

**MINUTES OF THE CABINET MEETING
HELD AT 2:00PM, ON
TUESDAY, 25 FEBRUARY 2020
COUNCIL CHAMBER, TOWN HALL, PETERBOROUGH**

Cabinet Members Present: Councillor Holdich (Chair), Councillor Allen, Councillor Ayres, Councillor Cereste, Councillor Farooq, Councillor Fitzgerald, Councillor Hiller, Councillor Walsh

Cabinet Advisors Present: Councillor Bashir

64. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Seaton.

65. DECLARATIONS OF INTEREST

No declarations of interest were received.

66. PETITIONS PRESENTED TO CABINET

No petitions were presented.

STRATEGIC DECISIONS

67. MEDIUM TERM FINANCIAL STRATEGY 2020/21 TO 2022/23 – Tranche Two

The Cabinet received a report in relation to the Medium Term Financial Strategy (MTFS) 2020/21 to 2022/23 – Tranche Two.

The purpose of the report was to recommend that Cabinet approve the Tranche Two service proposals and the budget assumptions to update the MTFS to ensure estimates reflected the most up to date information available, and to outline the financial challenges facing the Council in setting a sustainable and balanced budget for MTFS 2020/21-2022/23 and the strategic approach the Council is taking to close the budget gap over the three year budget planning horizon to deliver a sustainable budget.

The Acting Corporate Director for Resources introduced the report and advised that following consideration, recommendations from Cabinet would be considered alongside the Council Tax declaration at Full Council in March 2020. It was further advised that the Council was now able to restock its reserves. The Director informed the Cabinet that the £9 million budget gap for tranche two had been increase to £15.6 million due to pressures around schools, housing benefits and SEN transport. A number of tranche one scheme were also still to be finalised.

It was advised that a number of the savings set out in the proposals were one-offs, however, some may become more long term depending on the result of the fairer funding requests.

The Director noted that, in relation to the Robustness Statement, the proposals for 2020/2021 were robust, however the level of reserves available depended on the capitalisation directive. Deliverable plans would be required for 2021/2022 during the first tranche of the next municipal year.

In relation to the recommendations arising from the Joint Meeting of the Scrutiny Committees held on 24 February 2020 in summary, key points raised by Cabinet and responses to questions included:

- That the Council took the reduction of CO2 emissions seriously and would endeavour to ensure that properties bought or built by the Council were of a high standard.
- It was noted that carbon neutral homes could not be forced on developers, nor could these be forced through the planning process.
- Further comment was made that truly carbon neutral homes did not exist for houses built 'on grid'.
- It was noted that no evidence had been provided that free car parking impacted on foot fall in the city.
- Comment was made that not increasing car parking would cost around £300,000, with no alternative proposal provided.
- It was advised that improvements to bus services fell within the Combined Authority's remit.
- It was highlighted that the cost of car parking in the area was very competitive in relation to surrounding locations.
- It was advised that work to replace the refuse collection vehicles was being reviewed and would be based on the outcome of the green paper currently going through Government.
- It was considered that the Council could not change its vehicles until it was known what type of vehicle would be needed to replace them with.
- Comment was made that if no replacements were available within the current financial year then this would automatically be deferred to next year.

Cabinet considered the report and **RESOLVED** to note the recommendations and take no further actions for the following reasons:

1. That the Council did take the reduction of CO2 emissions in the city seriously and that properties acquired or built by the Council were maintained to a high standard. In many cases it would be impractical or would have a significant cost implication to ensure properties were CO2 neutral.
2. That to remove the increased parking charges from the budget would result in the loss of approximately £300,000 of savings, with no alternative provided. Any improvements to public transport were the responsibility of the Cambridgeshire and Peterborough Combined Authority.
3. That should the expenditure for the replacement of refuse collection vehicles not be achieved in the 20/21 financial year, this would automatically be deferred to the following year.

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

1. The Tranche Two service proposals outlined in Appendix C.
2. The revised capital programme outlined in Section 8 and referencing Appendix H.
3. The Medium Term Financial Strategy 2020/21 – 2022/23-Tranche Two, as set out in the body of the report and the following appendices:
 - Appendix A – 2020/21-2022/23 MTFs Detailed Budget Position-Tranche Two
 - Appendix B – Budget Proposals Tranche One

- Appendix C – Tranche Two Budget Proposal Detail
 - Appendix D – Grant Register
 - Appendix E – Council Tax Information
 - Appendix F – Business Rates- Discretionary Retail Relief
 - Appendix G – Fees and Charges
 - Appendix H – Capital Programme Schemes 2020/21- 2022/23
 - Appendix I – Financial Risk Register
 - Appendix J – Carbon Impact Assessments
 - Appendix K – Treasury Management Strategy
 - Appendix L – Capital Strategy
 - Appendix M – Asset Management Plan
 - Appendix N – Investment Acquisition Strategy
4. The use of local discretionary powers to ensure eligible business ratepayers receive retail relief, public houses discount and local newspaper office discount, in accordance with the ministerial statement of 27 January 2020 and the relevant government guidance as set out Appendix F.

Cabinet **RESOLVED** to note:

5. All the grant figures following the Local Government Final Finance Settlement, published on 6 February 2020 outlined in Section 4.4.
6. The future strategic direction for the Council outlined in Section 5.6 of the report.
7. The statutory advice of the Chief Finance Officer outlined in Section 6, The Robustness Statement (Section 25). This is required to highlight the robustness of budget estimates and the adequacy of the reserves.

REASONS FOR THE DECISION

The Council must set a lawful and balanced budget. The approach outlined in the report worked toward 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.

MONITORING ITEMS

68. BUDGET CONTROL REPORT DECEMBER 2019

The Cabinet received a Budget Control report for December 2019.

The purpose of this report was to provide the Cabinet with the forecast for 2019/20 as at December 2019 budgetary control position.

The Acting Corporate Director for Resources introduced the report and advised that the predicted overspend as at December 2019 was £4 million. Worked continued to reduce this number and as at January 2020 this had been reduced by £500,000.

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

- It was advised that a recruitment panel had been in place since June 2019 to look at vacant agency positions and that since July 2019 all spend over

£10,000 required the approval of a business case. Since October 2019, the Acting Corporate Director of Resources was required to approve any spend over £1,000.

- Members thanked staff for their role in reducing the predicted overspend.

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

1. The Budgetary Control position for 2019/20 at December 2019 included a forecast overspend of £4m against budget.
2. The key variance analysis and explanations were contained in Appendix A.
3. The estimated reserves position for 2019/20 at December 2019 outlined in Appendix B.
4. The Asset Investment and Treasure Budget Report was contained in Appendix C.

REASONS FOR THE DECISION

The report updated Cabinet on the December budgetary control position.

ALTERNATIVE OPTIONS CONSIDERED

There had been no alternative options considered.

Chairman
2:00pm – 2:28pm
25 February 2020