

**MINUTES OF THE BUDGET CABINET MEETING
HELD AT 10:00AM, ON
MONDAY 16 NOVEMBER 2020
VIRTUAL MEETING VIA ZOOM**

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

Cabinet Advisor Present: Councillor Bashir

29. APOLOGIES FOR ABSENCE

No apologies for absence were received.

30. DECLARATIONS OF INTEREST

No declarations of interest were received.

31. MINUTES OF MEETINGS:

(a) 14 SEPTEMBER 2020 – SHAREHOLDER CABINET COMMITTEE

The minutes of the Shareholder Cabinet Committee meeting held on 14 September 2020 were agreed as a true and accurate record.

(b) 21 SEPTEMBER 2020 – CABINET

The minutes of the Cabinet meeting held on 21 September 2020 were agreed as a true and accurate record.

(c) 26 OCTOBER 2020 – BUDGET CABINET

The minutes of the Budget Cabinet meeting held on 26 October 2020 were agreed as a true and accurate record.

32. PETITIONS PRESENTED TO CABINET

There were no petitions presented to Cabinet.

STRATEGIC DECISIONS

33. CHILD YIELD MULTIPLIERS

The Cabinet received a report in relation to revised child yield multipliers.

The purpose of this report was to provide Cabinet with an understanding of how the numbers of children arising from new developments were calculated, and how the multipliers were used to determine the education infrastructure required to mitigate the impact of new developments.

The Cabinet Member for Children's Services, Education, Skills and the University introduced the report and advised that the Council had been working with business intelligence tools since 2018. This had been important in forecasting the number of children within new and expanding communities using number of bedrooms and tenancy types. It was important for this information to be up to date and credible to reflect the local situation in Peterborough.

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

- It was explained that the child yield for social housing was higher due to the allocation of social housing being based on need. Therefore, there were no 'spare rooms' within social housing, typically.
- The proposed yield assumptions were considerably increased than previous assumptions.
- It was noted that fewer children with Education, Health and Care plans were seen in newer developments. It was suggested that this may, in part, be due to the need for specialist forms of housing for children with severe disabilities which would be provided via social housing.
- The analysis of the survey content would need to be completed to establish the impact of the 'quality' of education had on the ratio of children within developments.
- There was considered to be very little scope to renegotiate any existing contracts with developers.
- It was noted that the education contribution required from developers would increase, which may be an issue of viability for developers. However, without the increase it would cost the Department for Education more in grants for basic needs.

Cabinet considered the report and **RESOLVED** to adopt the proposed revised child yield multipliers to be used to calculate the level and type of education infrastructure required to mitigate the impact of new developments.

REASONS FOR THE DECISION

To reflect government non-statutory guidance Securing Developer Contributions for Education (DfE November 2019), in particular "Pupil yield factors should be based on up to date evidence from recent housing developments".

To provide officers with a robust platform on which to base negotiations with developers so that the Council will be better placed in the future to secure appropriate developer contributions.

To enable the Council to plan more accurately with regard to the size and timing of new education infrastructure, and thus ensure it continues to meet its statutory place planning duties.

ALTERNATIVE OPTIONS CONSIDERED

The anticipated outcome of this report was that Cabinet would have a clear understanding of the purpose of child yield multipliers, how they were derived and the use to which they were put in planning education provision so that the Council met its statutory place planning duties whilst minimising risk, and would be able to endorse the use of the new general and detailed multipliers so that they could be used with immediate effect.

MONITORING ITEMS

34. BUDGET CONTROL REPORT SEPTEMBER 2020

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

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

The Cabinet Member for Finance introduced the report and invited Neil Harris, Ernst and Young, to address Members. Neil Harris advised that as the external auditors to the Council, Ernst and Young had an ongoing dialogue with the finance team. Members were advised that the audit had taken into account the pre-COVID position and the steps taken in response to COVID-19 implications. It had been noted that the Council had made regular public reports and was in a dialogue with the Ministry of Housing, Communities, and Local Government. Additionally, the Council was in regular communication with parish councils.

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

- As to whether the administration were mismanaging the finances of the Council, it was advised that the external auditors would not reach that conclusion based on the work seen to date.
- It was considered that all appropriate steps had been taken in line with CIPFA guidance, and that the letter to the MHCLG was suitable.
- Members felt that the Council were being proactive and transparent in their approach to its finances.
- It was suggested that further stress testing of figures may be necessary following further changes to economic trends, particularly in light of the second COVID-19 lockdown.
- The Council's external auditors felt that they had been well supported with all necessary information.
- In relation to the Budget Control Report, the key changes to note included the additional receipt of a £5.7million grant from Government, 80% of which was expected to be received by 20 November 2020, and would be distributed following a robust application process.
- In relation to the capital programme the Council was significantly behind its normal position for this time in the year. Highway schemes were starting to generate funds.
- Should a further lockdown occur then the Council had already assumed a high level of ongoing cost for the second half of the year. If there was another national lockdown, a further grant would be anticipated.

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

1. The Budgetary Control position for 2020/21 as at 30 September 2020 is a forecast overspend of £4.3m against budget. This includes the current estimated impact of C-19 and the additional C-19 response funding.
2. Included in this report is a forecast £38.1m of additional pressure due to C-19, as reported to the Ministry of Housing Communities and Local Government, within the October return, 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 has been made available and allocated to the business community due to C-19, as outlined in section 4;
5. The key variance analysis and explanations are contained in Appendix A; 6. The Council's reserves position, as outlined within Appendix A.

REASONS FOR THE DECISION

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

ALTERNATIVE OPTIONS CONSIDERED

None provided.

35. OUTCOME OF PETITIONS

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

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

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

REASONS FOR THE DECISION

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

ALTERNATIVE OPTIONS CONSIDERED

There had been no alternative options considered.

Chairman
10.00am to 11.21am
16 November 2020