

**MINUTES OF THE CABINET MEETING
HELD AT 10:00AM, ON
MONDAY, 26 FEBRUARY 2018
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

68. APOLOGIES FOR ABSENCE

No apologies for absence were received.

69. DECLARATIONS OF INTEREST

No declarations of interest were received.

STRATEGIC DECISIONS

70. MEDIUM TERM FINANCIAL STRATEGY PHASE TWO 2018/2019 TO 2020/2021

A petition was presented by Mr Warren requesting the Council to keep the Bretton Water Park open and available to the wider community, signed by 330 local residents.

The Cabinet received a report on phase two of the Medium Term Financial Strategy 2018/2019 to 2020/2021 as part of the Council's formal budget process as set out within the constitution and as per legislative requirements to set a balanced and sustainable budget for 2018/19. The Cabinet also received a supplementary report detailing additional responses to the public consultation.

The purpose of this report was to initiate and put forward budget proposals to set a balanced and sustainable budget for the financial years 2018/19 to 2020/21. There was a legal requirement to set a balanced budget for 2018/19.

The Cabinet Member for Resources introduced the report and explained that and explained that the Council were anticipating that an arrangement could be reached with Vivacity to take on responsibility for the Bretton Water Park. With regard to the Manor respite care, it was advised that care would remain available at Cherry Lodge. The Manor building would be retained for outreach work.

There were still a significant budget gaps to be faced for 2019/20 and 2020/21. Work was already underway to investigate savings based on shared services with Cambridgeshire County Council.

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

- Discussion was had on the issue of rough sleepers and it was considered that officers in services around health and mental health examine the long term issue.
- It was noted that although the Manor was proposed for closure for overnight provision, capacity was available at Cherry Lodge, even taking into account the existing numbers at the Manor.
- With regard to savings in future years it was considered vital to have a detailed proposal and implementation plan. The earlier the plans were approved, the more likely it was that they would be delivered.
- Queries were raised in relation to the charge for replacement brown bins. This related to an administration charge and not the replacement bin itself.
- It was suggested that the proposals be amended to reflect that the Council would retain the savings proposed in relation to the Bretton Water Park, but that a solution had been found for Vivacity to take on responsibility for the running of the park.

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

1. The statutory advice of the Chief Finance Officer outlined in section 6, The Robustness Statement. This is required to highlight the robustness of budget estimates and the adequacy of the reserves.
2. All the grant figures following the Local Government Final Finance Settlement, published on 6 February 2018 outlined in section 4.5. This details the following adjustments to the budget:
 - Adult Social Care Grant 2018/19- £0.496million
 - Business Rates compensation for limits increase in the NNDR £0.084million
3. The feedback received on the budget proposals, received via the consultation detailed in section 9 of the report, Appendix J and the Supplementary Report.
4. The Treasury Management Strategy 2018/19-2020/21, detailed in Appendix L, which also includes an amendment following the Audit Committee meeting held on 12 February 2018.

Cabinet considered the report and resolved to approve and recommend to Council:

5. The Phase Two budget proposals, outlined in Appendix H, subject to additional wording to clarify that Vivacity had agreed to take on the running of Bretton Water Park. This includes a 5.99 per cent council tax increase, and a change in service delivery for the 0-25 Provider service.
6. The Medium Term Financial Strategy 2018/19-2020/21 as set out in the body of the report and the following appendices:
 - Appendix A – Budget Context highlighted in Phase One, MTFS for 2018/19-2020/21
 - Appendix B – 2018/19 MTFS detailed position
 - Appendix C – 2018/19 MTFS by department
 - Appendix D – 2018/19 MTFS by Service
 - Appendix E – Capital Schemes
 - Appendix F – Council Grants
 - Appendix G – Fees and Charges

- Appendix H – Budget Proposals (consultation document)
- Appendix I – Equality Impact Assessments
- Appendix J – Budget Consultation Feedback
- Appendix K– December 2018 Budgetary Control Report
- Appendix L– Treasury Management Strategy 2018/19-2020/21
- Appendix M– Asset Investment and Acquisition Strategy, Capital Programme 2018/19-2020/21
- Appendix N– Asset Management Plan

REASONS FOR THE DECISION

The Council must set a lawful and balanced budget. The approach outlined in the report worked towards this requirement.

ALTERNATIVE OPTIONS CONSIDERED

No alternative option had been considered as the Cabinet was responsible under the constitution for initiating budget proposals and the Council was statutorily obliged to set a lawful and balanced budget by 11 March annually.

71. ROLLING MEDIUM TERM FINANCIAL STRATEGY PROCESS

The Cabinet received a report that proposed an amendment to the Council's formal budget setting process.

The purpose of this report was to implement a rolling Medium Term Financial Strategy (MTFS) budget process, whereby savings and pressures would be agreed by Council on a quarterly basis.

The Cabinet Member for Resources introduced the report and explained that the new process was requested in order to ensure that savings could be agreed and delivered as soon as possible.

It was noted that the proposed change would better reflect the practice of private businesses.

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

1. Note the proposal for a rolling budget process.
2. Recommend to Council that the rolling budget be approved and that authority be delegated to the Interim Director of Law and Governance to approve the amendment of the 'Budget Framework Procedure Rules' to follow a revised budget process.

REASONS FOR THE DECISION

The Cabinet was responsible for initiating Budget Proposals within the Council's Budget and Policy Framework Procedure Rules. The proposed approach and timetable for the 2019/20 budget setting process contained within the report varied from that contained within the Procedure Rules and Cabinet was being asked to put forward this alternative, four tranche process, for Council approval. Another benefit of the four tranche approach was that the early agreement of budget proposals before the start of the new financial year gave all council departments more time to implement the

proposals, some of which may require long lead in times to achieve successful implementation.

ALTERNATIVE OPTIONS CONSIDERED

No alternative option had been considered as the Cabinet was responsible under the constitution for initiating budget proposals and the Council was statutorily obliged to set a lawful and balanced budget by 11 March annually.

72. COUNCIL TAX SUPPORT SCHEME 2018/19

The Cabinet received a report following consultation on proposals for the Council Tax Support Scheme 2018/19 including discussion at the cross party Budget Working Group.

The purpose of this report was to make a recommendation to Council on the Council Tax Support Scheme in Peterborough for the financial year 2018/19. Following a statutory instrument being laid before Parliament on the 21 December 2017, there was a statutory requirement for the Council to set a localised Council Tax Support Scheme by 11 March 2018 and this formed part of the formal budget process under the Budget and Policy framework.

The Cabinet Member for Resources introduced the report and explained that the level of council tax support would not change. It was, however, noted that the number of people claiming support at reduced year on year. Following the implementation of a statutory instrument the scheme would continue to align with housing benefits.

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

- Pensioners would still receive the full support of the scheme.
- The reduction in the level of those claiming was also reflected in the reduction in unemployment figures.

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

1. Note the responses to the consultation on the Council Tax Support Scheme
2. Note the continuation of the discretionary Council Tax Hardship Policy
3. Recommend that Full Council agrees a local Council Tax Support Scheme for Peterborough that contains the following local components:
 - a) No change to the existing scheme reduction of 30% for all eligible working age claimants
 - b) To keep the scheme mirroring the Housing Benefit scheme as much as possible, the following amendments are also proposed:
 - to limit the award of Council Tax Support based on a maximum of 2 children;
 - to provide protection to existing claims that already include more than 2 children;
 - to make provision for more than 2 children in the applicable amount where the child tax credit calculation includes additional children; and
 - to disregard earnings from part-time fire fighters and payments from the infected blood payment scheme.

- c) To amend appropriate rates in line with annual upratings.

REASONS FOR THE DECISION

The Council was statutorily required to approve a Council Tax Support Scheme by 11 March 2018 having had regard for the council's financial position and feedback from responses to the consultation. As part of this consultation, the Council was consulting on a Council Tax Discretionary Hardship Policy.

ALTERNATIVE OPTIONS CONSIDERED

The Council was statutorily required to approve a local scheme by 11 March 2018. Cabinet had discussed the current 30% Council Tax Support Scheme with the cross party Budget Working Group as part of ongoing budget discussions. Options discussed were:

- One option was to increase the 30% scheme, however this would have a negative impact on low income households with claimants having to pay more council tax.
- Another option was to reduce the 30% scheme, however, this would require the council to find savings of up to £2.3m from elsewhere in the budget.

73. FLETTON QUAYS AND OFFICE CONSOLIDATION PROCESS

The Cabinet received a report in relation to Fletton Quays and the office consolidation process, following a referral from CMT on 31 January 2018.

The purpose of this report was to provide an update to Cabinet on the progress of the Fletton Quays development and the council's office consolidation project and notes gains in revenue income and capital receipts, and to set out the revised costs (capital and revenue) for the office consolidation project and seek approval to put the report to full Council to approve additional capital investment.

The Cabinet Member for Resources introduced the report and explained the progress made on Fletton Quays. Additionally capital was requested in order to ensure that the ICT provision at Sand Martin House was fit for purpose and would allow for sub-letting for partners to work alongside the Council. The funding would allow for the building to be sufficiently futureproof.

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

- Sand Martin House would house the back office functions of the Council and would host professional customers. The ground floor of Bayard Plan would be retained for a customer experience beyond what was currently provided.
- Part of the Town Hall was currently being fitted out for the Job Centre and negotiation were advancing in relation to the other half. Some of the existing suite would be refitted.
- More opportunities had arisen that originally anticipated in the initial Peterborough Investment Partnership business case.
- Every part of the Fletton Quays development had a cycle parking requirement.
- The aim for a pedestrian and cycle bridge to Fletton Quays remained, once the university was developed on the other side of the river.

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

1. Note the significant progress and benefits which the Fletton Quays development has brought to the city since the plan was approved by Cabinet in February 2014, including additional financial benefits from grant funding an additional capital receipts.
2. Recommend that Council approves additional capital investment of £2,636,025 (including a contingency of £500,000), to ensure council office buildings, including Sand Martin House, are able to meet the new and emerging needs of the council and provide opportunities for other organisations to lease parts of the office building to provide the council with additional income streams. It also facilitates the conversion and refurbishments of Bayard Place reception to provide an improved customer experience.

REASONS FOR THE DECISION

The Council had agreed to consolidate back office functions to Fletton Quays. Agreeing the additional capital investment would facilitate a landmark regeneration site, provided the Council with much-needed flexibility in its office portfolio, aligned to its current programmes for flexible working, and was financially beneficial over the long-term.

ALTERNATIVE OPTIONS CONSIDERED

No alternative options were considered.

Chairman
10:00am – 10:36am
26 February 2018