

**MINUTES OF THE CABINET MEETING
HELD AT 10:00AM, ON
MONDAY 21 SEPTEMBER 2020
VIRTUAL MEETING VIA ZOOM**

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

15. APOLOGIES FOR ABSENCE

There were no apologies for absence.

16. DECLARATIONS OF INTEREST

Agenda Item 4

Councillor Holdich and Councillor Hiller declared a non-pecuniary interest in agenda item 4 'University of Peterborough Project: Land Transfer and Delivery Arrangements', as that they were Board Members of the Peterborough Investment Partnership.

17. MINUTES OF MEETINGS HELD ON 13 JULY 2020

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

STRATEGIC DECISIONS

18. UNIVERSITY OF PETERBOROUGH PROJECT: LAND TRANSFER AND DELIVERY ARRANGEMENTS

The Cabinet received a report in relation to the appointment of Anglia Ruskin University (ARU) as Academic Partner to the University of Peterborough project.

The purpose of the report was to inform Cabinet of proposed changes to the planned implementation of the University of Peterborough project, including the arrangements for the proposed transfer of Council owned land into a special purpose joint venture (JVCo) to develop the new campus and the associated issues of the Council's shareholding arrangements in the JVCo and issues including Board Membership, voting rights and control.

The Cabinet Member for Strategic Planning, Commercial Strategy and Investments introduced the report and explained that the Joint Venture would be a limited company, with Anglia Ruskin University and Peterborough City Council purchasing shares. The proposal would enable the Council to work efficiently with partners towards a common objective and represented the beginning of making the university in Peterborough a reality.

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

1. Note the approval by the Cambridgeshire and Peterborough Combined Authority, at its Board meeting of 20 July 2020, of the final business case for the University of Peterborough project.
2. Note the selection by CPCA of Anglia Ruskin University (ARU) as the academic delivery partner for the new University and the intention of ARU to invest directly in the development of the University.
3. Approve the formation of a special purpose joint venture vehicle with CPCA and ARU in which the Council will retain shares of equivalent value to the land transferred into this company.
4. Authorise the transfer of around 4 acres of Council-owned land (edged in red in the site map at appendix 1) to a special purpose joint venture vehicle to be formed among the Council, the Cambridgeshire and Peterborough Combined Authority and Anglia Ruskin University for the purpose of delivering phase one of the University.
5. Delegate authority to the Executive Director Place and Economy and Director of Law and Governance to finalise the necessary legal and related documents needed to execute the recommendations and approach outlined in this report.
6. Delegate authority to the Executive Director Place and Economy and Director of Law and Governance to agree the transfer of further tranches of land to the joint venture company as may be needed to facilitate the delivery of further phases of the University subject to such land being identified for Higher Education related use within the local plan and suitable for development taking due account of the emerging University masterplan.
7. Authorise the Council to enter into a Subscription and Project Management Agreement to enable delivery of the University in Peterborough.
8. Approve the amendment of the 'Appointments to External Organisations' list to include the joint venture company within the 'key partnerships' category, to enable the Leader to appoint a Member to take up the position of non-Executive Director on the Board of the company.
9. Recommend to Full Council:
 - a) amends the Capital Strategy and Asset Management Plan to take account of the proposed transfer of this land to the special purpose joint venture vehicle.

REASONS FOR THE DECISION

The proposed recommendations would enable the Council to work with CPCA and ARU through a dedicated joint venture delivery vehicle that would enable the development of the University project to progress in a timely manner while respecting the needs and interests of the three principal partners. A focused joint venture delivery vehicle would ensure decisions can be made in a speedy and efficient way ensuring that the pace of the delivery programme can be maintained.

ALTERNATIVE OPTIONS CONSIDERED

The option to sell the land to CPCA was considered. However, this was discounted on the basis that it would reduce the funding available for construction of the first phase

of the Campus and leave the Council with less control and influence over future development. The option to enter a JV solely with CPCA was proposed in the March report but has been superseded following the appointment of ARU as academic partner and their commitment to invest their own resources in the Campus. By taking shares in the JVCo the Council would have an ongoing interest in the development of the Campus; the ability to receive income from dividend payments on its shares; and the potential opportunity to benefit from any private investment made on the Campus e.g. in student residences, or commercial offices for R&D and spin out businesses.

19. PETERBOROUGH LIMITED ARTICLES OF ASSOCIATION

The Cabinet received a report in relation to Peterborough Limited Articles of Association.

The purpose of the report was to seek Cabinet's approval to alter Peterborough Limited's Articles of Association (Articles) and list of Reserved Matters.

The Cabinet Member for Waste, Street Scene and Environment introduced the report and explained that the changes proposed to the company's Articles of Association were minor, but important for the Council, giving shareholders and auditors the right to access documents they need.

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

- It was noted that there was no issue in practice with access to any Aragon documents, the report was simply to resolve a technical issue.

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

1. Alterations to Peterborough Limited's (trading as Aragon Direct Services) Articles of Association ("Articles") to allow inspection by the Council and its auditors of documents relating to Peterborough Limited and the supply of such documents as set out in Appendix A;
2. Alterations to the Reserved Matters, Appendix B to allow Peterborough Limited to swiftly pursue commercial opportunities.

REASONS FOR THE DECISION

The Council required the ability to access Peterborough Limited's documents regarding the business affairs of Peterborough Limited to enable the Council to make informed decisions as owner and ensure Peterborough Limited is fully accountable to the Council. Model Article 50 adopted in the Articles constrains the Council's ability to such access, unless authorised by Peterborough Limited.

The alterations to Model Article 50 as set out in Annex A gave the Council such access, and will avoid the need for Peterborough Limited to obtain its directors' approvals or a resolution on a case by case basis where it chooses to authorise such access to the Council.

Furthermore, this alteration would align the Council's access to Peterborough Limited's documents with another Council company, NPS Peterborough Limited.

Alterations to Reserved Matters Appendix B to allow for Peterborough Limited to pursue commercial ventures swiftly whilst still ensuring Peterborough City Council were kept fully updated on any proposals.

ALTERNATIVE OPTIONS CONSIDERED

Not to amend Model Article 50. This would impede the Council from making informed decisions within its purview as owner of Peterborough Limited.

20. AMENDMENT TO ARRANGEMENTS WITH EMPOWER

The Cabinet received a report in relation to arrangements with Empower Community Management LLP.

The purpose of the report was to receive an update on the progress of the refinancing of the Council's loan facility provided to ECS Peterborough and to authorise the amendment of the current loan facility from a construction loan facility to a long term loan facility.

The Cabinet Member for Finance introduced the report and explained that the Council had previously been looking for a refinancing partner, however this had been put on hold due to the Covid-19 pandemic. The construction phase of the project had come to an end and, as such, the loan arrangements required remodelling in order to reflect this.

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

- Members were advised that the arrangement would ensure capital repayment on a yearly basis.
- It was considered to be a long term solution, which places the overall loan portfolio in a more attractive position.
- Members noted that a mini-tender process had been undertaken by officers, with the arrangement proposals reviewed by Deloitte and Pinsent Masons to ensure its viability in the short to medium term.
- Reassurance was provided by officers that the Council's investments were sufficiently protected, with a possibility of accelerated capital repayment.

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

1. Approve the amendment of the terms of the Strategic Partnership with Empower Community Management LLP.
2. Approve the amendment of the financing agreement with ECS Peterborough 1 LLP.
3. Delegate to the Acting Corporate Director Resources and Director of Law and Governance the ability to finalise matters 1 and 2 above.

REASONS FOR THE DECISION

Due to the unprecedented effects on the financial markets arising from the COVID-19 pandemic, there was an opportunity for the Council to protect its investment in ECSP1 by re-modelling the loan on to a long-term funding basis. This would then allow the Council to either continue to receive a long term income from its investment and exploit any future benefit deriving from this source of renewable energy and its location on roofs of 7,700 properties while placing itself in a position to sell the loan when market conditions stabilise.

ALTERNATIVE OPTIONS CONSIDERED

Take control of the assets

If the Council failed to extend the loan, then on 1 October 2020 the loan repayment would be due in full and if it was not paid, ECSP1 would be placed into default and the Council would be required to exercise its security and take over the assets of the company. At this point the Council would then have to operate the company which was not considered to be in the Council's best interests at this time for the following reasons:

1. The Council does not have experience of operating in this market and would therefore need time to acquire the additional skills and personnel required to operate the ECSP1 business.
2. It would require considerable additional advice from its legal and financial advisors Pinsent Masons LLP and Deloitte LLP and would need to procure a specialist technical advisor for this process.

Do Nothing

This was not an option as the current construction loan facility no longer reflected the portfolio position. The loan must be remodelled to reflect the completion of the construction phase of the project and to start the scheduled repayment of the outstanding loan.

21. FORMATION OF A CYCLING AND WALKING MEMBER WORKING GROUP

The Cabinet received a report in relation to the formation of a Cycling and Walking Member Working Group.

The purpose of the report was to seek Cabinet's approval to form a Cycling and Walking Member Working Group and to review / approve the terms of reference in Appendix A to the report. The recommendation has come from a recent Group Leaders meeting and the Working Group will be made up of one Member from each party.

The Cabinet Member for Strategic Planning, Commercial Strategy and Investments introduced the report and explained that the Council had received £175,000 of funding as part of an emergency travel fund, with instruction to reallocate road space for pedestrians and cyclists in the city centre. The schemes currently in place were temporary with no decision taken yet on whether these would be removed. An application had been submitted to the Combined Authority for an additional £652,000 of funding, for the second stage of the programme. The proposed Cross Party Working Group would aid in increasing the Council's understanding and work on recommendations for future schemes.

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

- It was noted that £500,000 would be invested into improving the Green Wheel.
- Members were advised that cycle counters had been installed in the temporary cycle lanes, so traffic flow within the city council could be monitored.
- Following a query in relation to an initiative increasing cycling lanes near schools, officers confirmed that 12 expression of interests had been received from schools so far. Officers hoped to have 10 schemes running by half term.
- Cabinet noted that the working group would be able to invite expert witnesses on any area they felt would be beneficial to the work of the group.

- It was noted that the Council's Cycling and Walking Infrastructure Plan was still in its draft phase and still needed to go out to consultation.
- The Cabinet Member advised that the second tranche of funding would need to be spent in the current financial year.

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

1. Agree to form a Cycling and Walking Member Working Group.
2. Approve the draft terms of reference for the Working Group.

REASONS FOR THE DECISION

Group Leaders had stated that they wanted the Working Group established in order to aid the delivery of the Emergency Active Travel Fund schemes.

ALTERNATIVE OPTIONS CONSIDERED

Not to establish the Working Group. This had been discounted because the Working Group would assist in the successful delivery of the fund.

22. BUDGET CONTROL REPORT JULY 2020

The Cabinet received a report in relation to the Budget Control Report for July 2020.

The purpose of the report was to provide Cabinet with the forecast for 2020/21 as at June 2020 budgetary control position.

The Cabinet Member for Finance introduced the report and explained that all local authorities were providing regular finance updates to the Ministry for Housing, Communities and Local Government in relation to Covid-19 expenditure. Funding of £13 million received from Government left pressure on the budget of £11.8 million. The Council would continue to focus on transformative work and lobbying the Government for additional Covid-19 funding. Specific issues to be highlighted in relation to the 2021/2022 budget were the uncertainties around being able to deliver a balance budget due to the additional Covid-19 costs, reduced income generation, diminishing reserves, and future funding. It was noted, however, that many other local authorities were in a similar position.

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

1. The Budgetary Control position for 2020/21 as at July 2020 is a forecast overspend of £9.6m against budget. This includes the current estimated impact of COVID-19;
2. The specific impact COVID-19 on the Councils expenditure and income and the additional funding being received;
3. The reduction in collection rates in respect of Council Tax and National Non-Domestic Rates, in comparison to the levels achieved in 2019/20, as outlined in section 4;
4. The additional funding that has been made available and allocated to the business community and households due to COVID-19, as outlined in section 4;
5. An update on the Medium Term Financial Strategy 2021/22 process as set out in section 4;
6. The key variance analysis and explanations are contained in Appendix A;
7. The Councils reserves position, as outlined within Appendix A.

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

8. The Capital virements contained in Appendix B, which include the purchase of 62-68 Bridge Street, and a contribution to a new access to the parkway as part of the University development which require additional borrowing to the existing capital programme.

REASONS FOR THE DECISION

The report updated Cabinet on the December budgetary control position.

ALTERNATIVE OPTIONS CONSIDERED

There had been no alternative options considered.

MONITORING ITEMS

23. OUTCOME OF PETITIONS

The Cabinet received a report in relation to the outcome of the submission of 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 to 10.45am
21 September 2020