

**MINUTES OF THE CABINET MEETING  
HELD AT 10:00AM, ON  
MONDAY, 3 DECEMBER 2018  
BOURGES/VIERSEN ROOM, TOWN HALL, PETERBOROUGH**

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

**Cabinet Advisors Present:** Councillor Allen and Councillor Fuller.

**56. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Lamb.

**57. DECLARATIONS OF INTEREST**

Agenda Item 4 – ‘Local Authority Trading Company (LATCo)’

Councillor Cereste declared that he was a Director of the LATCo Board and would therefore stand down from Cabinet for that item, to present the report as a Director. He would not take part in the debate or vote.

**58. PETITIONS PRESENTED TO CABINET**

There were no petitions presented to Cabinet.

**STRATEGIC DECISIONS**

**59. COUNCIL TAX SUPPORT SCHEME 2019/20**

The Cabinet received a report in relation to the Council Tax Support Scheme for 2019/2020.

The purpose of the report was to commence consultation for a localised Council Tax Support Scheme, with a statutory requirement to set a local scheme by 11 March 2019.

The Cabinet Member for Resources introduced the report and advised that following the revisions to the funding provided by Government in 2013, the Council was required to fund their own support schemes. The key changes set out in the support scheme for the new schemes were that the existing 30% reduction applied at the end of the benefit calculation be replaced with a 30% liability reduction applied at the start of the calculation, and that child benefit was included as income in calculating support figures.

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

- It was requested that care leavers were specifically consulted with on the proposals, as they may be directly affected.

- Cabinet was informed that online consultation responses would be open until the end of January. Officers would directly consult with specific groups. Paper copies of the consultation document would also be available in the receptions of Council buildings and the Central Library.
- The total figure of support provided by the Council was £9.2 million. £4.2 million of that, however, was provided to pensioners, who were excluded from any proposed changes.
- PCAS would be involved in the consultation process, where a member of Dial would also be represented.
- It was estimated that a saving of £200,000 to £800,000 could be made, depending on the options taken forward.
- An Equality Impact Assessment had been undertaken on the proposals and further work would be carried out once a preferred option make clear.

Cabinet considered the report and **RESOLVED** to approve consultation on Peterborough's Council Tax Support Scheme 1 April 2019 – 31 March 2020 that contained the following local components:

- a) Amendment of the existing scheme for all eligible working age claimants as follows:
  - The existing 30% reduction that is applied at the end of the benefit calculation is replaced with a 30% liability reduction applied at the start of the calculation
  - Alternative options for increasing the above 30% reduction, including: (1) increasing by 1% a year for 3 years; (2) increasing to 35%; (3) increasing to 40%
  - Introducing a minimum award level of either £1 or £2 per week
  - A restriction to support being provided at up to band C/D equivalent only (higher bands will be limited to the band C/D level with their parish)
  - An increase to the non-dependent deduction levels
  - An assumed minimum earnings level for self-employed claimants
  - Removal of second adult rebate
  - Removal of extended payments
  - Removing the current disregard of Child Benefit and treating it as income
  - Reducing the capital limit from £16,000 to £6,000
  - Treating Universal Credit claim notifications as claims for Council Tax Support.
  
- b) 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 the 11 March 2019 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. An alternative option which would be to not propose any changes to the current 2018/19 local scheme and manage the resulting costs of the scheme accordingly.

## 60. COUNCIL TAXBASE 2019/20 AND COLLECTION FUND DECLARATION 2018/19

The Cabinet received a report in relation to the Council Tax Base for 2019/20 and the Collection Fund declaration for 2018/19.

The purpose of this report was for Cabinet to consider the tax base and Collection fund balances in order for council tax and business rates balances to be used in setting the Council's overall budget, and to notify other affected authorities for the same purpose.

The Cabinet Member for Resources introduced the report and advised that the Council Tax Base formed part of the preparation for the budget. The proposals were based on Council Tax Band D set at a level of 57,555.25. The surplus from the council tax would be shared between the Local Authority, the Police and the Fire Authority. Any surplus from the Business Rates received would be shared between Government, the Local Authority and the Fire Authority. 31 March 2019 was the statutory date required for such figures.

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

1. Propose the calculation of the Council Tax Base for 2019/20 set at a level of 57,555.25 Band D equivalent properties based on the existing council tax support scheme of 30%;
2. Note the estimated position on the Collection Fund in respect of Council Tax as at 31 March 2019 being:

£0.243m surplus

3. Note the estimated position on the Collection Fund in respect of Business Rates as at 31 March 2019 being:

£0.524m surplus

4. Delegate to the Acting Corporate Director Resources authority for approving the final estimated position on the collection fund balance as at 31<sup>st</sup> March 2019 for both council tax and business rates.

### REASONS FOR THE DECISION

The Council Tax Base could be set at a higher or lower level. However, this could have the effect of either inflating unnecessarily the amount of Council Tax to be set or setting the tax at a level insufficient to meet the Council's budget requirements. A similar position could arise if the surplus or deficit were set at a higher or lower level.

The calculation and return of the information included in the NNDR1 was a statutory requirement which can be formally delegated to an officer. As with council tax if the amount of business rates estimated to be collected was increased or reduced or the surplus or deficit was set at a higher or lower level then the amount of income available to the council would change with the consequent effect on service provision or council tax levels.

### ALTERNATIVE OPTIONS CONSIDERED

This report covered calculations that were all prescribed by regulations with the effect that no other options needed to be considered.

## **MONITORING ITEMS**

### **61. BUDGET CONTROL REPORT OCTOBER 2018**

The Cabinet received a report in relation to the Budget Control Report.

The purpose of this report was to update Cabinet on the budget monitoring position for October 2018.

The Cabinet Member for Resources introduced the report and advised that the £4.9 million overspend at September 2018 had been reduced to a £4 million overspend. The decrease had resulted from extending the loan to Empower and revised Business Rates income.

Adults Services had spent £254,000, however, this had been offset by a £251,000 saving elsewhere in the People and Communities Directorate.

There were still risks apparent for the Council, which were being monitored. The Acting Corporate Director for Resources was ensuring that all staff were kept up to date and engaged in relation to budget matters with regular communication.

The Capital Programme was making good progress, with further work anticipated before the end of the year.

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

1. The Revenue Budgetary Control position for 2018/19 at October 2018 includes a £4.015m overspend position on the revenue budget.
2. The key variance analysis and explanations as contained in Appendix A to the report.
3. The estimated reserves position for 2018/19 outlined in Appendix B to the report.
4. In year budget risks as highlighted in Appendix C to the report.
5. The Asset Investment and Treasury Budget Report as contained in Appendix D to the report.

### **REASONS FOR THE DECISION**

This report provided Cabinet an update as at October 2018 of the Budgetary Control position.

### **ALTERNATIVE OPTIONS CONSIDERED**

There had been no alternative options considered.

## **STRATEGIC DECISIONS**

### **62. LOCAL AUTHORITY TRADING COMPANY (LATCO)\***

At this point Councillor Cereste withdrew from the Cabinet and moved to present the report as a Director of the LATCo.

The Cabinet received a report in relation to the Local Authority Trading Company, named Peterborough Limited. The report set out the Business Plan of the Company and its proposed trading arrangements from 2 February 2019.

The purpose of this report was to seek Cabinet's approval of the Business Plan and training arrangements and to propose changes to the Council's own constitutional arrangements to ensure effective oversight and contract management.

Officers and Directors of the LACTCo introduced the report and advised that approval was sought for the company's business plan and trading arrangements to commence on 2 February 2019. The company, named Peterborough Limited, would take over from Amey and deliver to the present specification. A four stage plan was in place, however, in relation to the takeover of service delivery and the growth of new activities. It was advised that all relevant due diligence had been undertaken. Details of finances had been included within the paperwork that highlighted the validity of the funding relating to staffing, vehicle, plant and income for 2019/2020. The purchase of refuse vehicles had been included within the costs for year one.

It was noted that the delivery of these services would be an additional cost to the Council, however the cost would be less than the potential cost of a full year's payment to Amey for an extension to their contract.

Revised governance arrangements were proposed to set up a sub-committee of Cabinet; the Shareholder Cabinet Committee. This would have decision making powers in relation to Peterborough Limited, excluding decision relating to policies and standards, which would remain with Cabinet. The Council would appoint a Director to Peterborough Limited and two non-executive members.

In accordance with Standing Orders, Cabinet was asked to determine whether the exempt annexes relation to agenda item 4 'Local Authority Trading Company (LATCo)', which contained exempt information as defined by Paragraph 3 of Schedule 12A, Part 1 of the Local Government Act 1972, should be exempt and the press and public excluded from the meeting when they were discussed, or whether the public interest in disclosing this information outweighed the public interest in maintaining the exemption.

Cabinet unanimously agreed to the exclusion of the press and public for the discussion of exempt annexes in relation to agenda item 4. At this point the press and public were asked to leave the meeting.

Cabinet debated the report and raised a number of points in relation to the plan for the transition period, company aims, staff training, key risks, mitigation measures, fly-tipping, articles of association, and health and safety requirements.

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

1. Adopt the Business Plan of Peterborough Limited.
2. Approve the Governance structure and arrangements described in section 4 of the report for the purposes of formal oversight of the Council's companies and organisations
3. Recommend to Full Council the changes to the Executive Delegations and agree the Terms of Reference and functions of a Shareholder Cabinet Committee, and amendments to the Audit Committee's Terms of Reference and the Executive Procedure Rules set out in Appendix B to the report.

4. Approve the amendment of Peterborough Limited's Articles of Association to adopt the list of reserved matters as set out in Appendix D to the report.
5. Delegate to the Leader, after consultation with the Chief Executive, the appointment of the Council's officer nominees to represent the Council on the Peterborough Limited Board.
6. Delegate to the Leader, after consultation with the Chief Executive, any future changes to the appointment of nominees to represent the Council on the Peterborough Limited Board.
7. Agree to indemnify the Council's nominees to the Peterborough Limited Board under the Local Authorities (Indemnities for Members and Officers) Order 2004.
8. Approve the terms of the suite of documents including a loan agreement, services agreement, support services agreement, property documentation, pension and employment documentation to be extended or agreed to with or in connection with Peterborough Limited by the Council and delegates authority to the Director of Law and Governance in consultation with the Director of Resources and relevant Service Director to make decisions and enter into legal agreements necessary to give effect to these arrangements.
9. Note the budget implications of these changes as detailed in section 9.1 of the report, and that they are reflected in the Council Medium Term Financial Strategy for agreement in the February 2019 Cabinet meeting.

#### **REASONS FOR THE DECISION**

There was a requirement for the Council to carry out the services presently provided by Amey. The Amey contract currently terminated on the 1 February 2019 and at the moment the Council had agreed to transfer operation of these Services on the 2nd February 2019 to Peterborough Limited to ensure continuity of service to its stakeholders and customers.

#### **ALTERNATIVE OPTIONS CONSIDERED**

The alternative options available to the Council had previously been considered by Cabinet and were included in Cabinet Reports DEC17/CAB/76 and KEY/11JUN18/04.

Chairman  
10:00am – 11.13pm  
3 December 2018