

MINUTES OF CABINET MEETING HELD 14 DECEMBER 2009

PRESENT

Councillor Cereste - Leader of the Council, Councillor Elsey, Councillor Hiller, Councillor Holdich, Councillor Lamb, Councillor Lee, Councillor Scott and Councillor Seaton – Cabinet members

ALSO PRESENT

Councillor Sandford

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Benton, Croft, C Day and S Dalton.

2. DECLARATIONS OF INTEREST

Councillor Cereste declared a personal interest in Item 6.2 on the agenda – Budget 2010/11 and Medium Term Financial Plan to 2014/15 by virtue of his position as Chairman of Peterborough PCT.

3. MINUTES

The minutes of the meeting held on 12 October 2009 were agreed and were signed by the Leader as an accurate record.

4. CABINET MEMBER UPDATES

5. ITEMS FROM SCRUTINY COMMITTEES AND COMMISSIONS

5.1 BIODIVERSITY STRATEGY

This item was withdrawn from the agenda for the meeting to be referred back to the Environment Capital Scrutiny Committee for further consideration.

5.2 PETERBOROUGH INTEGRATED DEVELOPMENT PROGRAMME

Cabinet considered a report on the Peterborough Integrated Development Programme (IDP). The IDP document -

- Summarised key growth strategies and plans for Peterborough, and showed how they complemented one another.
- Set out what infrastructure and support Peterborough needed for the next 15 years or so, why it was needed, who would deliver it, and what it might cost. For a variety of audiences, it showed, and gave confidence to them, that there was in place a coordinated plan of action on infrastructure provision.
- Formed the basis for bidding for Council wide funding, from: Government; Government Agencies; lottery and other grants; charities; private sector investment; and developer contributions (s106 and potentially CIL).

The IDP was a programme and management tool which pulled all its information together from already agreed existing (but dispersed) plans, strategies and business plans to enable

the effective delivery of those said plans and strategies (e.g. the Sustainable Community Strategy and the Core Strategy).

In response to a query regarding insufficient provision for youths, officers confirmed that the issue would be picked up by Children's Services. Members suggested that the Neighbourhood Councils could look at youth provision in their respective areas to feed into the process.

CABINET RESOLVED TO:

Approve the Peterborough Integrated Development Programme (IDP) and agree to its publication on the City Council's website.

REASONS

Cabinet was recommended to approve the IDP because it would help co-ordinate the delivery of the growth aspirations and help secure funding for the associated infrastructure to support that growth.

ALTERNATIVE OPTIONS

There was no statutory requirement to prepare an IDP. However, if the Council had not done so it would have been more at risk of failing to secure sufficient infrastructure funding, and would have been at risk of delivering infrastructure in a less co-ordinated and less efficient manner.

6. STRATEGIC DECISIONS

6.1 COUNCIL TAX BASE 2010/11

Cabinet received a report on the calculation of the Council Tax Base 2010/11 as part of the preparation for setting the Council's Budget.

CABINET RESOLVED TO:

1. Endorse the calculation of the Council Tax Base for 2010/11 at a level of 55,395 Band D equivalent properties.
2. Note the estimated position of the Collection Fund and authorise the Executive Director - Strategic Resources to calculate the final figure on 15th January 2010 and notify the Cambridgeshire Police Authority and the Cambridgeshire & Peterborough Fire & Rescue Authority.

REASONS

The Council Tax Base could have been set at a higher or lower level. However, this could have had 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 have arisen if the surplus or deficit had been set at a higher or lower level.

ALTERNATIVE OPTIONS

None required.

6.2 BUDGET 2010/11 AND MEDIUM TERM FINANCIAL PLAN TO 2014/15

Cabinet considered the draft budget proposals for 2010-11 through to 2014-15. For the first time, in response to the challenging financial environment, the Council's Medium Term Financial Plan (MTFP) was based on a 5 year plan. The new Medium Term Financial Plan proposed council tax increases of 2.5% each year; in line with the previous Medium Term Financial Plan.

The Cabinet Member for Education, Skills and University advised that money would be put into raising educational standards, into delivering the university and to addressing the shortage of school places in particular areas of the city. In addition there would be investment to address the problem of young people who were not in work, education or training.

Members discussed the issue of £4million which had been kept back by central Government to help support local authorities in poorer areas of the country. Councillor Sandford addressed the Cabinet and commented on savings that should have been realised through changes to the staff car parking scheme, on the borrowing requirements of the authority to fund its Capital Programme and on the proposals to realign public bus services.

The Cabinet Member for Resources responded to the issues raised by Councillor Sandford, stating that huge savings had been made from projects other than the car parking scheme changes and that the Capital projects proposed were necessary for the future of the city.

CABINET **RESOLVED** TO:

Agree the following as the basis for consultation:

- a) That the Medium Term Financial Plan (MTFP) be set in the context of the community strategy (MTFP section 1).
- b) The Budget monitoring report for October as the first draft of a probable outturn position for 2009/10.
- c) The draft revenue budget for 2010/11 and indicative figures for 2011/12 to 2014/15 (including capacity and savings proposals).
- d) The draft capital programme for 2010/11 to 2014/15, associated capital strategy, treasury strategy and asset management plan.
- e) The draft Medium Term Financial Plan for 2010/11 to 2014/15.
- f) The proposed council tax increase of 2.5% for 2010/11 and indicative increases of 2.5% for 2011/12 to 2014/15.
- g) To spend at the level of the Dedicated Schools Grant for 2010/11 to 2014/15.
- h) The proposals for reserves and balances.
- i) The draft Annual Accountability Agreement with the Primary Care Trust for 2010/11.
- j) The challenging financial position in future years, and the need to start planning early for meeting the financial deficits indicated in the later years of the MTFP.
- k) The financial arrangements for neighbourhood councils

REASONS

1. The Council was required to set a lawful and balanced budget.
2. The Council was required to set a Council Tax for 2010/11 within statutory prescribed timescales.
3. Before setting the level of Council Tax, the Council must have agreed a balanced budget.

ALTERNATIVE OPTIONS

Alternative levels of Council Tax increase and areas for growth/savings could have been considered but this should be seen in the context of the Corporate Plan and other constraints. Each 0.1% change (increase or decrease) was equivalent to approximately £61,000.

6.3 PETERBOROUGH'S NEW GROWTH DELIVERY ARRANGEMENTS

Cabinet received a report which advised that the credit crunch that began in 2007 had virtually eliminated the funding traditionally available for growth developments and it was unlikely these funding mechanisms would ever recover to levels seen before. The economic downturn had also created a heightened pressure for economic development and city marketing activities. Over the previous year the Council had been working to ensure its growth delivery arrangements positively adapted to these changes. A dialogue with capital market specialists had been initiated, who have advised on the in-house processes and arrangements that would be needed to generate investor confidence in the city and on the technical approaches for making a case for them to fund key projects. The arrangements discussed in the report would combine capital market infrastructure finance expertise with world-class development skills, enabling the growth agenda to continue to be delivered.

As well as refreshing project delivery arrangements, the changes would also strengthen the commitment to building a strong economic base in the city. These proposals would, through changes to Opportunity Peterborough, enhance the approach to economic growth and development within the city and the wider sub-region, helping to realise the ambition to create conditions for greater levels of entrepreneurship and enterprise.

Members expressed concern at some development which had been permitted outside the city centre and asked for assurances that future developments would be subject to the same stringent planning constraints as city centre developments. There were discussions about the level of progress made by Opportunity Peterborough and the need for a more democratic and politically led approach. Officers have reassurances that delivery would be properly monitored by the Corporate Management Team and reported to Cabinet.

CABINET RESOLVED TO:

Approve the proposed changes to the growth delivery arrangements set out in the report.

REASONS

1. It was likely to be several years before traditional financing opportunities were available again, and these were unlikely to ever be to the same value as before to the downturn. For Peterborough's growth agenda to meet its ambitious targets, it had to move forward with innovative finance models.
2. A specialist capability was needed to access the financial markets in a different way.
3. There was a greater need for focused economic development activity in the current climate, a function that Opportunity Peterborough was well placed to drive.

ALTERNATIVE OPTIONS

1. A total in-house option was considered, but the expertise needed did not exist within the Council nor could a local authority reasonably be able to recruit such expertise in the future.
2. A fully externalised growth delivery service was rejected due to prohibitive cost and to ensure control of growth schemes was retained by the Council.
3. The options of continuing 'as is' was rejected as it would have significantly constrained the medium term growth possible for the city compared to the recommended option.

6.4 REFRESHING THE LOCAL STRATEGIC PLAN

Cabinet was advised that public sector budgets faced significant reductions from 2011 onwards and that for the council this might involve a five percent or even a ten percent reduction in grant. If the various public services in Peterborough combined overheads by sharing front- and back-office activities and by working together better to manage supply networks the council could at least partially adapt to this reduction in income by removing unnecessary costs.

The government was sponsoring a number of projects under the "Total Place" banner. The idea was that the total amount of taxpayer-funded activity in an area was counted and the services that spend the money then find ways to collaborate so as to achieve the same or better outcomes at a lower input cost.

Peterborough City Council had begun discussions with the other local public services about taking action to collaborate in order to reduce costs. Three broad programmes were envisaged:

1. A public services alliance – shared business units
2. Demand transformation – switch to prevention instead of cure
3. Better supplier and contract management

CABINET RESOLVED TO:

1. Endorse the strategy of collaborating with other public services in Peterborough to reduce costs through the three workstreams set out in the report.
2. Delegate to the Chief Executive in consultation with the Executive Director of Strategic Resources, the Leader of the Council and the Cabinet Member for Resources the authority to implement a collaborative procurement exercise with other public services to procure the capability required effectively to implement the three workstreams.

REASONS

1. Core funding was likely to reduce across public sector bodies, with obvious potential impact on services if nothing was done
2. The opportunities presented by exploiting efficiencies and economies of scale across public sector bodies in Peterborough had the potential to generate substantially greater cost savings than by examining each in isolation
3. The skills, capabilities and investment necessary to realise such savings and improvements across public bodies would be impractical to achieve without a strong, highly capable private sector partner

ALTERNATIVE OPTIONS

The options of continuing 'as is' with a largely internal Council transformation programme was considered, but would have left the Council with a situation of increasingly diminishing returns; in short, the success of the business transformation initiative in improving efficiency meant the opportunities for improvement that remained were generally fewer and smaller in scale. They were therefore unlikely to realise the efficiencies necessary to offset potential funding reductions and overhead increases.

7. MONITORING ITEMS

7.1 OUTCOME OF PETITIONS

CABINET RESOLVED to note the action taken in respect of the following petitions presented to full Council:

PETITION TO SAVE THE SCOTT CLOSE RECREATION GROUND AND RESTORE ITS PLAY EQUIPMENT

This petition had been presented to Council on 14 October 2009 by Councillor Wilkinson.

The Council's Neighbourhood Manager, South, had confirmed that the South team Neighbourhood Officer visited the area on 20th October and had held discussions with residents. They said that they had heard that the land was to be developed for housing and that the area would then be opened up into Harlton Close allowing through access, which was why the majority of the residents of Harlton Close had signed the petition. Residents said that they would prefer if play equipment was put back and the access from Scott Close only to remain, but the officer felt that the main motivation was to ensure that the current situation of no access to Harlton Close from the recreation area remained the same.

There were a number of alleys in the surrounding area and there was an unsuccessful petition request from the residents of Harlton Close and some of the surrounding streets the previous year to have the alley from Harlton Close to Newborn Close closed. Further investigation with the Planning department had not substantiated any plans to develop this land for housing. Section 106 funds totalling £32,000 had been spent on play equipment at Byron Close and Park Farm and the remaining funds had been earmarked for a proposed Skate Park and Youth Shelter in nearby areas of Stanground. There were no current plans to re-install play equipment at Scott Close.

(Cabinet asked that a process be put in place to ensure that members were kept fully informed at all stages of progress on this and other petitions.)

PETITION TO SAVE THE 403 & 413 BUS SERVICES

This petition had been presented to Council on 14 October 2009 by Councillor Lamb.

The interim Head of Environment, Transport & Engineering had responded to Councillor Lamb advising her that the Executive Director, Operations was due to meet with Councillor Hiller and Teresa Wood, Group Manager for Transport and Sustainable Environment, to discuss the results of the consultation and the proposals emerging from this. He advised that it was proposed to implement the Call Connect service in two phases. The proposal was to initially implement phase one to the west of the Peterborough unitary area. Therefore, for Glinton, it was proposed to retain the 403/413 Local Link service at the current time, perhaps with some timetable changes. Usage of the 403/413 service would be closely monitored to ascertain any increase in passenger numbers. In addition, should the Call Connect service be approved and implemented, it would also be closely monitored to measure its usage prior to any proposals to implement in other areas. A final report on the bus service review would be considered by Cabinet as part of the budget setting discussions.

REASONS

Standing Orders required that Council receive a report about the action taken on petitions. As the petitions presented in this report had been dealt with by Cabinet Members or officers it was appropriate for the action to be reported in this way so that it could be presented in the Executive's report to Council.

ALTERNATIVE OPTIONS

The report was presented for monitoring purposes.

Meeting closed at 10.56am.

Chair.....

Date.....