

CABINET

MONDAY 11 MAY 2020
2.00 PM

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**MINUTES OF THE SHAREHOLDER CABINET SUB-COMMITTEE MEETING
HELD AT 11:00AM, ON
MONDAY, 27 JANUARY 2020
BOURGES/VIERSEN ROOM, TOWN HALL, PETERBOROUGH**

Members Present: Councillor Fitzgerald (Chair), Councillor Allen, Councillor Cereste, Councillor Seaton

9. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Walsh.

10. DECLARATIONS OF INTEREST

There were no declarations of interest received.

11. MEDESHAM HOMES LLP

The Shareholder Cabinet Committee received a report in relation to Medesham Homes LLP.

The purpose of this report was to provide the Shareholder Cabinet Committee with an update on Medesham Homes activities and achievements and provide an overview of the options under consideration for the future of the company's operations and governance arrangement.

Clare Higgins and Howard Bright, Medesham Homes LLP Board Members, addressed the Shareholder Cabinet Committee and advised that the Board was happy with the company's position and would like to see investment continue, subject to suitability. Two points of concern were raised in relation to whether the Housing Revenue Account (HRA) being explored by the Council would inadvertently create competition with Medesham Homes, and whether creating areas where homeless individuals were housed en-masse was not the best way to develop sustainable communities and support those who have been homeless.

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

- Members were advised that due to the fact that Medesham Homes LLP was not a public body it was not subject to any right to buy requirements. It was further noted that Cross Keys Homes allowed people to accumulate years within the right to acquire scheme, which was different to right to buy.
- The broader context of the report was discussed, including the Council's previous discussion around investigating the possibility of an HRA and that this was not a move towards competing with Medesham Homes, or to become an operational housing company.

- It was noted that work was continuing to progress work with housing demand needs, which has reduced the number of residents in bed and breakfasts and temporary accommodation.
- Members asked for the Medesham Homes business plan to be shared with them.
- It was suggested that the most appropriate funding would depend on the direction that Medesham Homes took in the future, and future business plans would be developed in line with this.
- The Board Members believed that option number 4 was the best option for the future of the company.

The Shareholder Cabinet Committee considered the report and **RESOLVED** to:

- Note the progress that has been made by Medesham Homes LLP in delivering affordable rented homes in Peterborough;
- Note that in the near future it will no longer be possible to finance the development undertaken by Medesham Homes from historic right to buy receipts;
- A
gree to pursue option 4 as set out in the report for the future operation of the company for discussion and agreement with the Council's JV partner@quest that Medesham Homes LLP's existing Business Plan be circulated to Shareholder Cabinet Committee members.

REASONS FOR THE DECISION

The Council remained committed to the objective of delivering affordable housing in Peterborough. Medesham Homes had demonstrated an ability to do so on sites that would be unattractive to private housebuilders and offered added value to the Council and Cross Keys Homes as a delivery vehicle.

Once London Road had been completed it was estimated that the company would have a vacant possession asset value of between £25m - £30m. This would produce a capital receipt for each partner of between £12.5m - £15m. Tenanted in use valuation would likely be circa £5/7m. In any event, such a sale would likely trigger a default of the CPCA grant funding agreement requiring repayment of around £4m. There may also be a requirement that any receipt may still be subject to ring-fencing for affordable housing. Whilst the Council could use such a receipt to fund non housing projects, or to reduce its debts, the pressures to deliver more affordable housing in the Peterborough were unlikely to recede given the city's forecast population growth in the coming decade. It was therefore argued that, subject to agreement with CKH on future governance and future financing from each of the JV partners, Medesham Homes should continue to pursue its mission of delivering affordable homes.

ALTERNATIVE OPTIONS CONSIDERED

The primary alternative option would be to wind up the company and sell off its assets or for one of the partners to buy out the other. The pursuit of such an option would deny the Council the opportunity to deliver additional affordable homes harnessing the expertise of CKH and the resources that have been brought together through the Medesham Homes joint venture. By continuing to use Medesham as a joint venture delivery vehicle, borrowing against existing assets, attracting grant funding and injecting additional debt finance the Council would be able to play an important role in securing affordable housing delivery, in particular on sites that the private sector may be unwilling or unable to take forward.

12. EMPOWER PETERBOROUGH

The Shareholder Cabinet Committee received a report in relation to Empower Peterborough.

The purpose of this report was to provide an overview of the Empower Peterborough project and an update on the progress of the loan re-financing to a long term funder.

The Acting Corporate Director for Resources, addressed the Shareholder Cabinet Committee and advised that the Council entered into an agreement with Empower Community Management LLP with an investment of £23 million. This resulted in 7,700 installations of solar panels in residential properties. The Council's loan was fully secured on these assets and was originally due in March 2018, however the refinancing options were not considered acceptable. Currently an agreement was being sought with Global Tower Solutions (GTS), with a business model being approved.

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

- Members discussed the possibility of a new type of batter, which would benefit GTS should they introduce this.
- The Council had only funded the start up costs for the scheme, it was now up to the operator to replace and repair the assets when necessary.
- It was noted that the revenue stream for the Council would continue even if the solar panels were replaced.
- Comment was made that the costs to the Council during the negotiation period for the financial agreement had also been covered.

The Shareholder Cabinet Committee considered the report and **RESOLVED** to note the contents of the report.

REASONS FOR THE DECISION

The reason for the recommendation was to ensure the Shareholder Cabinet Committee understood the Empower project and progress on the Empower loan refinance progress.

ALTERNATIVE OPTIONS CONSIDERED

An alternative option was not to present this report to the Shareholder Cabinet Committee. This option was not taken forward as it was important to update the Committee on the Empower partnership and the loan refinance progress.

13. SHAREHOLDER CABINET COMMITTEE WORK PROGRAMME

The Shareholder Cabinet Committee reviewed their work programme and it was noted that there had been some confusion around the planned returned of the NPS Peterborough report. This was currently in draft form and due to be finalised before March. Members felt that the report should be circulated in its current form and the final version should be presented at the March meeting, or earlier if necessary.

The Shareholder Cabinet Committee considered the report and **RESOLVED** to note the latest version of the work programme, with the following amendment:

2 March 2020

The addition of 'NPS Peterborough', though an extraordinary meeting would be scheduled earlier if felt necessary, following circulation of the draft report to Members.

Chairman
11:00am – 12:08am
27 January 2020

**MINUTES OF THE CABINET MEETING
HELD AT 10:00AM, ON
MONDAY, 3 FEBRUARY 2020
BOURGES/VIERSON ROOM, TOWN HALL, PETERBOROUGH**

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

Cabinet Advisors Present: Councillor Bashir

57. APOLOGIES FOR ABSENCE

No apologies for absence were received.

58. DECLARATIONS OF INTEREST

No declarations of interest were received.

59. MINUTES OF THE CABINET MEETING HELD:

(a) 20 December 2019 – Budget Meeting

The minutes of the Cabinet – Budget meeting held on 20 December 2019 were agreed as a true and accurate record.

(b) 13 January 2020

The minutes of the Cabinet meeting held on 13 January 2020 were agreed as a true and accurate record.

STRATEGIC DECISIONS

60. CLIMATE CHANGE – CITY COUNCIL CARBON MANAGEMENT ACTION PLAN

The Cabinet received a report in relation to the Climate Change – City Council Carbon Management Action Plan.

The purpose of this report was to see Cabinet endorsement of a ‘Peterborough City Council Carbon Management Action Plan’ (Council-CMAP) and seek Cabinet approval to recommend to Council-CMAP to Council.

Councillor Cereste, Cabinet Member for Waste, Street Scene and the Environment, introduced the report and advised that the Council had committed to become carbon net zero by 2030. At the current time the majority of the Council’s carbon emissions came from energy use and transport. Work was being undertaken to identify emissions from other areas. It was intended to update the Action Plan annually with updated reduction figures, with a city wide plan also being drafted as a separate document.

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

- It was suggested that a Parish Council representative be included on the Climate Change Member Working Group.
- Comment was made that capital would be available and the Council were applying for a number of different funding schemes.
- It was noted that a number of previous energy saving proposals, such as street light dimming and wind and solar farms, were opposed by the scrutiny committees.
- Work was already underway to explore the possibility of online council tax billing.
- Members were advised that as current per capita data did not include any CO2 equivalent information, the Council did not know its total emission figures. This data was being sought; however, it was felt that work to improve emission figures should not wait until this total number was known.
- Lessons were being learnt from other authorities and the Council was working closely with Cambridgeshire County Council.
- It was noted that any detail relating to emissions from bus services would be included within the City-Wide Carbon Management Action Plan.
- In relation to points raised about the introduction of 'Green Walls', it was felt that the key question would be where such items were placed and whether these would be suitable. It would need to be established that this would be the best use of Council resources.
- It was noted that the top 20 commitments outlined in the report include a school action plan. Officers had also been working with the Youth Council to identify possible ways to work with schools.
- Comment was made in relation to the prospect of a Citizen's Assembly, and it was advised that the cost of such an assembly would be around £50,000 to £150,000. It was noted that a Citizen's Assembly was due to be set up as part of the Council's Integrated Communities work and officers were intending to monitor this to establish if the Climate Emergency could be discussed through this route.
- Members were advised that a survey would be rolled out to establish what kind of events would be most beneficial to promote the Council's message and actions.
- Members discussed the possibility of a 'jobs near home' style initiative and it was noted that Peterborough had one of the shortest home to work times in the country.
- Further discussion was had in relation to the installation of fast electric car charging stations for on road parking. External funding was currently being investigated to help this progress.
- Climate Action Day was discussed, and it was advised that Councillors and officers could take part by committing to take an individual action, for example, cycling to work, or eating only local food. Officers would like to hear about any action taken to promote the work being done.

Cabinet considered the report and **RESOLVED** to endorse the Peterborough City Carbon Management Action Plan (Council-CMAP) and recommend to Council:

1. That it adopts the Council-CMAP at its meeting of 4 March 2020, subject to the addition of a Parish Council representative on the Climate Change Member Working Group.
2. That delegation be given to the Executive Director of Place and Economy to undertake any presentational, factual or other minor amendments to the Council-

CMAF before it is published, provided such amendments do not materially amend the content of the Council-CMAF.

REASONS FOR THE DECISION

The Council had already committed to the principle of preparing an 'Action Plan' by March 2020 (via the unanimously agreed Motion of July 2019). The precise content of such an Action Plan as recommended for approval had been developed by officers, working with the Member Working Group, and had taken account of reasonable and viable options for the council to cut its carbon emissions.

ALTERNATIVE OPTIONS CONSIDERED

The option of not preparing an Action Plan was dismissed, because Council had already committed in principle to its preparation.

Alternative content within the Action Plan could have been prepared and recommended, which could have committed more, less or different projects to reduce the Council's carbon emissions. However, in order to start to reduce the Council's emissions to net-zero by 2030, yet take account of the resources available, the content of the action plan was deemed a reasonable and practical set of actions, especially for the next 12 months.

61. CAMBRIDGESHIRE AND PETERBOROUGH YOUTH JUSTICE PLAN 2019 - 2022

The Cabinet received a report in relation to the Cambridgeshire and Peterborough Youth Justice Plan 2019-2022.

The purpose of this report was to set out the objectives and priorities within the Joint Cambridgeshire and Peterborough Youth Justice Plan 2019-22, which had been developed and submitted through the Cambridgeshire and Peterborough Youth Justice Management Board. The Youth Justice Plan was endorsed by the Joint Management Board and the central Youth Justice Board prior to release of the Youth Offending Team's Youth Justice Grants.

Councillor Walsh, Cabinet Member for Communities, introduced the report and advised that the service provided to youth within the city was a strong focus of the plan and that the service was achieving its objectives.

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

- It was advised that, in relation to training for vulnerable young people, many had more complex needs. A group had been formed with relevant partners to consider individual cases.
- A Targeted Youth Support Service had been created jointly with Children's Services, which had resulted in a much more collaborative approach.
- The Youth Justice Management Board had established a quarterly dashboard with oversight of statistics, including the overrepresentation of black, Asian, and minority ethnic people, as well as looked after children.
- It was advised that it was expected that the Council would continue to provide a budget for this service, which would be matched by the Ministry of Justice.
- It was advised that Targeted Youth Service Support funding was not affective.

- Members raised the issue of whether Peterborough had a problem with gangs or youth violence, and it was advised that the situation in Peterborough reflected that of small towns across the county.
- It was further noted that figures in relation to a decline in performance on reoffending were out of date, and that in the most recent 12 months Peterborough had returned to the national average.

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

1. Recommend to Council the approval of the Joint Cambridgeshire and Peterborough Youth Justice Plan.
2. Endorse and agreed the strategy objectives of the Youth Justice Management Partnership.
3. Endorse and agree the Peterborough Youth Offending Service operational priorities.

REASONS FOR THE DECISION

It is a statutory requirement to have an agreed Partnership Youth Justice Plan as defined by the Crime and Disorder Act 1998 and best practice to seek approval from committee. This 3 year plan would be reviewed annual.

ALTERNATIVE OPTIONS CONSIDERED

None.

MONITORING ITEMS

62. NOVEMBER 2019 BUDGET CONTROL REPORT

The Cabinet received a Budget Control report for November 2019.

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

Councillor Seaton, Cabinet Member for Finance, introduced the report and advised that there had been a substantial improvement in the Council's position. It was, however, vital that work continued in order for the position to improve for the end of the year.

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

- It was considered that the next key challenge would be to restore money back to the Council's reserves fund, as approximately £4 million had been removed.
- Comment was made that capital expense typically seemed to underspend compared to revenue. Officers explained that this was due, in part, reduction of the capital programme down to a deliverable level and a number of highway schemes that were pending agreement from the Combined Authority, which had caused a lag in delivery.

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

1. The Budgetary Control position for 2019/20 at November 2019 included a forecast overspend of £4.412m against budget.
2. The key variance analysis and explanations were contained in Appendix A.
3. The estimated reserves position for 2019/20 at November 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 November budgetary control position.

ALTERNATIVE OPTIONS CONSIDERED

There had been no alternative options considered.

63. OUTCOME OF PETITIONS

The Cabinet received a report in relation to the outcome of the submission of e-petitions, the presentation of petitions to Council officers, and the presentation of petitions at Council meetings.

The purpose of this report was to update the Cabinet on the progress being made in response to petitions submitted to the Council.

Cabinet considered the report and **RESOLVED** to note the actions taken in respect of petitions.

REASONS FOR THE DECISION

As the petitions presented in the report had been dealt with by Cabinet Members or officers, it was appropriate that the action was reported to Cabinet.

ALTERNATIVE OPTIONS CONSIDERED

There had been no alternative options considered.

Chairman
10:00am – 11:12am
3 February 2020

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**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

CABINET	AGENDA ITEM No. 3
11 MAY 2020	PUBLIC REPORT

Report of:	Chief Executive and Joint Management Team	
Cabinet Member(s) responsible:	Councillor John Holdich, Leader of the Council and Deputy Mayor of Cambridgeshire and Peterborough Combined Authority	
Contact Officer(s):	Amanda Askham, Director of Business Improvement and Development	Tel. 07919 166328

PETERBOROUGH CITY COUNCIL'S RESPONSE TO COVID-19

R E C O M M E N D A T I O N S	
FROM: Amanda Askham, Director of Business Improvement and Development	Deadline date: N/A
It is recommended that Cabinet note and comment on the progress made to date in responding to the impact of the Coronavirus.	

1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet following a referral from the Joint Management Team.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to update on:

- the Council's response to the current Coronavirus pandemic;
- the progress made on assessing financial, service and community impact; and
- the Council's initial approach to recovery.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.1, 'To take collective responsibility for the delivery of all strategic Executive functions within the Council's Major Policy and Budget Framework and lead the Council's overall improvement programmes to deliver excellent services.'

3. TIMESCALES

3.1

Is this a Major Policy Item/Statutory Plan?	NO
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4. BACKGROUND AND KEY ISSUES

- 4.1 In December 2019 cases of a new coronavirus were identified in the city of Wuhan in China. Since December, the virus has spread rapidly across the world and the World Health Organisation declared a global pandemic in March. More than two million cases have now been reported worldwide and cases and deaths continue to rise in the UK.

UK RESPONSE

- 4.2 In the UK, the Government has developed a coronavirus COVID-19 action plan, with the aim of 'flattening the curve' to reduce the peaks in pressure on NHS, social care services and the wider society.
- 4.3 On 23rd March, the Prime Minister announced stringent new guidelines for 'lockdown' and 'social distancing' for three groups:
- 'Shielded Group' – around 1.5 million people nationally (we are expecting up to 30,000 people locally, including GP lists) have been identified in this extremely vulnerable category and have been told to "shield" themselves at home for 12 weeks.
 - Vulnerable people – people over 70, people with underlying health conditions and pregnant women have been advised to do all they can to minimise social contact.
 - Everyone else - was asked to work from home where possible - travelling to and from work only where absolutely necessary; avoid public transport; only leave home for essential food supplies and medical needs or to provide care to others and only to go out for necessities and exercise once a day.
- 4.4 Lockdown measures also stipulated that schools, libraries, places of worship, restaurants, bars, leisure facilities and other non-essential facilities should close immediately. Gatherings in public of more than two people who do not live together were prohibited and all social events including weddings and baptisms were cancelled; with the exception of funerals which were limited to close family only. Parks could remain open for exercise but gatherings would be dispersed. The police have been given the power to fine and disperse where lockdown rules are not being adhered to.
- 4.5 The Coronavirus Act was passed by Parliament on the 23rd of March 2020. The Act is part of the Government's response to the COVID-19 pandemic and is intended to enable the Government to respond to an emergency situation and manage the effects of a pandemic. The legislation, which is time-limited for 2 years, allows the Government to switch on these new powers when they are needed and, crucially, to switch them off again once they are no longer necessary, based on the advice of the Chief Medical Officer.

The Act enables action in 5 key areas:

- increasing the available health and social care workforce – for example, by removing barriers to allow recently retired NHS staff and social workers to return to work;
- easing the burden on frontline staff – by reducing the number of administrative tasks they have to perform, enabling local authorities to prioritise care for people with the most pressing needs and allowing key workers to perform more tasks remotely and with less paperwork. This has included easements in the Care Act but no relaxation of the Children and Families Act;
- containing and slowing the virus – by reducing unnecessary social contacts, for example through powers over events and gatherings and strengthening the powers of police;
- managing the deceased with respect and dignity – by enabling the death management system to deal with increased demand for its services; and
- supporting people – by allowing them to claim Statutory Sick Pay from day one, and by supporting the food industry to maintain supplies.

CAMBRIDGESHIRE AND PETERBOROUGH LOCAL RESILIENCE FORUM'S REPOSE

- 4.6 The Civil Contingencies Act 2004 sets out a definition for 'emergency' which includes events which threaten serious damage to human welfare. The Act places an obligation upon emergency services and local authorities (defined as category 1 responders under the Act) to assess the risk of, plan, and exercise for emergencies, as well as undertaking Business Continuity Management.
- 4.7 The Civil Contingencies Act and its accompanying regulations provide that responders, through a local Resilience Forum have a collective responsibility to plan, prepare and communicate with the area they service for an emergency. Cambridgeshire and Peterborough Local Resilience Forum is the collective body set up to carry out those responsibilities. Those responders are category 1 (as described above) and category 2 responders which include utility companies, transport organisations and others such as the Combined Authority.
- 4.8 The Cambridgeshire and Peterborough Local Resilience Forum has approved and is now acting in accordance with the CPLRF Pandemic Influenza Plan which was signed off in January 2019. The plan requires a Strategic Coordinating Group (SCG) to be set up to coordinate the multiagency response to the pandemic at a strategic level. This group had its first meeting on the 9th March 2020 and has been meeting weekly. An Executive Group of the SCG (made up of category 1 responders) was set up on 23rd March 2020 and has been meeting every week day. The SCG was initially co-chaired by Chris Mead Detective, Chief Superintendent of Cambridgeshire Constabulary and Dr Liz Robin, Director of Public Health, but this position changed to Jan Thomas, Chief Operating Officer of the CCG and Gillian Beasley, Chief Executive of Cambridgeshire County Council and Peterborough City Council, as it became apparent that key strategic planning would be focused on health, social and community issues. On 23rd March 2020 the Strategic Coordinating Group declared, under the Pandemic Influenza Plan, that COVID 19 was a major incident.
- 4.9 The SCG is supported in its work by a Tactical Silver Group chaired by Laura Hunt from Cambridgeshire Constabulary and this group in turn, is supported by a number of tactical sub-groups as follows:-
- Warn and Inform Subgroup leading on the joined up communications across the public services system, co- chaired by Christine Birchall, Head of Communications PCC/CCC and Hayley Douglas, Head of Communications for Cambridgeshire Fire and Rescue.
 - Community Reference Subgroup (leading the Hub work) chaired by Adrian Chapman, Service Director Communities & Partnership PCC/CCC.
 - Excess Deaths Subgroup Chaired by Leigh Dunbar from PCC/CCC.
 - PPE Cell chaired by Linda Sheridan from Public Health and Sarah Learney from Health.
 - Multi Agency Incident Cell led by Leigh Allman, Detective Chief Inspector Cambridgeshire Constabulary.
 - Intelligence and Analysis Cell chaired by Tom Barden from PCC/CCC.
 - Recovery Subgroup chaired by Jo Lancaster, MD of Huntingdonshire District Council.
 - Economic subgroup chaired by John T Hill, Chief Officer Business Board/Director of Business and Skills form the Combined Authority.
- 4.10 Category 1 responders also set up their own command and control arrangements. For Cambridgeshire County Council and Peterborough City Council there is a Gold Joint Management Team which meets virtually every weekday morning at 8.00am to determine actions each day and to escalate for resolution to the daily Executive Strategic Coordinating Group which meets virtually at 11.30am each week day morning. A Tactical Working Group meets weekly and Operational Groups in each Directorate meet at least weekly and more frequently where required.

PETERBOROUGH CITY COUNCIL RESPONSE

- 4.11 Whilst critical decisions on this emergency are taken within the arrangements set out in paragraphs 4.8 to 4.10, the City Council needs to have proper arrangements for the transparent accountability and scrutiny of decisions taken within this emergency.
- 4.12 Guidance from the Local Government Association for Councillors on COVID 19 together with advice from the Centre for Public Scrutiny on maintaining accountability of decision-making, has informed the approach which the City Council proposes to take and is summarised as follows:-
- Highlight reports of the activity of each main area of operation of the Council for COVID-19 will be sent to all Members on a weekly basis, sent out on Monday of every week.
 - All Members will receive two daily reports, one a media report at 11.30am and one a report of the Government's daily briefing which usually comes out early evening.
 - All Members will receive two weekly reports on the activities of the Strategic Coordinating Group.
 - Group Leader meetings will continue to take place on a fortnightly basis.
 - Insite will continue to be issued to all staff and Members containing a roundup of the week's information.
 - Members will always be able to raise individual issues or concerns to officers in the usual way whether it be COVID-19 or other service-related issues.
- 4.13 In relation to decision making and scrutiny through committees the following arrangements were agreed: -
- At every Cabinet meeting there will be a COVID-19 report summarising the key issues, including a financial report and attaching the last four weeks relevant highlight reports as well as updated information since the date of the last highlight report. This will allow the public to see all of the detailed activity and allow Members to ask questions and scrutinise the decisions and actions taken. This will be followed by additional meetings of Joint Scrutiny Committee which will be set up and run based on guidance issued by the Centre for Public Scrutiny.
- 4.14 Following the issue of The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 which came into force on 4th April 2020, the Council also created a Virtual Meeting protocol which was agreed by Group Leaders and sent to all Members. This will be reviewed after the first few weeks of operation once it has been tested and amendments made as necessary. The Council has also considered the options for IT platforms for virtual meetings and testing continues on which platform is most suitable for the equipment currently in use by councillors - the preference is to use Zoom for public facing meetings and Microsoft Teams for confidential or sensitive matters.
- 4.15 The Constitution provides for the executive management of the Council to be undertaken during periods of an emergency where normal decision making governance cannot be followed as a result of that emergency. Part 3, Delegations Section 3 - Executive Functions Section 3.6.2 (d) states that the Chief Executive is authorised "to take any action, including the incurring of expenditure, where emergency action is required" and Section 3.6.5 (f) states that the Chief Executive and every Director shall be authorised to exercise the following functions in so far as they fall within his/her remit, subject to the ability of the Leader (or Cabinet Members acting under authority delegated to them by the Leader or a regulatory committee of the Council to exercise the functions) "to take any emergency action necessary for the safety of the public or the preservation of the property of the Council".
- 4.16 A protocol for the dealing of costs associated with the management of COVID 19 has been agreed and implemented. Any decision that will result in a financial implication in excess of £20k requires a business case to be approved. All items are reported to the Council's Management Team on a weekly basis so that there is visibility of the financial implication of the decisions being made. These items will be reported to Cabinet on a monthly basis with effect

from the May cycle of meetings.

4.17 Immediate Focus

Over the last three weeks, the immediate priorities for the Council have been to:

- a) Understand and make plans to mitigate against the potential impacts and key risks to delivery of effective critical services - both directly provided and commissioned services.
- b) Ensure the sustainability of adult social care during the COVID-19 outbreak, particularly the links with planning and action in the NHS including response to new Hospital Discharge Guidance.
- c) Ensure that effective business continuity arrangements are in place to maintain all other critical services.
- d) Establish a Coordination Hub so that shielded and vulnerable self-isolators are supported with supplies of food, medicine, and other essential support.
- e) Ensure that vulnerable children are supported during the pandemic, including work with schools and settings to ensure that arrangements are in place to support both vulnerable children and children of essential workers.
- f) Provide accommodation and services to rough sleepers, and those at risk of rough sleeping, to support social distancing and self-isolation.
- g) Optimise deployment of staff and volunteers to support critical activity.
- h) Implement measures to protect and support our workforce in line with national guidelines whilst maintaining critical services and allowing effective emergency planning.
- i) Maintain public trust and confidence by providing reassurance, frequent communication and to amplify the clear public health and Government guidance.

4.18 Workforce

In order to implement social distancing throughout our workforce and to free up capacity to maintain critical services (including COVID-19 response), we have suspended some services and operations, for example Household Recycling Centres.

4.19 In addition, we have redeployed staff working in roles which are not critical in the current context and switched them to supporting the Council and our communities in critical services through the Coordination Hub.

4.20 Our agile working practices and our IT infrastructure have enabled the majority of staff to work from home or switch to other roles quickly and relatively easily.

4.21 Adult Social Care

The emergency Coronavirus legislation reduced many of the Care Act's 'duties' to 'powers', with the extent to which councils change their approach to care assessments, care plans and carer's assessments to be determined locally. This guidance has now been reviewed and, at this stage, the Council is not seeking to implement any easements.

4.22 As directed by the Government, the Council has been working with the NHS to ensure that, where it is appropriate to do so, as many people as possible are moved out of hospital and that as many people as possible are supported in the community to avoid new hospital admissions. To do this, additional care capacity has been purchased and care providers will be paid an additional 10% until the end of June to ensure that they can continue to provide care to the most vulnerable people in our communities.

4.23 The Government has published a range of guidance for Adult Social Care staff, Care Homes and providers and all of this has been reviewed and shared with the ASC system. Significant action has been taken locally to resolve PPE supply and guidance issues for our staff and providers.

4.24 Coordination Hub

On the 22nd of March, The Prime Minister asked Local Authorities and their LRFs to develop Local Support Systems to support people who are at the highest risk of severe illness if they contract COVID-19 (the 'shielded' group). In response, a countywide COVID-19 Coordination Hub has been established and is now fully operational.

- 4.25 The Hub works alongside a network of District and City Hubs which have been established across Cambridgeshire and Peterborough, ensuring that there is a comprehensive response to supporting vulnerable residents:
- helping to ensure that services provided by key workers are sustained at safe and appropriate levels through the redeployment of staff and the deployment of volunteers;
 - co-ordinating the distribution of support to the shielded group where needed (currently there are around 10,000 individuals registered as shielded across Cambridgeshire and Peterborough, from the 20,000 that have been identified by Government). So far the Hub has responded to around 1700 requests for support.
 - ensuring with our partners that we are making the best use possible of all available resources to minimise anxiety, to co-ordinate social action, and to ensure those most vulnerable are benefitting from appropriate community support.

District and City Hubs are also identifying and responding to the needs of vulnerable people who sit outside the shielded group.

- 4.26 There has been a tremendous response from local people and over 1800 volunteers are now registered with the Hub. Around half of these volunteers have a valid DBS check and will be directed towards supporting social care, NHS and related services and the most vulnerable people, with the rest picking up local responses.
- 4.27 The Hub logistics operation, based from a warehouse facility in Alconbury, is also fully operational, delivering food and essential supplies to those without any other support, and overseeing distribution of PPE. Red Cross volunteers are doing an amazing job sorting, organising and delivering supplies.
- 4.28 The County hub's focus is on the shielded group of people identified by health and coordinating the deployment of volunteers and redeployed staff. Each District Council and City Councils have developed local hubs. In Peterborough the hub went live on 2nd April and as of 24th April have received 115 calls for help. This includes help with accessing food and essential items, delivery of medicines, support to children and families, benefits advice. The Voluntary and community sector are an integral to our ability to deliver this support, as are Registered social landlords, like Cross Keys Homes and the wider public and private sector.

Information on how to get or give support is on the Peterborough website: [Community Support](#)

4.29 Schools and settings

A high percentage of schools across Peterborough have been open to support vulnerable children and children of key workers. There was a dip in numbers attending over what would have been the Easter holidays, as expected, with numbers rising again the following week. There is also good capacity in Early Years settings and child care providers, offering child care for vulnerable and critical workers children when they need it.

- 4.30 We continue to work with children's social care and schools to ensure the children who need support are accessing their school and we have seen a steady increase in the number of vulnerable children attending school. The DfE has complimented our process for risk assessing vulnerable pupils and have asked to share our process with other Local Authorities.
- 4.31 A range of support is in place for schools and settings including:
- daily updates and interpretation on the Government guidance;
 - social distancing and PPE advice;
 - advice and support to encourage parents to apply for a free school meal for eligible children;
 - support for ensuring ICT access for disadvantaged pupils;

- a toolkit around commercial and traded issues resulting from the COVID-19 situation.

4.32 Public Health

The Public Health Director and Team have been providing advice and guidance to the Cambridgeshire and Peterborough Local Resilience Forum (LRF), the multi-agency COVID-19 Strategic and Tactical Co-ordination Groups and providing a direct link to Public Health England.

- 4.33 The Personal Protective Equipment (PPE) challenges facing all areas of the system - acute providers, community care, care homes, funeral directors, emergency responders and many others - continues to be one of the most significant risks to our response to the Coronavirus pandemic. Dr Linda Sheridan, Public Health Consultant, co-chairs the LRF Personal Protective Equipment (PPE) Cell jointly with the CCG, and there has been extensive work to provide support on the application of the Public Health England national guidance. Local summaries of the national guidance have been developed for different settings (e.g. care homes, district council services, volunteers and different situations) and has been communicated throughout the system. The cell is leading on distribution of the national PPE stock recently supplied to LRFs, and is planning to put in place processes to co-ordinate joint procurements across LRF organisations, when this would be of mutual benefit.

- 4.34 There is recognition that people's mental health and general wellbeing is likely to be negatively affected during this period. The Public Health team, along with the PCC Communications Team are developing and signposting a range of excellent resources on protecting and promoting good mental health, with targeted and tailored updates for the general population, the Council's workforce and for vulnerable groups.

4.35 Planning for excess deaths

Modelling of the impact of COVID-19 indicates that, very sadly, we will see an increase in the number of deaths across Peterborough and Cambridgeshire during the current pandemic. The management of these additional deaths is a significant and very challenging issue and it is crucially important that we get the right balance between ensuring the deceased and grieving families are treated with respect and dignity, making sure that those involved are not put at an increased risk of contracting the virus and continuing to service an increasing number of deaths.

- 4.36 Work to set up additional mortuary space has taken place with our partners at Peterborough City Hospital. The Ministry of Housing, Communities and Local Government has provided an additional unit with the capacity to hold 90 bodies. This unit is now ready for use at the Hospital should it be required.

- 4.37 Further capacity for Peterborough and Cambridgeshire has been commissioned at Marshalls Aerospace and Defence in Cambridge. Arrangements have been made with a Peterborough based Funeral Director for the transportation and recovery of the deceased from this site in the eventuality that there is insufficient capacity at either Peterborough City Hospital or Hinchingsbrooke Hospital. We have worked with the Hospital Trusts, Funeral Directors and the Crematoria to identify how these facilities will be operated and to ensure that we are able to manage deaths safely and compassionately.

4.38 Communications

The Communication Team continues to put out daily briefings to staff, Members, Parish and Town Councils and the Media ensuring that information is readily available, clear and proactive. Updates on any service changes are also made daily on websites and across social media platforms.

- 4.39 The Council is providing regular video updates from the Director of Public Health and the Leader of the Council, along with a strong social media presence and positive media coverage.

These initiatives, along with campaigns to support good mental health and wellbeing, are intended to ensure that the public feel well informed and reassured that the Council is taking decisive steps to protect the most vulnerable, to support the NHS, and to plan for a positive recovery for Peterborough.

4.40 Data and Insight

The Business Intelligence Team and the Public Health Intelligence Team have been working with colleagues from across the LRF organisations to enable detailed understanding of the current and future impact of COVID-19, helping to track the position locally and summarising global and regional trends to inform actions. Collaboration across multi agency intelligence functions is supporting the response, for example in enhancing intelligence on at risk groups and 'Shielded' group information to aid targeting of resources and support.

4.41 Highlight reports from all areas of the Council and as detailed in paragraph 4.13 of this report, are sent to all Members weekly and can be found at this [link](#).

5. **RISK MANAGEMENT**

5.1 Given the significant impact of COVID-19 on both the Council's immediate operations and its longer term achievement of strategic objectives a COVID-19 risk log has been developed. This is split into three sections:

- A short-term risk log for the internal-management of the Council's response to COVID19.
- A longer-term risk log for the strategic-management of the delivery of the Council's objectives arising from the current event.
- A review of major projects to identify which are critical to the Council, with a risk management action plan against each of these projects.

5.2 The immediate priority has been to develop the internal COVID-19 risk log which has five themes – infrastructure, finance, people, operations and reputation. Each of these themes has a number of trigger events and corresponding controls and actions. These themes have been cross referenced to the existing Corporate Risk Register and to Directorate Risk Registers. The internal COVID-19 risk register has been reviewed by the Joint Management Team weekly from 17th April 2020.

5.3 The strategic risk register is being developed next and will inform the recovery phase. The PESTELO approach has been applied in order to structure our controls and actions, this takes into account 7 themes: Political, Economic, Social, Technological, Environmental, Legal and Organisational. Management of strategic risks is likely to be widely dispersed through the organisation, its partners and the Peterborough system.

5.4 We have also reviewed all of our critical projects and ensured that risk management plans take into account potential impacts of the Coronavirus pandemic.

6. **RECOVERY**

6.1 As a Council we have been at the forefront of leading the response to the pandemic, diverting most of our effort to ensuring that the public and businesses are supported through what is an unprecedented emergency in modern times. We have a significant degree of influence and accountability for the public's experience of living and working in Peterborough. Our ambition, our relationships with system partners and our significant investment in change and innovation over the past few years, makes us very well placed to contribute to the recovery and redesign that will be required in Peterborough in the coming months and years.

6.2 It is very likely that the Council and the services it delivers may need to be different once we have dealt with the immediate response required by the crisis and when we have understood the future needs of Peterborough's society as it is re-established post COVID-19. While significant levels of local authority resources are redirected to the front line and current emergency, it is important to

ring fence capacity and expertise to start planning for the aftermath and recovery as quickly as possible

- 6.3 To plan for these phases, the Joint Management Team has started to build a recovery framework, with the first steps being:
- identifying the risks, both the immediate operational risks and the after-effects that could destabilise organisational and financial sustainability, service delivery, communities and suppliers;
 - forecasting the social and economic impact of different scenarios to the Council and communities;
 - capturing learning and opportunities and thinking about the changed behavioural aspects that we might wish to permanently embed (for example community resilience and support, climate impacts during lockdown, changed attitudes to travel and agile working);
 - planning for the reintroduction of services that have been suspended during the pandemic.

- 6.4 A number of officers including the Deputy Chief Executive, Executive Director Place and Economy, Director of Business Improvement and Director of Education are also involved in the Cambridgeshire and Peterborough Local Resilience Forum Recovery Group, which is chaired by Chief Executives from Huntingdon and South Cambridgeshire District Councils

7. ALIGNMENT WITH CORPORATE PRIORITIES

- 7.1 The current Coronavirus pandemic will have both an immediate and a longer term effect on all of the Council's priorities. The impacts will be monitored and managed through our risk logs and recovery plans and will feed into the annual review of Council strategy.

8. CONSULTATION

- 8.1 No consultations were undertaken or required for this report.

9. ANTICIPATED OUTCOMES OR IMPACT

- 9.1 By being kept up to date with the latest situation the Cabinet will continue to make appropriate decisions as and when necessary.

10. REASON FOR THE RECOMMENDATION

- 10.1 To keep Cabinet up to date on the latest situation in relation to Covid-19 and the action taken by the Council in response to the emergency.

11. ALTERNATIVE OPTIONS CONSIDERED

- 11.1 If Cabinet were not updated in a formal meeting this would mean that information would not be available to the public and that Cabinet Members would not be able to question officers or debate relevant matters in relation to the Councils Covid-19 response in a transparent manner.

12. IMPLICATIONS

Financial Implications

- 12.1 For Financial impact analysis, please see the 11th May 2020 Finance Cabinet Report.

Legal Implications

- 12.2 Information report, therefore not relevant.

Equalities Implications

- 12.3 Information report, therefore not relevant.

Carbon Impact Assessment

- 12.4 Information report, therefore not relevant.

Significant Implications

- 12.5 The impact of the Coronavirus pandemic is likely to increase over the next few weeks and the lasting impacts will affect the Council and the people of Peterborough for much longer. We are predicting that the impact of the pandemic and lockdown will result in a rise in referrals to children's services as the pressures on families increase and that demand may also grow in adult services as the effects of interrupted care on chronic conditions emerge. It is essential that we plan for an extended period of response and recovery.
- 12.6 Although the Council's immediate focus is on the significant role we play in minimising the impact of COVID-19, we must also start planning now for the support that will be needed to help Peterborough recover as quickly as possible.
- 12.7 The current allocation of emergency funding from Government - including the additional £1.6bn announced on 18th January - will cover some of the additional costs and loss of income arising from the crisis and is very welcome, however it is unlikely to be enough. Our discussions with Government have indicated that conversations will continue as the full financial impacts of this pandemic become better understood. We have started to model the likely impact of this on current and future budgets and will continue to refine and adjust this modelling as we understand the pressures created by the pandemic.
- 12.8 The current level of complexity and demand is unprecedented and the Council has responded by taking decisive action and by working at pace with partners and communities to ensure that the most vulnerable people across Peterborough have the support they need. At the same time, we have continued to run the business and to fulfil our statutory responsibilities. The Joint Management Team is hugely grateful to the Council's committed and hardworking staff who have made this possible. Action plans to ensure our workforce stays resilient and feels well supported are in place and the mental and physical wellbeing of our workforce remains a priority.

13. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 13.1 Service highlight reports for all Directorates sent to Members weekly and can be found at this [link](#).

14. APPENDICES

- 14.1 None

CABINET	AGENDA ITEM No. 5
11 May 2020	PUBLIC REPORT

Report of:	Peter Carpenter, Acting Corporate Director Resources	
Cabinet Member(s) responsible:	Cllr David Seaton, Cabinet Member for Finance	
Contact Officer(s):	Peter Carpenter, Acting Corporate Director Resources	Tel. 452520

FINANCIAL POSITION

R E C O M M E N D A T I O N S	
FROM: Corporate Director Resources	Deadline date: N/A
<p>It is recommended that Cabinet considers on a monthly basis the financial implications of COVID-19 on the Council in the short, medium and long term and notes:</p> <ul style="list-style-type: none"> ● the significant financial implications that COVID-19 is having on the Council, including the current estimated cost of £18.3m in 2020/21 which exceeds the current £11.0m of funding made available from Government (£5.3m originally and £5.7m on the 18th April); ● the likely ongoing financial implications in future years, and that current savings plans must continue to be delivered where possible to prevent further deterioration in the financial position; ● the lobbying already underway with Government over the financial position; ● the financial packages being delivered by the Council and approves the proposed financial support to communities; and ● the arrangement in place with the Cambridgeshire and Peterborough Combined Commissioning Group for people coming out of hospital and into care. 	

1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet following a referral from the Joint Management Team.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to provide an update on the financial impact of the Covid-19 pandemic and the work that Peterborough City Council is undertaking, in liaison with its wider Peterborough and Cambridgeshire partners, to address the challenges faced.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.1, 'To take collective responsibility for the delivery of all strategic Executive functions within the Council's Major Policy and Budget Framework and lead the Council's overall improvement programmes to deliver excellent services.'

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. BACKGROUND AND KEY ISSUES

4.1 This report provides an update on the financial impact of the Covid-19 pandemic and the work that the Peterborough City Council is undertaking, in liaison with its wider Peterborough and Cambridgeshire partners, to address the challenges faced. The report provides information on the national and local position in respect of funding streams and support available and financial pressures presenting themselves.

This report should be read in conjunction with "Peterborough City Council's Response to COVID-19" which is also on the Agenda on the 11th May Cabinet Meeting. That report sets out the support the Council has delivered, and will continue to deliver, to the community to protect vulnerable people and provide critical local government services.

This report focusses on the financial pressures linked to delivering these key ongoing services and support to our communities. As with other Councils our estimated costs presently exceed funding provided to date from the Government. We will continue to lobby with other Councils through all available routes for additional funding.

The information is based on current knowledge and will fluctuate on a regular basis dependant on as we see new and emerging issues and opportunities. The content of this report reflects the position as at the release date of 26 April 2020.

This is the first meeting at which Cabinet will consider the emerging financial implications of COVID-19. It is clear that the full scale of the financial implications will be significant and the full magnitude is yet to be understood.

4.2 National Perspective - Local Government Finance

The Government have announced a number of initiatives and support to be delivered through Local Government. This has included:

- Via MHCLG
 - £1.8b of support for Business Rates Relief;
 - An initial £1.6b for support of COVID-19 costs;
 - An additional £1.6b of additional support for COVID-19 costs via an announcement on the 18th April;
 - An up-front payment of the Revenue Support Grant;
 - To be allowed to defer £2.6 billion in business rates payments to central government until July;
 - £850m of existing social care grants will be paid up front in a move aimed at helping to ease immediate pressures on local authority cash flows;
 - Additional Funding for rough sleeping at £3.2m;
 - A Hardship fund of £500m for those receiving Council Tax Support.

- Via BEIS
 - £12.3 billion of Grant Support to Rural and Small Businesses as well as the Leisure, Hospitality and Leisure sectors to local authorities in England.

- Indirectly by the Health

- The local CCG will pay for temporary additional care capacity in order to free up space in Hospitals

In doing this, Government are recognising that Local Government are best positioned to administer direct help to the Community and business.

MHCLG are investigating, following feedback from Councils and the LGA, the magnitude of additional costs being encountered. They sent out a questionnaire which 320 Councils returned on the 15th April asking Councils to quantify these pressures. The Government have sought information on Council cash flows to the end of June.

4.3 Funding available to Peterborough City Council

Funding can be split into four distinct areas:

- Direct Revenue Funding;
- Business Rates Relief;
- Council Tax Support;
- BEIS Grants to Business.

4.4 Direct Revenue Funding to manage the effects of COVID-19

On the 27th of March we received an initial allocation of £5.364m of funding from MHCLG to cover the additional COVID-19 costs as our allocation of the £1.6b funding announcement. At the same time, the £10m Revenue Support Grant was confirmed to be paid up front for 2020/21.

Following the announcement of an additional £1.6b of funding on the 18th April, the Council have now been allocated £5.634m more.

Other announcements to assist with cash flow including later payment of Business Rates to Central Government and up-front Adult Service and Rough Sleepers Grant.

4.5 Business Rates Relief

For the Business Rates 1 year holiday for Leisure, Retail, Hospitality and applicable Nurseries the Council have sent out updated bills and at the start of the month stopped all Direct Debits to ensure no payments were made. As such with this scheme:

- For Retail/Hospitality/Leisure we had 1,241 businesses available for relief of £36,518,333 and bills have been issued for 100% relief
- For the applicable nurseries we had 29 cases available for relief of £337,656

4.6 Council Tax Support

The Councils proportion of Council Tax Support is £1.6m. A sum of £150 will be allocated to every recipient of Council Tax Support based on the present information on the Council Tax system.

4.7 BEIS Grants

The Council has been allocated £34.5m of BEIS Grant to distribute to business.

As of Sunday 26th April, the Council had paid out more than £21.8 million to 1,768 small and rural businesses and businesses in the retail, hospitality and leisure sectors. Further payments will

continue to be made over the coming days with the majority of these to take place by the end of the month. Businesses who qualify for the grants do not need to do anything as the Council will be contacting them based on information contained on the Business Rates system. Following validation of banking details, the council will pay the money directly into their accounts through BACS payments due to security considerations.

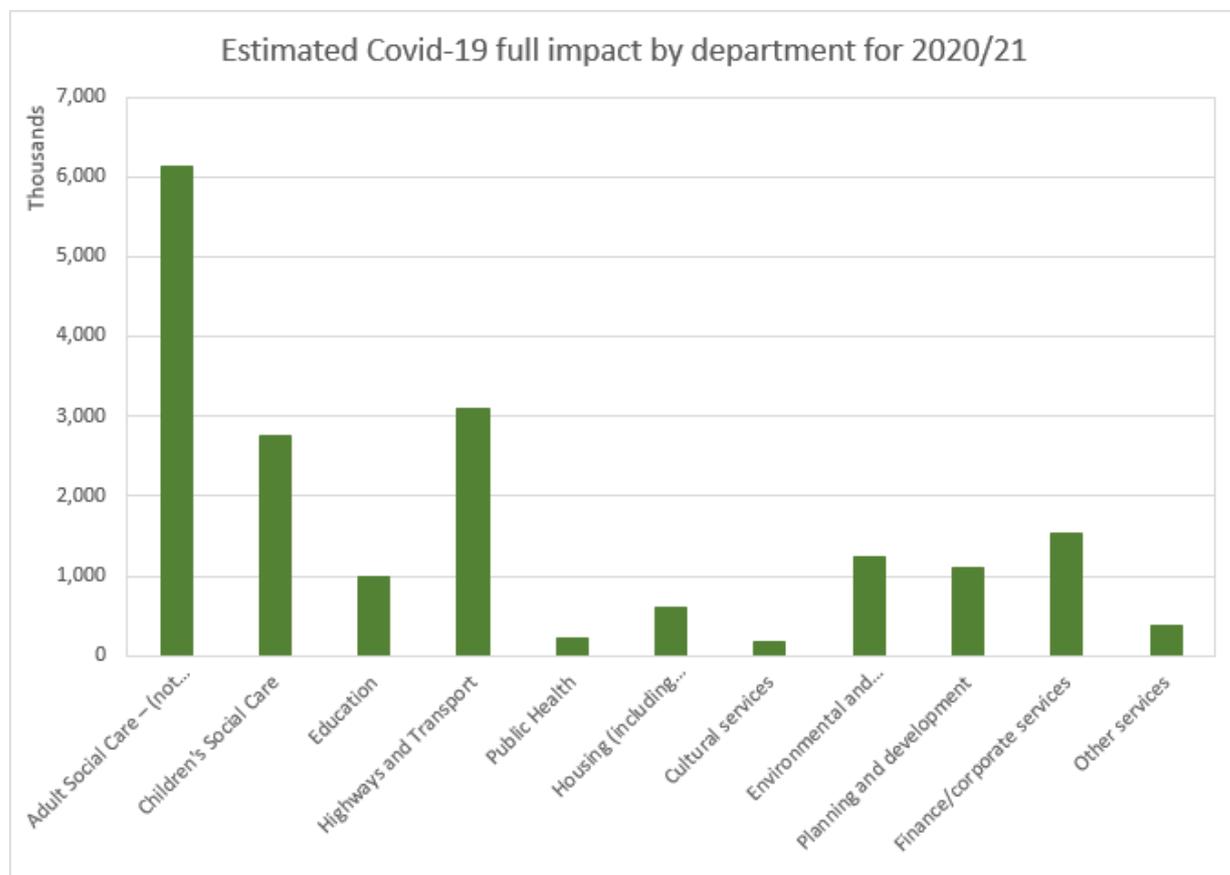
BEIS are publishing on a weekly basis the delivery of these grants to businesses. They are expecting that at least 90% of these grants will be made by the 30th April.

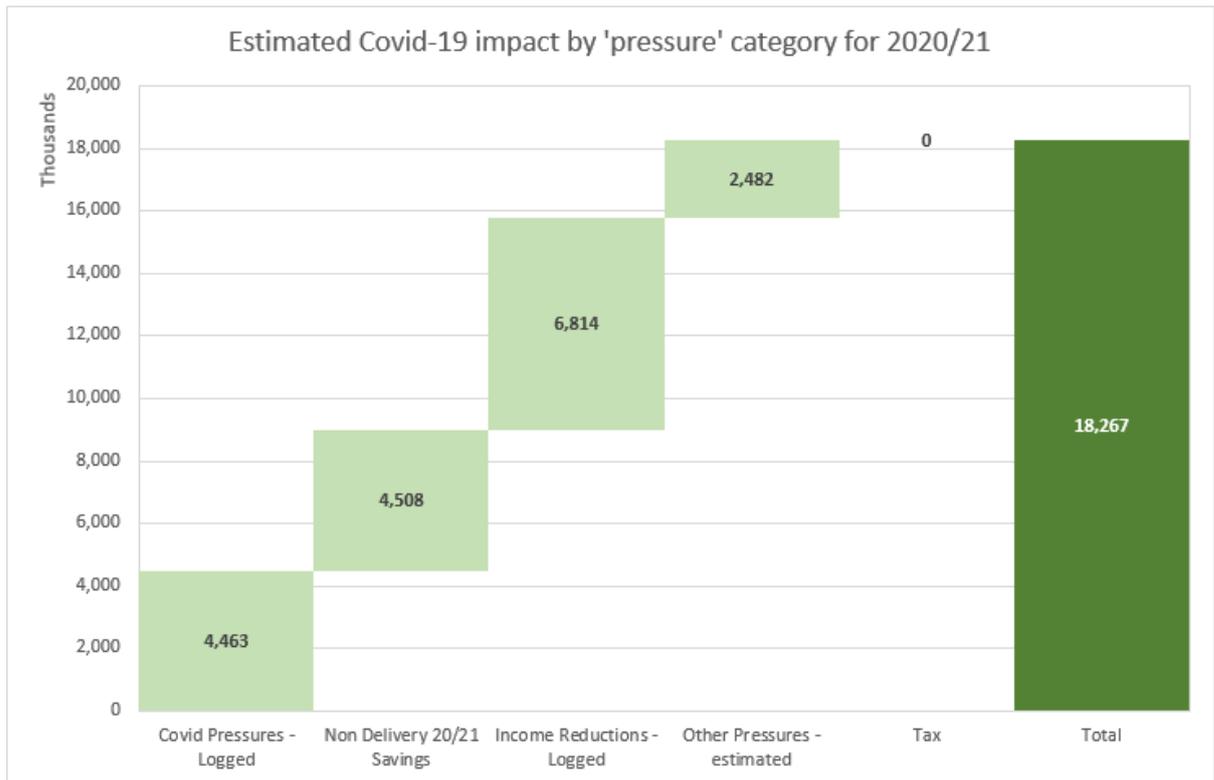
4.8 Cost Impact on the City Council

The Council is now incurring significant additional costs due to the COVID-19 emergency. Presently this amounts to £18.3m. As with the rest of Local Government, it has prioritised services, with staff delivering non-priority services being transferred to a Central hub in order to help deal with the emergency. Local Government is not expected to Furlough its staff but instead reallocate in order to help the community which is what the Council is doing. Additional Council revenue costs fall into three distinct categories:

- Direct COVID Costs;
- Non delivery of 20/21 savings plans;
- Reductions in Council Income.

These additional costs, reduced income levels, and undeliverable savings and their main constituents are set out in the following sections. The revenue impacts of reduced collection of Council Tax and Business Rates are dealt with separately. The following tables set out how the additional costs are split by department and type - and exclude Council Tax and Business Rates.





4.9 Direct COVID Costs

The Councils Direct Covid expenditure amounts to an additional estimated £7.0m of expenditure. It is made up of expenditure already captured on the Councils systems attributable to COVID 19 as well as future costs that have been estimated by Service Departments. The main items are listed below:

- 10% increase to Care contracts - £2.5m;
- £3/hr increase to Homecare contract rates - £1m;
- Support for Temporary Accommodation - £0.5m;
- Additional Childrens Placement Costs - £0.5m;
- Additional Staff costs (over and above normal salaries) - £0.5m;
- Schools Service lost income - £0.5m;
- Setup costs for Temporary Mortuary - £0.3m;
- PPE Equipment £0.2m.

4.10 Non delivery of 20/21 savings plans due to COVID-19

Over £4.5m of savings initiatives will either be delayed or will not be able to be implemented this year due to additional demands on services due to COVID-19. The main items are detailed below:

- With additional demand in care we will not be able to implement all the £1.7m care package rationalisation although by following the revised working practices this pressure has been reduced to £1.2m;
- HR controls savings of £1.1m cannot be delivered as staff linked to this have been redeployed to the Hub and this resource is expected to be required;
- Business Support savings will be delayed 3 months costing £0.5m as above;
- Given social distancing, it will be highly unlikely that we will be able to let out more space at Sand Martin House this year - £0.5m;

- We have been instructed to pay Home to School transport providers on current terms - £0.3m cost.

4.11 **Reductions in Council Income due to COVID-19**

The Council have significant external non Tax/Government income. Excluding the Schools and Housing Benefit Grants this amounts to over £70M per annum. The commercial elements of this are affected straight away putting an estimated £6.8m of income at risk. The main items are:

- 40% reduction in Highways and Environment Income - £2m;
- Clare Lodge – not currently at budgeted capacity - £1.3m;
- 40% Reduction in Planning Income - £1m;
- No parking income for 3 months and at 50% level for a further 2 months - £1.0m;
- 50% of Property rents for the first 3 months not delivered- £0.5m;
- 25% reduction in licensing Income £0.3m.

In addition to this we are:

- Not using Courts and Recovery Action for unpaid debt for the next 2 months;
- Removing Taxi Licence costs for 3 Months.

4.12 **Other**

At the moment the Council's capital programme is at a reduced level. Restrictions have been put on both Highways and Property construction and maintenance due to Social Distancing. We are still evaluating the impact of removing these restrictions by the end of June. This may have a positive budget benefit.

4.13 **Reporting**

We have an initial estimate of COVID-19 Spending.

Ongoing weekly monitoring of Actual vs Plan is in place:

- Weekly reporting to Gold JMT Group and then to Cabinet as part of this Report;
- We are ensuring that PO's are set up and approved via business cases for the remainder of the expenditure during the year (Non COVID-19).

4.14 **Tax Collection**

As has been set out in 4.2 to 4.7, the Government have significant reliefs in place for Businesses which the Council has implemented. However, despite this the Council this year will still collect:

- £91m of Council Tax;
- £67m of Business Rates.

A significant issue for the Council is likely to be non-payment and until the end of April, where we can compare payments this year against last year, we will not have a clear view of what these levels will be. Clearly COVID-19 may have a significant effect on this.

As an assumption, the Council has modelled the effect of a 10% reduction across the year and further 10% deferment over the remainder of the financial year.

A 10% reduction in payments has the following effect:

- Council Tax - £9.1m per year, £750k per month;
- Business Rates - £6.7m per year, £550k per month.

The reduction/deferment could be potentially significant and affect all collection authorities. It is an area where lobbying of Central Government is required – once we know the reductions in collection rates.

4.15 **2020/2021 Budget Impact**

We have been given initial allocations of £11.0m for COVID-19 expenditure. However, our estimated additional expenditure of £18.4m is likely to exceed these combined amounts. This can be summarised in the following table:

	Income £m	Expenditure £m	Balance £m
Direct Covid Expenditure		7.0	7.0
Non delivery of 20/21 savings Items		4.5	11.5
Reduction of Commercial Income		6.8	18.3
Funded By			
Existing Government COVID-19 Grant	(5.3)		13.0
Additional Government funding (18/4) allocations confirmed on 28th April	(5.7)		7.3
Deficit			7.3
Available Reserves and Additional S31 Grant	(13.9)		(6.6)
Amount left in Reserves	(6.6)		

The present position would put considerable pressure on available reserves. This would result in additional risk if further pressures/issues arise during the year. Even assuming additional funding, delivering service as usual and implementing transformation in 20/21 and 21/22 is likely to prove challenging.

Presently, this does not account for any short-term funding issues caused by the non-payment of Council Tax and Business Rates. This will be updated once April payments have been reviewed, when a complete view of the Councils cash position can be taken.

The Council have formed a Recovery Group who will assess how quickly the different phases of recovery from COVID-19 can take place and the implications on services

4.16 **2021/2022 Budget Impact**

With present estimated funding arrangement, the Council will move into 2021/22 with only £6.6m in usable reserves.

The Council has a projected deficit position of £14.5m. Significant work was undertaken by Services in February and March before the COVID-19 emergency on options to close this gap via a set of “lean reviews”. The data from these reviews will be assessed to determine the likely short and medium term changes.

In addition, we have highlighted in Sections 4.10 and 4.11 that we have £6.8m of commercial income at risk in 2020/21 and £4.5m of 2020/21 savings plans. Further analysis now needs to take place, based on previous recession information on how quickly these can be mitigated.

During a recession there is traditionally more pressure on Council Services and as such these demands will need to be assessed.

The key questions the Council needs to answer are:

- How does it make savings in 2020/2021 to transfer more money into reserves;
- How does it move forward with the 2021/2022 MTFS when we are potentially moving into a recession, have uncertainty on the effects of COVID-19 on the economy and our services, and have the requirement of building reserves to a more realistic level?

Possible options to move to a more balanced position include (to be fully assessed before the end of June):

- Extending the controls now in place to even more severe levels;
- Review Service specifications;
- Review services that have been put on hold due to COVID-19 and assess if/when they are going to be reopened/resumed;
- Learn from new ways of working due to COVID-19;
- Validation of the Lean Review Final Report;
- Application of service models that convert more spending from Revenue to Capital;

4.17 **Engagement with Government**

The Council continues to use all resources available to ensure its message is understood. This includes:

- Updating MP's on Peterborough's financial and operational issues;
- Communications through the present COVID-19 support structure;
- Existing routes through the LGA;
- Use of contacts the Council has with MHCLG.

5. **CONSULTATION**

5.1 This report is the first in a series of financial monitoring reports for the 2020/21 financial year which come to every Cabinet meeting. It is based on budgets agreed as part of the 2020/21 MTFS but now is taking account of pressures and additional funding due to the COVID-19 Emergency.

5.2 Operational updates on COVID-19 are part of an additional report to this Cabinet meeting.

6. **ANTICIPATED OUTCOMES OR IMPACT**

6.1 That Cabinet consider on a monthly basis the financial implications of COVID-19 on the Council in the short, medium and long term and:

- notes the significant financial implications that COVID-19 is having on the Council, including the current estimated cost of £18.3m in 2020/21 which exceeds the current £11.0m of funding made available from Government (£5.3m originally and £5.7m on the 18th April);
- notes the likely ongoing financial implications in future years, and that current savings plans must continue to be delivered where possible to prevent further deterioration in the financial position;
- notes the lobbying already underway with Government over the financial position;
- notes the financial packages being delivered by the Council and approves the proposed financial support to communities; and

- notes the arrangement in place with the Cambridgeshire and Peterborough Combined Commissioning Group for people coming out of hospital and into care.

7. REASON FOR THE RECOMMENDATION

- 7.1 The requirement to monitor Council spending and ensure that effective control mechanisms are in place to fund and report on emergency situations.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 None

9. IMPLICATIONS

Financial Implications

- 9.1 This whole report summarised the Councils immediate financial position due to COVID-19. Section 4 sets out in detail the financial implications in terms of the revenue budget, tax collection and the impact on both 2020/21 and 2021/22.

Legal Implications

- 9.2 In this current emergency, the general laws still apply unless there are special legislative measures to take account of the factors which may or will have an effect on the Council and its duties, powers and obligations. The key provisions at time of writing are the Coronavirus Act 2020 and corresponding statutory instruments which address specific issues connected with the challenges that the pandemic presents rather than matters of finance and procurement. The current situation has led to the need to purchase additional supplies and services with heavy competition and the Council's existing suppliers and service providers are also facing issues of pressure on supply chains and staffing matters of availability. As a result, these pressures will inevitably create extra costs which will have to be paid to ensure statutory services and care standards for the vulnerable are maintained. The Cabinet Office has produced Procurement Policy Notes (PPN) to set the direction of how to manage its procurement and contracts. The Council as a contracting authority will need to ensure that it observes the guidance within the PPN in practice to ensure that the grant conditions are complied with.

Equalities Implications

- 9.3 There are no equalities implications arising from the recommendations in the report.

Carbon Impact Assessment

- 9.5 Carbon Impact is only temporary in nature but as the attached form sets out is measurable.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 10.1 2020/21 MFTS
COVID-19 Guidance from Government Departments

11. APPENDICES

- 11.1 None

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