

MINUTES OF CABINET MEETING HELD 3 FEBRUARY 2014

PRESENT

Cabinet Members: Councillor Cereste (Chairman), Councillor Elsey, Councillor Fitzgerald, Councillor Holdich, Councillor North and Councillor Scott

Cabinet Advisers: Councillor Casey, Councillor Goodwin and Councillor Todd.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Seaton, Councillor Walsh and Councillor Dalton.

2. DECLARATIONS OF INTEREST

The Legal Officer provided clarification to Members around appointments to school bodies and play centres and it was confirmed that these were non-disclosable pecuniary interests, as none of the appointments were undertaken for profit or gain.

The Legal Officer further advised that the Chairman had a nursery declared within his register of interests. This was confirmed as a non-disclosable pecuniary interest as the nursery would not be directly affected by any decision made at the meeting.

Further advice was provided with regards to predetermination and bias.

There were no declarations of interest made by Members.

3. MINUTES OF THE MEETING HELD 20 JANUARY 2014

The minutes of the meeting held on 20 January 2014 were agreed as a true and accurate record.

STRATEGIC DECISIONS

4. VISION FOR EARLY YEARS SERVICES INCLUDING CHILDREN'S CENTRES

Cabinet received a report which outlined a revised set of proposals on how children's centre services could be run in the future.

On the 18 November 2013, Cabinet had agreed to a public consultation on a proposal to change the way early years services were offered in Peterborough, including children's centres. The proposal was to create four super hub children's centres with a wider reach, three outreach centres and to re-designate the remaining eight children's centres for other uses. The consultation ran from the 2 November 2013 to 8 January 2014.

The report informed Cabinet of the outcomes of the consultation and brought a revised set of proposals, for Cabinet's approval, on how children's centre services could be run in future.

The Chairman advised that there had been recommendations made by both the Creating Opportunities and Tackling Inequalities Scrutiny Committee and Full Council in response to the issue. It was usual practice for Cabinet to take recommendations from Scrutiny and Council as a separate item of business, however as the recommendations related directly to the 'Vision for Early Years Services Including Children's Centres' report, they would be considered as part of the report.

The Chairman further advised that there were two members of the public present who had been permitted time to speak in objection to the proposals.

Mrs Angela Brennan addressed Cabinet and in summary, highlighted key points of concern as follows:

- Lack of financial clarity as to where money was being spent at the current time;
- Lack of clarity around such areas as repayments of grants and the cessation of staff contracts;
- The need for the right infrastructure to be in place, due to an increase in population and the baby boom;
- The Local Authority's duty of care to the people and the projects that could wait if they were to be at the cost of such vital services;
- Sufficient children centre provision being a statutory duty on Local Authorities under Section 5 of the Childcare Act 2006 and amended by Section 198 of the Apprenticeships Skills, Children and Learning Act 2009;
- The scope to better utilise existing centres and to bring more money in;
- Closure not being considered unless all other options had been exhausted;
- Exploration of all other angles by the Council, ensuring work was undertaken with those people best equipped to provide alternatives;
- The long terms costs, which would outweigh the savings being made in shutting the centres;
- The impact on society, leading to a drop in school readiness, further demands on the NHS, stigma and further class divide;
- The positive contributions that the children's centres had had on improving outcomes for children; and
- The positive support offered by staff who were well trained in watching for signs, mentoring and supporting any issues.

Mrs Faustina Yang addressed Cabinet and in summary, highlighted key points of concern as follows:

- Hampton was a big community with lots of young people and lots of new and young parents;
- More houses were due to be built, with more new parents and children moving into the area;
- Concerns around how the options available to the Hampton Children's Centre would work;
- More information was required as to the nature of the transport support that would be provided;
- There was no direct bus route from Hampton to Orton and buses would get busy with a number of buggies on board;
- There had to be equal opportunities for all mums and their children;
- Knowledge and expertise would be lost; and
- Further detail was required in relation to the ability to safeguard and protect.

Scrutiny Recommendations

The Legal Officer read out the recommendation agreed by the Creating Opportunities and Tackling Inequalities Scrutiny Committee at the meeting held on 6 January 2014 which stated;

“It is recommended to Cabinet that they defer any decision making on the proposal to close children’s centres until further alternatives and proposals have been thoroughly explored and considered”.

Council Recommendations

The Legal Officer read out the recommendation agreed by Full Council at the meeting held on 29 January 2014 which stated;

“It is recommended that Cabinet defer any decision making on the proposals to close the children’s centres until further alternatives and proposals have been thoroughly explored, considered and consulted on”.

Councillor Scott introduced the report and in the first instance, thanked everyone who had participated in the consultation. She advised that ‘doing nothing’ was not an option as the proposals were part of the Council balancing its budget.

In making her speech, Councillor Scott addressed the recommendations arising from the Creating Opportunities and Tackling Inequalities Scrutiny Committee, which had been directed to the Cabinet Member for Children’s Services and the Director of Communities, requesting that further information be provided around the following areas:

- A detailed financial breakdown of how it was proposed to save the £1.28m (now £1.18m);
- The equality impact assessment;
- What had been changed following the consultation;
- Consideration of deferred costs arising from the proposal; and
- Confirmation about current funding of children’s centres.

Councillor Scott further highlighted; the substantial reduction in Council funding of 40% in the last five years; the government initiatives introduced to support families; the extent of the consultation that had taken place and feedback received; the amended proposals following consultation and support and services for the proposed re-designated children’s centres.

In summarising, Councillor Scott acknowledged that the amended proposal did not reflect what the majority of the parents who had engaged with the consultation process wanted, which was to keep all of the childrens centres open. This way forward could not be recommended as it was thought that the level of income required could not be achieved to secure the savings. The amended proposal would however ensure that the families most in need would receive support and that all families would have access to the services that they most valued, such as health services and child development sessions.

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

- 1(a) The modified proposals for the delivery of the Children's Centres as set out in the report be approved; and

- 1(b) The budget to be recommended to Council for the 2014/15 financial year be amended accordingly to reflect the savings arising from the redesigned children's centres.
2. Subject to Council approving the Budget, inclusive of the recommended budget in relation to the future delivery of the Children's Centres, the Director for Communities be authorised to:
 - (a) create four children's centre hubs, three outreach hubs and re-designation of the other eight children's centres as set out in the report;
 - (b) vary or terminate the contracts with Barnardo's and Spurgeons to deliver the redesigned centres; and
 - (c) develop alternative ways to support families in areas where children's centres are proposed to be de-designated.

REASONS FOR THE DECISION

The proposals for children's centres would ensure that services were maintained for vulnerable families and communities and identified savings were mainly achieved. It would also ensure in addition, the re-designated children's centres would provide a much needed increase in premises for childcare as well as maintaining health services and still offering parents access to some support services.

ALTERNATIVE OPTIONS CONSIDERED

Given the reduction in the city council's central government funding, doing nothing was not an option. Given the other funded services for the under fives, e.g. free childcare, it was considered that a reduction in children's centre costs was appropriate. However, parents had been listened to and it was recommended to reduce the original recommendations by the sum of £100k to enable parental requests for support to be responded to.

5. BUDGET 2014/15 AND MEDIUM TERM FINANCIAL PLAN TO 2023/24

Cabinet received a report as part of the Council's agreed process for integrated finance and business planning.

The purpose of the report was to present budget proposals for 2014/15 through to 2023/24, in line with the provisional local government finance settlement for 2014/15 and in advance of some Department for Education specific grants being announced.

The report contained three key sections:

- i) The Cabinet report and summary of council funding implications, including proposals on council tax;
- ii) The draft MTFS, including capital strategy, asset management plan and Treasury Strategy. This will allow consultation to take place on these elements; and
- iii) The budget consultation document to enable scrutiny and discussed with staff, business leaders, the voluntary sector, partner organisations, trade unions, local MPs, parish councils, the Youth MP and Youth Council and other interested parties.

The report set out the proposals for consultation to enable Cabinet at its meeting on 24 February to make recommendations to be made to the meeting of Full Council on 5 March 2014.

In addition, the report also had regard to the revised budget timetable approved by Full Council at the meeting of 4 December under the council constitution Part 4, Section 6 – Budget and Policy Framework Rules.

The Chairman introduced the report highlighting that it was clear that the Council was facing another extremely challenging budget round and by the end of 2015/16, the grant would be reduced by nearly £44m. This reduction, coupled with financial pressures faced, would mean that savings of over £19m would have to be found next year and further significant financial challenge would be faced in the following financial year 2015/16.

The challenges faced meant that difficult financial decisions had to be made, however the commitment to the creation of a vibrant city remained and the budget proposals outlined where investment in services would continue. The proposals further outlined a proposed council tax freeze for the next two years.

The consultation would be wide ranging and all feedback would be considered at the Cabinet meeting on 24 February 2014, and again when making final budget decision at Full Council on March 5.

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

1. The following as the basis for the budget consultation and in light of the announcement of the local government provisional settlement for 2014/15:
 - a) That the MTFs is set in the context of the council priorities;
 - b) The Budget monitoring report as the latest probable outturn position for 2013/14;
 - c) The draft revenue budget for 2014/15 and proposed cash limits for 2015/16 to 2023/24 (including the capacity bids and saving proposals);
 - d) The draft capital programme for 2014/15 and proposed cash limits to 2023/24 and associated capital strategy, treasury strategy and asset management plan;
 - e) The proposed council tax freeze in 2014/15 and 2015/16 with indicative increases for planning purposes of 2% for 2016/17 to 2023/24;
 - f) To spend at the level of the Dedicated Schools Grant for 2014/15 to 2023/24;
 - g) The proposals for reserves and balances; and
 - h) Confirm the proposals for setting fees and charges for 2014/15.
2. That Cabinet approve the budget proposals as the basis to consult with Scrutiny, Staff, Unions, and Stakeholders;
3. That Cabinet have regard for the continuing uncertainty of national public finances, the impact that dwelling and business growth locally will have on future funding arrangements;
4. That Cabinet recognise the challenge to close a significant forecast gap of £18m in 2015/16 and also the further gaps in later years; and
5. That Cabinet note that government Grants will not be confirmed until the final settlement is released in February 2014.

REASONS FOR THE DECISION

- i) The Council must set a lawful and balanced budget;
- ii) The Council is required to set a Council Tax for 2014/15 within statutory prescribed timescales and in accordance with the local referendum requirements contained within the Localism Act 2011; and
- iii) Before setting the level of Council Tax, the Council must have agreed a balanced budget.

ALTERNATIVE OPTIONS CONSIDERED

Alternative levels of Council Tax increase and areas for growth/savings could be considered but this must be seen in the context of the Sustainable Community Strategy and other constraints, along with the loss of council tax freeze grant that any increase would lead to.

MONITORING ITEMS

6. ANNUAL AUDIT LETTER 2012/13

Cabinet received a report following a referral from the Council's External Auditor PriceWaterhouseCoopers (PwC). Cabinet was asked to consider and respond to the Annual Audit Letter for 2012/13, prepared by the external auditors.

The Chairman presented the report and thanked the external auditors for the work undertaken in relation to the detailed examination of the Council's finances. The auditors had given the Council a clean bill of health, including an unqualified value for money opinion.

Mr Julian Rickett, PwC, addressed Cabinet highlighting the key aspects of the letter and it was advised that the report was extremely positive.

During debate, it was requested that thanks be noted to John Harrison, Executive Director of Resources, Steven Pilsworth, Head of Strategic Finance, the finance team and the Audit Committee for the work undertaken and the achievement of a good report once again. It was a good news story for the Council.

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

Approve the Annual Audit Letter 2012/13.

REASONS FOR THE DECISION

The Council was required to consider the statutory Annual Audit Letter and make appropriate arrangements in response to recommendations.

ALTERNATIVE OPTIONS CONSIDERED

The External Auditor may take on board responses received prior to its formal publication, though he has a duty to produce and arrange for the publication of the Annual Audit Letter as soon as reasonably practical. No specific alternative options were submitted to Cabinet for consideration.

Chairman
10.00am - 10.58am