

**JOINT MEETING OF THE SCRUTINY COMMITTEES
HELD AT 6.00PM ON
MONDAY 23 JANUARY 2023
COUNCIL CHAMBER, TOWN HALL**

Committee Members Present: Councillors I Yasin (Chair), J Allen, S Barkham, N Bi, C Burbage, G Casey, N Day, G Elsey, M Farooq, S Farooq, C Fenner, J A Fox, J R Fox, C Harper, M Haseeb, M Jamil, A Iqbal, A Jones, D Jones, K Knight, D Over, M Perkins, S Qayyum, M Rangzeb, R Ray, L Robinson, B Rush, M Sabir, N Sandford, A Shaheed, L Sharp, H Skibsted, B Tyler and C Wiggin

Non-Statutory Co-opted Members Present: Parish Councillor Neil Boyce, Independent Co-opted Member (non-voting)

Also present: Councillor Hogg, Group Leader of Liberal Democrats and Eva Woods Youth MP

Officers Present:

Matthew Gladstone, Chief Executive
Cecilie Booth, Executive Director, Corporate Services and Section 151 Officer
Charlotte Black, Executive Director, People Services
Adrian Chapman, Executive Director, Place and Economy
Rochelle Tapping, Director of Law and Governance
Jonathan Lewis, Director of Education
Emmeline Watkins, Deputy Director of Public Health
Patricia Phillipson, Service Director Finance and Deputy Section 151 Officer
Emma Riding, Budget Planning and Reporting Manager
Rachel Edwards, Head of Constitutional Services
Philippa Turvey, Democratic and Constitutional Services Manager
Ramin Shams, Senior Democratic Services Officer
Charlotte Cameron, Democratic Services Officer

Cabinet Members Present: Councillor Fitzgerald, Leader of the Council
Councillor S Allen, Deputy Leader and Cabinet Member for Communication, Culture and Communities
Councillor Ayres, Cabinet Member for Children's Services, Education, Skills, and the University
Councillor Marco Cereste, Cabinet Member for Climate Change, Planning, Housing and Transport
Councillor Coles, Cabinet Member for Finance and Corporate Governance
Councillor Howard, Cabinet Member for Adult Social Care, Health, and Public Health
Councillor Simons, Cabinet Member for Waste, Street Scene, and the Environment

Councillor Bisby, Cabinet Advisor to the Cabinet Member for Children's Services, Education, Skills, and the University

Councillor Hussain, Cabinet Advisor to the Cabinet Member for
Communication, Culture and Communities
Councillor Nicolle Moyo, Cabinet Advisor for Law, and
Governance
Councillor Oliver Sainsbury, Cabinet Advisor to the Leader

The Senior Democratic Services Officer opened the meeting by welcoming everyone present and those members of the public and press who were watching the livestream of the meeting through the Council's YouTube page.

1. NOMINATION OF CHAIR

The Senior Democratic Services Officer advised the Committee that in accordance with *Part 4, Section 8 – Scrutiny Committee Procedure Rules, section 13, Joint Meetings of Scrutiny Committees* a Chair would be required to be appointed from among the Chairs of the Committees who were holding the meeting. Nominations were sought from those present who were Councillor Barkham Chair of the Adults and Health Scrutiny Committee, Councillor Day Chair of the Climate Change and Environment Scrutiny Committee Councillor Robinson Chair of the Children and Education Scrutiny Committee and Councillor Yasin Chair of the Growth, Resources and Communities Scrutiny Committee. Councillor Yasin was nominated by Councillor Robinson and seconded by Councillor Barkham. There being no further nominations, Councillor Yasin was appointed Chair of this committee.

The Chair welcomed everyone present and explained that the purpose of the meeting was to provide an opportunity for all members of each Scrutiny Committee to scrutinise the Draft Budget 2023/24 And Medium-Term Financial Strategy 2023/26 and the Second Independent Improvement and Assurance Panel Report.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Lane and Councillor Hemraj, and Councillor Iqbal was in attendance as substitute.

Apologies for absence were also received from Statutory Education Co-opted Members Peter Cantley and Dr Andy Stone, Parish Councillor Michael Samways and Independent Co-opted Members Sandie Burns MBE, Stuart Dawks, Dr Esther Norton, and Christine De Wilde.

3. DECLARATIONS OF INTEREST AND WHIPPING DECLARATIONS

No declarations of interest or whipping declarations were received.

4. DRAFT BUDGET 2023/24 AND MEDIUM-TERM FINANCIAL STRATEGY 2023/26

The Cabinet Member for Finance and Corporate Governance introduced the report and highlighted the following:

The report presented a balanced draft budget for 2023-2024. Tributes were given to the organisation, and all involved in the budget production, where there had been huge strides to make it financially sustainable. Thanks were extended to Members and their collaborative efforts that had made this possible.

The Financial Sustainability Working Group met monthly to discuss the progress of the budget and the Cabinet Member was pleased to say that the budget included proposals suggested by the opposition groups, as outlined in section 3 of the main report.

There were many factors that affected the budget, such as soaring inflation, increased energy prices and the rapidly rising population.

The budget included the plan to increase Council tax by 4.99%, which had been in line with the expectations of central government. Officers had acknowledged that residents were facing their own financial challenges, but the rise would support the Council in meeting service demand. There had been a detailed review on demand led services within the Council and the focus within this budget had been on service transformation. However, caution was advised as there remained uncertainty around government funding and the upcoming reforms for Adult Social Care.

The feedback from residents, businesses and community groups was greatly received, and had been included in Appendix C and a formal response would be presented at Cabinet on 13 February 2023. Members were reminded that this was a draft version and there were a few technicalities to be finalised ahead of adoption at Council. These expected changes had been highlighted in section 2.4 of the main report.

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

Section	Questions / Comment from Members	Response from Relevant Cabinet Member / Executive Director
Introduction of Draft Budget 2023/2024 and Medium-Term Financial Strategy 2023-2024	Members referred to the review of all contracts and queried how that had been done.	The Executive Director of Corporate Services advised that CIPFA (Chartered Institute of Public Finance and Accountancy) had been brought in to review all contracts and company structures.
	Members referred to the 3% pay award and queried the pressure this would put on the budget if the award were higher.	Members were advised that the pay award prediction had been on the low side and would be an additional pressure that would be revisited.
	Members questioned the lack of engagement with the Budget Consultation and how this could be improved. Members suggested that	The Cabinet Member for Finance and Corporate Governance advised that the responses needed more representation to draw inferences. There had been increased

	<p>engagement may be improved if the Council implemented regular consultations.</p>	<p>communication and every effort had been made to reach residents. Members noted that other local authorities had faced similar issues and Officers welcomed any input to improve engagement.</p> <p>The Executive Director of Corporate Services highlighted that the Budget Simulator had been successful, and residents seemed to engage more with an interactive approach.</p>
	<p>Members queried if NPS (Norfolk Property Services) would still be brought in house and if so, why that had been decided.</p>	<p>Members were advised that the plans had moved forward, which would remain the case. Previously, there had been limited oversight on clients with only one PCC staff member and if NPS was brought in house, this would be rectified.</p>
	<p>Members referred to the levels of borrowing on page 17 and questioned how investments would reduce that.</p>	<p>The Executive Director of Corporate Services advised that the Council had a significant debt portfolio and that the priorities in the Capital Strategy had to reduce borrowing.</p> <p>There would be no borrowing on new schemes unless there was a sound business case, with a short-dated payback period. Members noted that the asset disposal programme would also support debt reduction.</p>
	<p>Members referred to Adult Social Care digitisation and questioned what this would mean for service users who were unable to use the technology.</p> <p>Members also queried what the cost would be for these digitisation plans.</p>	<p>The Executive Director People Services advised that this meant service users would be able to access services in one place. There would be arrangements in place for those individuals who were unable to use the technology.</p> <p>The costs were still being explored and but as the digitisation plans were part of the Adult Social Care reforms, the digitisation service would need to be funded.</p>
	<p>Members referred to page 15 and asked for</p>	<p>Members were advised that there had been £1.7 million saved in</p>

	assurances that the Council were on track with savings on contract renewals and council purchases.	this area. The Executive Director of Corporate Services added that as procurement had been brought in house, an annual procurement plan could be developed. This would allow the service to transition from a reactive to a proactive one.
	Members noted the legacy debt and questioned what lessons had been learnt.	Members were advised that the debt portfolio had built up over several years. It had been good to have some debt, but it had increased through too much borrowing.
The Joint Scrutiny Committee RESOLVED to note this section of the Draft Budget 2023/2024 and Medium-Term Financial Strategy 2023-2024.		
Appendix A - Medium Term Financial Strategy 2023 – 2026 (Q3 update)	Members queried the motivation behind combining Flag Fen's operations and the museum. Members also sought clarification on the progress of the review of the libraries and community hubs.	The Deputy Leader and Cabinet Member for Communication, Culture and Communities advised that economy of scale had been the motivation and it had made sense to combine the heritage sites and review the service provided by the libraries and community hubs. The Executive Director Place and Economy added that there had been a need for a review in both cases as there had not been one for a while. Members noted the access challenges of Flag Fen and the lack of updates on the Museum had made the move to combine the two the best decision for service users.
	Members queried how realistic the key assumption of building 1000 houses per annum was.	Members were advised that 1000 per annum was the standard. It would be important to get the balance right as Peterborough had been growing and there had been an increase in housing needs.
	Members referred to the transport levy prediction of 9% and the CPCA's (Cambridgeshire and Peterborough Combined	Members noted that the transport levy had now been set at 2% and the CPCA board would meet soon to confirm this. The lower than predicted number would provide a

	<p>Authority) prediction of 12% and queried whether the prediction was too low and if this would result in additional budget pressures.</p>	<p>benefit to the budget.</p>
	<p>Members noted the increase in parents accessing short break respite, home care and direct payments but that the Council planned to reduce this provision.</p> <p>Members questioned how this would happen and whether the bar would be raised too high for those wanting to access help.</p>	<p>The Director of Education reassured Members that the reduction had followed a review into meeting the needs of the children who presented complex needs. Therefore, there would be no reduction in service but rather an adjustment in line with demand.</p>
	<p>Members queried if the prediction on the living wage increase was appropriate.</p>	<p>The Budget Planning and Reporting Manager advised that the assumptions had been based on the best data available, but risk mitigations were in place.</p>
	<p>Members commended both Councillors and Officers for their work on the budget.</p> <p>Members referred to page 23 and sought clarification on how Brexit had impacted the council's budget.</p> <p>Members noted the impact of Brexit on the staff shortage in Adult Social Care but suggested the section be expanded to explain specifically how it had influenced the Council's budget.</p>	<p>The Executive Director of Corporate Services advised that Brexit had remained a key risk due to its influence on the availability of labour, goods and services.</p> <p>Members noted that we were still living with the impacts of Brexit.</p>
	<p>Members sought clarification on the number of reserve balances the council had and whether there were plans to increase them.</p>	<p>Members were advised that there was a range of different reserves for different purposes such as general fund balances which had propped up the net revenue budget. These had been depleted in previous years but the hope was to increase it to 5% of the net revenue budget which would be £8 million.</p>

	Members queried if the profits from the energy from the waste facility were liable to a windfall tax.	The Cabinet Member for Finance and Corporate Governance advised that the revenue from the plant had not been sufficient enough to impose a windfall tax.
	Members referred to the outsourcing of OP (Opportunity Peterborough) and sought clarification on how it would be ensured that this would not burden the taxpayer.	Members were advised that OP needed to be dealt with in house as it was efficient for savings in comparison to outsourcing. The Executive Director of Corporate Services added that the work to improve the procurement team had been to make it more efficient and removed the profit element that SERCO would have applied to their contract. The Leader of the Council also advised Members that OP oversight had been needed to strengthen the economy team.
The Joint Scrutiny Committee RESOLVED to note this section the Draft Budget 2023/2024 and Medium-Term Financial Strategy 2023-2024.		
Appendix B - Draft Revenue & Capital Budget Report 2023/24	Members referred to the introduction of ANPR cameras and enforcement officers' time. They asked if there would be a guarantee that the enforcers would be redeployed into areas other than the city centre.	The Deputy Leader and Cabinet Member for Communication, Culture and Communities advised that automatic number plate recognition would bring more revenue in to support the services. The Executive Director of Place and Economy advised that there were 13 enforcement officers and that the introduction of ANPR would free up enforcers' time to focus on local neighbourhoods which were committed to in the budget.

	<p>Members queried what the cost of insourcing a procurement specialist was.</p> <p>Members followed up and requested that the Officer provide the exact cost for this external procurement specialist.</p>	<p>The Executive Director of Corporate Services advised that they had been brought in for an interim period of 6 months and had been funded by the transformation. reserve.</p> <p>Members were also advised that the cost of the Officer benefitted the progress of the service. The procurement service would be reviewed and would look to find savings in one contract rather than small savings across many contracts.</p>
	<p>Members referred to page 31 and the development of family hubs and queried how much central government had been received for this.</p>	<p>The Cabinet Member for Children's Services, Education, Skills, and University confirmed that the Council had received £3.3 million and the roll out would be developed.</p>
	<p>Members referred to page 30 and queried why the parish precepts of £704,000 had been included as an income but not an expenditure.</p>	<p>Members were advised that collecting the precepts was not a cost to the Council as it was collected on the Parishes behalf and had been included for completeness.</p> <p>The Budget Planning and Reporting Manager clarified that this had been included in an expenditure line within Corporate Services.</p>
	<p>Members referred to the growth of Peterborough's population and questioned if there was a figure for the additional amount of people living in the authority.</p> <p>Members followed up and sought clarification on what the £1.5 million investments into growth, regeneration and development would look like.</p>	<p>The Cabinet Member for Finance and Corporate Governance advised that this was an unknown and would be difficult to determine the figure.</p> <p>The Leader of the Council referred back to OP as an example of the investment that would be made.</p>
	<p>Members referred to the CPCA (Cambridgeshire and Peterborough Combined Authority) target of a</p>	<p>The Leader of the Council advised that the £48 million received for the Station Quarter development would include</p>

	reduction in car journeys by 15% by 2030 and queried if anything had been included in the budget to support the Council in achieving this. Members referred to the amount of capital highway schemes and queried if there would be a shift towards public transport schemes.	improvements in access for cyclists and walkers in the city centre. There would be a commitment to improving public transport which had included £4 million for the move to electrified bus infrastructure.
	Members questioned if there were more risks to the budget that had not been identified in the report.	Members were advised that there would likely be risks that Officers were unaware of. The budget contained the best assessment and strong inflation and transformation reserve.
	Members sought clarification on the work on reducing contamination rates and learning best practices from other local authority areas.	The Cabinet Member for Waste, Street Scene, and the Environment advised that an education team were due to be brought in and that they would support the work in this area. Members noted that every 1% increase in recycling would save £70,000 in the budget.
	Members asked for a breakdown of how the parish precepts were spent.	Members were advised that the Council were not involved in that process and that the Parishes would need to be contacted for that information.
<p>The Joint Scrutiny Committee RESOLVED to note this section of the Draft Budget 2023/2024 and Medium-Term Financial Strategy 2023-2024.</p> <p>The Joint Scrutiny Committee also requested that the Executive Director of Resources provide them with the cost of employing the external procurement specialist.</p>		
Appendix C - Budget Consultation Feedback	Members questioned what the feedback from the budget simulator was as it had not been included in the report.	Members were advised of two key findings, residents agreed with the 5% Council Tax increase and wanted to protect the education service.
	Members sought clarification on how those with no technology or English as their second language had been engaged for the consultation.	The Executive Director of Corporate Services advised that it had been hard to engage with residents and found it easier with the budget simulator. Officers welcomed any

		suggestions on how to improve engagement.
	Members referred to the decision to keep yearly ward elections and queried whether that decision would be overturned to lead to savings in elections. Members clarified that it was a budget question related to expenditure and savings in the elections.	The Cabinet Member for Finance and Corporate Governance believed it was not quite a budget question. The Leader clarified that the issue remained on the agenda for DLUCH and would be revisited at the right time.
The Joint Scrutiny Committee RESOLVED to note this section of the Draft Budget 2023/2024 and Medium-Term Financial Strategy 2023-2024.		
Appendix D - Reserves Strategy & Policy 2023/24	Members queried if there were enough reserves to manage pressures in the future.	Members were advised that there were insufficient reserves and that the Council had a lower amount than other local authorities.
The Joint Scrutiny Committee RESOLVED to note this section of the Draft Budget 2023/2024 and Medium-Term Financial Strategy 2023-2024.		
Appendix E - Equality Impact Assessments	There were no questions raised.	
The Joint Scrutiny Committee RESOLVED to note this section of the Draft Budget 2023/2024 and Medium-Term Financial Strategy 2023-2024.		
Appendix F - Carbon Impact Assessments	There were no questions raised.	
The Joint Scrutiny Committee RESOLVED to note this section of the Draft Budget 2023/2024 and Medium-Term Financial Strategy 2023-2024.		
Appendix G - Treasury Management Strategy 2023/24 to 2025/26	There were no questions raised.	
The Joint Scrutiny Committee RESOLVED to note this section of the Introduction of Draft Budget 2023/2024 and Medium-Term Financial Strategy 2023-2024.		
Appendix H - Capital and Investment Strategy 2023 – 2025	There were no questions raised.	
The Joint Scrutiny Committee RESOLVED to note this section of the Draft Budget 2023/2024 and Medium-Term Financial Strategy 2023-2024.		
Appendix I - Dedicated Schools Grant and the Schools Budget 2023-	There were no questions raised.	

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The Joint Scrutiny Committee RESOLVED to note this section of the Draft Budget 2023/2024 and Medium-Term Financial Strategy 2023-2024.		
General Comments, any overall recommendations and Conclusion	Members queried what a mausoleum replacement was.	The Cabinet Member for Climate Change, Planning, Housing and Transport advised that the old one had reached capacity and a new one needed to be built.
The Joint Scrutiny Committee RESOLVED to note this section of the Draft Budget 2023/2024 and Medium-Term Financial Strategy 2023-2024.		

SUPPLEMENTARY AGENDA

SECOND INDEPENDENT IMPROVEMENT AND ASSURANCE PANEL REPORT

The Joint Scrutiny Committee received a report in relation to the Second Independent Improvement and Assurance Panel Report.

The purpose of the report was to present the second report of the Independent Improvement and Assurance Panel to the Joint Scrutiny Committees as the next meeting with the Department for Housing Levelling Up and Communities (DHLUC) was scheduled for the 30 January 2023. Therefore, it was imperative that the report was presented to the Joint Scrutiny before that meeting.

The Chief Executive was happy for the committee to go straight to questions and there were no questions raised.

5. The Joint Scrutiny Committee **RESOLVED** to review the Second Independent and Assurance Panel report and agreed with the actions and progress being made with the delivery of the Improvement Plan.

CHAIR

Meeting began at 6.00pm and ended at 7.21pm

