

**MINUTES OF THE BUDGET CABINET MEETING
HELD AT 10:00AM, ON
MONDAY 29 NOVEMBER 2021
SAND MARTIN HOUSE, PETERBOROUGH**

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

Cabinet Advisor Present: Councillor Bashir, Councillor Howard, Councillor Gul Nawaz

33. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Fitzgerald and Councillor Bisby.

34. DECLARATIONS OF INTEREST

There were no declarations of interest received.

35. PETITIONS PRESENTED TO CABINET

There were no petitions presented to Cabinet.

STRATEGIC DECISIONS

36. MEDIUM TERM FINANCIAL STRATEGY 2022/23 TO 2024/25 – PHASE ONE

The Cabinet received a report in relation to phase one of the Medium Term Financial Strategy 2022/23 to 2024/25.

The report to Cabinet formed part of the Council's formal Budget and Policy Framework. This required Cabinet to initiate and make proposals and update assumptions to set a balanced budget for the financial years 2022/23 - 2024/25.

The Cabinet Member for Finance introduced the report and advised that the MTFs had returned to Cabinet for recommendation to Council, following comments from the public consultation and the Joint Meeting of the Scrutiny Committees. Paragraph 2.2 of the report had been updated to reflect the recent Department for Levelling Up, Housing and Communities (DLUHC) reports. It was further noted that the Joint Meeting of the Scrutiny Committees made five recommendations, which were either completed or ongoing. The Financial Sustainability Working Group had been meeting regularly. It was anticipated that further detail on the Capital Programme would be included in phase 2 of the budget. The Cabinet Member confirmed that Government was clear that any budget gap would need to be funded through the sale of assets. CIPFA would be reviewing all of the Council's services, alongside the implementation of the Improvement Plan as approved by the soon to be formed Independent Improvement and Assurance Panel.

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

- The main areas for Cabinet to take on board from the public consultation were criticisms in relation to the use of public space, Members allowances, cleaning, staffing and use of consultants.
- It was noted that the reports from DLUHC had been received in the middle of the consultation process, though a number of issues raised had already been actioned.
- The Government recommendation in relation to a Capital Programme Moratorium was to be considered by Full Council.
- Members considered the next steps to be build up the Council's reserves and to commence the sale of Council assets where appropriate.
- Members were advised that the current expected date of the Government settlement announcement was the 16 December 2021, which left approximately one month to update phase 2 of the budget.
- It was noted that final detail of the adult social care reforms set out by the Government in September 2021 were still not available, but would be included in the settlement announcement.
- Work on ensuring that the Council was in a position of sustainability was being undertaking with involvement of the Financial Sustainability Working Group.

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

1. The Phase One budget proposals as outlined in Appendix B.
2. The updated budget assumptions, to be incorporated within the Medium-Term Financial Strategy 2022/23 – 2024/25. These are outlined in sections 5.
3. The revised capital programme outlined in section 5 and referencing Appendix C.
4. The Medium-Term Financial Strategy 2022/23 to 2024/25 - Phase One, as set out in the body of the report and the following appendices:
 - Appendix A – 2022/23-2024/25 MTFs Detailed Budget Position Phase One
 - Appendix B – Phase One Budget Consultation Document
 - Appendix C – Capital Programme Schemes 2022/23-2024/25
 - Appendix D – Financial Risk Register
 - Appendix E – Equality Impact Assessments
 - Appendix F – Carbon Impact Assessments
 - Appendix G – Budget Consultation Feedback

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

5. The strategic financial approach taken by the Council outlined in section 4 of this report.
6. The forecast reserves position, and the provisional statutory advice of the Chief Finance Officer outlined in section 6, The Robustness Statement for Phase One.
7. The feedback received on the budget proposals, received via the consultation detailed in Appendix G.

REASONS FOR THE DECISION

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

37. PETERBOROUGH CULTURAL STRATEGY 2021 TO 2030

The Cabinet received a report in relation to the Peterborough Cultural Strategy for 2021 to 2030.

The purpose of this report was to describe the process and recommendations of the Strategy for Cabinet to consider before proceeding to Council.

The Deputy Leader and Cabinet Member for Housing, Culture and Communities introduced the report and advised that this was a most important time to show hope and optimism in light of the COVID-19 pandemic. Peterborough's Cultural offer should not be seen as a 'nice to have' but as a defining purpose in order to grow the city, bring jobs, and develop skills through the visitor economy. The city already had an active cultural sector, which had been recognised by Arts Council England, who have placed Peterborough on the list for priority funding.

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

- A good cultural offer provided huge economic benefit. Every £1 generated, provided an additional £1.30 back into the economy.
- The Strategy was for the whole of Peterborough, not just the Council.
- The driving ambition of the Strategy was to remove the label of 'cultural black spot' from Peterborough, which has been drafted through collaborative efforts.
- It was noted that cities that had achieved the status of City of Culture experienced significant economic benefits.
- It was considered that the Council should aim for City of Culture status in 2029, but even if this was not achieved, work should be focused on delivering the Strategy.
- Members were advised that the Strategy supported a wide definition of 'culture', with the aim that the Strategy would be for everyone, and not just the elite.
- It was considered important for the wide variety of cultures present in the Peterborough area to change from operating in silos to coming together.
- Members noted that the priority status from Arts Council England was in recognition of the features of the area and would allow for an increased level of investment over the next three years.
- The importance of rural ward engagement was emphasised, with the Strategy supporting localised activities.
- It was further noted that work would be undertaken in conjunction with the college and the university, as well as with Children in Care.

Cabinet considered the report and **RESOLVED** to recommend that Council approve the Culture Strategy.

REASONS FOR THE DECISION

The recommendations were made following intensive consultation, discussions with investors and research with both practitioners and audiences. The stated objectives of the Strategy were closely linked to Peterborough's ambitions for growth and quality of

life. The Communities Scrutiny Committee agreed to recommend the Strategy to Cabinet for its endorsement ahead of formal approval at Full Council.

ALTERNATIVE OPTIONS CONSIDERED

Do nothing – Peterborough’s growth and the impact of the pandemic both promoted and gave rise to community and strategic priorities for culture. Much cultural activity was not a statutory duty. However, there were many committed and active partners who not only wished to see a higher profile but see creative and heritage activity as a way to addressing key challenges, from mental wellbeing to attracting investment.

Focus Council attention on statutory functions – From the authority’s position the only statutory cultural function was the library service (though not the provision of any specific buildings). In theory it would be possible to close all heritage and theatre activity and step away from participation in cultural partnership activity. This would sacrifice the opportunities both for partnership and associated investment, but the opportunities for cultural solutions to complex problems as typified by the Peterborough Presents Loneliness Project or the Festival of Thanks programmed for Nene Park next year.

Council only leadership of strategic activity and decision making - This was sometimes seen as the default model, where the Council had the democratic legitimacy and a significant proportion of the major strategic assets. In Peterborough, a young, fast-growing and diverse area, this was seen as inadequate to reach the real potential of culture to enhance people’s lives economically, socially and culturally. Peterborough enjoyed a wealth of voluntary cultural activity but lacked a clear infrastructure to grow the professional and economic benefits. No local authority alone could deliver those opportunities or investment and so resilient and inclusive partnership had been seen as the main way forward. The Alliance was a direct response to these conclusions from the Strategy consultation and research.

MONITORING ITEMS

38. BUDGET CONTROL REPORT OCTOBER 2021

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

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

The Cabinet Member for Finance introduced the report and advised that the Council was currently in a breakeven position, as a result of departmental underspend and savings off-setting the capitalisation requirement. Expenditure was to be reduced unless essential, with £8 million of reserves being used to balance the budget. The level of Business Rates collection had been updated following the inclusion of delayed returns from the leisure sector in August 2021. Both Business Rates and Council Tax collection were behind target. The Capital Programme spend had been lower than expected, suggesting that some further rationalisations could be made. It was advised that capital expenditure must stop, with reduced expenditure this year and next.

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

- The Capital Programme schemes that were not being delivered will be considered within year. Only 30% of expenditure was from the Council, the rest being third party. As such, officers would be checking to ensure that funding could be carried over into future years.
- Officers were to monitor the level Council Tax support, as changes were expected following the end of the furlough scheme.
- Members were advised that further controls had been put in place to ensure that the Council reached year end in as strong a position as possible, in parallel to working on phase 2 of the budget proposals for the upcoming year.
- Work was being undertaken with service directors to reduce spending on discretionary services.

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

1. The budgetary control position for 2021/22 at 31 October 2021 is a forecast breakeven position.
2. The key variance analysis and explanations are contained in Appendix A.
3. The Council's performance with respect to Business Rates (NNDR) and Council Tax Collection, as outlined within section 5.
4. The Council's reserves position, as outlined within Appendix B.
5. The Council's capital financial performance as outlined in Appendix C.

REASONS FOR THE DECISION

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

ALTERNATIVE OPTIONS CONSIDERED

No alternative options were considered.

Chairman
10.00am to 11.08am
29 November 2021

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