

**DRAFT MINUTES OF THE JOINT SCRUTINY COMMITTEES MEETING
HELD AT 6.00PM ON
18 JUNE 2018
IN THE COUNCIL CHAMBER, TOWN HALL PETERBOROUGH**

Committee Members Present: Councillors J Stokes (Chairman), K Aitken, A Ali, R Brown, G Casey, A Dowson, M Farooq, R Ferris, J A Fox, J R Fox, J Goodwin, C Harper, A Iqbal, M Jamil, D Jones, A Joseph, D King, D Over, S Lane, E Murphy, S Nawaz, B Rush, N Sandford, B Saltmarsh, L Serluca, N Simons, S Warren

Also Present: Councillor Holdich, Leader of the Council and Member of the Cambridgeshire and Peterborough Combined Authority
Councillor Fitzgerald, Deputy Leader and Cabinet Member for Integrated Adult Social Care and Health
Councillor Ayres, Cabinet Member for Education Skills and University
Councillor CAV M Cereste OMRI OSSI, Cabinet Member for Waste and Street Scene
Councillor Hiller, Cabinet Member for Growth, Planning, Housing and Economic Development
Councillor Lamb, Cabinet Member for Public Health
Councillor Seaton, Cabinet Member for Resources
Councillor Smith, Cabinet Member for Children's Services
Councillor Walsh, Cabinet Member for Communities
Councillor Allen, Cabinet Advisor to the Leader
Councillor Fuller, Cabinet Advisor for Commercial Strategy and Investments

Officers Present: Gillian Beasley, Chief Executive
Peter Carpenter, Acting Corporate Director, Resources
Adrian Chapman, Service Director, Communities and Safety
Fiona McMillan, Interim Director of Law and Governance
Annette Joyce, Interim Corporate Director, Growth and Regeneration
Wendi Ogle-Welbourn, Executive Director, People and Communities, Cambridgeshire and Peterborough Councils
Will Patten, Service Director Commissioning
Dr Liz Robin, Director of Public Health
Mandy Pullen, Assistant Director, Human Resources and Development
Jonathan Lewis, Service Director, Education
Paulina Ford, Senior Democratic Services Officer

5. APPOINTMENT OF CHAIRMAN

The Senior Democratic Services Officer opened the meeting and advised the Committee that in accordance with *Part 4, Section 8 – Scrutiny Committee Procedure Rules, section 13, Joint Meetings of Scrutiny Committees* a Chairman would be required to be appointed from among the Chairmen of the Committees who were holding the meeting. Nominations were sought from those Chairmen present at the meeting which were Councillor Simons, Chairman of Adults and Communities Scrutiny Committee, Councillor Goodwin, Chairman of Children and Education Scrutiny Committee and Councillor Stokes, Chairman of Health Scrutiny Committee. Councillor Stokes was nominated by Councillor Goodwin and seconded by Councillor Simons. There being no further nominations Councillor Stokes was therefore appointed Chairman.

The Chairman 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 Medium Term Financial Strategy, Budget 2019/20 to 2021/22 Tranche One proposals document as part of the formal consultation process before being presented to Cabinet on 16 July 2018 for approval and recommendation to Full Council on 25 July 2018.

6. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Bashir, Councillor Bisby, Councillor Barkham, Councillor Ellis, Councillor Shaheed, Councillor Martin, Councillor Hemraj, and Councillor Mahabadi. Councillor Murphy was in attendance as substitute for Councillor Martin. Councillor S Nawaz was in attendance as substitute for Councillor Hemraj and Councillor Iqbal was in attendance as substitute for Councillor Ellis.

The following co-opted members also sent apologies: Education Co-opted members Peter Cantley and Flavio Vettese.

7. DECLARATIONS OF INTEREST AND WHIPPING DECLARATIONS

There were no declarations of interest or whipping declarations.

8. Medium Term Financial Strategy (MTFS) 2019/20 - 2021/22 – Tranche One Proposals

The Cabinet Member for Resources gave a short introduction to the Budget 2019/20 – 2021/22 Tranche One proposals document and the Interim Corporate Director of Resources gave a short PowerPoint presentation a copy of which can be found attached at Appendix 1 of the minutes.

Each section of the budget proposals document was then taken in order according to how it was presented in the Budget Book. The relevant Cabinet Member or Corporate Director were given the opportunity to introduce their section of the budget before taking questions from the Committee.

Questions and observations were made around the following areas:

Item / Section of the Budget	Questions / Comment	Response from relevant Cabinet Member / Corporate Director
<p>5. Presentation and Introduction of the Medium Term Financial Strategy Tranche One Proposals Document</p> <p>Cabinet report dated 11 June 2018 (pages 1 to 28) of the MTFS 2019/20 to 2021/22 Tranche One Proposals Document</p>	<p>Members noted that the revised temporary accommodation budget was based on budget assumptions and therefore sought clarification as to the likelihood of a balanced budget being delivered within three years. Members gave examples of divergences from the budget that had occurred since the last budget had been discussed, such as Ermine Street who were going to provide 100 dwellings but were no longer working with the Local Authority.</p> <p>How were the savings going to be achieved by 2019?</p> <p>How many properties has the local authority acquired on the open market to date?</p>	<p>All budgets were based on assumptions and there was confidence in the assumptions that had been made.</p> <p>The Service Director for Adults and Communities responded that the decision not to use Ermine Street was deliberate. The decision was made for the Council to acquire its own properties via Medesham Homes. Benefits would include keeping the asset for its lifetime and reduce costs, rather than effectively giving the business to another Local Authority. With regard to the Medesham homes, 300 units would be bought on-stream over the next 18 months. In addition a proportion of the £35,000,000 agreed by council last year would be invested in acquiring properties off the open market. Also there was a dedicated target to achieve 40 private sector leased properties within the current calendar year, with a view to achieving the targets agreed by council in the Homelessness Strategy to irradiate the use of Travelodge and B&B accommodation. The authority tracks and monitors demand daily. The assumptions to achieve the savings target were therefore made with confidence.</p> <p>The Service Director for Adults and Communities stated that it was agreed at Full Council last year to invest £35,000,000 in Medesham Homes. Schemes included Bretton Court, 29 units at Midland Road and various other schemes which add up to the 300 units previously described. A proportion of the funding would be</p>

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		spent acquiring properties for affordable rented accommodation.
	Were the council still employing agency staff and in which departments?	<p>There was still a significant spend on agency staff in various different departments and this was used as a flexible resource. Some of this spend was from external contractors.</p> <p>This was an ongoing challenge, an example of which was the issue of finding social workers. Other options to reduce the level of agency staff was being explored.</p>
	Members noted the council intended to create a sustainable budget position through helped by adoption of the six approaches set out in section 5.6 but sought clarification as to what the overarching strategy was?	<p>It was difficult to come up with a single strategy. Sustainability would be delivered through a series of different actions that would bring the council to a balanced budget.</p> <p>Demands in service areas varied from year to year and must be responded to accordingly. One key overarching strategy was managing demand which was becoming more difficult year on year.</p>
	Where will the £1m for business cases be spent?	A list of proposals would come forward from service departments to move into phase two. These would then need to be converted into full proposals with costs, implications and the impact on the service. The funds would be spent across a range of services areas.
	Is the money being spent on third party expertise or in-house expertise?	It will be a mixture as there was a need to have input from many different places.
	Could you provide more information about 'additional commercialisation' and what these plans involve?	The Cabinet Advisor for Commercial Strategy and Investments responded that there was not one straightforward solution to the problems faced. Many different strategies had been employed by the authority in the

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		<p>past to generate additional income, either through commercialisation or by better use of existing resources. Moving forward this will be done in a more considered and strategic way. Plans were in their early stages. Economies of scale would be achieved by pursuing commercialisation across the authority and in collaboration with Cambridgeshire.</p> <p>Proposals within Tranche One include shared services (specifically planning) and sharing existing contracts with other local authorities. These were examples of commercialisation undertaken in the past and the intention was to do more of this in the future in a greater and more considered manner to deliver more substantial savings.</p>
	<p>The council have been procuring and commissioning for a number of years now. How will this be different going forward?</p>	<p>The procurement cycle will always need to be under review in an end to end way from the initiation of a specification, management of the contract and an end review leading to re-tendering. Procurement has become more demand oriented and there was a need to keep pace with the market to procure in the most effective way to deliver services.</p> <p>An example of changing demand was the shared Planning Service with Fenland District Council which had been ongoing for a number of years and was not a 'true' shared service but more of an exchange of expertise. This service would now be expanded to become more autonomous following its success. Another example was the Highways services contract with Skanska which would be</p>

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		<p>expanded throughout local authorities across the South of England. Services needed to be proven in house before being rolled out to other authorities to prove how efficient they were.</p>
	<p>Members suggested that additional options be considered within the Homelessness Reduction Strategy beyond Medesham Homes such as new builds, local investment vehicles, cooperatives etc. In addition shared ownership could be considered and converting commercial properties.</p>	<p>Members were referred back to the Service Director for Adults and Communities earlier statement citing many examples of different options that were being explored other than Medesham Homes and Cross Keys.</p> <p>Commercial properties had been looked at but the council would not overpay for them. The council would only pursue good deals.</p>
	<p>Members again suggested that more strands were looked at other than Medesham. It was noted that there had been no mention of new council houses or other housing associations, or offers of mortgages or shared ownership etc.</p>	
	<p>Councillor Murphy, seconded by Councillor Jamil, recommended that the Council explore more options to build affordable homes in Peterborough.</p> <p>A vote was taken on the recommendation (10 for, 15 against, 0 abstentions). The recommendation was defeated.</p>	<p>Following the defeat of the recommendation the Cabinet Member for Resources emphasised that what had been proposed was already being carried out.</p>
<p>The Committee RESOLVED to note this section of the budget.</p>		

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<p>6. Appendix A Page 29</p> <p>2019/2020 – 2021/22 MTFS Detailed Budget Position</p>	<p>Have any of the funds that had been set aside from reserves for legal matters for the Amey contract been used? If not can they be put back into the general budget?</p>	<p>The Interim Service Director for Environment and Economy responded that there was £500,000 was put forward for the transformational work of the Amey Contract to investigate re-procuring it out. So far £200,000 had been committed. The council was currently looking at a local authority trading model and some of the funds may be needed to bring this to fruition.</p>
	<p>The announcement to terminate the Amey contract was announced in February 2017 and it was now June 2018. When will this process be completed and how much additional cost will be incurred?</p>	<p>The resolution to set up the Local Authority Trading Company was set up at the recent Cabinet meeting. The Interim Corporate Director for Growth and Regeneration would be bringing forward a business case shortly which may contain a timescale for the next stage. It is not anticipated that more than the £500,000 allocated will be needed at this stage.</p> <p>The Interim Corporate Director for Growth and Regeneration added that the paper that went to Cabinet had paused procurement on the four lots of the current Amey/EMS contract. The plan was to bring a fully costed business case to Cabinet next month with the aim of showing how much of a loan would be required to position a Local Authority Trading Company, and if the current contract would need to be extended to allow time to implement the Local Authority Trading Company.</p>
	<p>How much extra money was Amey asking for to extend the contract per month?</p>	<p>This was currently under negotiation.</p> <p>The Leader of the Council added that setting up a Local Authority</p>

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		Trading Company would take time and would need to be done properly.
	In terms of the total corporate funding what were the confidence levels that the council will receive the full funding of £147m in 2020/21?	The present national advice was to continue with the present funding assumptions.
The Committee RESOLVED to note this section of the budget.		
7. Appendix B Page 31 to 33 Performance Data	It was noted that Peterborough was 49% reliant on Council Tax funding and the average of the authorities was 56% reliant on Council Tax funding. What was the highest authority and what was the lowest across the range of authorities.	Appendix B set out Peterborough's position compared to other unitary authorities. The answer was not available at the meeting but could be researched and circulated to all the committee.
AGREED ACTION The Committee RESOLVED to note this section of the budget and requested that the Cabinet Member for Resources provide further information on the percentage of Council Tax funding that other local authorities were reliant on for funding.		
8. Appendix – C Page 35 to 39 Existing Capital Programme	Members noted that the fitting out of Fletton Quays was costing the council £6,137m and that the Town Hall capital works was costing £2,645m. Was the policy of both retaining the Town Hall and moving staff to Fletton Quays a prudent use of council funds?	The capital expenditure on the Town Hall will be offset from the rental income from the leases. Having the council as an anchor tenant at Fletton Quays has brought in significant investment into the city. Examples include Weston Homes, Hilton Hotels, a gin and whisky distillery. The council has bought Whitworth Mill and will be turned into an arts and technology centre. The original business case for the move to Fletton Quays still stands today. Concerns that Bridge Street would be deserted have proved

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		unfounded and there will be more people working in the town hall than there had been for many years.
	Have the Hilton Group definitively agreed that they will take over the hotel at Fletton Quays?	<p>As already set out at Full Council, Hilton themselves would not take over the hotel but it would be a Hilton franchise run by the Norlin Group who operate a number of Hilton branded hotels throughout the country.</p> <p>The Hilton Group had changed some of the specification for its hotels and therefore Norlin did not want to start building before they were sure of the required specifications and this had therefore caused a slight delay.</p> <p>Hilton, alongside Norlin, had made a significant investment in backing the building of this hotel.</p>
	Members sought clarification as to why infant free school meals were considered to be capital expenditure?	Free school meals were paid for from a leftover grant from Government which had been used for the improvement of kitchens and to create more dining spaces and buy equipment. The net cost to the Council was nil.
	<p>Members enquired as to when they would receive the answers promised to look at the allegations made in Private Eye regarding the investigation about the Peterborough Investment Partnership.</p> <p>A Member requested a report on the Peterborough Investment Partnership.</p>	<p>The Cabinet Member for Resources requested that any correspondence with officers regarding the Peterborough Investment Partnership be shared with him for awareness.</p> <p>There would be no difficulty in producing a report on the progress of the Peterborough Investment Partnership but requested greater clarity on what information was required.</p> <p>It was agreed that this request would be picked up outside this</p>

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<p>The Committee RESOLVED to note this section of the budget.</p> <p>AGREED ACTIONS</p> <p>1. The Cabinet Member for Resources to provide a report on the progress of the Peterborough Investment Partnership.</p>		
<p>9. Appendix D starting on pages 41 to 63</p> <p>Introduction, New Budget Process, Stand Up for Peterborough Campaign, Priorities and Overall Budget Position Pages 42 to 47</p> <p>Overview of Council Directorates Pages 51 to 53</p>	<p>There were no questions or comments for this section of the budget.</p>	
<p>The Committee RESOLVED to note this section of the budget.</p>		
<p>10. Appendix D People and Communities</p> <p>Budget Pressures Pages 54</p> <p>Financial Savings Page 56 - 58</p>	<p>Members sought clarification as to whether there had been a change of policy with regard to having multi-skilled PES Enforcement Officers?</p>	<p>The Service Director for Communities and Safety responded. The proposals in the Budget Consultation document were about growing the PES team in response to a demand from most communities for enforcement of this nature outside the city centre. This would be achieved by employing dedicated specialist officers whilst also allowing multi-skilled officers to apply themselves to more complex cases (e.g. repeat fly tipping) thereby freeing themselves from the more routine work.</p> <p>It was about growing the service to do more enforcement. This was an important part of the council's strategy to prevent neighbourhood issues.</p>
	<p>Children's Social Care Pressures. Members</p>	<p>Managing the number of children in care was a challenge in a</p>

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	requested clarification about how demand for children being taken into care could be reduced at a time of rising birth rates & rising numbers of children being taken into care?	growing city. Each case was assessed against a threshold document. There was nearly £3m of funding available to implement a Family Safeguarding Model which aimed to keep children at home if possible. Social workers will work with adult workers to make sure the child is safe and resolve issues within the family home to keep the family together. There were currently more children in care than expected and some of the level of care was expensive. Spending was currently too high but was being mitigated by the Family Safeguarding Model. The Youth Service provision was currently being restructured as the Family Safeguarding Model was less effective for the 13+ age range.
	Given the increase in Adult Social Care Pressures, were the assumptions made in the previous budget incorrect?	People were living longer with more complex needs so the demand was higher than ever nationally not just in Peterborough therefore causing budget pressures. We continue to manage demand and reduce our reliance on residential care, e.g. by investing in suitable assisted housing. Flexibility was necessary to adapt and plan for higher than expected demand.
The Committee RESOLVED to note this section of the budget.		
11. Appendix D continued Public Health Budget Pressures Page 54 to 55 Financial Savings Page 62	There were no questions or comments for this section of the budget.	
The Committee RESOLVED to note this section of the budget.		

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<p>12. Appendix D continued Resources</p> <p>Budget Pressures Page 55</p> <p>Financial Savings Page 58 to 60</p>	<p>There were no questions or comments for this section of the budget.</p>	
<p>The Committee RESOLVED to note this section of the budget.</p>		
<p>13. Appendix D continued Growth and Regeneration</p> <p>Financial Savings (Pages 60-61)</p>	<p>Members noted under Transport Planning that there was a planned saving of £75,000 due to the Combined Authority taking on the responsibility for transport.</p> <p>Is the council still subsidising the bus services by more than £400,000? Will this subsidy continue in the future now that the Combined Authority will have responsibility for transport matters?</p> <p>Please provide an overview of how this process is going and say if the financial impact on Peterborough will be positive or negative?</p>	<p>The current level of bus subsidy was around £715,000.</p> <p>The Leader of the Council commented that he had raised this issue at the most recent Combined Authority meeting. The Combined Authority were currently undertaking a transport review which would not be ready for another twelve months. The answer to the question was therefore unclear at this time.</p>
	<p>Members commented that the level of the public transport subsidy had been inconsistent and any further cuts to public transport could lead to a loss of evening and Sunday Services, impacting on socially deprived groups.</p> <p>Was the policy to keep public transport subsidy the same or to reduce it?</p>	<p>The Cabinet Member for Resources advised that the current subsidy figure would stay the same.</p> <p>The financial investment in the city from the devolution deal should be noted. The Leader of the Council stated that the Council retained a veto on transport policies.</p>

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	<p>Members challenged the idea that Council had a veto on transport matters generally, stating that this was limited to the Local Transport Plan.</p>	<p>The Leader of the Council informed Members that these matters must appear in the Transport Plan and could therefore be voted against.</p>
	<p>Concerns were raised over the roadworks on Bourges Boulevard and the lack of communication with residents about the works and lack of signage.</p>	<p>The Council continued to not only maintain, but improve the road network to benefit the growth of the city. Peterborough was the fastest commuting city in the U.K. Maintaining this speed of connectivity required repairing the roads.</p> <p>The Leader of the Council commented that the start and finish dates of the works on Bourges Boulevard were well advertised.</p>
<p>14. Appendix D continued Staffing Implications Page 63</p>	<p>There were no questions or comments for this section of the budget.</p>	<p>The Cabinet Member for Resources informed Members that there was a possibility of four jobs being lost, one of which was a vacancy and the remainder would hopefully be redeployed.</p>
<p>The Committee RESOLVED to note this section of the budget</p>		
<p>15. Appendix E Page 65 to 76 Equality Impact Assessments</p>	<p>Members commented that the Equality Impact Assessments appeared to be either neutral or positive and questioned if this was correct. There were elements outside of the Council's control which may cause negative impacts on the budget and examples of which would include the management of demand of children being taken into care, pressures on services for the elderly and the non-</p>	<p>The Cabinet Member for Children's Services commented that an Equality Impact Assessment would be triggered if there was a change in service. There was no change to the Children's Social Care Budget at this time hence the lack of an Equality Impact Assessment. Any future changes would trigger an Equality Impact Assessment.</p>

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	<p>extension of bus subsidies with a growing population with impacts on air quality and poorer people.</p> <p>Members were concerned that no negative implications had been recorded and this cast doubt on the credibility of the process.</p> <p>Members requested that more work be done on the Equality Impact Assessments.</p>	<p>The Cabinet Member for Resources suggested that if Members had identified an area within the Equality Impact Assessments that was not being represented in the correct way then this should be highlighted to enable officers to address these.</p>
	<p>Members suggested that the Equality Impact Assessments, with the exception of Public Health, had not been fully completed.</p>	<p>The Deputy Leader and Cabinet Member for Integrated Adult Social Care and Health emphasised that the Equality Impact Assessments was completed by officers with professional advice from Legal Services and Human resources. More collaboration and joined-up working was taking place so there were changes but they did not have to be negative. Those tasked with producing the Equality Impact Assessments had done so with competence and honesty.</p>
<p>The Committee RESOLVED to note this section of the budget</p>		
<p>16. General Comments, any overall recommendations and Conclusion:</p>		
<p>There were no further comments, questions or recommendations made.</p>		

CHAIRMAN

The meeting began at 6.00pm and ended at 7.40 pm