item / Section of the Budget	Questions / Comment	Response from relevant Cabinet Member / Corporate Director
	£10,000. Clarification was sought as to whether there had been any feed back to the increase and how did this charge compare to other Local Authorities.	to other Local Authorities after the meeting.
<p>The Committee RESOLVED to note this section of the budget.</p> <p>ACTION</p> <p>The Executive Director for People and Communities to provide the Committee with information on how Peterborough's charge of £10,000 to schools wishing to convert to academy status compares to other Local Authorities.</p>		
<p>Resources including Strategic Commissioning and Partnerships</p> <p><i>Appendix A Phase 1 Budget Pressures (Pages 21 – 22) and Appendix B Phase 1 Savings Proposals (Pages 27 to 28)</i></p>	<p>How will a 20% cut in services affect our partners such as Vivacity and Opportunity Peterborough?</p> <p>How will partners like Opportunity Peterborough contribute to the 20% cut in services and where does it show in the budget proposals.</p> <p>Members referred to the proposed removal of £500,000 savings target for Agile Working and asked why this had not been met and what other savings targets had not been met.</p>	<p>Opportunity Peterborough has the opportunity to get more work through working with the Combined Authority and get paid for that work.</p> <p>There is nothing showing in Phase One but there may be in Phase Two.</p> <p>It had become clear that the benefits of agile working were more about improvements to staff flexibility and an increased ability for staff to cope with growing workloads as demands on services increased. Therefore it was proposed that the savings be removed for agile working.</p> <p>All projects were being reviewed and some had over delivered whilst some had not delivered as expected. Details of these can be provided.</p>

Item / Section of the Budget	Questions / Comment	Response from relevant Cabinet Member / Corporate Director
<p>The Committee RESOLVED to note this section of the budget.</p> <p>ACTIONS</p> <p>The Cabinet Member for Resources to provide the Committee with a list of all projects which had either over delivered or not met the savings required.</p>		
<p>Growth and Regeneration</p> <p><i>Appendix A Phase 1 Budget Pressures (Pages 23) and Appendix B Phase 1 Saving Proposals (Pages 28 to 29)</i></p>	<p>Members referred to Peterborough Highway Services – commercial operations and sought clarification as to whether these services had been sold to other Local Authorities.</p> <p>It had been stated in last year’s budget that the contract with Amey would be terminated. An update on this had been requested several times, could this now be provided.</p> <p>Members referred to the verge parking scheme and noted that an additional £22,000 would be required to implement the scheme and questioned if it was a priority and if it could be removed.</p> <p>Councillor Cereste seconded by Councillor Harper proposed the following recommendation be put forward to Cabinet:</p> <p>That Cabinet continue to take all reasonable steps to invest in projects and</p>	<p>Members were informed that Bath and North Somerset as of the 14 November had resolved to use Peterborough Highway Services for the next five years. It was noted that use of this contract had represented good value for money for the Councils.</p> <p>The council were currently in negotiation with a number of different people to take over the Amey contract and the decision to activate the termination of the Amey contract would go before Cabinet on 18 December.</p> <p>Members were advised that the cost of the scheme was a small amount compared to the benefit it would provide in solving a city wide problem.</p>

Item / Section of the Budget	Questions / Comment	Response from relevant Cabinet Member / Corporate Director
	<p>pursue commercialisation to increase income and revenue in the city.</p> <p>The recommendation was put to the vote and approved (17 in favour, 10 against, 2 abstentions)</p>	
<p>The Committee noted this section of the budget and RESOLVED to make the following recommendation to Cabinet:</p> <p>That Cabinet continue to take all reasonable steps to invest in projects and pursue commercialisation to increase income and revenue in the city.</p>		
<p>Governance</p> <p><i>Appendix A Phase 1 Budget Pressures (Pages 23)</i></p>	<p>Members enquired as to how much income was coming into the council though commercialisation of legal services.</p>	<p>Commercialisation brought income into the council through various services. The Cabinet Member for Resources would provide details of these.</p>
<p>The Committee RESOLVED to note this section of the budget</p> <p>ACTION</p> <p>The Cabinet Member for Resources to provide the Committee with details of income generated through commercialisation of council services.</p>		
<p>Public Health</p> <p><i>Appendix B Phase 1 Savings Proposals (Pages 29 to 30)</i></p>	<p>It was noted that Peterborough received less grant funding per capita. Why was this not recognised? Had the council pressed for more money?</p>	<p>Peterborough received £57 per head compared to the national average of £59 per head. Peterborough received a lower level of funding in relation to need, and less than other local authorities in the same deprivation decile. The council had lobbied government. All Local Authorities have had their public health grant reduced by the same percentage.</p>

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The Committee RESOLVED to note this section of the budget		
Asset Investment Programme Budget & Funding Summary 2018/19 to 2027/28 <i>Appendix E (Page 35 to 38)</i>	Members enquired whether there were any elements of the capital investment programme that could be deferred.	Yes there were some areas which could be deferred and they would come through in Phase Two.
The Committee RESOLVED to note this section of the budget		
General Comments, any overall recommendations and Conclusion		
	There were no further comments, questions or recommendations.	

The Chairman thanked all members of the Scrutiny Committees for attending the meeting and the Cabinet Members and Directors for attending and responding to the questions.

SUMMARY OF RECOMMENDATIONS AND ACTIONS

RECOMMENDATION

Growth and Regeneration

The Committee noted this section of the budget and **RESOLVED** to make the following recommendation to Cabinet:

That Cabinet continue to take all reasonable steps to invest in projects and pursue commercialisation to increase income and revenue in the city.

ACTIONS

Introduction of the Budget Strategy, including Council Tax

1. The Cabinet Member for Resources to provide the Committee with a statement of the Hypothecated figures in the grant.

People and Communities

2. The Executive Director for People and Communities to provide the Committee with information on how Peterborough's charge of £10,000 to schools wishing to convert to academy status compared to other Local Authorities.

Resources including Strategic Commissioning and Partnerships

3. The Cabinet Member for Resources to provide the Committee with a list of all projects which had either over delivered or not met the savings required.

Governance

4. The Cabinet Member for Resources to provide the Committee with details of income generated through commercialisation of council services.

CHAIRMAN
The meeting began at 6.00pm and ended at 7.08 pm