

## **MINUTES OF CABINET MEETING HELD 27 FEBRUARY 2017**

### **PRESENT:**

**Cabinet Members:** Councillor Holdich (Chair), Councillor Goodwin, Councillor Hiller, Councillor Seaton, and Councillor Smith

**Cabinet Advisors:** Councillor Casey and Councillor Stokes

### **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Lamb, Councillor Fitzgerald, Councillor Elsey, and Councillor Walsh

### **2. DECLARATIONS OF INTEREST**

No declarations of interest were received.

### **3. MINUTES OF THE CABINET MEETINGS HELD ON 6 FEBRUARY 2017**

A question was raised as to whether the minutes should refer to the 'Police Authority' or the 'Police Crime Commissioner' in relation to a decision on Council Tax. It was confirmed that 'Police Authority' was correct.

The minutes of the meeting held on 6 February 2017 were agreed as a true and accurate record.

### **4. PETITIONS PRESENTED TO CABINET**

There were no petitions presented to Cabinet.

## **STRATEGIC DECISIONS**

### **5. AMENDMENT OF EXISTING LOAN ARRANGEMENTS TO EMPOWER**

Cabinet received a report in relation to the amendment for existing loan arrangements to Empower, following a request from the Cabinet Member for Resources.

The purpose of the report was to authorise the use of the existing lending facility to ECS Peterborough 1 LLP to finance the acquisition of newly constructed and commissioned ground mounted PV systems on a range of Anglian Water sites across the East of England.

The Cabinet Member for Resources introduced the report and outlined that partnership arrangements were already in place in order to provide free solar panels and free energy with a return for the Council. The arrangements had previously been expanded to allow the partnership to provide the service outside of the Peterborough area. Work was currently being undertaken with ECP Peterborough 1 LLP and another Borough Council on similar arrangements to generate income for Peterborough.

Cabinet debated the report and in summary, key points raised and responses to questions included:

- The partnership was able to generate income for the Council through the charging of higher rates than those paid internally.
- Due diligence checks were undertaken on all the proposals of the partnership.
- In relation to repayment arrangements, security was maintained for short term arrangements. Further long term arrangements would be established.
- The current loan arrangements were due to come to an end in September, however there was not considered to be any risk present.

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

1. Approve the amendment of the terms of the Strategic Partnership with Empower Community Management LLP;
2. Amend the financing agreement with ECS Peterborough 1 LLP to include the purchase of ground mounted solar PV and the purchase of solar PV installed on local authority residential social housing properties;
3. Approve the due diligence measures proposed;
4. Approve Council entering into such further agreements with ECS Peterborough 1 LLP and any other body necessary to facilitate the arrangements set out in this report; and
5. Delegate to the Corporate Director, Resources and Director of Governance the ability to finalise any individual matters.

#### **REASONS FOR THE DECISION**

The proposal would generate a surplus income which would contribute to the Renewable Energy Savings targets in the MTFS.

The proposal supports the Council's aspirations to be the UK's Environment Capital by facilitating the use of sustainable energy sources.

#### **ALTERNATIVE OPTIONS CONSIDERED**

The Council had a discretion as to whether to advance any additional funding to ECS Peterborough 1 LLP and could determine not to make such further advance. However the funding of additional projects of this kind was considered to be likely to enhance the refinancing terms which Empower may be offered in quarter 2017. Whilst the Council would be repaid as part of that refinance, it would have a continued interest in ECS Peterborough 1 LLP due to the profit share arrangements in place in respect of projects undertaken in Peterborough. That being the case, the Council could see an ongoing benefit in the event that more favourable refinance terms can be secured. If the Council decided not to provide the additional funding it would also lose the opportunity to receive the additional interest income from the increased loan until the re-financing takes place.

#### **6. MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2017/18 – 2026/27**

Cabinet received a report on the Medium Term Financial Strategy 2017/18 to 2026/27 as part of the Council's formal budget process as set out within the constitution and as per legislative requirements to set a balanced budget for 2017/18.

The purpose of the report was to enable Cabinet to consider the feedback from the consultation undertaken to date with Scrutiny, residents, partner organisations, businesses and other interested parties, to recommend to Council on 8 March 2017.

The Cabinet Member for Resources introduced the report and outlined that following the launch of the consultation on the MTF5 at the Cabinet meeting on 6 February 2017 all responses received at the current time had been considered. There was no change to the provisional proposed financial figures. Within the MTF5 no reductions in service were proposed and investment was to be undertaken around cleansing, the environment, and vulnerable people. Although the proposals included an increase in Council Tax, Peterborough still had one of the lowest rates in the country.

Feedback had been received in relation to the proposals for a Peterborough Lottery and whether this would have an adverse impact on communities. Cabinet were assured that strict safeguards were required. While comments had been received in relation to the increase in Members Allowances, this increase had been approved by Council and could not be reversed as part of these proposals. It was noted that more could be done to communicate Council plans to the public, and this had been incorporated into the Leader's priorities.

Cabinet debated the report and in summary, key points raised and responses to questions included:

- Commercialisation was taking place across the authority, including Planning Services, Empower, and the launch of a new employee app, amongst others.
- It was noted that although communities would benefit from a local lottery, the concerns raised within the consultation were understandable. It was felt, however, that with the required policies and the online nature of the proposals, that this mediate against the foreseen risks.
- The introduction of the local lottery would be closely monitored. It was noted that Aylesbury Vale District Council had had a similar scheme in place for 12 months and had not experienced any issues.
- The Corporate Director Finance would provide confirmation on what the ticket prices for the lottery would be.
- The Corporate Director of Growth and Regeneration would confirm the date of the Peterborough Housing Partnership meeting and the City Leaders Forum meeting.
- Attention was drawn to the comments of Orton Waterville Parish Council in relation to the management of open spaces. It was confirmed that the Parish Council had expressed interest in taking on responsibility for Clayton Place. This comment would be amended in the feedback.
- The Local Levy Contribution had been confirmed by the Environment Agency and was within the budget that had been provisionally allocated.

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

1. The advice of the Chief Finance Officer per Schedule A, the continuing uncertainty of national public finances, and the risks surrounding forecasts and budget proposals;
2. The feedback on the budget proposals from residents, staff and community groups detailed in Appendix A;
3. The delayed Local Government 2017/18 Final Settlement, the advice given to Local authorities from LGA with regards to setting a budget without this information (Appendix B) and that an update would be given to Cabinet at the meeting; and
4. The transport levy arrangements with the combined authority included in the budget.

Cabinet **RECOMMENDED** to Council:

5. The draft Medium Term Financial Strategy 2017/18-2026/27 (including Phase two budget proposals), as set out in the attached Schedules which comprised

of:

- a. Report of the Chief Finance Officer,
  - b. Forecast Revenue Outturn 2016/17,
  - c. Budget Proposals, Key Figures & Cash Limits (including fees & charges proposals),
  - d. Treasury Strategy, Prudential Code & Minimum Revenue Provision,
  - e. Asset Investment Strategy, Acquisition Strategy, Capital Programme & Disposals 2017/18 – 2026/27,
  - f. Asset Management Plan, and
6. A Social Care precept of 3% for 2017/18 and 3% in 2018/19, as well as the Council tax increase of 2% for 2017/18 and future years, already agreed as part of the 2016/17 budget strategy.

## **REASONS FOR THE DECISION**

Under statutory requirements the Council must set a lawful and balance budget. The approach outlined in the report worked towards fulfilling 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.

## **7. ANNUAL AUDIT LETTER 2015/2016**

Cabinet received a report following a referral from the Council's External Auditor (Ernst and Young).

The purpose of the report was to consider and respond to the Annual Audit Letter for 2015/16, prepared by the Council's external auditors Ernst and Young (EY).

The Cabinet Member for Resources introduced the report and advised that the report outlined the findings of the external auditors, namely the annual accounts. The report had been considered the Audit Committee, which the Auditors attended for questioning. An unqualified value for money rating had been received with a subsequent balanced budget.

Cabinet debated the report and in summary, key points raised and responses to questions included:

- Further clarification would be provided by officers on what movement had been made on the legal transfer of schools non-current assets. It was suggested that this would be down at the point for transfer to an academy.

The Leader announced that this was to be the Service Director Financial Services' last Cabinet meeting and extended his thanks on behalf of the Cabinet for his considerable contribution to the work of the Council.

Cabinet considered the report and **RESOLVED** to approve the Annual Audit Letter for the financial year 2015/16, subject to any comments Cabinet made.

## **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**

There were no alternative options considered.

### **8. MODERN SLAVERY ACT**

Cabinet received a report following a referral from CMT on 18 January 2017.

The purpose of the report was to consider and approve the draft Modern Slavery Act Transparency Statement in order to meet the Council's statutory obligations under the Modern Slavery Act 2015 ("MSA").

Cabinet debated the report and in summary, key points raised and responses to questions included:

- The Statement was a legal requirement following the 2015 Act and was the beginning of an ongoing commitment by the Council.
- The Act and the Statement related to those who were forced to work via the use of mental or physical threat, those who were perceived to be "owned" by their employer, or those who had been subject to dehumanisation.
- The most difficult part of the process would be recognising where it was taking place. Discussion were to be held with community partners and the Police to assist with this.
- A group had been formed to assist in the creation of an anti-slavery policy for the Council. Work would continue on this following the approval of the Transparency Statement.
- It was considered that the Statement and expected policy would be of help to the Housing Enforcement Team and Prevention and Enforcement Services when visiting accommodation.

Cabinet considered the report and **RESOLVED** to approve the draft Modern Slavery Act Transparency Statement for signature and publication by the Director of Governance.

## **REASONS FOR THE DECISION**

The draft Modern Slavery Act Transparency Statement fulfilled the Council's statutory obligations under the Modern Slavery Act 2015 and Cabinet was therefore recommended to approve the strategy.

## **ALTERNATIVE OPTIONS CONSIDERED**

Not to approve the draft Modern Slavery Act Transparency Statement. This option was not recommended as the Council would not be able to meet its statutory requirements.

Chairman  
10.00am – 10:30am