

## CABINET

MONDAY 21 SEPTEMBER 2020

10.00 AM

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**MINUTES OF THE CABINET MEETING  
HELD AT 9:00AM, ON  
MONDAY 13 JULY 2020  
VIRTUAL MEETING VIA ZOOM**

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

**9. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**10. DECLARATIONS OF INTEREST**

No declarations of interest were received.

**11. MINUTES OF MEETINGS HELD ON 22 JUNE 2020**

The minutes of the Cabinet meeting held on 22 June 2020 were agreed as a true and accurate record with the following amendments:

Item 4. PETERBOROUGH CITY COUNCILS RESPONSE TO COVID-19

1. The item "In relation to 'Test and Trace' facilities, Members were advised that testing was taking place at the East of England Showground, and the testing time had been reduced to 24 to 48 hours" should read between 24 and 48 hours.
2. The item "Comment was made in relation to the recent news that Vivacity had triggered its 90 transition period to transfer services back to the Council and Members advised that it was currently too early to make any comment about when services would be reopened" should read 90 day transition period.
3. Councillor Holdich confirmed he had advised members at the meeting that it was currently too early to make any comment about when (*Vivacity*) services would be reopened.

Item 5. EXTENDED SUPPORT TO BUSINESSES AS A RESULT OF THE COVID-19 CORONAVIRUS

1. The item "The Cabinet Member for Finance introduced the report and advised that as part of this scheme the Government had award funding for businesses, which had been allocated to small business, market traders, bed and breakfasts and charities, who had applied for the scheme" should read which was in the process of being allocated.

**STRATEGIC DECISIONS**

**12. PETERBOROUGH CITY COUNCILS RESPONSE TO COVID-19**

The Cabinet received a report in relation to Peterborough City Council's response to the impact of the Coronavirus.

The purpose of the report was to update the Cabinet on the Council's response to the current Coronavirus pandemic, the progress made on assessing the financial, service and community impacts, and the Council's initial approach to recovery.

The Chief Executive introduced the report and explained this was a comprehensive report, covering several different areas and highlighted the main contents and changes to the Covid guidelines. The city centre re-opening had been very successful and the recovery framework was still developing, plans for which would be made available going forward.

The Director for Public Health addressed the committee and summarised the work currently ongoing. She advised that cases were being monitored daily via the surveillance cell. Over the previous four days prior to the meeting there had been a small upturn in cases however the trend continued downwards when compared with the figures for April/May. The Pillar Two test results for Peterborough were higher than the national average and the situation was being closely monitored.

Members were advised of the proactive steps being taken to reduce the number of people becoming infected and a more specific local prevention campaign, called Keep Caring had been launched. Cabinet Members would be provided with details after the meeting and were encouraged to broadcast the contents. Training was underway to take the key public health messages into the community and local groups would be encouraged to help overcome barriers to testing and self-isolating.

Locations where outbreaks occurred were being targeted with more detailed information which was distributed door to door, via social media and faith and community group leaders in appropriate languages. Access to testing facilities was being improved to help prevent the further spread of infection.

The age structure of a population would influence any cause of death statistics and to compare two different locations, mathematical adjustments were required to consider the age of the population where specific age groups were more at risk than others to a specific threat. It was known that Covid deaths were strongly related to age and the risk of death was higher within an aging population, therefore the figures had been adjusted to take this into account.

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

- Targeted prevention had commenced at an early stage and Peterborough was one of the first places to translate key lockdown messages into other languages on video blogs with the help of community leaders. Throughout the crisis, messages were targeted to the full diversity of Peterborough's population and work had continued through community leaders, communications and cohesion teams.
- Identified risk factors associated with Covid 19 included areas with social and economic issues. This included crowded housing, language differences and employment where social distancing was difficult. The Rapid Response Team, a multi-agency group which included representatives from across the council, environmental health, communications and the police, had worked within Millfield and New England, targeting business and take-aways as the re-

opening emerged and would continue to engage with that community to ensure the health messages were clear.

- Messages would continue to be reinforced and it would be necessary to find different ways of retaining people's attention and conveying information.
- Service providers to vulnerable groups would follow appropriate advice and work in ways that kept people safe across the council services.
- Cycling and pedestrian measures have included the reallocating of road space to assist with safe social distancing as part of the city centre re-opening. Measures had been implemented in Broadway, Cattle Market Road and Crescent Bridge and traffic flows would continue to be monitored. Pop up cycle lanes would follow in parts of Broadway and City Road. Consultations were progressing with traders in Cowgate, King Street and Cross Street on proposals for that area.
- Tranche Two funding guidance recently received would release approximately £600,000 of funding. A strong set of proposals including the delivery of the Tranche One proposal would be submitted to attempt to secure the maximum funding. Submissions needed to be presented by 7 August 2020 and proposals implemented within this financial year.
- The Council was focusing on children returning to full time education. Within schools, children would be working collectively in bubbles to protect both the children and staff and the same methodology would be followed regarding transport to restrict the contact children and staff had with each other. This would mean different modes of school transport may be required, ideas included asking parents to take their children to and from school and both parents and children would be encouraged to walk or cycle. More guidance was expected from the Department for Education (DfE) together with more funding.
- Covid cases identified in the Millfield area of Peterborough were not considered a "targeted outbreak" as the cases identified were not specifically restricted to one building or organisation.
- Test and trace data was received daily on identified cases and the number of contacts from those cases. More granular information rather than just postcode data would be helpful to give a fuller understanding of the local situation.
- The council were in contact with the Public Health England (PHE) regional team who would ask the council if they needed help contact contacts of a positive text case and the council could assist through the environmental health team and community groups.
- More up to date information was anticipated on footfalls to the city centre following the re-opening after the 4 July 2020. It was currently not clear which sectors of the business would continue to be viable.

Cabinet Members expressed concerns and comments regarding the following issues:

- Members expressed a wish to see an increase in the pedestrian and cycle access into the city.
- Members expressed concern that the Combined Authority Strategic Bus Group was encouraging the use of buses again whilst the guidance around school transport in this report advised that the use of public transport by pupils, particularly in peak times, should be kept to an absolute minimum.
- Members were also concerned that creating car free zones around schools which the council were encouraging would be a challenge unless pupils were encouraged cycle.
- Members felt that the eyes of the country were currently focused on Peterborough and the situation needed to be taken seriously. The situation

could tip in either direction and whilst visitors to the city were being encouraged the public health message must be maintained as the virus had not gone away. Members felt more localised testing was required within certain postcode areas.

Cabinet considered the report and **RESOLVED** to note the progress made to date in responding to the impact of the Coronavirus

### **REASONS FOR THE DECISION**

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.

### **ALTERNATIVE OPTIONS CONSIDERED**

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

### **ACTION**

The Director for Public Health agreed to circulate a copy of the local prevention campaign Keep Caring to Cabinet Members.

## **13. BUDGET SETTING PROCESS**

The Cabinet received a report on adopting a revised budget process for 2021/22.

The purpose of this report was to update the Budget Policy Framework Procedure Rules as set out in part 4, section 6 of the Councils Constitution by adopting a permanent change to the Budget Policy Framework which would enable budget proposals to be developed into business cases, scrutinised and implemented throughout the financial period to ensure the Council could maximise the financial benefits as quickly as possible.

The Cabinet Member for Finance introduced the report and advised that the proposal adjusted the Council's Budget Policy Framework Procedure Rules from a rolling budget approach to that of two distinct phases, one for consultation in the Autumn and another in the Spring. He explained the proposal should have been presented to the Constitution and Ethics Committee in March and then presented to Council however, as this meeting had not taken place, this report was being presented through Cabinet to ensure it could be presented to the next meeting of the Full Council.

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

- The report was considered necessary as the constitution stated there would be a rolling budget with three budget setting processes per year which would not be possible this year, mainly due to uncertainty around the impact of Covid on the Council's budgets. Full Council would be required to agree the change to the constitution for this to be implemented.
- The finance review process conducted last year had recommended that the budget process returned to a two-tier system as the overhead and number of

meetings required to have a three-tier system was an overburden on Council resources.

- The proposed change would be implemented for the next financial year 2021/2022.

Cabinet considered the report and **RESOLVED** to endorse the updated Budget Policy Framework Procedure Rules, as outlined in Appendix A and recommended the procedure to Council for approval.

## **REASONS FOR THE DECISION**

To ensure a robust approach and deliverable plans were approved in order to achieve a financial sustainability budget for the Council.

## **ALTERNATIVE OPTIONS CONSIDERED**

No other options had been considered. The Council had previously adopted a different rolling budget approach to the budget setting process which was adopted within the Budget Policy Framework Procedure Rules and implemented for the 2019/20 process. However as outlined within this report the Council moved to an extraordinary approach to the budget setting process for 2020/21. This approach was revised mid-year (approved in July 2019), and this report proposed to incorporate the change within the Constitution.

## **14. BUDGET CONTROL REPORT APRIL 2020**

The Cabinet received a report in relation to the Peterborough City Council Budget Control Report for May 2020.

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

The Cabinet Member for Finance introduced the report and advised that reports presented to the Cabinet previously setting out the implications of Covid were being tracked internally on a weekly basis and regular updates were sent to the Gold Group and local MPs by all councils in Cambridgeshire.

At the end of June, the total Covid pressures were £30.8million taken against £11million funding provided directly by the government and a further £5.7million leaving a forecast Covid pressure of £14.1million. The updated projection across all budgets showed a net position at the end of May was £6.3million, an increase of £0.4million from April despite increased Covid pressures throughout the month of £2.6million, indicating that performance was improving and some departments were not actually spending as much due to the Covid crisis. The demand for extra costs and savings could change quickly as the economy and demand for services evolved and there would need to be continuous review, analysis and re-prioritising to be able to deliver the best impacts from finite resources.

There would also be issues when approaching the 2021/2022 budget due to the additional costs and demands of Covid, the ongoing government funding uncertainty and the tax take. The Local Government Provisional Finance Settlement would take place in late Autumn, providing all Local Authorities with additional challenges when producing budget plans for 2021/22 and future years.

Covid reports were now mostly operational and the focus of Cabinet needed to move towards the strategic priorities, recovery plans and the budget.

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

- The Council were expecting to receive funding from the recently announced Three Tranche Funding. The government had announced that £500million would be given to councils based on the area costs adjustment and population deprivation and it was hoped the actual sum would be announced shortly however this was unlikely to exceed a couple of million pounds.
- The re-imburement of up to 75% of lost income needed to be considered as it was anticipated that the actual amounts received may be less than expected.
- The government had suggested that council tax and National Non-Domestic Rates (NDR) be smoothed over a three-year period, however this would have a significant impact on budgets creating approximately £4-5million revenue pressure per year for the three years.
- The overspend in new terms was £6million which would include the vast majority of the Council's usable reserves.
- Over 100 councils had reported not having any reserves to put towards Covid.
- If the Local Government Provisional Finance Settlement was not out until the end of December, as happened last year, there would be very little time for future planning.
- Like most councils, Peterborough would need intervention from the government to remain sustainable.
- Key risks included increased demand for services as a result of the economic pandemic and how long it continued, uncertainty over government funding, the solution to tax, unemployment and supporting certain business sectors over the next financial year. Revenues could be reduced from investments in office accommodation as a result of decisions for more people to work from home and a reduced demand for office space.
- Consideration would be given to utilising offices and property more effectively.
- Service requirements would need to be re-assessed going forward
- It was anticipated there would be a rise in referrals to Children's Social Care, particularly when children return to school and which may present difficulties for some children. .
- The Covid crisis had presented challenges within family relationships and there had been an increase in domestic abuse.
- There would be a latent demand for Adult Services as some residents had not accessed the health and social services they would have previously because of the lockdown. As the lockdown released, those people could need enhanced support to that usually given as a result of not accessing their usual services over a period of time
- Community carers were reporting tiredness and needed more support as the effects of looking after their families and the community become evident.
- Councils needed to be given time to deal with the current financial position with possibly a three- or four-year recovery period. Suggestions put forward to government included payment holidays for repayments of capital amounts and a pension contribution holiday (as the pension fund was almost fully funded). Such measures would provide a substantial contribution to the recovery process.
- It was inevitable that the global pandemic would affect the national economy however to what degree was largely unknown at this time.

Other comments made by members included:

- That the colour coding used within the report could be improved.

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

1. The Budgetary Control position for 2020/21 as at May 2020 was a forecast overspend of £6.3m against budget. This included the current estimated impact of COVID-19 and the additional COVID-19 Response funding.
2. Included in this was forecast overspend is £30.8m of additional pressure due to COVID-19, as reported to the Ministry of Housing Communities and Local Government, within the monthly returns, as outlined in section 4.
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 had been made available and allocated to the business community due to COVID-19, as outlined in section 4.
5. The approach to the 2021/22 MTFS as set out in section 4.
6. The key variance analysis and explanations were contained in Appendix A.
7. The Councils reserves position, as outlined within Appendix A.

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

To provide Cabinet with the forecast for 2020/21 as at the May 2020 budgetary control position.

#### **ALTERNATIVE OPTIONS CONSIDERED**

None provided.

Chairman  
9.00am to 10.15am  
13 July 2020

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<b>Cabinet</b>	<b>AGENDA ITEM No. 4</b>
<b>21 September 2020</b>	<b>PUBLIC REPORT</b>

Report of:	Steve Cox, Corporate Director for Place and Economy	
Cabinet Member(s) responsible:	Councillor Peter Hiller: Strategic Planning, Commercial Strategy and Investments. Councillor Lynne Ayres: Children’s Services, Education, Skills and the University.	
Contact Officer(s):	Dave Anderson, Interim Development Director	Tel. 452468

## **UNIVERSITY OF PETERBOROUGH PROJECT: LAND TRANSFER AND DELIVERY ARRANGEMENTS**

<b>R E C O M M E N D A T I O N S</b>	
<b>FROM:</b> Executive Director Place and Economy	<b>Deadline date:</b> N/A
<p>It is recommended that the Cabinet:</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>7. Authorise the Council to enter into a Subscription and Project Management Agreement to enable delivery of the University in Peterborough.</li> <li>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</li> </ol>	

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.

**1. ORIGIN OF REPORT**

- 1.1 This report is submitted to Cabinet following the appointment of Anglia Ruskin University (ARU) as Academic Partner to the University of Peterborough project, and following the approval of the final business case for phase one of the new University, by the Board of the Cambridgeshire and Peterborough Combined Authority (CPCA) at its meeting on 20 July 2020.

**2. PURPOSE AND REASON FOR REPORT**

- 2.1 The purpose of this report is 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.

- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.12, 'Cabinet will be responsible for the following functions in relation to the Council's companies, partnership and charities.

(a) The establishment of any new company, partnership or charity.'

**3. TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>Yes</b>	If yes, date for Cabinet meeting	<b>21.9.20</b>
Date for relevant Council meeting	<b>21.10.20</b>	Date for submission to Government Dept. (Please specify which Government Dept.)	<b>N/A</b>

**4. BACKGROUND AND KEY ISSUES**

- 4.1 In March 2020, the Leader of the Council, Councillor John Holdich, exercising delegated authority under paragraph 3 of the constitution, and following consultation with Councillor Peter Hiller (Cabinet lead for Strategic Planning, Commercial Strategy and Investments); and Councillor Lynne Ayres (Cabinet lead for Children's Services, Education, Skills and the University) took a decision to authorise:
- The transfer of Council land into a joint venture vehicle with CPCA;
  - The terms of a subscription and project management agreement to enable the delivery of the University;
  - The delegation of authority to the Executive Director Place and Economy and the Director of Law and Governance to finalise and agree the necessary legal and related documents needed to execute the recommendations made in the report.

In the period since these decisions were taken CPCA has, following a procurement exercise, selected Anglia Ruskin University (ARU) as academic delivery partner for the University. The

CPCA Board has also approved the final business case for the first phase of the project. This will see an expanded phase one building extending to 5,300 square metres of flexible academic facilities hosting teaching and learning facilities for the first four academic faculties to be established in Peterborough.

ARU has chosen to invest directly in the development of the Campus and proposes to transfer its existing nursing education to a new health and social care faculty on the Peterborough campus thereby increasing the size and scope of the phase one building and the overall budget. CPCA has accepted this proposal and agreed that, as a result of the selection of ARU as academic partner and its willingness to invest directly in the Campus, ARU should be admitted as a third shareholder in the JVCo referred to in the above mentioned March 2020 report.

The proposed participation of ARU as a third member of the special purpose property company that will oversee the development of the campus will ensure a Higher Education perspective on future development as well as reinforcing their commitment to successful delivery of new Higher Education provision in the city.

The JVCo is a company limited by shares. The CPCA and ARU will subscribe for shares in the company by making a financial investment, the Council will also do the same by transferring land to the JVCo based on its market value in return for shares. The JVCo will be managed by a board of directors as set out in this report, with decision making based on board representation and a series of matters that are reserved for approval by some or all of the shareholders under the terms of a shareholders' agreement. The investment from each of the partners will provide the JVCo with the funding required to undertake projects for creating the University.

The admission of ARU as a third shareholding partner in the JVCo will dilute the shareholdings of the Council and CPCA. Under the revised proposals the Council will retain one Director on the Board of the new company, with ARU also having one Director, and CPCA will have two Directors. The value of the Council's shares will continue to be commensurate with the independently assessed value of the land transferred into the JVCo. The land, once transferred, will need to be removed from the Council's asset register.

Within the last month, proposals have emerged for phase 2 of the University Campus – the creation of a Research and Innovation Centre with support from the Government's Getting Building Fund. This will require an access road to be created with a contribution from the Council estimated to be £2m. There may also be a need for a separate special purpose vehicle to be created to support phase 2 and detailed proposals will come forward in due course.

## **5. CONSULTATION**

- 5.1 CPCA has consulted with local businesses and worked with Opportunity Peterborough to help identify how the curriculum for the University can most effectively be developed to support jobs, meet the needs of businesses and support the growth and prosperity of the local economy. Consultation on curriculum development and other matters will continue to be undertaken by ARU as the selected academic delivery partner. A planning application will be made and there will be opportunities for the public to comment upon the proposed design through the planning process.

## **6. ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 The proposed change to a three-party joint venture as a vehicle for delivering the new campus will help to ensure the strategic alignment of the three principal parties involved to the vision of creating an independent University for Peterborough by 2029/30. By enabling ARU to share in the JVCo they will have a stronger incentive to invest in the future growth of the campus. Their commitment should, in turn, help to attract related investment such as investment in research and development facilities, student residential accommodation or sports and leisure facilities, as well as in future phases of academic expansion. As a result, the goal of ultimately achieving a University with up to 12,500 students in the next 15 years is more likely to be realised. This, in

turn, will help the city to address its higher-level skills deficit and create a pipeline of skilled graduates to support the future growth of local businesses and the city's economy.

## **7. REASON FOR THE RECOMMENDATION**

- 7.1 The proposed recommendations will enable the Council to work with CPCA and ARU through a dedicated joint venture delivery vehicle that will 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 will ensure decisions can be made in a speedy and efficient way ensuring that the pace of the delivery programme can be maintained.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 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 will 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.

## **9. IMPLICATIONS**

### **Financial Implications**

- 9.1 The Council will be responsible for its own costs and expenses in connection with the preparation, negotiation and completion or rescission of the agreement. If during the term of the agreement the Council breaches the terms of the agreement and the other partners choose to terminate or unilaterally withdraw from the project the Council will be liable for its share of the aggregate external costs, fees and expenses incurred in connection with the project. The Council will also give up sole ownership of the land transferred into the JVCo but will receive shares to the equivalent market value of this land.

### **Legal Implications**

- 9.2 Section 123 of the Local Government Act 1972 permits the Council to dispose of land in any manner which it wishes to, subject to the provision that the property is not to be sold for a consideration less than the best that can reasonably be obtained. The Council has not marketed the sites as they form part of a portfolio of assets to be transferred for the University site and the sites in question are identified in the local plan as being assigned for higher education use. The Council has satisfied itself through an independent valuation being obtained, that best consideration is being secured. This approach will ensure that any state aid implications are mitigated.

The site is subject to a restriction that no disposition (including a transfer) may be registered without a certificate given by Peterborough Investment Partnership LLP that the provisions of an option agreement dated on 8 May 2015 have been complied with or do not apply, and assurance has been given by the PIP that this certificate will be provided.

The sale of land is exempt from the public contract regulations and therefore there will not be any procurement implications. The investment into the joint venture is not subject to any procurement requirements.

The land will only be transferred to the JVCo upon the completion of the shareholders' agreement. As such, each shareholder will contractually commit to their respective investments simultaneously.

## **Equalities Implications**

9.3 There are no equalities implications.

## **9.4 Carbon Impact Assessment**

As the land in question will be transferred to the special purpose joint venture vehicle there will be no direct carbon impacts for the Council. The proposed phase one building will feature a low carbon design and the campus location close to the city centre is easily accessible by public transport.

## **10. BACKGROUND DOCUMENTS**

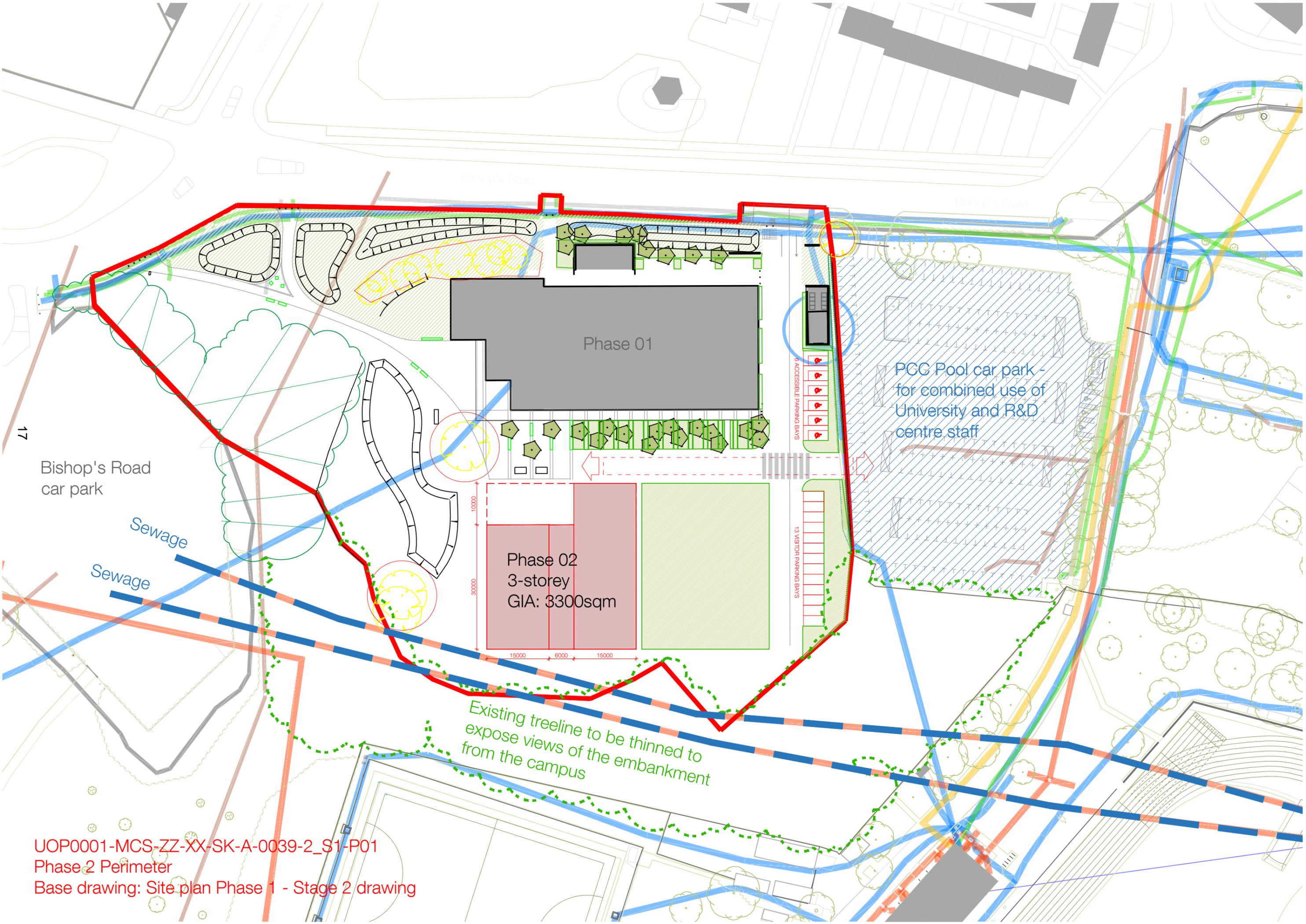
Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

None.

## **11. APPENDICES**

11.1 Appendix 1 - Site Map  
Appendix 2 - Masterplan

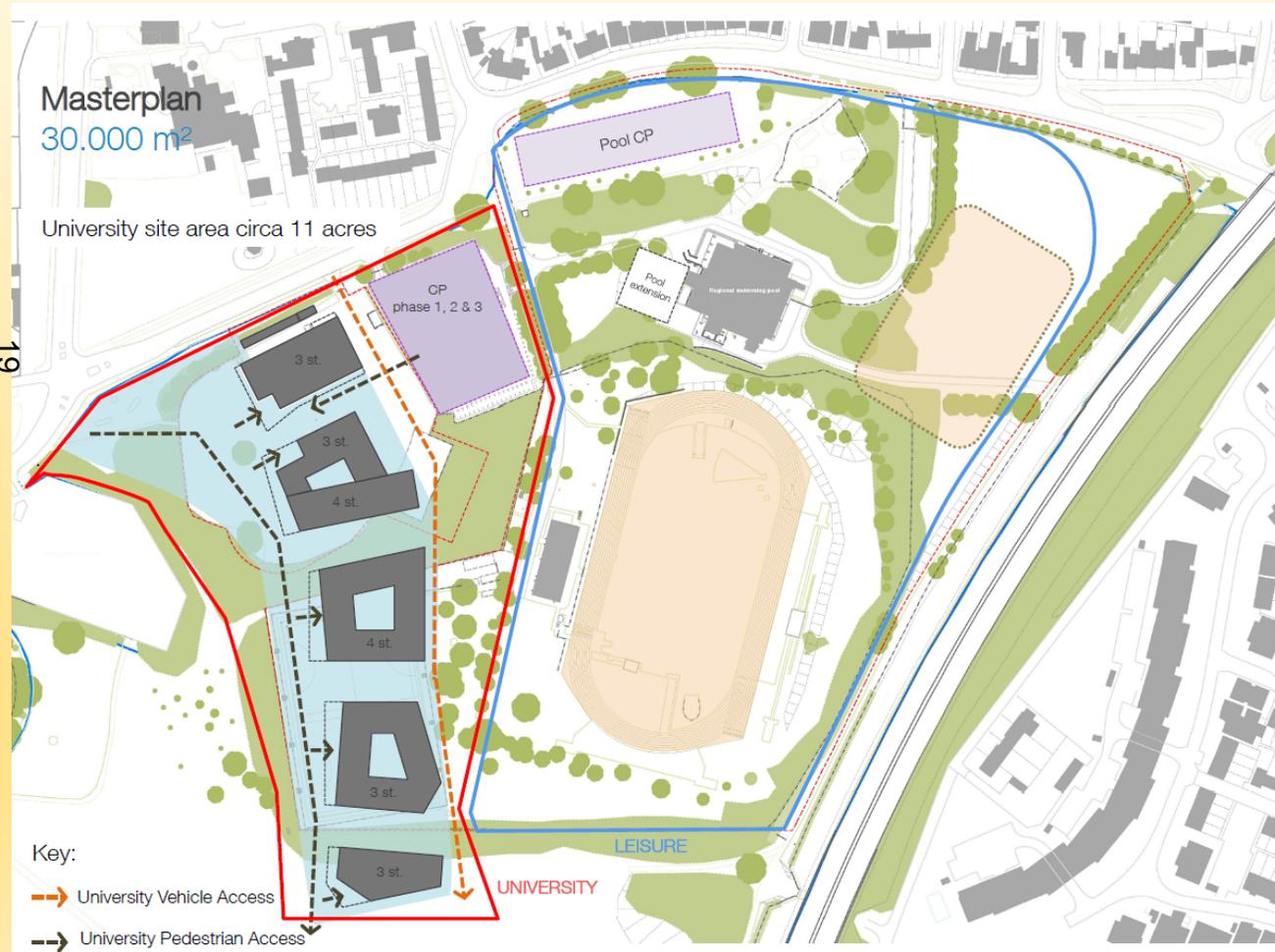
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UOP0001-MCS-ZZ-XX-SK-A-0039-2\_S1-P01  
Phase 2 Perimeter  
Base drawing: Site plan Phase 1 - Stage 2 drawing

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# Design- Master plan



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<b>CABINET</b>	<b>AGENDA ITEM No. 5</b>
<b>21 September 2020</b>	<b>PUBLIC REPORT</b>

Cabinet Member(s) responsible:	Councillor Marco Cereste, Cabinet Member for Waste, Street Scene and Environment	
Contact Officer(s):	Pete Carpenter, Service Director for Financial Services	Tel. 01733 452520

## PETERBOROUGH LIMITED ARTICLES OF ASSOCIATION

R E C O M M E N D A T I O N S	
<b>FROM:</b> Pete Carpenter, Service Director for Financial Services and the Shareholder Cabinet Committee	<b>Deadline date:</b> N/A
<p>It is recommended that Cabinet approves:</p> <ol style="list-style-type: none"> <li>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;</li> <li>2. Alterations to the Reserved Matters, Appendix B to allow Peterborough Limited to swiftly pursue commercial opportunities.</li> </ol>	

### 1. ORIGIN OF REPORT

- 1.1 This report is submitted to Cabinet following: a referral from the S151 Finance Officer.

### 2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to seek Cabinet's approval to alter Peterborough Limited's Articles of Association (Articles) and list of Reserved Matters.
- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.12, 'Cabinet will be responsible for the following functions in relation to the Council's companies, partnership and charities (c) the determination of Articles of Association, and (i) approval of Business Plans'.

### 3. TIMESCALE .

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If Yes, date for relevant Cabinet Meeting	<b>N/A</b>
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### 4. BACKGROUND

- 4.1 When Peterborough Limited was incorporated, it included a set of model articles of association ("Model Articles") used for private companies to be adopted in its Articles. The Articles operate to set out its objectives and govern its relationship with the Council. Model Article 50 provides that "*except as ....authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect the company's accounting or other records or documents merely by virtue of being a shareholder.*"

- 4.2 The Council requires the ability to access all information and documents relating to the business affairs of Peterborough Limited as reasonably required for the Council to make informed decision(s) within its purview as Peterborough Limited's owner. The alterations to Model Article 50 as set out in the draft at Annex A will give the Council such access and have been changed in consultation with Peterborough Limited.
- 4.3 An earlier Cabinet decision [DEC18/CAB/65] approved the alteration to the Articles to adopt a list of matters reserved to Cabinet to decide on ("Reserved Matters"). One of the powers in the Reserved Matters is Cabinet's power to alter the Articles.

## **5. CONSULTATION**

- 5.1 Consultation will be undertaken with the board of directors of Peterborough Limited.

## **6. ANTICIPATED OUTCOMES**

The anticipated outcomes of the changes to the Articles and the Reserved Matters are that the Council will have the ability to access material documents, and still retain control over strategic and policy decision(s) making in relation to the business affairs of Peterborough Limited.

## **7. REASONS FOR RECOMMENDATIONS**

The Council requires 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 give 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 will 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 are kept fully updated on any proposals.

## **8. 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.

## **9. IMPLICATIONS**

### **Financial Implications**

- 9.1 That the Council will have full access to all the information required to discharge their functions in terms of validating spending to be included in monitoring, closure and budget reports.

### **Legal Implications**

#### Alteration to the Articles

9.2.1 The Articles require Peterborough Limited's directors to keep written records of every unanimous or majority decision taken by the directors. The records include a statutory requirement to take minutes of all proceedings at its board of directors' meetings. Peterborough Limited's directors, company secretary, and its own auditors are permitted access to the minutes of board meetings.

9.2.1 The Council as a shareholder does not have a general right to inspect Peterborough Limited's minutes of board meetings, unless the right is expressly provided for in the Articles. The Articles do not entitle the Council to inspect its records or documents unless the inspection is authorised by its directors or on ordinary resolution by Peterborough Limited. The amendments to the Articles as set out in Annex A will expressly give the Council, and its auditor(s) access to records of Peterborough Limited's business affairs, including but not limited to its board minutes.

9.2.3 The Council's Operational Services Agreement ("OSA") with Peterborough Limited entitles the Council access to Peterborough Limited's books and records to monitor its accounting and performance matters for the provision of various services. The amendments to the Articles will work alongside the Council's contractual access rights under the OSA.

9.2.4 The Council relies on its power in the list of Reserved Matters to alter the Articles.

### **Equalities Implications**

9.3 There are no implications.

### **Carbon Impact Assessment**

9.4 There is no Carbon Impact arising from this recommendation.

## **10. BACKGROUND DOCUMENTS**

10.1 Cabinet Decision DEC18/CAB/65

## **11. APPENDICES**

11.1 Appendix A – Peterborough Limited's (trading as Aragon Direct Services) Articles of Association

11.2 Appendix B – Reserved Matters

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**“PART 1- INTERPRETATION AND LIMITATION OF LIABILITY****Defined terms**

*“Business” means the business of Peterborough Limited regarding the provision of services to its shareholder, Peterborough City Council (together with the provision of services to third parties, to the extent limited by the exemption requirement under Regulation 12 of the Public Contracts Regulations 2015) in accordance with the Articles, Operational Services Agreement, and Business Plan, and any other business its shareholder may decide in writing from time to time.*

*“Business Plan” means the Business Plan referred to in Peterborough Limited’s List of Reserved Matters.*

*“Operational Services Agreement” means the services agreement between Peterborough City Council and Peterborough Limited for the provision of various operational services to Peterborough City Council.*

**50. RECORDS, REPORTING CONFIDENTIALITY AND DISCLOSURE****50.1 Books and records**

*Peterborough Limited shall :*

- (a) at all times keep true, accurate and up to date books and material records of its business;*
- (b) at all times make available to its shareholder’s duly authorised representatives appropriate access to its material books, records, accounts, documents and premises ; and*
- (c) supply to its shareholder such information relating to it as may reasonably require and without prejudice to the foregoing shall keep its shareholder fully and promptly informed as to all material developments regarding its financial and business affairs and promptly notify its shareholder of any significant event (including but without limitation any litigation or arbitration) which will or is likely to materially affect , its finances, assets, affairs or the Business.*

**50.2 Reporting arrangements**

- (a) Without prejudice to clause 50.1, the Board shall arrange for regular reports on proposals and decisions made by Peterborough Limited to be submitted to its shareholder for consideration and decision as appropriate, and to be provided with copies of material reports (including but not limited to all minutes of board meetings) in respect of its consideration of all material proposals and decisions.*
- (b) The shareholder shall ensure that Peterborough Limited’s directors are given reasonable and full notice of all meetings held by its shareholder at which decisions materially affecting the Business are proposed to be considered and that the directors are invited to such meetings and provided with copies of all reports and minutes in respect of the consideration of such matters.*

**50A. AUDITORS**

*Peterborough Limited shall cooperate fully and in a timely manner with any reasonable request from time to time of any auditor (whether external or internal) of its shareholder and or Public Sector Audits Appointment Limited, to provide documents, or to procure the provision of documents relating to Peterborough Limited, and to provide, or to procure the provision of any oral or written explanation relating to the same. In particular, its shareholder and/or any of its auditors shall be provided access to any and all documentation in the possession custody and control of Peterborough Limited who shall procure that any person acting on its behalf ( including any sub contractor) who has such documents and or any information shall also provide such access. For the avoidance of doubt, this right will include the power to interview staff, staff of subcontractors, take copies of any and all documentation and have access to and take copies of all computer data held by Peterborough Limited. “*

## Appendix B – Peterborough Limited List of Reserved Matters Update

#	Current Reserved Matter Red Text highlights propose addition text	Proposed Action	Comment
1.	Admit any person as a new Shareholder of Peterborough Limited	<b>Retain</b>	This matter is fit for purpose and offers the right level of control over the company to the Council
1.	Adopt any Business Plan of Peterborough Limited	<b>Retain</b>	This matter is fit for purpose and offers the right level of control over the company to the Council
2.	Alter any of the provisions of the Business Plan after it has been adopted, the Articles or any rights attaching to the Shareholders' interests in the Shares that they hold.	<b>Retain</b>	This matter is fit for purpose and offers the right level of control over the company to the Council
3.	Make any capitalisation, repayment or other distribution of any amount standing to the credit of any reserve of Peterborough Limited or declare any dividend or other distribution to Shareholders.	<b>Retain</b>	This matter is fit for purpose and offers the right level of control over the company to the Council
4.	Create any encumbrance over the whole or any part of the undertaking or assets of Peterborough Limited, <b>except where agreed in the Business Plan</b>	<b>Update as per red text</b>	A small update to ensure the Cabinet or Sub Committee would only need to approve once, and to be consistent with other reserved matters
5.	Extend Peterborough Limited's activities outside the scope of the Business Plan or cease to carry out any <b>material part</b> of the Business Plan or <b>act against the shareholder in a competitive arena, and against <del>or over any</del></b> the Shareholder's interest.	<b>Update as per red text</b>	A small update to ensure clarity and prevent minor changes requiring immediate shareholder consent.
6.	Alter Peterborough Limited's accounting reference date	<b>Retain</b>	This matter is fit for purpose and offers the right level of control over the company to the Council
7.	Approve or sign the annual accounts of Peterborough Limited	<i>TBC</i>	
8.	Appoint or remove any Director of Peterborough Limited otherwise than in accordance with the Articles.	<b>Retain</b>	This matter is fit for purpose and offers the right level of control over the company to the Council
9.	Make any petition or resolution to wind up Peterborough Limited (or any subsidiary) or any petition for an	<b>Retain</b>	This matter is fit for purpose and offers the right level of control over the company to the Council

	administration order or any order having similar effect in a different jurisdiction in relation to such company unless, in any case, such company is at the relevant time insolvent and the Directors reasonably consider (taking into account their fiduciary duties and other obligations under the Companies Act 2006) that it ought to be wound up		
10.	Sell, lease (as lessor), license (as licensor), transfer or otherwise dispose of any of its assets at a total price per transaction exceeding <del>£10,000</del> <b>£25,000</b> otherwise than in the ordinary course of the Business and to the extent provided for in the Business Plan	<b>Update as per red text</b>	A small update to increase the level to enable new commercial opportunities to be followed swiftly where cost affective.
11.	Purchase, lease (as lessee), license (as licensee) or otherwise acquire any assets at a total cost to Peterborough Limited per transaction exceeding <del>£10,000</del> <b>£25,000</b> otherwise than in the ordinary course of the Business and to the extent provided for in the Business Plan	<b>Update as per red text</b>	A small update to increase the level to enable new commercial opportunities to be followed swiftly where cost affective.
12.	Acquire or agree to acquire any freehold or leasehold interest in or licence over land <b>except where part of the agreed Business Plan</b>	<b>Update as per red text</b>	A small update to ensure the Cabinet or Sub Committee would only need to approve once, and to be consistent with other reserved matters
13.	Enter into or make any contract with an ongoing cost to Peterborough Limited of more than <del>£10,000</del> <b>£25,000</b> (“a Material Contract”) unless provided for in the Business Plan.	<b>Update as per red text</b>	A small update to increase the level to enable new commercial opportunities to be followed swiftly where cost affective.
14.	Give notice of termination of any Material Contract or make any Material Variation or amendment to any such contract <b>exceeding £25,000.</b>	<b>Update as per red text</b>	This does not allow the company to swiftly terminate contracts due to poor performance or issues relating to Health and safety. Instead termination could be reported for information.
15.	Appoint or remove <b>any Executive Manager</b> <del>{Operations Directors}</del> of Peterborough Limited.	<b>Update as per red text</b>	Expand to include all executive managers such as Managing Director, Operations Director and Finance Director
16.	Enter into any contracts or arrangements with any of the Shareholders <b>Elected Members or Senior</b>	<b>Update as per red text</b>	A small update to ensure clarity

	Officers or Company Directors or any person with whom any Elected Members or Senior Officers or Company Director is connected, associated or interested (whether as Director, consultant, Shareholder or otherwise).		
17.	Change the name of Peterborough Limited or its registered office.	Retain	This matter is fit for purpose and offers the right level of control over the company to the Council.
18.	Form any subsidiary of Peterborough Limited, or acquire any shares in any other company, whether through subscription or transfer, such that the company concerned becomes a subsidiary of Peterborough Limited.	Retain	This matter is fit for purpose and offers the right level of control over the company to the Council.
19.	Enter into any contract which cannot be terminated within a 12 month period and under which the liability for such termination could exceed £10,000.	Retain	This matter is fit for purpose and offers the right level of control over the company to the Council.
20.	Give or take any loans, borrowing or credit (other than normal trade credit in the ordinary course of the Business) in excess of £10,000, or cause the aggregate indebtedness of Peterborough Limited to exceed £10,000.	Retain	This matter is fit for purpose and offers the right level of control over the company to the Council.
21.	Enter into any agreement exceeding £25,000 not in the ordinary course of the Business and/or which is not on an arm's length basis or amend its standard terms of business.	Update as per red text	Suitable safeguard have been included in item 5, 6, 11 to 14, 21 and 20.
22.	Give any guarantee, suretyship or indemnity to secure the liabilities of any person or assume the obligations of any person.	Retain	This matter is fit for purpose and offers the right level of control over the company to the Council.
23.	Incur any item or series of items of capital expenditure of more than <del>£10,000</del> £25,000 unless provided for in the Business Plan.	Update as per red text	A small update to increase the level to enable new commercial opportunities to be followed swiftly where cost affective
24.	Recruit or dismiss any employee whose remuneration exceeds £40,000 per annum unless provided for in the Business Plan provided always that any employee may be dismissed for gross misconduct without the prior consent of	Retain	This matter is fit for purpose and offers the right level of control over the company to the Council

	the Shareholders. Save as provided for in the Articles, pay any fees, remuneration or other emoluments to any Director or vary any such fees, remuneration or emoluments. For the avoidance of doubt this paragraph 25 shall not apply to the payment or reimbursement of expenses properly incurred by any Director in the course of carrying out his duties in relation to Peterborough Limited nor to any indemnity by Peterborough Limited to which the Director is entitled pursuant to the		
25.	Articles or under any relevant law	<b>Retain</b>	This matter is fit for purpose and offers the right level of control over the company to the Council
26.	Consolidate or amalgamate with any company, association, partnership or legal entity or acquire any business or undertaking of any other person (for the avoidance of doubt, excluding the consolidation of accounts with Peterborough City Council)	<b>Retain</b>	This matter is fit for purpose and offers the right level of control over the company to the Council
27.	Enter into any joint venture, partnership or profit sharing arrangement with any person	<b>Retain</b>	This matter is fit for purpose and offers the right level of control over the company to the Council
28.	Change any of Peterborough Limited's accounting or reporting practices	<b>Retain</b>	This matter is fit for purpose and offers the right level of control over the company to the Council
29.	Create any share option, <del>bonus or other incentive</del> scheme.	<b>Update as per red text</b>	A small update to enable the company to consider incentives for profitable sales, where relevant in the future
30.	Make an offer of employment or alter the remuneration or conditions of employment of any employee or any consultant of Peterborough Limited <del>otherwise than in the ordinary course of business and to the extent</del> provided for in the Business Plan or unless obliged to do so by statute	<b>Update as per red text</b>	A small update to ensure when necessary the company can react to local and national market forces to ensure front line service are delivered
31.	Make any agreement with any revenue authorities or any other taxing authority, or make any claim, disclaimer, election or consent of a material nature for tax purposes in relation to Peterborough	<b>Retain</b>	This matter is fit for purpose and offers the right level of control over the company to the Council

	Limited, its assets or undertakings, or the Business		
32.	License, assign or otherwise dispose of intellectual property rights owned by Peterborough Limited	<b>Retain</b>	This matter is fit for purpose and offers the right level of control over the company to the Council
33.	Commence, settle or defend any claim, proceedings or other litigation brought by or against Peterborough Limited, except in relation to debt collection in respect of a sum not exceeding £10,000 in the ordinary course of the Business.	<b>Retain</b>	This matter is fit for purpose and offers the right level of control over the company to the Council

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<b>CABINET</b>	<b>AGENDA ITEM No. 6</b>
<b>21 SEPTEMBER 2020</b>	<b>PUBLIC REPORT</b>

Report of:	Peter Carpenter – Acting Corporate Director Resources	
Cabinet Member(s) responsible:	Councillor Seaton – Cabinet Member for Finance	
Contact Officer(s):	Carole Coe – Commercial Finance Manager	Tel. 384562

## **AMENDMENT TO ARRANGEMENTS WITH EMPOWER**

<b>R E C O M M E N D A T I O N S</b>	
<b>FROM:</b> Acting Director Corporate Resources – Peter Carpenter	<b>Deadline date:</b> N/A
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> <li>1. Approve the amendment of the terms of the Strategic Partnership with Empower Community Management LLP.</li> <li>2. Approve the amendment of the financing agreement with ECS Peterborough 1 LLP.</li> <li>3. Delegate to the Acting Corporate Director Resources and Director of Law and Governance the ability to finalise matters 1 and 2 above.</li> </ol>	

### **1. ORIGIN OF REPORT**

1.1 This report is submitted to Cabinet following a referral from CMT on 9 September 2020.

### **2. PURPOSE AND REASON FOR REPORT**

2.1 The purpose of this report is to:

- Receive an update on the progress of the refinancing of the Council’s loan facility provided to ECS Peterborough 1.
- To authorise the amendment of the current loan facility from a construction loan facility to a long term loan facility.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.12. ‘(i) *Approval of changes to service agreements in respect of KPIs, service levels and service standards.*’

2.3 There are exempt appendices attached to this report that are NOT FOR PUBLICATION by reason of paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 because they contain commercially sensitive information. The public interest test has been applied to the information contained within these exempt annexes and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it. To release the details of the refinancing agreement would disclose commercially sensitive information about both the Council and ECS Peterborough 1 and disclosure would also be damaging to the Council’s current and future commercial interests.

### **3. TIMESCALES**

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

##### **4.1 Background**

In December 2014 the Council entered into a strategic partnership agreement with Empower Community Management LLP to deliver solar panels on residential properties. As part of this arrangement and subsequent additions to the original scheme, the Council invested capital funds totalling £23m which resulted in over 7,700 rooftop installations which have been providing free electricity for the householder. The Empower Loan is fully secured over the solar rooftop assets of ECS Peterborough 1 and is returning a commercial rate of return to the Council. This return is contributing towards the budget position of the Council and helping to support the delivery of services. By continuing to finance the loan the Council is receiving income which is assisting with the alleviation of its budget pressures.

The Council has received a net return of over £3.2m in the last five years from this loan and to the 31 March 2020 received £90k per month.

##### **4.2 Extensions to the PCC Funding Facility**

The original loan facility was contracted to terminate in October 2017 but within the original agreement the Council was given the opportunity to extend to March 2019 to continue to fund the existing and new projects.

All new projects were completed by March 2018 and from that date the facility has been extended by a series of Cabinet Member Decisions which are listed in paragraph 10.1, the last of which was in January 2020 extending the Facility to the end of September 2020 (JAN20/CMDN/75).

The proposed extension in January 2020 was approved in order to allow the Council two further months to complete a refinance process with Global Tower Solutions, and for a further six months in the event that discussions with an alternative long-term funder had commenced.

##### **4.3 Progress since February 2020**

Global Tower Solutions had concluded their due diligence on the portfolio and were in a position to proceed, however their long term funding facility, from which this project was to be financed, was put on to hold due to the COVID-19 emergency.

Due to the uncertainty within the financial markets at this time the Council requested its financial advisor, Deloitte LLP to undertake a review of the loan and the facility.

The focus of the review was the funding basis of the existing loan facility. When the original agreement was made in 2014 the Council provided a facility for the construction phase of the project and the interest rate was commensurate with commercial loans made for such purposes. The construction phase of the project was completed some time ago, but the interest rate payable was held at construction finance levels as re-financing talks were progressing. The portfolio now needs to be re-profiled in order that the loan interest rate reflects the commercial rate of a long-term funding partner as the portfolio construction has now completed. By re-modelling the loan and interest rate payable, loan repayments will be able to be made from the income the project receives.

The portfolio financial model has now been re-profiled to provide the Council with a commercial rate of interest reflecting the proposed amended loan facility and providing for loan principle repayments to be made alongside interest payments. Within this model ECSP1 will remain the owner of the assets and will continue to maintain the solar portfolio.

This new facility will enable the social and financial benefits to the tenants and social landlords to be maintained and with Empower remaining stewards of the portfolio, this will give them the longer term assurance of continuity to drive improved solar yields and electricity generation alongside investing in new technology which will increase the income generated by the 7,700 rooftops on which the solar panels are located. This additional investment is to be sourced by Empower and will not require additional funding from the Council.

#### **4.4 Key features of the new long term loan facility**

The loan will be paid to the Council at a commercial rate of interest and loan repayments will be made in accordance with an agreed process. The amended loan facility will be for a period of 15 years and interest and loan repayments made on a 6 monthly basis.

The Council will retain the rights from the original agreement in which it has the ability to 'step in' to take control of ECSP1 in a situation where there is a default on the loan

Periodic monitoring reports will be provided to the Council which will consist of a quarterly operating model report, quarterly management accounts, semi-annual financial statements and updated financial model and annual financial statements together with an annual budget. In addition, on an annual basis, a forecast of operating and maintenance charges and a lifecycle plan for replacement of inverters, modules and modems will be provided.

The financial covenants will include commercial Historic and Forecast Debt Service Cover Ratios and other commercial financial undertakings in relation to expenditure made from ECSP1 bank accounts.

The Council will also have the right to be consulted each time an election in relation to export tariffs can be made as well as the right to direct any renewal of power purchase agreements or FIT licensee agreement.

#### **4.5 Future of the Loan**

By re-modelling the loan facility the project will be put on a long term basis giving Empower the security to exploit the existing and emerging potential of the project which has always been to provide social and financial benefits to tenants and social landlords and to alleviate fuel poverty and provide a community benefits.

The Council will be able to remain as the long-term funding partner for this project, however it will retain the right to sell the loan if this fits in with its long-term strategic priorities when the financial markets are less volatile.

### **5. CONSULTATION**

- 5.1 Consultation on the proposed refinance has been undertaken with the Council's advisors, Pinsent Masons LLP and Deloitte LLP as part of the due diligence process. Empower have also been consulted.

### **6. ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 The facility for the outstanding loan of £23m to ECSP1 will be amended to a long-term loan facility at a corresponding commercial rate of interest.

### **7. REASON FOR THE RECOMMENDATION**

- 7.1 Due to the unprecedented effects on the financial markets arising from the COVID-19 pandemic, there is an opportunity for the Council to protect its investment in ECSP1 by re-modelling the loan on to a long-term funding basis. This will 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.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

### **8.1 Take control of the assets**

If the Council fails to extend the loan, then on 1 October 2020 the loan repayment will be due in full and if it is not paid, ECSP1 will 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 will then have to operate the company which is 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 is not an option as the current construction loan facility no longer reflects 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.

## **9. IMPLICATIONS**

### **9.1 Financial Implications**

9.1.1 ESCP1 will continue to be funded by the Council during the period of the loan at a commercial rate of interest (in accordance with Market Economy Investor Principles).

9.1.2 The Council will receive returns from the interest income on the investment and loan repayments according to an agreed schedule.

9.1.3 Security for the existing loan is taken by way of a Debenture which provides the Council with the right to acquire the assets should the loan not be repaid at the appropriate time. The Council under the original agreement may 'step in' to take control of ECSP1 in a situation where there is a default on the loan and thereafter decide to operate ECSP1 or sell it as considered appropriate at the time.

#### **9.1.4 MRP Policy**

The Council's MRP policy relating to secured loans is:

*Secured Loans to third parties repaid in bullet form. : No MRP will be charged each year as reliance can be placed on the capital receipt that will be generated when the loan is repaid or, in the event of a default, the realisation of the security. If realisation of the security does not equate to the original loaned amount the Council will recognise the associated impairment and will charge MRP for the outstanding loan amount over the next MTFS periods.*

The statement currently describes loans to third parties repaid in bullet form. This will be clarified in the next MRP policy update to make it clear that this also includes fully secured loans with partial repayment through the life of the loan.

### **9.2 Legal Implications**

9.2.1 The Council has the ability to lend to ECS Peterborough 1 LLP under the Local Government Act 2003 "power to invest" as well as under the general power of competence. In making any such investment the Council is required to give regard to the Government's commentary to the Guidance on Local Government Investments, as well as the statutory guidance issued by the Secretary of State and specific guidance published by the Chartered Institute of Public Finance and Accountancy. Furthermore, any such investment must be consistent with the Council's

Annual Investment Strategy. Any request for funding from the Invest to Save budget will also be made in accordance with the Council's Constitution and applicable Contract Rules.

9.2.2 The Council must consider whether the long-term loan is subject to state aid regulations. Unlawful state aid occurs where a benefit is granted from a public resource for free or on favourable terms which distort competition. The lending scheme structure in this instance follows market principles and as such and there is no unlawful state aid implication. However, this situation will also continue to be monitored to ensure that no state aid issues arise during the period of the loan.

### 9.3 **Equalities Implications**

9.3.1 There are no equalities implications related to this decision.

### 9.4 **Carbon Impact Assessment**

9.4.1 This decision is only a recommendation to approve the amendment of an existing loan facility and as such has no current carbon impact. However, by continuing to fund the portfolio on a long-term basis, any new or emerging technologies reducing carbon impacts may be attached to this source of renewable energy and its location on 7,700 domestic rooftops.

## 10. **BACKGROUND DOCUMENTS**

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

10.1 Cabinet Report JULY17/CAB/16  
Councillor Member Decision Notice MAR18/CMDN/123  
Councillor Member Decision Notice JUL18/CMDN/01  
Councillor Member Decision Notice OCT18/CMDN/40  
Councillor Member Decision Notice NOV18/CMDN/57  
Councillor Member Decision Notice MAR19/CMDN/98  
Cabinet Report SEP19/CAB/43  
Councillor Member Decision Notice NOV19/CMDN/59  
Councillor Member Decision Notice JAN20/CMDN/75

## 11. **APPENDICES**

11.1 Exempt Appendix 1 – Heads of Terms for the amended loan facility  
Exempt Appendix 2 – Statement by Financial Advisors Deloitte LLP

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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<b>CABINET</b>	<b>AGENDA ITEM No. 7</b>
<b>21 SEPTEMBER 2020</b>	<b>PUBLIC REPORT</b>

Report of: Formation of a Cycling and Walking Member Working Group	Steve Cox, Executive Director; Place & Economy	
Cabinet Member(s) responsible:	Cllr Peter Hiller, Cabinet Member for Strategic Planning, Investments and Economic Strategy	
Contact Officer(s):	Lewis Banks, Principal Sustainable Transport Planning Officer	Tel. 01733 317465

## **FORMATION OF A CYCLING AND WALKING MEMBER WORKING GROUP**

R E C O M M E N D A T I O N S	
<b>FROM:</b> Group Leaders	<b>Deadline date:</b> N/A
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> <li>1. Agree to form a Cycling and Walking Member Working Group.</li> <li>2. Review and approve the draft terms of reference for the Working Group</li> </ol>	

### **1. ORIGIN OF REPORT**

- 1.1 This report is submitted to Cabinet following a recommendation from a Group Leaders meeting.

### **2. PURPOSE AND REASON FOR REPORT**

- 2.1 The purpose of this report is 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. The recommendation has come from a recent Group Leaders meeting and the Working Group will be made up of one Member from each party.
- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.3, 'To take a leading role in promoting the economic, environmental and social wellbeing of the area.'

### **3. TIMESCALES**

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

- 4.1 The Council has received funding of approximately £175k from Government as part of Government's Emergency Active Travel Fund. This funding came with the instruction that Local Authorities should reallocate road space in favour of pedestrians and cyclists by using temporary pop-up facilities such as highway barriers.
- 4.2 The Council has installed a number of measures around the city centre as part of the tranche 1 funding. These measures are all currently temporary measures and no decision have been made on when (or if) they will be removed.

4.3 In addition to the tranche 1 funding, the Council has submitted an application via the CPCA for an additional £625k to install more on-road cycling schemes as part of the second phase of the Government's Emergency Active Fund. The Council is expecting to hear in September how much funding it will be allocated but all funding must be spent this financial year. Three streets were identified for tranche 2 funding and these are:

- Oundle Rd from Pleasure Fair Meadows car park to Lady Lodge Drive
- Park Road from Huntly Rd to Dogsthorpe Rd
- Broadway from junction of Eastfield Rd to Park Crescent

4.4 The Working Group will be established to assist the delivery of schemes due by March 2021, together with the monitoring of the measures delivered. Five Members will sit on the Working Group, with one representative from each political party (nominations to be sought from Group Leaders), together with officer representation as appropriate. The Working Group has no decision-making powers; its purpose is to aid greater understanding of issues, options, consultation and scheme development in relation to the Council's delivery of the Emergency Active Travel Fund grant. Where actions relating to matters considered by the Working Group reasonably fall on officers to undertake (in accordance with delegations in the constitution), then the Working Group may steer officers in taking those actions. Where actions require a decision to be taken at a Member level (such as via Full Council, Cabinet or a CMDN, in accordance with the constitution), then the Working Group may recommend to the appropriate decision taker what actions should be taken.

4.5 The Working Group will cease within six months of the 31<sup>st</sup> March 2021 which aligns with timelines dictated by the DfT in relation to allocation of the grant.

## 5. CONSULTATION

5.1 Some public consultation was undertaken as part of tranche 1 but no consultation has taken place on the outcomes of phase 1. No public consultation has happened on phase 2. Considerations on what consultation should take place will be discussed with the Working Group.

## 6. ANTICIPATED OUTCOMES OR IMPACT

6.1 It is anticipated that Cabinet approves the formation of the Working Group and reviews / approves the terms of reference.

## 7. REASON FOR THE RECOMMENDATION

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

## 8. ALTERNATIVE OPTIONS CONSIDERED

8.1 Not to establish the Working Group. This has been discounted because the Working Group will assist in the successful delivery of the fund.

## 9. IMPLICATIONS

### Financial Implications

9.1 There are no financial implications with the establishment of the Working Group.

### Legal Implications

9.2 There are no legal implications with the establishment of the Working Group.

### Equalities Implications

9.3 There are no equalities implications with the establishment of the Working Group.

**Carbon Impact Assessment**

9.5 The formation of the Working Group will in itself have no direct carbon impact. However the schemes brought forward by the Group will benefit walking and cycling and therefore there is an expectation that more people will choose to walk and cycle as opposed to driving which will have a wider, positive impact on emissions across the city.

**10. BACKGROUND DOCUMENTS**

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

10.1 None

**11. APPENDICES**

11.1 Appendix A: Terms of Reference for the Cycling and Walking Member Working Group.

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## **DRAFT - Terms of Reference for the Cycling and Walking Member Working Group**

(scheduled to be approved by Cabinet on 26 October 2020)

### Purpose of the Cycling and Walking Member Working Group

1. The overarching purpose for the Working Group is to consider measures that can be taken to support active travel across the city in line with funding conditions issued by the Department for Transport's Emergency Active Travel Fund grant
2. The purpose of the Working Group is to help speed up actions relating to delivering the cycling and walking measures, not delay them.
3. The focus of the Working Group is on key issues to deliver cycling and walking measures, not all detailed issues.
4. The Working Group will cease within six months of the 31<sup>st</sup> March 2021 which aligns with timelines dictated by the DfT in relation to allocation of the grant.

### Functions of the Cycling and Walking Member Working Group

5. The Working Group has no decision-making powers: its purpose is to aid greater understanding of issues, options and scheme development in relation to the Council's delivery of the Emergency Active Travel Fund grant.
6. Where Actions relating to matters considered by this Working Group reasonably fall on officers to undertake (in accordance with delegations in the constitution), then the Working Group may steer officers in taking those actions. Where Actions require a decision to be taken at a Member level (such as via Full Council, Cabinet or a CMDN, in accordance with the constitution), then the Working Group may recommend to the appropriate decision taker what actions should be taken.
7. A prime function of the Group is to assist the delivery of schemes due by March 2021, together with the monitoring of the measures delivered.

### Procedures of the Cycling and Walking Member Working Group

8. Five Members will sit on the Working Group, with one representative from each political party, together with officer representation as appropriate. Substitutes are permitted. The Chair of the Working Group will be agreed at the first meeting of the group. Appropriate officers will attend meetings of the Working Group.
9. If the Cabinet Member for Strategic Planning and Commercial Strategy and Investments is not a member of this group, officers will provide regular updates outside of this meeting.
10. External attendees may be invited to the meeting, such as to present information or offer expert advice.
11. Meetings are not open to the public, but any report to the Cabinet or a Cabinet Member will be published on the website (once such matters arising are agreed by the Chair as an accurate record).
12. At the first meeting of the Working Group regularity, time, length, and location of future meetings agreed.
13. Agenda's for the meeting will be sent to attendees at least 5 calendar days prior to each meeting of the Working Group.

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<b>CABINET</b>	<b>AGENDA ITEM No. 8</b>
<b>21 SEPTEMBER 2020</b>	<b>PUBLIC REPORT</b>

Report of: Formation of a Cycling and Walking Member Working Group	Peter Carpenter, Acting Director of Corporate Resources	
Cabinet Member(s) responsible:	Cllr David Seaton, Cabinet Member for Finance	
Contact Officer(s):	Peter Carpenter, Acting Director of Corporate Resources Kirsty Nutton, Head of Corporate Finance	Tel. 452520 Tel. 384590

## BUDGET CONTROL REPORT JULY 2020

R E C O M M E N D A T I O N S	
<b>FROM:</b> Acting Director of Corporate Resources	<b>Deadline date:</b> N/A
<p>It is recommended that Cabinet notes:</p> <ol style="list-style-type: none"> <li>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;</li> <li>2. The specific impact COVID-19 on the Councils expenditure and income and the additional funding being received;</li> <li>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;</li> <li>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;</li> <li>5. An update on the Medium Term Financial Strategy 2021/22 process as set out in section 4;</li> <li>6. The key variance analysis and explanations are contained in Appendix A;</li> <li>7. The Councils reserves position, as outlined within Appendix A.</li> </ol> <p>It is recommended that Cabinet approve and recommends to Council:</p> <ol style="list-style-type: none"> <li>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.</li> </ol>	

### 1. ORIGIN OF REPORT

- 1.1 This report is submitted to Cabinet following discussion by the Corporate Management Team (CMT).

### 2. PURPOSE AND REASON FOR REPORT

- 2.1 This report is for Cabinet to consider under its Terms of Reference No. 3.2.7 'To be responsible for the Council's overall budget and determine action required to ensure that the overall budget remains within the total cash limit'.

2.2 This report provides Cabinet with the forecast for 2020/21 as at June 2020 budgetary control position.

### 3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	<b>YES</b>	If yes, date for Cabinet meeting	<b>21/09/20</b>
Date for relevant Council meeting	<b>21/10/20</b>	Date for submission to Government Dept.	<b>N/A</b>

### 4. JULY 2020 BUDGETARY CONTROL - REVENUE

4.1 The revenue budget for 2020/21, agreed at Full Council on 4 March 2020, was approved at £163.743m. The following table outlines the changes which have been made to the budget to arrive at the revised budget of £180.494m:

	£m
Approved Budget 2020/21	163.743
Use of reserves per MTFS	1.510
Capitalisation Direction	1.217
Integrated Community Strategy Reserve contribution: P&C-Cohesion and Integration	0.908
Capacity Reserve Contribution: ICT & Res- Committed transformation costs	0.121
COVID-19 Response Fund Tranche 1- from reserves (received March 2020)	5.332
COVID-19 Response Fund Tranche 2- received April 2020	5.634
COVID-19 Response Fund Tranche 3- received August 2020	2.029
<b>Revised Budget 2020/21</b>	<b>180.494</b>

4.2 The following table outlines a summary of the budgetary control position, within each directorate. The Council is currently reporting a projected overspend of £9.6m. This includes the additional financial pressures and funding as a result of COVID-19.

Directorate	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Chief Executives	1,252	1,267	15	32	(17)	Overspend
Governance	4,254	4,005	(249)	(245)	(4)	Underspend
Place & Economy	21,371	24,332	2,961	2,181	780	Overspend
People & Communities	86,628	104,880	18,252	15,794	2,458	Overspend
Public Health	(372)	(304)	68	81	(13)	Overspend
Resources	19,928	21,506	1,578	782	796	Overspend
Customer & Digital Services	7,619	7,684	65	(7)	72	Overspend
Business Improvement	600	670	70	60	10	Overspend
Capital Financing	26,219	26,064	(155)	(155)	0	Underspend
COVID-19	12,995	0	(12,995)	(10,966)	(2,029)	Underspend
<b>Total Expenditure</b>	<b>180,494</b>	<b>190,104</b>	<b>9,610</b>	<b>7,557</b>	<b>2,053</b>	<b>Overspend</b>
Financing	(180,494)	(180,494)	0			
<b>Net</b>	<b>0</b>	<b>9,610</b>	<b>9,610</b>	<b>7,557</b>	<b>2,053</b>	<b>Overspend</b>

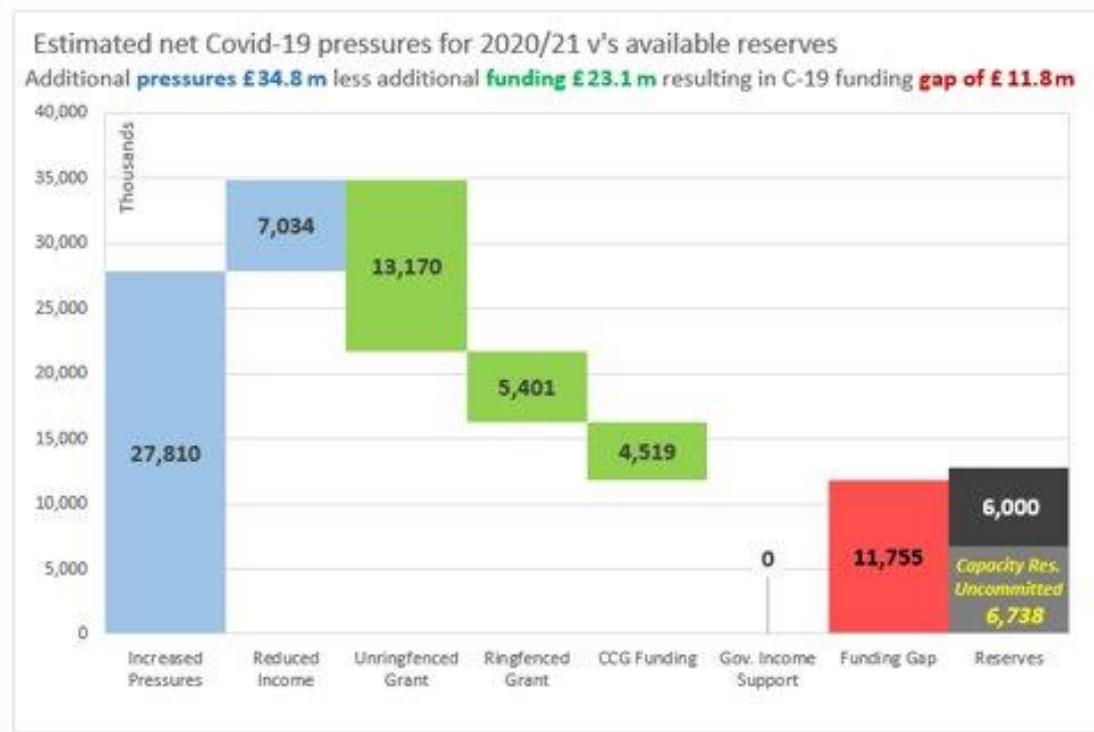
4.3 Most of the pressures, impacting the Councils financial position are as the result of the COVID-19 pandemic and include:

- In Place and Economy, there has been additional expenditure, as the Council has taken additional steps in ensuring that rough sleepers and homeless families have temporary accommodation and a safe place to self- isolate due to COVID-19 pandemic.
- There is pressure on the property income in Resources, due to COVID-19 having an impact on the council's ability to rent out further space in Sand Martin House this year.
- The Resources directorate has been unable to deliver the proposed savings in the Peterborough Serco Strategic Partnership contract due to COVID-19. Therefore, the Business Support Notice of change/ new model hub implementation has been postponed and will not be implemented during 2020/2021.
- The People and Communities directorate has incurred additional expenditure in adult services as well as additional expenditure has been required to support children and families, such as increases in children with disabilities packages and increased placement costs, as providers have needed to increase costs of placements to accommodate additional expenditure on COVID-19 relate requirements.
- There have been further pressures such as loss of income for Clare Lodge as children are only being moved and accommodated on emergency basis during COVID-19, so placement demand is low. Also, the new procedures at Clare Lodge require new admissions to self-isolate for 14 days which is also influencing decision making by placing authorities. The delay to the Capital project to refurbish lounges means that two lounges are currently not available for use.
- As well as additional costs due to COVID-19, savings plans previously declared in relation to ASC Demography and the National Living Wage have been significantly impaired.

4.4 Further details regarding these pressures are outlined within Appendix A of this Report.

### Financial Impact of COVID-19

4.5 The following chart summarises the direct impact COVID-19 has had on the Councils financial position in 2020/21:



- 4.6 This position identifies a £11.8m gap, which is different to the £9.6m position reported within the BCR, this varies due to the following factors:
- The COVID-19 financial impact is monitored and reported on a weekly basis, making it a live document, being updated at a much quicker pace;
  - The BCR position picks up a snapshot in time (as at 31 July) therefore is more historic in nature;
  - The BCR includes pressures and underspends which are not COVID-19 related;
  - There are some estimates within the COVID-19 tracker which reflect a high risk (worst case) position.

4.7 The Council reviews and reports the financial impact of COVID-19 internally on a weekly basis. The Council along with all other local authorities submit a monthly COVID-19 financial impact return to Ministry of Housing Communities and Local Government (MHCLG). The Council is forecasting additional pressures of £34.8m as a result of additional costs and lost income, this is reduced to £11.8m after applying £23.1m of additional funding. This forecast will have a significant effect on the Council's forecast outturn position, and longer-term implications for the future year's budgets. The Council has now submitted five returns to MHCLG, with the most recent return being submitted on 4 September. The following table summarises the financial impact reported in each month:

Source of Pressure & Income	April Return £m	May Return £m	June Return £m	July Return £m	August Return £m
Direct C-19 Expenditure	7.0	10.1	19.2	23.4	22.6
Loss of Income	6.8	6.0	6.8	7.9	6.7
Non-Delivered 2020/21 Savings	4.5	4.8	4.7	6.6	5.5
<b>Total Pressures</b>	<b>18.3</b>	<b>20.9</b>	<b>30.8</b>	<b>37.9</b>	<b>34.8</b>
C-19 response fund & un-ringfenced grants	(11.0)	(11.0)	(11.0)	(13.2)	(13.2)
Additional Funding and ring-fenced grants	-	-	(5.7)	(9.9)	(9.9)
<b>Revised Net Position</b>	<b>7.3</b>	<b>9.9</b>	<b>14.1</b>	<b>14.8</b>	<b>11.8</b>

- 4.8 The return to MHCLG requires the costs to be included gross of all grant income. As such, activity which is being funded by ringfenced grants or the CCG have been included within the £34.8m of additional costs. The following grants are included in both the "Direct C-19 Expenditure" line and the "Additional Funding" line:
- Cambridgeshire and Peterborough CCG funding for additional capacity - £4.5m
  - Grant for re-opening the Town Centre - £0.2m
  - Direct Assistance Grant (Infection Control) for Care Homes - £1.8m
  - Test and Trace Grant - £1.0m
  - Emergency Active Travel (via the CPCA) - £0.8m
  - Local Authority Emergency Assistance Grant for food and essential supplies - £0.3m
  - Rough Sleepers (estimate based on grant claim submitted) - £1.4m

- 4.9 The Council has received three tranches of the C-19 response funding from MHCLG. Nationally this un-ringfenced funding package totals £3.7bn. The Councils allocation totals £13m, and is broken down as follows:
- £5.4m received on 27 March - this was largely put in to reserves at the end of 2019/20 for use in 2020/21;
  - £5.6m received on 18 April;

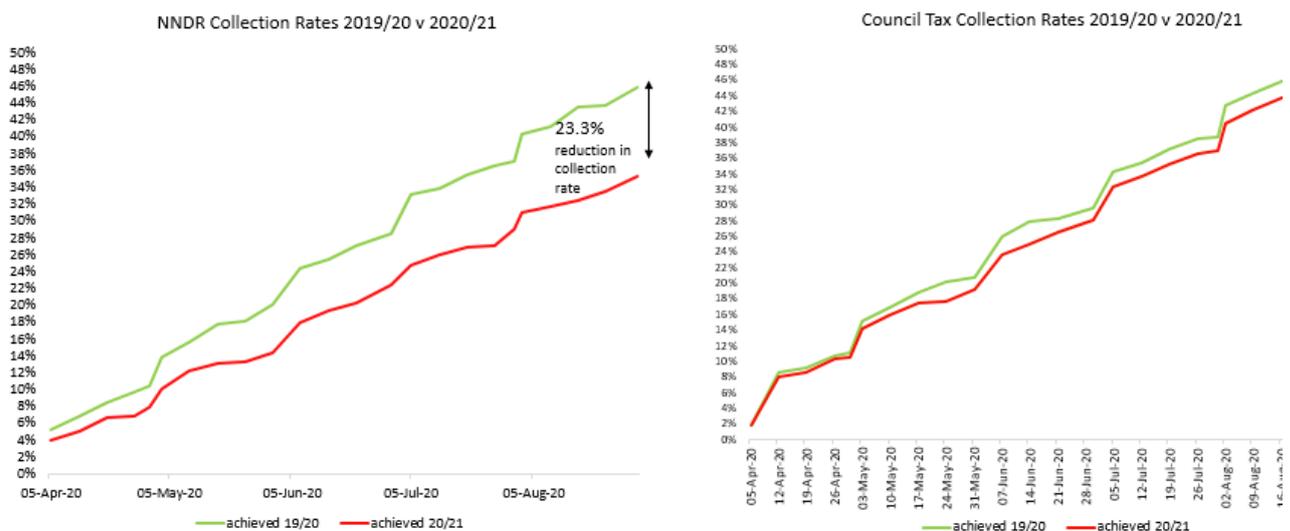
- £2m received on 3 August, following the announcement on 2 July, where the Secretary of State for Local Government announced a funding package for councils to help address the range of COVID-19 pressures they face.

The Council has also received £0.170m of new burdens funding to cover the additional costs of administering the business rates reliefs and the Small Business Grants Fund.

4.10 On 2 July, the funding package announced outlined further measures to support local government. This included a new scheme to reimburse councils for lost income from sales, fees, and charges, and would allow local authorities to spread their collection fund (tax) deficit over three years rather than the usual one. Some details on these schemes were released within a [technical note](#). At this stage no further details on the application of the collection fund deferral scheme have been announced.

4.11 The [income scheme](#) has been released for Local Authorities to claim compensation for lost income. The new income loss scheme includes a 5% deductible rate, whereby councils will absorb losses up to 5% of their planned (budgeted) sales, fees and charges income for that income stream, with the government compensating them for 75p in every pound of relevant loss thereafter. Early analysis indicate the Council could receive up to c£2m of funding. The Council is preparing the 1<sup>st</sup> submission (due 30 September) which is relevant to lost income from April-July. At this stage no assumptions have been included within the Councils financial position.

4.12 Concern remains for the level of tax collection across the Country as a result of COVID-19. The Council has been closely monitoring this, and comparing the collection levels against previous collection performance. This comparison shows that Council Tax collection rates are 3.6% lower and Business Rates collection rates 23.3% lower than last year. Since the beginning of the pandemic these rates have improved, although it is still anticipated that these will not fully recover in the short term. If collection rates were to continue with this trend it would mean the Council would face non-collection of NNDR of £14.6m (£7.2m PCC share at 49%) and non-collection on Council Tax of £3.4m (£2.8m PCC share at 80.3%), a total deficit for the Council of £10m. The following charts show the trend of the collection rates for both Business Rates (NDR) and Council Tax in comparison to 2019/20:



4.13 The Council has received funding directly from the Government which is being applied specifically to certain sectors of the economy, this includes:

- Business rates relief of £40m to 1,310 Retail, Hospitality and Leisure Providers;

- Business rates relief of £0.3m to 33 nurseries;
- £31.7m of Small Business Grant Funding (SBGF) for Small, Rural, Retail, Leisure and Hospitality businesses, this has supported 2,628 businesses, this scheme will be closing at the end of September;
- Hardship funding of £1.6m to allocate £150 to those on Local Council Tax Support (LCTS) - this has been processed with 8,481 working age LCTS recipients benefiting from this funding to date;
- Discretionary grant scheme for businesses of £1.5m which was launched for applications in June. £1.24m of grants have been made to 82 local businesses.

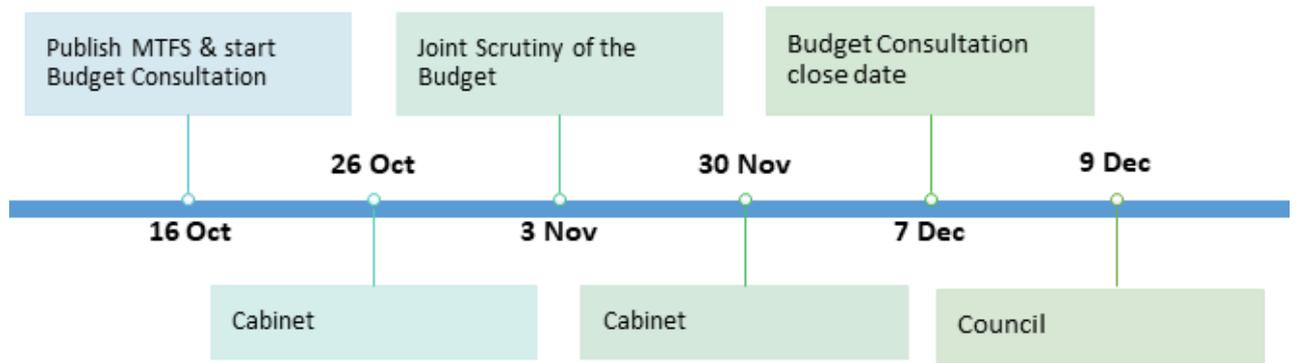
4.14 There is the requirement for the Council, in liaison with the wider Local Government sector, to continue to lobby for additional funding to cover the present £11.8m shortfall in COVID-19 support for this financial year, the projected deficit position in the Collection Fund, and ongoing COVID-19 impacts which will affect revenue budgets in 2021/22.

### **Medium Term Financial Strategy - 2021/22- 2023/24**

4.15 As previously outlined within the [report](#) presented to Cabinet on 13 July the Council is in an extremely difficult financial position and there is significant uncertainty surrounding the Council's ability to set a legal and balanced budget for 2021/22. The following points summarises the issues already reported:

- Opening budget gap of £14.2m per the current year Medium Term Financial Strategy (MTFS)
- Difficulty delivering current and future years savings plans due to the Council's local response to C-19;
- Additional costs and reduced income generation within the current year, and the longer-term impacts on the Council's base budget as a result of these pressures;
- Diminishing and low levels of reserves – further eroding the council's limited financial resilience;
- Future funding uncertainty which creates an additional layer of challenges when developing future strategic plans. These causes included the unknown impact of an [economic recession](#), future COVID-19 waves and response required at a local level, and funding allocations from central government;
- Autumn Budget followed by the Local Government Provisional Finance Settlement will take place in late Autumn;
- Postponement of Fairer Funding Review, Business Rates Retention Scheme and Business Rates Baseline Reset to 2022/23;
- Going Concern note within the 2019/20 Statement of Accounts - in advance of the when MHCLG propose to publish the Local Government Provisional Financial Settlement, means it is difficult to confirm future financial stability of the Council.

4.16 At the same Cabinet meeting on 13 July, and then at Council held on 29 July, the updated [Budget setting process](#) was approved. The following timeline outlines the key dates for Phase One of the Council's budget setting process:



Phase Two of the MTFS process will take place from December through to March.

### Renewal of Vehicle Fleet

4.17 There is the requirement for the vehicles that undertake, Refuse and Recycling, Passenger Transport, Parks and Open Space and Street Cleansing, which is run through Aragon Direct Services, to be renewed. The vehicles taken over from the previous contractor, Amey, are at the end of their useful life and maintenance costs for them are increasing. The Council, along with Aragon Direct Services, are considering options for the fleet renewal and this will form a Cabinet Member Decision Notice (CMDN). The 2020/21 MTFS assumed that this would be an “invest to save” initiative, however following the more detailed review it is now suggested that there will be an additional revenue cost for this investment. This will be finalised in the CMDN and reflected in 2020/21 monitoring if applicable and the future MTFS.

## 5. APPENDICES

5.1 Further information is provided in the following appendices:

- Appendix A – Budgetary Control Report Dashboard- July 2020
- Appendix B - Capital Programme Dashboard

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# Appendix A- Budgetary Control Report Dashboard

Period Jul-20

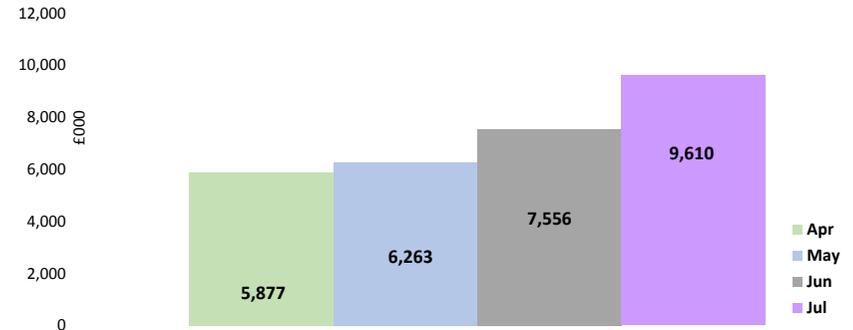


## £9.6m Forecast Overspend

## 5% Forecast Overspend as a proportion of Budget

Directorate	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Chief Executives	1,252	1,267	15	32 ▲	(17)	Overspend
Governance	4,254	4,005	(249)	(245) ▲	(4)	Underspend
Place & Economy	21,371	24,332	2,961	2,181 ▼	780	Overspend
People & Communities	86,628	104,880	18,252	15,794 ▼	2,458	Overspend
Public Health	(372)	(304)	68	81 ▲	(13)	Overspend
Resources	19,928	21,506	1,578	782 ▼	796	Overspend
Customer & Digital Services	7,619	7,684	65	(7) ▼	72	Overspend
Business Improvement	600	670	70	60 ▼	10	Overspend
Capital Financing	26,219	26,064	(155)	(155) =	0	Underspend
COVID-19	12,995	0	(12,995)	(10,966) ▲	(2,029)	Underspend
<b>Total Expenditure</b>	<b>180,494</b>	<b>190,104</b>	<b>9,610</b>	<b>7,557 ▼</b>	<b>2,053</b>	<b>Overspend</b>
Financing	(180,494)	(180,494)	0			
<b>Net</b>	<b>0</b>	<b>9,610</b>	<b>9,610</b>	<b>7,557 ▼</b>	<b>2,053</b>	<b>Overspend</b>

Forecast Overspend position increased by 27.2% in July, in comparison to the position reported in June.



### Key Budget Pressures

67	People & Communities	2,528	As a result of COVID-19, savings plans previously declared in relation to ASC Demography and the National Living Wage can no longer be delivered, due to resources focusing on responding to discharges and other pressures from COVID-19.
	People & Communities	2,356	This is due to additional COVID-19 spend, including £1m on Children in Care placements costs to meet the anticipated spike in requests for placements, £0.895m to provide an uplift to Children's Social Care providers to cover their additional costs, £0.425m to cover Home Care support & Integrated Community Equipment Services to meet the expected additional demand when Children return to School.
	People & Communities	2,113	Various forms of low income due to Covid-19, such as loss of income due to low usage of carparks as well as loss of income for Parking Enforcement.
	People & Communities	2,000	Additional spend to support the transition of Vivacity.
	People & Communities	1,200	Clare Lodge- Loss of income due to COVID-19 as Children are only being moved and accommodated on emergency basis during covid so placement demand is low. New procedures require new admissions to self isolate for 14 days which is also influencing decision making by placing authorities.
	People & Communities	859	Additional COVID-19 spend to cover additional Social worker capacity and Personal Protective Equipment.
	Place & Economy	2,200	Due to Covid-19; additional hotel, B&B, security and repair costs were and are needed.
	Place & Economy	2,106	As a result of the COVID-19 pandemic there is forecast additional net expenditure of £2.106m, as the Council has taken steps to ensure that rough sleepers and homeless families and individuals have temporary accommodations, and a safe place to self isolate.
	Resources	1,114	The current forecast is based on Business Support Notice of change/new model/Hub implementation not being implemented during 20/21. However this is now subject to a wider strategic review and a further adjustment to the forecast may be required to reflect the outcome of this review.
	Resources	475	Additional letting of SMH now not possible this year.

### Key Favourable Variances

Resources	379	Bereavement Services income is expected to exceed budget by £0.379m this year due to COVID-19.
Place & Economy	253	Concessionary fares as significant reduced usage of concessionary passes
Place & Economy	199	Saving on temporary accommodation. This is due to new lease arrangements for St Michael's Gate, 6 month savings from Bushfield Court and full savings from Walton Road
Place & Economy	195	Refund of Climate Change Levy liability payment to HMRC
Governance	188	This is in the Election services as there were no local elections in May 2020 due to the COVID-19 pandemic.
People & Communities	160	Savings on Community, Therapy and Reablement Teams due to staff vacancies
Resources	117	Additional rental income due to delayed property sales.
Resources	60	Savings across salary budgets
Place & Economy	39	Various Directorate wide savings
Customer & Digital Services	31	Various savings in the Marketing and Communications team

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
People & Communities	Director	1,240	1,703	463	449 ▼	14	Overspend
People & Communities	Education	6,620	7,311	691	667 ▼	23	Overspend
People & Communities	Adults - Commissioning	37,123	43,418	6,295	6,049 ▼	246	Overspend
People & Communities	Adults - Operations	9,480	10,268	788	875 ▲	(87)	Overspend
People & Communities	Children's - Operations	10,424	11,366	942	948 ▲	(6)	Overspend
People & Communities	Children's Commissioning	16,127	18,494	2,367	2,467 ▲	(100)	Overspend
People & Communities	Commissioning Team and Commercial Operations	365	1,417	1,052	1,135 ▲	(83)	Overspend
People & Communities	Communities - City Centre Management	196	409	213	213 ▼	1	Overspend
People & Communities	Communities - Cohesion and Integration	837	839	2	2 ▼	0	Overspend
People & Communities	Communities - Community Safety	(59)	2,666	2,725	2,175 ▼	550	Overspend
People & Communities	Communities - Think Communities	2,660	4,885	2,225	215 ▼	2,009	Overspend
People & Communities	Communities-Regulatory Services	1,614	1,871	257	340 ▲	(83)	Overspend
People & Communities	Children's & Safeguarding (DSG)	5,748	6,369	621	(1) ▼	622	Overspend
People & Communities	Commissioning and Commercial Operations (DSG)	0	11	11	11 ▲	0	Overspend
People & Communities	Education (DSG)	(5,748)	(6,147)	(399)	249 ▲	(648)	Underspend
	<b>Total People &amp; Communities</b>	<b>86,628</b>	<b>104,880</b>	<b>18,252</b>	<b>15,794 ▼</b>	<b>2,458</b>	<b>Overspend</b>

**Directorate Overview**

The People and Communities Directorate is currently forecasting an overspend of £18.252m. Of this figure, £9.532m relates to additional spend in response to COVID-19. The COVID-19 impact on Income is a forecast under achievement of £4.292m. The COVID-19 impact on the achievement of MTFS savings is a pressure of £3.665m. A forecast overspend of £0.763m relates to non-COVID-19 activity and includes a pressure of £0.410m in relation to credit notes raised to the Clinical Commissioning Group (CCG)

**Directorate Variance Analysis**

Director	£0.447m pressure as a result of non-achievement of MTFS saving, in relation to reduced expenditure on Agency Staff. This saving was allocated across the directorates based on current agency budgets, however due to the directorates reliance on these budgets to ensure there are adequate levels of social care workers and care staff, these savings will be difficult to extract. This will be reviewed as part of the Councils budget setting process for 2021/22.
Education	£0.183m - loss of income due to a reduction in Attendance Fixed Penalty Notice fine income and School Improvement traded services as a result of COVID 19. As a result of the COVID-19 pandemic, and in line with Government advice, no Penalty Notice and / or prosecution has been initiated for any new offences from 16 March 2020. The Local Authority will start to fine parents whose children do not attend school in September but there will be discretion where the reason is COVID related and it is anticipated that Income will only be 50% of 'normal' levels for the Autumn term. It is anticipated that School Improvement traded services offer will re-commence in September 20.
	£0.279m pressure COVID - Impact on MTFS saving re Home to School Transport. A number of savings work streams are underway in conjunction with Cambridgeshire County Council e.g. Route Optimisation, promoting the take up of Personal Transport Budgets, the development of a Dynamic Purchasing System and Independent Travel training. It is too early to estimate the value of savings which won't be known until the Autumn term of 20-21 Academic Year. COVID 19 will inevitably impact on the delivery of savings.
	£0.148m other pressures including PFI Insurance rebate £0.100m. The PFI Insurance rebate is received every two years. The PCC PFI Manager is currently negotiating for the Insurance rebate to be received annually. This pressure may therefore be removed.
Adults - Commissioning	£1.5m pressure from 10% uplift awarded to care providers to end of June to assist with impact of COVID-19. £0.817m additional care package spend forecast due to COVID-19 on social care packages.
	£0.165m loss of client contributions as a result of hospital discharge cases going into block care beds funded by CCG. Discharge guidance states not to collect client contribution during COVID-19.
	£2.528m pressure from reduced or lost savings due to COVID-19. Savings plans such as Adults Positive Challenge, Self Funders, Care Suites and Lifeline have all been affected due to resources focusing on responding to discharges and other pressures from COVID-19. As a result of COVID-19, savings previously declared in relation to ASC Demography and the National Living Wage can no longer be delivered.
	£0.918m pressure on care packages due to a rise in demand and costs of new packages and the need to credit back some invoices to the CCG as in raised in error.

Adults - Operations	<p>£0.859m pressure - additional COVID 19 spend. Additional spend has been approved to cover additional Social Worker Capacity in Early Help, Community and Long Term Teams, Care Home Support Teams, Transfer of Care Team, Occupational Therapy, &amp; Personal Protective Equipment.</p> <p>£0.107m pressure on loss of the saving due against the Deprivation of Liberties (DoLs) service area. Legislation due in October is unlikely to be in place now. This legislation was due to change how the service was to be delivered.</p> <p>£0.086m loss of income from Care and Repair due to COVID-19. The service receives income from work carried out under the Disabled Facilities Grant (DFG). Care and Repair staff have been redeployed to Reablement and other teams to respond to COVID-19 so are unable to generate the contributions.</p> <p>£0.272m savings on Community, Therapy and Reablement Teams due to staff vacancies</p>
Children's - Operations	<p>£0.741m pressure - additional COVID 19 spend. Additional Early Help costs to establish a short term team to provide direct early help support and to commission support services. Additional capacity for Children's Social Care Assessment teams to meet the expected increase in referrals of vulnerable children into Children's Social Care. Additional capacity at Derby House to meet the expected increase in demand for children with very complex disabilities.</p>
	<p>£0.187m pressure - COVID loss of Income. The Tackling Troubled Families Grant is partly paid based on Payment By Results (PBR). Due to COVID-19 and the closure of Schools it is anticipated that there will be a shortfall of PBR income.</p>
Children's Commissioning	<p>£2.356m pressure - COVID 19 additional spend. £1m additional spend approved for Children in Care placements costs to meet the anticipated spike in requests for placements that will follow once restrictions begin to be lifted and Schools return. £0.895m additional cost to provide an uplift to Children's Social Care providers to cover their additional costs during lockdown and the recovery phase. Provider uplifts are considered by a Business Continuity panel. Additional spend approved of £0.425m to cover Home Care support &amp; Integrated Community Equipment Services to meet the expected additional demand when Children return to School.</p>
Commissioning Team and Commercial Operations	<p>£0.094m pressure - The re-commissioning of Children's Centres is delayed because of COVID-19.</p> <p>£1.2m pressure - COVID-19 impact on Income at Clare Lodge. Children are only being moved and accommodated on emergency basis. Also the new procedures at Clare lodge require new admissions to self-isolate for 14 days which is also influencing decision making by placing authorities. The delay to the Capital project to refurbish lounges means that two lounges are currently not available for use. The refurbished Lounges will be operational imminently.</p> <p>£0.142m pressure COVID-19 additional spend. £0.100m additional expenditure at Clare Lodge incurred on staffing when children have had to be isolated due to them being COVID-19 positive, additional cost of PPE and other infection control measures.</p>
Communities - City Centre Management	<p>£0.201m pressure - COVID-19 loss of Income. Loss of Income is forecast for Street Traders, the City Market, the Great Eastern Run and City Centre Events.</p>
Communities - Community Safety	<p>£2.113m pressure - COVID-19 loss of Income. £1.530m loss of Income from Parking services to the end of July and forecast 25% of 'normal' income for August, 50% for September &amp; October, then 75% from November onwards. £0.433m loss of Income re Parking Enforcement as PCC car parks and on street parking has been free to use and therefore Enforcement staff have been redeployed to the COVID-19 Emergency Hub. Parking Enforcement is operational again but income levels are forecast to be lower than previous levels given COVID impact on staffing productivity, suspension of parking bays, pop up cycle lanes etc. £0.150m forecast loss of Income re Environmental Enforcement as a result of the lockdown.</p>
Communities - Think Communities	<p>COVID-19 additional spend. 0.263m for the COVID-19 Emergency Hub to purchase food for members of the community that are identified as vulnerable and who have no other means of getting food.</p> <p>£0.386m pressure - COVID-19 impact on MTFs savings. Revised parking charges were due to be implemented from April 2020 but on and off street parking has been free to use during the pandemic. Income is forecast to be lower since parking charges have been reinstated.</p> <p>£0.160m Favourable - COVID-19 reduced spend. Vacancies not recruited to Environmental Enforcement and Parking Enforcement Teams.</p>
Communities - Regulatory Services	<p>£2.0m pressure - COVID additional spend to support the transition of Vivacity.</p> <p>£0.179m pressure - COVID-19 impact on MTFs saving re Vivacity. Given Vivacity's decision hand to back the Culture and Leisure contract to PCC, it is highly unlikely that this MTFs saving will be achieved.</p>
Education (DSG)	<p>£0.274m pressure - Additional Coroners Service spend to manage the backlog and complexity of cases and for the PCC share of temporary mortuary costs.</p> <p>£0.115m pressure - Reduced Income re Licenses in relation to Food premises, Street Traders &amp; Taxi's as a result of businesses / taxi operators being closed and allowing for permanent closure of businesses.</p> <p>£0.233m COVID additional spend for additional Speech and Language provision, and funding to ensure the sustainability of Nursery Education providers.</p>

# £0.1m Forecast Overspend



## 1%

Forecast as a proportion of  
the Expenditure Budget (exc  
the Public Health Grant)

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	
Public Health	Children 0-5 Health Visitors	3,886	3,886	0	0	0	On Budget
Public Health	Children 5-19 Health Programmes	887	887	0	0	0	On Budget
Public Health	Sexual Health	1,933	1,957	24	45	(20)	Overspend
Public Health	Substance Misuse	2,218	2,214	(4)	(4)	(0)	Underspend
Public Health	Smoking and Tobacco	295	295	(0)	0	(0)	Underspend
Public Health	Miscellaneous Public Health Services	1,532	1,580	48	40	8	Overspend
Public Health	Public Health Grant	(11,124)	(11,124)	0	0	0	On Budget
	<b>Total Public Health</b>	<b>(372)</b>	<b>(305)</b>	<b>68</b>	<b>81</b>	<b>(13)</b>	<b>Overspend</b>

### Directorate Overview

The Public Health Directorate is currently forecast to overspend by £0.068m. Included in this forecast is £0.110m of COVID-19 related expenditure across all services. This is offset by £0.042m of other savings.

### Directorate Variance Analysis

Sexual Health	£0.051m pressure - additional COVID spend Sexual Health contract
Miscellaneous Public Health Services	£0.044m pressure - additional COVID spend - delayed start to new Healthy Lifestyles contract
Substance Misuse	£0.015m pressure - additional COVID spend - Drug and Alcohol Services

**£-0.2m Forecast Underspend**



**-6%** Forecast Underspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Governance	Director of Governance	147	143	(4)	(6) ▼	2	Underspend
Governance	Legal Services	1,886	1,899	13	5 ▼	8	Overspend
Governance	Constitutional Services	2,011	1,782	(229)	(205) ▲	(24)	Underspend
Governance	Performance & Information	211	181	(29)	(39) ▼	10	Underspend
	<b>Total Governance</b>	<b>4,254</b>	<b>4,005</b>	<b>(250)</b>	<b>(245) ▲</b>	<b>(4)</b>	Underspend

**Directorate Overview**

Overall the Governance department is forecasting to underspend by £0.250m, largely due to the reduction in costs associated with holding local elections, as these have been postponed due to COVID-19. Savings also on salaries and members allowances.

**Directorate Variance Analysis**

Constitutional Services	£0.118m favourable position on election services, this is broken down in to a £0.188m saving as there were no local elections in May 2020 due to the COVID-19 pandemic, however this is offset by a £0.060m possible pressure due to additional costs relating to the Electoral Register and previous year election costs
	£0.111m Favourable position as a result of a number of small variances

**£0.0m** Forecast Overspend



**1%** Forecast Overspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Chief Executives	Chief Executive	155	156	2	2 ▼	0	Overspend
Chief Executives	HR	1,097	1,111	14	31 ▲	(17)	Overspend
	<b>Total Chief Executives</b>	<b>1,252</b>	<b>1,267</b>	<b>15</b>	<b>32</b>	<b>(17)</b>	<b>Overspend</b>

**Directorate Overview**

Currently the Chief Executives Directorate is reporting a total variance of £0.015m this is broken down in the below analysis.

**Directorate Variance Analysis**

HR	£0.055m pressure - The main variance in this area is due to additional salary costs as a number of Voluntary Redundancies have been delayed to ensure the Council has the staffing resource available to provide the response to the COVID-19 pandemic.
	£0.009m Pressure - Additional training costs and loss of Occupational Health income due to Covid-19.
	£0.050m Favourable - The service is showing a favourable variance from posts currently vacant
Chief Executive	£0.004m Pressure - Additional salary costs following delay of Voluntary Redundancy due to Covid-19.
	£0.002m Favourable - Other minor variances in the service.

# £1.6m Forecast Overspend



## 8% Forecast Overspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Resources	Director's Office	271	262	(9)	(10) ▼	1	Underspend
Resources	Financial Services	3,315	3,255	(60)	(76) ▼	16	Underspend
Resources	Corporate Items	9,255	9,270	16	0 ▼	16	Overspend
Resources	Peterborough Serco Strategic Partnership	6,506	7,835	1,329	599 ▼	729	Overspend
Resources	Corporate Property	1,612	2,026	414	419 ▲	(5)	Overspend
Resources	Energy	478	630	152	116 ▼	35	Overspend
Resources	Cemeteries, Cremation & Registrars	(1,508)	(1,772)	(264)	(266) ▼	3	Underspend
	<b>Total Resources</b>	<b>19,928</b>	<b>21,506</b>	<b>1,578</b>	<b>782 ▼</b>	<b>796</b>	<b>Overspend</b>

### Directorate Overview

The Resources Directorate is currently forecasting an overall overspend of £1.578m against budget. The main variances at this stage relate to budgeted savings targets in Peterborough Serco Strategic Partnership Business Support, unachieved letting income target relating to renting out additional space at Sand Martin House (SMH), which is not yet possible, offset partly by additional rental income from POSH and Allia. Cemeteries, Cremation & Registrars are overall showing a favourable variance as a result of COVID-19.

### Directorate Variance Analysis

Director's Office	£0.009m Favourable - Other savings in the service.
Financial Services	£0.060m Favourable - Net savings within salary and Supplies & Services budgets across the service.
Corporate Items	£0.016m Adverse - Workforce Modernisation saving not fully achieved.
Peterborough Serco Strategic Partnership	<p>£1.114m Pressure - Business Support savings not expected to be delivered due to COVID-19. The current forecast is based on Business Support Notice of change/new model/Hub implementation not being implemented during 20/21. However this is now subject to a wider strategic review and a further adjustment to the forecast may be required to reflect the outcome of this review.</p> <p>£0.126m Pressure - Other variances within the service, including continuing Annual Delivery Plan/BTSL costs (expected until new Business Support model implementation), and growth income received but not budgeted in year.</p> <p>£0.018m Pressure - Housing Benefit Admin and Local Council Tax Admin grant final allocation is lower than budgeted.</p> <p>£0.070m Pressure - The Housing Benefit Subsidy budget is forecasting a £0.070m pressure against budget at this initial stage. This is an early forecast is likely to change as time progresses and also with the impact of Covid-19 issues.</p>
Corporate Property	<p>£0.475m Pressure - Additional letting of SMH now not possible this year.</p> <p>£0.117m Favourable - Rental Income from POSH &amp; Allia continues as not yet sold (£0.191m F) and a delay in the Town Hall North income (£0.074m).</p> <p>£0.061m Pressure - Other pressures in the service.</p> <p>£0.005m Favourable - Covid-19 response costs at SMH (cleaning, signage etc) offset by reduced electricity costs.</p>
Energy	£0.152m Pressure - MTFs saving unachievable, as well as additional maintenance costs, reduced income, partly offset by reduced capital financing costs
Cemeteries, Cremation & Registrars	<p>£0.115m Pressure - Registration Services income is forecast to be £0.131m underachieved and can only be partially offset with a reduction in expenditure (£0.021m). This forecast on income is fully attributable to COVID-19 and the first 6 months of the year has assumed a 50% reduction in income.</p> <p>£0.379m Favourable - Bereavement Services income is expected to exceed budget by £0.389m this year due to COVID-19, offset partially by pressures/savings in the service of £0.013m. Although the income is high at the moment it must be noted that this may not be a true reflection of how the year may continue and it is difficult to predict the position at the end of the year.</p>

# £3.0m Forecast Overspend

 **14%**

Forecast Overspend as a proportion of Budget

Directorate	Budget Group	Vire-MY £	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Place & Economy	Development and Construction	-5	(116)	183	299	367 ▲	(68)	Overspend
Place & Economy	Director, OP & JV	-1	487	448	(39)	(67) ▼	28	Underspend
Place & Economy	Peterborough Highway Services	-2	4,199	3,981	(217)	(203) ▲	(15)	Underspend
Place & Economy	Sustainable Growth Strategy	-5	1,627	1,567	(60)	(55) ▲	(5)	Underspend
Place & Economy	Waste, Cleansing and Open Spaces	-2	13,286	14,019	733	706 ▼	27	Overspend
Place & Economy	Westcombe Engineering	-1	105	225	120	120 ▼	0	Overspend
Place & Economy	Director of Housing	-38	1,586	3,693	2,106	1,294 ▼	812	Overspend
Place & Economy	Service Director Environment & Economy	0	197	216	19	19 ▼	0	Overspend
	<b>Total Place &amp; Economy</b>	<b>-55</b>	<b>21,371</b>	<b>24,332</b>	<b>2,961</b>	<b>2,181 ▼</b>	<b>780</b>	<b>Overspend</b>

### Directorate Overview

Overall Place and Economy is forecasting an overspend of £2.961m. There are significant overspends as a result of the COVID-19 pandemic, however there are some favourable movements due to reduced service use and savings generated as a result of reduced spending on non-essential expenditure.

### Directorate Variance Analysis

Development and Construction	£0.246m Pressure- Planning fee income reduced due to COVID 19
	£0.053m Pressure - Other variances of reduced income due to COVID 19 - (Building Control income, pre application income and shared service staff recharges offset by S106/CIL admin income)
Director, OP & JV	£0.39m Favourable - Various Directorate wide savings held here (car allowances, telephones, salaries, software, others to be reallocated)
Peterborough Highway Services	£0.253m Favourable - Concessionary fares as significant reduced usage of concessionary passes
	£0.104m Favourable - Bus Service Operators Grant used to funds 60's
	£0.140m Pressure - Other variances (employee costs, Queensgate Bus Station reduced departure fee income due to COVID 19, Traffic Signals costs, other Highways income reduced due to COVID 19
Sustainable Growth Strategy	£0.060m Favourable due to various savings
	£0.244m Pressure - reduced Brown Bins Income - no charge for 3 months due to COVID 19
Waste, Cleansing and Open Spaces	£0.590m Pressure in relation to the Energy from Waste (EFW) Plant Electricity Income loss due to a fall in wholesale demand leading to drop in export price
	£0.195m Favourable - Refund of CCL liability payment to HMRC
	£0.094m Pressure - Other variances including additional costs at HRC due to COVID 19, additional grave digger, additional refuse vehicle, additional city centre cleansing, loss of bulky waste income, additional Depot premises costs, partially offset by ERF insurance rebate
Westcombe Engineering	£0.120m Pressure - Reduced income as reduced capacity due to COVID 19
Service Director Environment & Economy	£0.019m Pressure - no income from Peterborough Destination Centre partially offset by employee savings
Director of Housing	As a result of the COVID-19 pandemic there is forecast additional net expenditure of £2.106m, as the Council has taken steps to ensure that rough sleepers and homeless families and individuals have temporary accommodations, and a safe place to self isolate.
	£2.2m Pressure - Covid-19: additional hotel, B&B, employee, security and repair costs for FY 20/21 Walton Road
	£0.105m Pressure - Cost of Interim Director of Housing Needs and Supply

**£0.1m Forecast Overspend**



**12%** Forecast Overspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Business Improvement	Programme Management Office	600	670	70	60 ▼	10	Overspend
	<b>Total Business Improvement</b>	<b>600</b>	<b>670</b>	<b>70</b>	<b>60 ▼</b>	<b>10</b>	<b>Overspend</b>

**Directorate Overview**

The Business Improvement Directorate is currently reporting an overspend of £0.070m against budget, due entirely to Covid-19 pressures.

**Directorate Variance Analysis**

Programme Management Office £0.070m pressure - additional staffing and consultancy costs incurred due to COVID-19 impact on the service.

**£0.1m** Forecast Overspend



**1%** % Forecast Overspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Customer & Digital Services	ICT	6,943	6,988	44	0 ▼	44	Overspend
Customer & Digital Services	Marketing & Communications	344	364	20	(7) ▼	28	Overspend
Customer & Digital Services	Resilience & Health & Safety	256	256	0	0 ▲	(0)	Overspend
Customer & Digital Services	Director of Customer & Digital Services	75	75	0	0 ▬	0	On Budget
<b>Total Customer &amp; Digital Services</b>		<b>7,619</b>	<b>7,684</b>	<b>65</b>	<b>(7) ▼</b>	<b>72</b>	<b>Overspend</b>

**Directorate Overview**

Currently the Customer & Digital Services Directorate is reporting a £0.065m overspend, due to Covid-19 response pressures offset by some savings within the Directorate.

**Directorate Variance Analysis**

Marketing & Communications	£0.032m Favourable - Other savings within the service area.
	£0.052m Pressure - reduction in sponsorship income and reduced design & print recharges - Covid-19 related.
ICT	£0.045m Pressure - Additional costs incurred on computer software due to the Covid-19 response.

**£-0.2m**

**Forecast Revenue Underspend**



**-1%** Forecast Underspend as a proportion of Budget

Directorate	Budget Group	Budget	Forecast	Variance	Previous Month	Movement	Status
		£k	£k	£k	Variance £k	£k	
Resources	Capital Financing	26,219	26,064	(155)	(155) ▼	0	Underspend
	<b>Total Capital Financing</b>	<b>26,219</b>	<b>26,064</b>	<b>(155)</b>	<b>(155) ▼</b>	<b>0</b>	<b>Underspend</b>

### Capital Financing and Capital Receipts Overview

A £0.16m favourable forecast outturn is reported from a combination of the factors detailed below.

#### Directorate Variance Analysis

Less borrowing was undertaken for the capital programme in 2019/20 than budgeted for in the MTFS resulting in less budget being required to fund existing borrowing;

Forecast interest rates for new borrowing remain as forecast at the time the MTFS was set. It is currently anticipated that new borrowing of £77m will be required to fund the capital programme. The council continues to review the borrowing strategy in light of interest rates available. Capital programme reviews for 2020/21 will be undertaken to ensure that a realistic profile of scheme delivery is being costed to enable forecast for borrowing and timings to be more realistically estimated.

An estimate of the minimum revenue provision has been included in the forecast as the detailed calculation is anticipated to be completed over the summer months. This forecasts a small overspend position of £0.093m.

The level of interest receipts forecast to be generated from loans the council has issued is forecasting an income loss from interest receipts compared to the estimate in the MTFS as a result of the delay in the drawdown of the loan granted to the hotel build in Fletton Quays, however, this offset through the reduction in new borrowing required to fund the loan.

Capital receipts are currently forecast to be achieved, however the impact on C-19 on asset sales is reviewed on a monthly basis due to the risk of achieving high-value sales in the current uncertain economic environment.

#### Capital Receipts

Capital Receipts are used as part of a contribution to fund the MRP however, close monitoring of the Capital Receipts is maintained as any significant change will now have a direct impact on the Revenue position.

Capital Receipts are monitored on a monthly basis and each sale given a status of Red, Amber or Green to identify the likely receipt before March 2021. The £4.2m Capital Receipts in the MTFS will be used to repay debt and forms part of the calculation of the reducing the overall debt through MRP.

#### Capital Receipts To Off Set Revenue MRP Charge

RAG Status	MTFS Budget £k	Revised Budget £k	Received to Date £k	Not yet received £k
Green	-	-	-	-
Amber	4,153	4,153	-	4,153
Red	-	-	-	-
<b>Total (not inc Investment Assets)</b>	<b>4,153</b>	<b>4,153</b>	-	<b>4,153</b>
Investment Assets	-	-	-	-
<b>Total Capital Receipts</b>	<b>4,153</b>	<b>4,153</b>	-	<b>4,153</b>

Financing	Budget	Forecast Spend			Previous Month		Movement	Status
		£k	£k	Variance	£k	Variance		
Rates		337	337		0	(337)	337	
Contribution To Reserve		0	0		0	0	0	
Payment To Central Gov.		2,463	2,463		0	(2,463)	2,463	
Collection Fund Adjustm'T		(3,003)	(3,003)		0	3,003	(3,003)	
Council Tax		(83,310)	(83,310)		0	83,310	(83,310)	
Retained Business Rates		(46,901)	(46,901)		0	46,901	(46,901)	
Business Rates Pool		(1,320)	(1,320)		0	1,320	(1,320)	
Reserves (Inc Suppl Est)		(9,087)	(9,087)		0	8,059	(8,059)	
Covid-19 LA Support Grant		(7,663)	(7,663)		0	5,634	(5,634)	
Grant Income		(32,009)	(32,009)		0	32,009	(32,009)	
<b>Total Financing</b>		<b>(180,493)</b>	<b>(180,493)</b>		<b>0</b>	<b>177,436</b>	<b>(177,436)</b>	

Note: COVID-19 funding received in March 2020 (Tranche One £5.3m) is included within the reserves contribution line as this was received in 2019/20 and was transferred to a reserve for use in 2020/21

## Overview

\* The Council has forecast reserve balances of £8.7m at the end of 2020/21, this includes £3.1m of general fund, £1.1m of usable reserves and £4.4m of ring-fenced reserves.

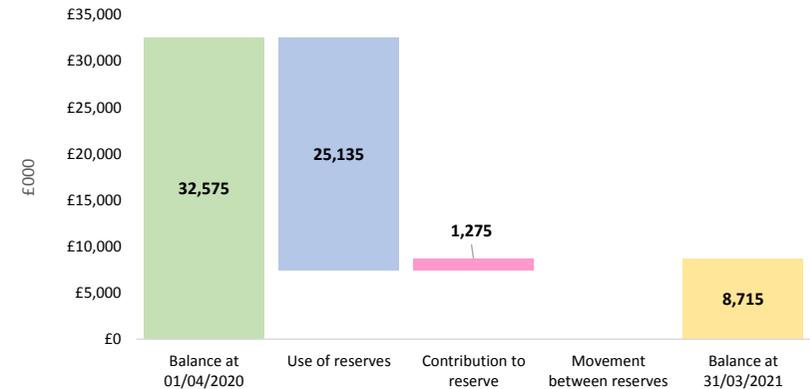
\* The Capacity Building Reserve includes the assumption that £6.7m will be used to fund the in year projected overspend, as outlined within this report. The Capacity Building Reserve does not hold sufficient balances to fully cover the Projected overspend, therefore £2.9m has be required from the General Fund.

\*The Capacity Building Reserve also committed from this reserves are the costs of transformation programmes such as the ICT strategy and Adults Positive Challenge.

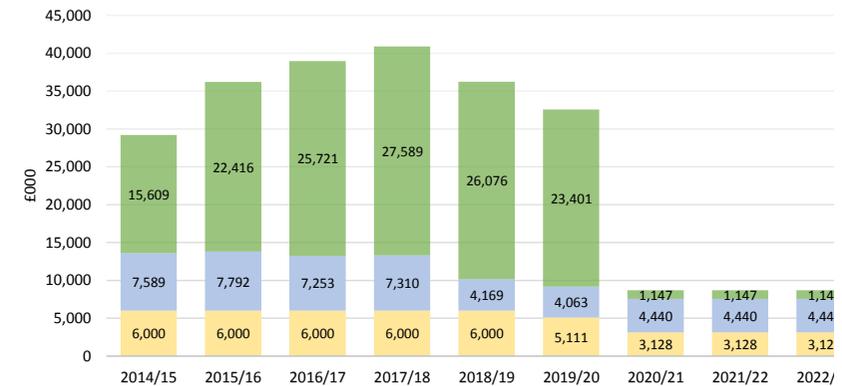
\* The COVID-19 Reserve was created in 2019/20, as a result of receiving the first tranche of the £3.2bn response funding in March. It is forecast that this will be used in full to cover the additional costs, and has been vired in to the revenue budget, as shown in the report.

	2020/21	2020/21	2020/21	2020/21	2020/21	2021/22	2022/23
	Balance C/Fwd £000	Forecast Cont from Reserve £000	Forecast Cont to Reserve £000	Movement between Reserves £000	Balance at 31.03.21 £000	Balance at 31.03.22 £000	Balance at 31.03.23 £000
<b>Summary of Reserves</b>							
<b>General Fund Balance</b>	5,111	(2,872)	889	-	3,128	3,128	3,128
<b>Usable Reserves</b>							
Capacity Building Reserve	12,992	(12,992)	-	-	0	0	0
Grant Equalisation Reserve	-	-	-	-	-	-	-
Departmental Reserve	5,077	(3,930)	-	-	1,147	1,147	1,147
Covid-19 Reserve	5,332	(5,332)	-	-	-	-	-
	<b>23,401</b>	<b>(22,254)</b>	<b>-</b>	<b>-</b>	<b>1,147</b>	<b>1,147</b>	<b>1,147</b>
<b>Ring-Fenced Reserves</b>							
Insurance Reserve	3,073	-	386	-	3,459	3,459	3,459
Schools Capital Expenditure Reserve	752	-	-	-	752	752	752
Parish Council Burial Ground Reserve	56	-	-	-	56	56	56
Hackney Carriage Reserve	173	-	-	-	173	173	173
Public Health Reserve	9	(9)	-	-	-	-	-
	<b>4,063</b>	<b>(9)</b>	<b>386</b>	<b>-</b>	<b>4,440</b>	<b>4,440</b>	<b>4,440</b>
<b>Total Usable and Ring-Fenced Reserves and General Fund Balance</b>	<b>32,575</b>	<b>(25,135)</b>	<b>1,275</b>	<b>-</b>	<b>8,715</b>	<b>8,715</b>	<b>8,715</b>

Movement in Reserves 2020/21



RESERVES BALANCES 2014/23



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**Overview**

The revised Capital Programme budget as at July 2020 is £130.5m, which includes £45.6m for Invest to Save (I2S) Schemes.

The agreed investment as per the Medium Term Financial Plan (MTFS) was £146.4m. The movement between the MTFS position and the £158.6m as at April 2020 was a result of slippages mainly due to delays completing projects from 2019/20.

The actual investment expenditure as at July 2020 is £7.1m. The latest forecast provided by project managers predicts an overall spend of £130.5m, therefore the Council is expecting to spend a further £123.5m before Mar-21.

The I2S budget is for schemes that must cover the cost of borrowing and minimum revenue provision (MRP) from either income generation or from generated savings.

The Asset Investment Plan can be funded via three core elements, external third party income (including grants), capital receipts generated from the sale of Council assets, and borrowing from the external market. For the 2016/17 MTFS onwards the approved strategy is to use Capital Receipts as part of a contribution to the Minimum Revenue Provision (MRP) therefore they are no longer used primarily for the funding of the Asset Investment.

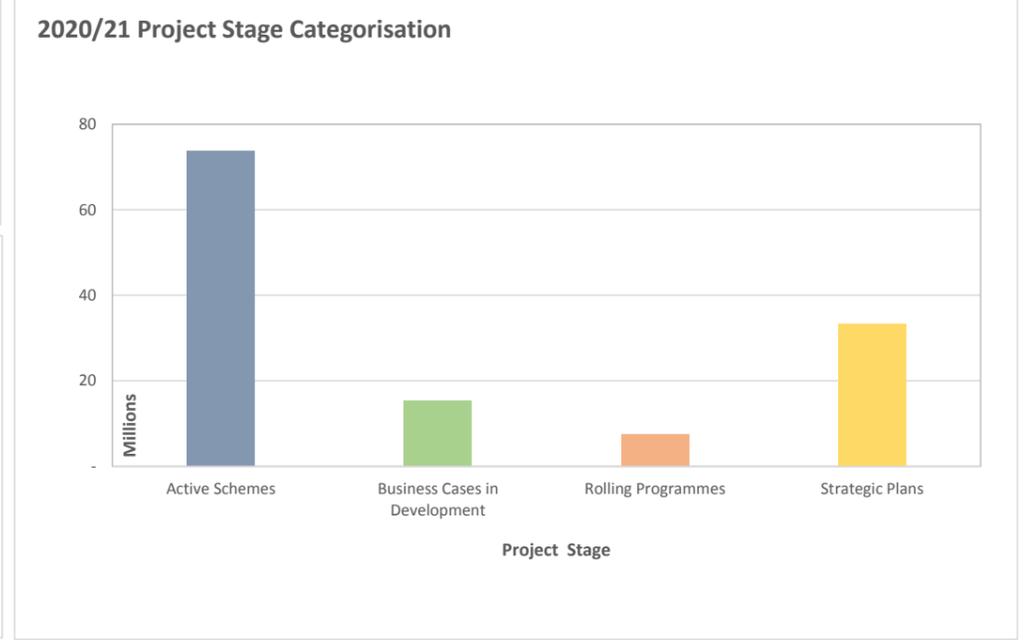
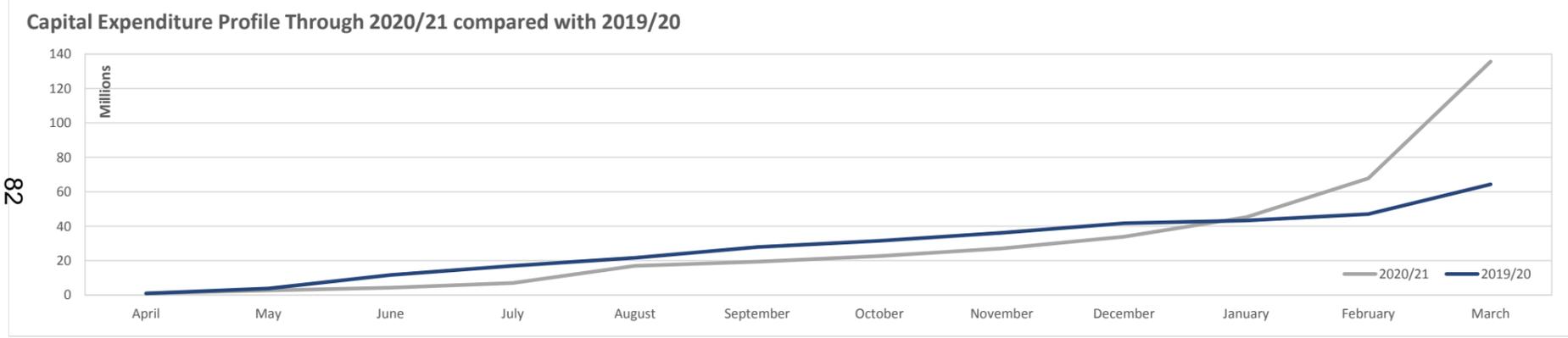
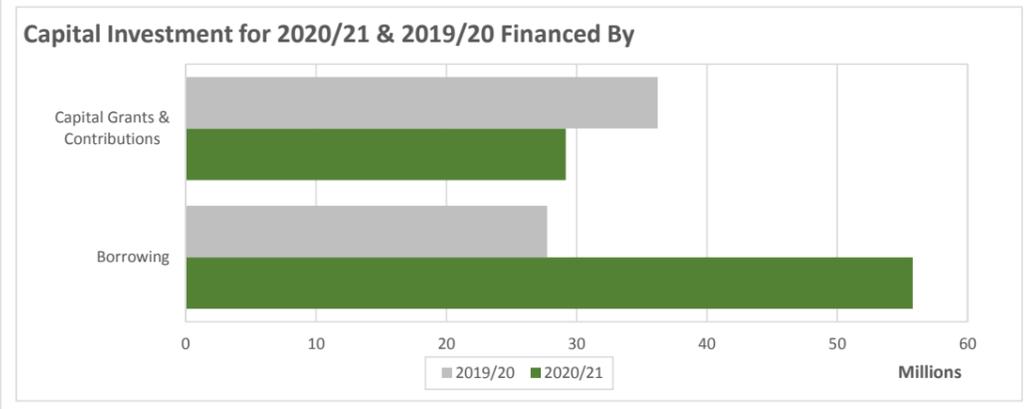
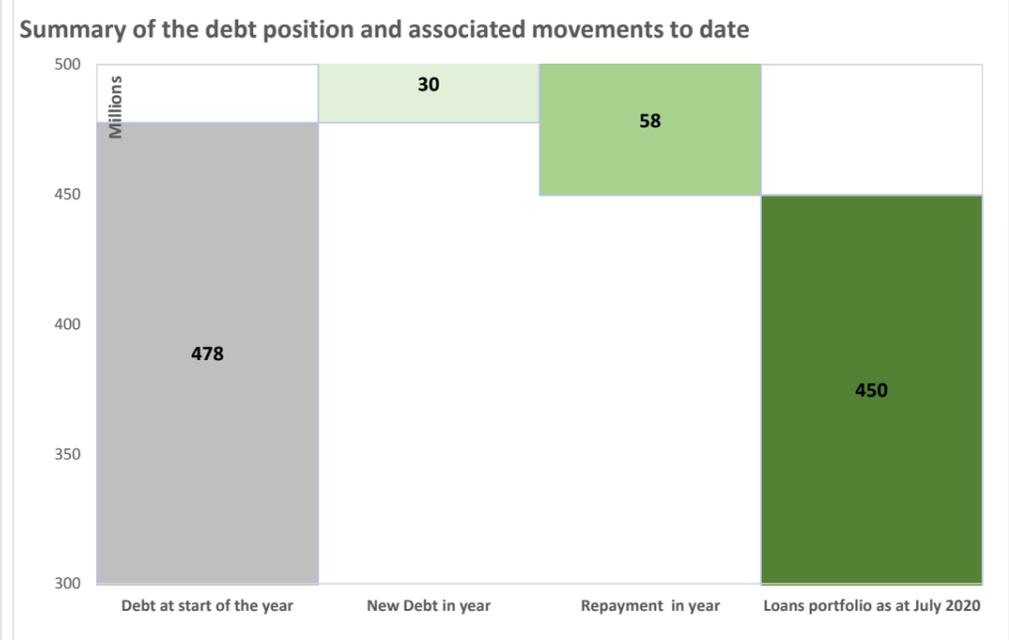
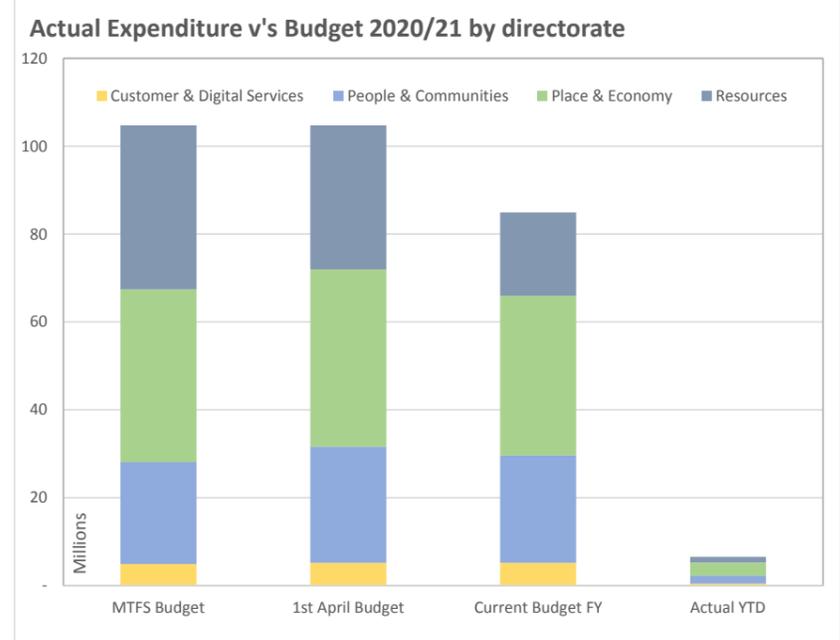
The following table shows the breakdown of the Council's Asset Investment over the directorates and how this investment is to be financed.

Directorate	MTFS Budget	1st April Budget	Revised Budget		Actual YTD
	£k	£k	FY	£k	£k
Customer & Digital Services	4,920	5,169	5,169		455
People & Communities	23,215	26,439	24,476		1,842
Place & Economy	39,275	40,386	36,306		2,916
Resources	38,341	40,995	18,995		1,349
<b>TOTAL</b>	<b>105,751</b>	<b>112,989</b>	<b>84,946</b>		<b>6,562</b>
Grants & Third Party Contributions	26,778	32,707	29,164		4,297
Capital Receipts repayment of loans	0	0	0		0
Borrowing	78,973	80,282	55,782		2,265
<b>TOTAL</b>	<b>105,751</b>	<b>112,989</b>	<b>84,947</b>		<b>6,562</b>
Invest to Save	40,602	45,602	45,602		491
Invest to Save Borrowing	40,602	45,602	45,602		491

**Virements to be Approved**

Item	£k	Description
Expansion and improvement of Heltwater SEND school	2,800	Allocate £1m for additional secondary school places in 2020/21, £800,000 of unallocated section 106 funding and additional basic need funding of £1m
Purchase of 62-68 Bridge Street	9,000	Link to CMDN <a href="https://democracy.peterborough.gov.uk/mglIssueHistoryHome.aspx?lId=24701&amp;Opt=0">https://democracy.peterborough.gov.uk/mglIssueHistoryHome.aspx?lId=24701&amp;Opt=0</a>
Towns Fund improvements	1,000	£1m accelerated funding from the New Towns Fund to deliver park and open space improvements
Northminster Multi Storey Car Park	531	This pressure will be offset by an underspend on the ICT budget
Contribution to a new access to the Parkway as part of the University development	2,000	Following the approval to move forward with the University and the official opening ceremony over the summer the Council have agreed to a contribution to the cost of a new Access to the Parkway for the University. This will also be another route of access to the Town Centre.

# Capital Programme - 2020/21 Performance Dashboard



<b>CABINET</b>	AGENDA ITEM No. 9
<b>21 SEPTEMBER 2020</b>	<b>PUBLIC REPORT</b>

Report of:	Fiona McMillan, Director of Law and Governance	
Cabinet Member(s) responsible:	Councillor Farooq, Cabinet Member for Digital Services and Transformation	
Contact Officer(s):	Pippa Turvey, Democratic and Constitutional Services Manager	Tel. 452460

## OUTCOME OF PETITIONS

<b>RECOMMENDATIONS</b>	
<b>FROM:</b> <i>Directors</i>	<b>Deadline date:</b> <i>N/A</i>
It is recommended that Cabinet notes the actions taken in respect of petitions.	

### 1. ORIGIN OF REPORT

- 1.1 This report is submitted following the submission of E-Petitions, the presentation of petitions to Council officers, and the presentation of petitions at Council meetings.

### 2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to update Cabinet on the progress being made in response to petitions submitted to the Council at the end of the 2019/2020 municipal year. An update on petitions received at the start of the 2020/2021 municipal year will be provided to Cabinet at its next meeting.
- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.3, '*To take a leading role in promoting the economic, environmental and social well-being of the area*'.

### 3. TIMESCALES

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

#### **Petitions Received by the Council**

##### Coneygree Road – Safe Crossing

The petition was submitted by Councillor Lillis at Full Council on 5 February 2020. The petition contained 156 valid signatures and called on the Council "to install a new pedestrian crossing on Coneygree Road."

The Principal Sustainable Transport Planning Officer responded:

“Thank you for submitting the response requesting a new crossing on Coneygree Road. We receive a number of requests for new crossings and we assess each one to see if a crossing can be justified. The assessment process, known as a PV2 assessment, counts the number of vehicles and the number of people crossing the road to give a weighted score. Sites that score highly enough will then be progressed through to design options for a new crossing. We have a number of sites that we need to assess but we will add this to our list and undertake the survey in the near future.”

### Stop the Cuts to the Baby Café

The petition was submitted by Oscar Butler online on 27 April 2020. The petition contained 45 valid signatures and called on the Council “to Reverse the decision to pull funding to pay for qualified breastfeeding counsellors from the contract the PCC has with National Childbirth Trust”.

The Commissioning Team Manager for the Healthy Child Programme responded:

“Peterborough City Council are committed to supporting mothers throughout their breastfeeding journey and commission a range of support options suited to meet the needs of local families.

A decision was taken to not renew the Baby Café licenses from 2020/21, in favour of a new delivery model which will be facilitated by trained Peer Supporter group leaders. All peer supporters are required to undergo accredited training through the Open College Network and attend monthly update and supervision sessions to ensure they have the skills to support mothers, emotionally and socially and have the knowledge to provide practical advice and information in line with best practice to support mothers with common breastfeeding issues. There is good evidence from the National Institute of Health and Care Excellence (NICE) and the World Health Organisation (WHO) that breastfeeding peer-support programs are effective.<sup>1</sup> The service works closely with Midwifery and Health Visiting services to ensure that women experiencing more complex and persistent issues receive timely specialist advice and support.

These changes also come in light of a changing landscape. When this service first started there was not the Specialist community support provided by Midwifery and Health Visiting services that there now is and it is important that this service is flexible in its approach to ensure we prioritise resources to ensure we reach families who need help and offer support through a range of access mechanisms.

Group support is just one part of a wider network of breastfeeding support offered through the service, which includes support on the post-natal ward, telephone and text support and via social media platforms. Additionally the Covid-19 restrictions have also allowed exploration of group support through video conferencing, which is proving a popular way of extending support to mothers, especially those who experience transport limitations.

We would like to thank the Breastfeeding Counsellors who have been linked to the Serpentine Green Baby Café for the valued support they have provided over the past 6 years.”

## **5. REASON FOR THE RECOMMENDATION**

- 5.1 As the petitions presented in this report have been dealt with by Cabinet Members or officers, it is appropriate that the action taken is reported to Cabinet.

## **6. ALTERNATIVE OPTIONS CONSIDERED**

- 6.1 There have been no alternative options considered.

## **7. IMPLICATIONS**

- 7.1 There are no legal, financial, or equalities implications arising from the issues considered.

**8. BACKGROUND DOCUMENTS**

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

8.1 Petitions presented to the Council and responses from officers.

**9. APPENDICES**

9.1 None.

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