

**MINUTES OF THE CABINET MEETING
HELD AT 10:00AM, ON
MONDAY, 25 SEPTEMBER 2017
BOURGES/VIERSEN ROOM, TOWN HALL, PETERBOROUGH**

Cabinet Members Present: Councillor Holdich (Chair), Councillor Ayres Councillor Elsey, Councillor Fitzgerald, Councillor Hiller, Councillor Lamb, Councillor Seaton, Councillor Smith, and Councillor Walsh

Cabinet Advisors Present: Councillor Allen and Councillor Stokes

18. APOLOGIES FOR ABSENCE

No apologies for absence were received.

19. DECLARATIONS OF INTEREST

Agenda Item 7 – Financing Approval for Fletton Quays Hotel

Councillor Holdich and Councillor Hiller declared that they were Directors of Peterborough Investment Partnership. These were non-remunerated positions and were appointed by the Council. As such, it was appropriate for them to remain in the meeting.

It was further noted that the item was in relation to an agreement between Norlin Hotels Holdings Limited and the Council, not Peterborough Investment Partnership.

20. MINUTES OF THE CABINET MEETINGS HELD ON:

(a) 10 JULY 2017

The minutes of the meeting held on 10 July 2017 were agreed as a true and accurate record.

(b) 19 JULY 2017

The minutes of the meeting held on 19 July 2017 were agreed as a true and accurate record.

(c) 26 JULY 2017

The minutes of the reconvened meeting held on 26 July 2017 were agreed as a true and accurate record.

STRATEGIC DECISIONS

21. PAYMENT STRATEGY 2017 - 2021

The Cabinet received a report in relation to the Payment Strategy 2017 - 2021, a change to the parking permit administration, and change to the taxi licensing administration.

The purpose of the report was for Cabinet to consider the comments and responses received to date on the council's Payment Strategy 2017 - 2021 including the proposed closure of the cash office and making available online the administration and payment process for parking permits and taxi licensing.

The Cabinet Member for Resources introduced the report and explained that the consultation on the Payment Strategy included a focus on online digital payment. This involved the closing of the cash office. Over 4,500 people had been consulted. It was advised that many other payment services were run online and moving to this form of payment would ensure that services were as efficient as possible. The subsequent costs of services would be reduced by approximately £100,000 a year.

It was recognised that they council had a duty to vulnerable residents, and those residents in rural areas. This was raised at the Growth, Environment and Resources Scrutiny Committee meeting and had been addressed in the Strategy.

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

- Facilities were already in place for other services to ensure that online payments were secure, in line with legislation.
- The visitor scheme for parking permits would allow for residents to update their account with daily visitor information. If residents did not have an internet connection, postal permits would be available.
- The possibility of having more than one visitor permit would be assessed on a needs basis, as under the previous scheme.
- Solutions to potential issues within rural communities had been investigated, including parish councils, pop shops and 'pay points'.
- It was suggested that the possibility of using mobile post offices as pay points be considered.
- Local businesses would still be able to apply for business parking permits. A new type of permit was also proposed for businesses that were run from home, subject to a number of conditions being met.
- The cash office had seen a decline in use in recent years. During a survey the office received 2,500 customers, 52% of which were for council tax payments. It was established through that the majority of customers used the cash office for payment as it was the method they had always used in the past.
- It was confirmed that cash payments could still be made in over 100 locations around Peterborough.
- The online payment system was currently web-based, and no change to this was proposed. Smart technology, such as apps, were being investigated for the future.

With the permission of the Chairman, Councillor Murphy asked a question in relation to the introduction of a parking permit for home run businesses. The Head of Finance: Business Operation and Development confirmed that such permits were included in the new proposals.

Cabinet considered the report and **RESOLVED** (unanimous) to approve:

- 1) the Payment Strategy 2017 - 2021 that sets out the vision for how customers will make payments to the council in future, with an emphasis on more digital

channels. This includes closure of the cash office at Bayard Place by March 2018;

- 2) implementation of a change to the parking permits administration and payment by making the process entirely available online and in exceptional circumstances provision of a postal service; and
- 3) implementation of a change to the taxi licensing administration and payment by making the process entirely available online.

REASONS FOR THE DECISION

The reasons for the recommendations were as follows:

- The Payment Strategy was last updated in 2008 and since then there has been a number of changes to council services, continued dwelling and business growth resulting in more payments due to the council and technology advancements in how payments can be made.
- The updated strategy needs to align with the council's current and future initiatives, e.g. the implementation of the Front Door Programme which aims to transform the way customers access council services through new and improved digital channels which will enable self-serve and increase self-management by customers, and also divert demand away from council services.
- The permit parking and taxi licensing processes were paper based and not aligned to the council's digital strategies and how customers want to transact with the council in the future.
- To provide the customer with a convenient, safe, accessible and more cost effective way to apply for and pay for council services.
- To deliver the council with efficiency savings.

ALTERNATIVE OPTIONS CONSIDERED

Do nothing and continue with the existing Payment Strategy 2008. This was not an option as the way customers choose to interact with the council was changing, particularly now with more public services being available through digital channels. The council had a duty to ensure that it is providing best value in its delivery of services.

Do nothing and continue to provide parking permits and taxi licensing as a face to face service from either the cash office or as part of another service. This was rejected as provision of face to face services was considerably more expensive than provision of services online. Additionally, customers had reduced choice in accessing these services during normal office opening hours rather than at a time that suits them and from any device. This option was also not in alignment with the council's Technology Strategy 2014 - 2019 or the Front Door Programme.

The continued delivery of a cash office was considered, but as Bayard Place is set to close, the council would need to finance the refurbishment of a new office and pay commercial rents for a presence in the city centre, when there are alternative, more cost effective, convenient and accessible channels available to the customer, e.g,

bank, Payzone/Post Office, internet, etc. Therefore, the recommendation was not to have a cash office. It was important to note that there were over 100 locations throughout the city (i.e. banks, Payzones and post offices) which were more convenient and accessible (i.e. open longer hours than the cash office), and would accept payments for council services by cheque, cash and credit/debit cards.

Continuing to take payments over the phone was considered, but this was a very expensive payment method and as there were alternative automated touch tone telephone and digital methods, it was recommended that the council actively encourages and shifts customers to these cheaper alternatives.

22. CUSTOMER ENGAGEMENT STRATEGY

The Cabinet received a report in relation to the Customer Engagement Strategy, which supported the council's Front Door Programme.

The purpose of the report was for Cabinet to approve the Customer Engagement Strategy, to support the council's Front Door Programme, which would change the way customers access council services in the future through either digital or self-serve methods.

The Cabinet Member for Resources introduced the report and advised that digital inclusion was a key part of the Front Door Programme, and that a comprehensive strategy was required to support its introduction.

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

- All residents impacted had been informed of the change, and would be informed against when they're services were renewed.
- Officers had been working closely with community groups and other groups, and were looking to launch some digital inclusion training session.
- The digital 'pop-ups' referred to in the report related to Digital Inclusion Specialists who would be trained and available to train staff in digital inclusion.
- Work was also being done with the Digital Inclusion Specialist and the Parish Council Liaison Officer.
- The implementation of wifi zones was currently being investigated. This would come at a cost, with no current funding available.
- It was suggested that an incentivised scheme may be beneficial, to encourage people to move to direct debit.

Cabinet considered the report and **RESOLVED** (unanimous) to:

- 1) approve the Customer Engagement Strategy to support the council's Front Door Programme; and
- 2) investigate the possibility of an incentivised scheme to encourage residents to make payments via direct debit.

REASONS FOR THE DECISION

It was recommended that Cabinet approved this strategy as a key enabler for the successful delivery of the council's Front Door Programme which would change the way customers access council services in the future through either digital or self-serve methods.

ALTERNATIVE OPTIONS CONSIDERED

If the council did not implement this strategy it could be detrimental to the delivery of the council's Front Door Programme. As part of the projects currently in progress and drafting of the associated Equality Impact Assessments, it had been identified that there were a number of groups of customers that needed to be supported in accessing services digitally or through alternative means. This strategy would therefore help support successful delivery of the Front Door Programme.

The council could have developed a strategy in isolation without consulting with relevant organisations, however it had been identified through the projects currently in progress and drafting of the associated Equality Impact Assessments, that there were a number of groups of customers that needed to be supported in accessing services digitally or through alternative means.

23. FINANCING APPROVAL FOR FLETTON QUAYS HOTEL

The Cabinet received a report in relation to the financing approval for a hotel development at Fletton Quays.

The purpose of the report was for Cabinet to consider and approve a lending facility of £15m for 24 months for the development of a hotel on the Fletton Quays site by Norlin Hotels Holdings Limited. This would be subject to Council approving the inclusion of organisations such as Norlin Hotels Holdings Limited and its subsidiary Fletton Quays Hotel Limited as organisations it may make secured loans to within the Council's Treasury Management Strategy.

The Cabinet Member for Resources introduced the report and advised that the loan of £15 million would run for the course of 24 months to Norling Hotels Holdings Limited and its subsidiary. Recommendations 2 and 3 would ensure that all necessary due diligence, survey and legal agreements were put in place.

Significant benefits would result from this proposal, including a return on the loan provided. The risks arising from the loan would be mitigated through due diligence, and the Council would secure the loan against the value of the land.

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

- If the current deal collapsed, the Council would retain the value of the land. Work would then be undertaken with the hotel company to find another construction company.
- The interest rate of the loan was a commercial rate. The Council would receive a substantial 6 sum figure in profit.
- The proposal was not primarily for commercial return, but to ensure that the Fletton Quays site as a whole was ready for 2019.
- The 24 month loan period had been proposed to allow for delays. It was expected that the site would be operational before then.
- The necessary due diligence was almost complete, wherein risks have been considered. There were no issues with the land, subject to the results of the final survey. External legal advice had been sought.
- It was confirmed that unless the Council was happy with the due diligence undertaken, the proposals would not go ahead. Should there be any issues arising from the due diligence, a report would be brought back to Cabinet.
- Further comment was made that the Fletton Quays site was being delivered quicker and better than anticipated.

Cabinet considered the report and **RESOLVED** (unanimous) to:

- 1) Approve a facility of £15m for 24 months to provide funding for the construction of a Hotel on the Fletton Quays site by Norlin Hotels Holdings Limited and its subsidiary Fletton Quays Hotel Limited subject to recommendations 2. and 3. below.
- 2) Authorise the Interim Director of Law and Governance and Interim Corporate Director of Resources to exercise delegated authority to finalise and agree all necessary due diligence, ground condition survey report and to approve the business case for the project.
- 3) Authorise the Interim Director of Law and Governance and Interim Corporate Director of Resources to exercise delegated authority to finalise and agree all necessary legal agreements with Norlin Hotels Holdings Limited and associated hotel franchises or otherwise connected to this project for the purposes of facilitating these arrangements.
- 4) Recommend to Council amendments to the Treasury Management Strategy to include organisations such as Norlin Hotels Holdings Limited and its subsidiary Fletton Quays Hotel Limited as organisations to which the Council is authorised to make secured loans.

REASONS FOR THE DECISION

The funding of this project would help the Council to contribute to the Fletton Quays Project Plan and to the growth, regeneration and development agenda. The Council was approached to fund development of the hotel in order to preserve the synergy of development on the site.

ALTERNATIVE OPTIONS CONSIDERED

Do Nothing - The Council could have chosen not to finance this project. This was rejected because this one off financing project related to the last lot to be sold on the Fletton Quays site and would facilitate its completion by the Council's joint venture the PiP. If the Council did not fund the project for the hotel development this final part of the development would be delayed whilst alternative funding was sourced by the developer. The impact of this could mean that the adjoining residential site sales were impeded by the neighbouring hotel construction site. The Council would also lose the investment return on the loan.

24. MODERN SLAVERY ACT

The Cabinet received a report in relation to Modern Slavery Act Transparency Statement for 2016/17.

The purpose of the report was for Cabinet to consider and approve the draft 2016/17 Modern Slavery Act Transparency Statement in order to meet the Council's statutory obligations under the Modern Slavery Act 2015.

The Cabinet Member for Communities introduced the report and explained that the Transparency Statement related to the Council's compliance with its legal responsibilities. It was advised that the Council were working with the community to help support victims of modern day slavery.

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

- There were no issues with existing services to be aware of. Steps had been taken to ensure that new and existing service providers declared any issues.
- Section 54 of the Act applied to businesses worth £36 million or over. These organisations, however, will be required to look into their own supply chain, which would include smaller businesses.
- The Transparency Statement was retrospective, for the last financial year.
- A countywide board had been set up, with the Safer Peterborough Partnership represented by Adrian Chapman.
- A Modern Day Slavery Delivery Board had also been created, to provide partners with a delivery plan. This was steered by the National Crime Agency.

Cabinet considered the report and **RESOLVED** (unanimous) to approve the draft 2016/17 Modern Slavery Act Transparency Statement for signature and publication.

REASONS FOR THE DECISION

The draft Modern Slavery Act Transparency Statement fulfilled the council's statutory obligations under the Modern Slavery Act 2015 and it was therefore recommended to Cabinet for approval.

ALTERNATIVE OPTIONS CONSIDERED

Not to approve the draft Modern Slavery Act Transparency Statement. This option was not recommended as the Council would not be able to meet its statutory requirements.

25. PETERBOROUGH LOCAL PLAN PROPOSED SUBMISSION

The Cabinet received a report in relation to the proposed submission of the Peterborough Local Plan.

The purpose of the report was to enable Cabinet to consider and recommend to Council the approval of the Proposed Submission Local Plan for public consultation and then submission to the Secretary of State.

A supplementary report was received which highlighted the "Planning for the right homes in the right places" document published by Government on 14 September 2017, which was unable to be considered as part of the original report. This supplementary report set out a revised recommendation.

With the permission of the Chairman David Carlisle, Homes and Communities Agency representative, addressed the Cabinet and in summary raised the following key points:

- Reaction within the industry to the Government paper had been mixed, as there was no allowance for strategy, and local needs did not appear to be considered.
- It was suggested that the implications of the Combined Authority targets had not been considered within the Plan.
- It was considered that with housing targets set to increase, common ground between the authority on developers should be found.

The Cabinet Member for Growth, Planning, Housing, and Economic Development introduced the report and advised that, in light of the further documentation from Government, a revised recommendation had been provided to defer the Cabinet's

decision to allow for a review of the housing target number. The Planning and Environmental Protection Committee and the Growth, Environment and Resources Scrutiny Committee had endorsed the revised recommendation.

The Head of Sustainable Growth Strategy explained that the document published by the Government set a new standard method for calculating housing need. Central Government had provided local authorities in the process of developing their local plans with the option of remaining with their old method, or converting to this new method. It was anticipated that using the new method, Peterborough's housing need may decrease by 1,000 or 2,000 homes.

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

- Clarity was provided around the requirement of the Council to provide a 20 year plan as well as a 5 year housing supply.
- It was confirmed that a deferral was being recommended simply to review the numbers set out within the plan.
- The 20 year plan was reviewed every five years and took into account long term economic issues.
- The implications of Brexit were not yet known, but would be picked up at the next Local Plan review.
- There were no financial implications in deferring the decision.
- It was suggested that the decision return to the next meeting of Cabinet on 20 November 2017.

Cabinet considered the report and **RESOLVED** to defer a decision on the Proposed Submission ('Publication Draft') Local Plan for a period of 2-3 months, to enable officers to (a) fully appraise the new method for calculating housing need, and (b) bring back to Cabinet a revised housing target and a subsequent revised set of proposed allocations.

REASONS FOR THE DECISION

The updated recommendation was for reasons set out in this report, namely due to the very recent publication of a Government document which materially affected the preparation of a Local Plan for Peterborough.

ALTERNATIVE OPTIONS CONSIDERED

The alternative was to agree the original recommendations as set out in the original agenda item report. This remained a reasonable alternative option, because Government had set out clearly a 'transitional' arrangement for implementation of its proposals, as referred to above. Peterborough could take advantage of such transitional arrangements. However, this option had been rejected because it was considered that the most suitable course of action was to align the content of the Local Plan to the most up to date national policy, and in doing so likely result in a more robust Local Plan in the longer term. A short delay of no more than 3 months (likely significantly less) would enable that alignment to take place, a benefit which was considered to outweigh the cost of a short delay.

MONITORING ITEMS

26. OUTCOME OF PETITIONS

The Cabinet received a report in relation to the outcome of petitions received by Council officers and at the Council meeting held on 19 July 2017.

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

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

REASONS FOR THE DECISION

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

ALTERNATIVE OPTIONS CONSIDERED

There had been no alternative options considered.

Chairman
10:00am – 11:35am
25 September 2017

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