

**MINUTES OF THE CABINET MEETING
HELD AT 10:00AM, ON
MONDAY, 25 FEBRUARY 2019
BOURGES/VIERSEN ROOM, TOWN HALL, PETERBOROUGH**

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

Cabinet Advisors Present: Councillor Allen and Councillor Fuller

77. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Smith and Councillor Lamb.

78. DECLARATIONS OF INTEREST

No declarations of interest were received.

79. MINUTES OF THE CABINET MEETINGS HELD ON 4 FEBRUARY 2019

The minutes of the meeting held on 4 February 2019 were agreed as a true and accurate record.

80. PETITIONS PRESENTED TO CABINET

There were no petitions presented to Cabinet.

STRATEGIC DECISIONS

81. MEDIUM TERM FINANCIAL STRATEGY 2019/20 TO 2021/22 – TRANCHE THREE

The Cabinet received a report in relation to the Council's Medium Term Financial Strategy 2019/20 to 2021/22 – Tranche Three.

The purpose of this report was for Cabinet to initiate and propose service proposals and updated assumptions to set a balanced and sustainable budget for the financial years 2019/20 and 2021/22. There was a legal requirement to set a balanced budget for 2019/20.

The Cabinet Member for Resources introduced the report and advised that since the opening of the consultation process a range of stakeholders had engaged with the proposals. £3 million was required in order to balance the budget for the next year, with an expected deficit of £18 million and £20 million for the following two years. A significant amount of one offs had been used and reserves had decreased from £41 million in March 2019 to £19 million in 2020. Only £8 million was left available in reserves for the change programme and unforeseen issues. The overall position of the budget was set out clearly in the robustness statement. The Cabinet Member advised that there was a significant risk that, if the ongoing deficit was not balanced, that the Section 151 Officer would need to submit a Section 114 notice.

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

- It was advised that the Section 151 Officers robustness statement remained the same following the feedback from the consultation.
- The Local Discretionary Relief Scheme was in place to dampen the effect of any changes to business rates.
- The Rural Business Rate Relief Scheme was still in place, but separate to this scheme and at a very low level.
- It was noted that no savings had been assumed within the MTFS within the commercial portfolio at current, and that this would be added to within the year.

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

1. The statutory advice of the Chief Finance Officer outlined in section 6, The Robustness Statement. This was required to highlight the robustness of budget estimates and the adequacy of the reserves.
2. The grant figures published on 29 January 2019, within the Local Government Final Finance Settlement, were as previously indicated and outlined in section 4.4 of the report.
3. The future strategic direction for the Council outlined in section 5.11 of the report.
4. The feedback received on the budget proposals, received via the consultation detailed in section 9.3 of the report and Appendix O to the report.

Cabinet **RESOLVED** to recommend to Council:

5. The Tranche Three service proposals, outlined in Appendix H to the report, this included a 2.99 per cent council tax increase.
6. The Medium Term Financial Strategy 2019/20-2021/22-Tranche Three, as set out in the body of the report and the following appendices:
 - Appendix A – 2019/20-2021/22 MTFS Detailed Budget Position-Tranche Three
 - Appendix B – Budget Proposals- Tranche One, Two and Three.
 - Appendix C – Council Tax Information
 - Appendix D – Grant Register
 - Appendix E – Fees and Charges
 - Appendix F – Performance Data
 - Appendix G – Capital Programme Schemes 2019/20- 2023/24
 - Appendix H – Budget Consultation Document, including Tranche Three Budget Proposal detail
 - Appendix I – Savings RAG Rating
 - Appendix J – Equality Impact Assessments
 - Appendix K – Treasury Management Strategy
 - Appendix L – Capital Strategy
 - Appendix M – Asset Management Plan
 - Appendix N – Investment Acquisition Strategy

- Appendix O – Budget Consultation Feedback
- Appendix P – NNDR Retail relief discount 2019/20 and 2020/21
- Appendix Q – NNDR Local Discretionary Relief Scheme for 2019-20 and 2020-21

7. The Local Discretionary Rate Relief scheme for 2019-20 and 2020-21 as set out in section 5.8 of the report and Appendix Q to the report.

8. To approve the Business rates retail discount scheme for 2019/20 and 2020/21 as set out in section 5.8 and Appendix P to the report.

REASONS FOR THE DECISION

The Council must set a lawful and balanced budget. The approach outlined in the report work 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.

82. COUNCIL TAX SUPPORT SCHEME 2019/20

The Cabinet received a report in relation to the Council Tax Support Scheme for 2019/20.

The purpose of this report was to consider a recommendation to council on the Council Tax Support Scheme in Peterborough for the financial year 2019/20. 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 2019 and this formed part of the formal budget process under the Budget and Policy framework.

The Cabinet Member for Resources introduced the report and advised that prior to 2013 the scheme was reimbursed by Central Government. However, the Council was now required to design its own scheme with central government funding being cut. It was noted that pensioners were exempt from the changes proposed. The Peterborough scheme had previously applied a 30% reduction and this remained largely unchanged. It was now proposed, however, apply the reduction at the start of the calculation, rather than at the end. It was advised that feedback from the consultation was fully considered and the recommendations to Cabinet had been amended accordingly.

Cabinet debated the report and noted that all political groups had been offered the opportunity to receive a presentation from officers on the matter.

Cabinet considered the report and **RESOLVED** 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) 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
- (b) Increasing the 30% liability reduction by 1% a year for 3 years, starting in 2019/20.
- (c) Reducing the capital limit to £6,000 for non-passported claims
- (d) To amend appropriate rates in line with annual upratings.
- (e) To allow the use of Universal Credit Data Share documents as claims for Council Tax Support.

REASONS FOR THE DECISION

The Council was statutorily required to approve a Council Tax Support Scheme by 11 March 2019 having had regard for the council's financial position and feedback from responses to the consultation.

ALTERNATIVE OPTIONS CONSIDERED

One alternative option was to leave the current 30% Council Tax Support Scheme unchanged. Additionally, a further option was to implement more of the suggested amendments that were included in the consultation document. These alternative options were shown in section 5.2.

An initial assessment of the revenue implications resulting from applying all options in section 5.2 was that savings in excess of £800k could be achieved. However, given the budget position and the feedback from the consultation process it was felt that this level of savings was not necessary.

Raise additional revenue equivalent to the changes in 7.2 through increasing overall council tax levels. Increases above 3% would be required to achieve this, which would require a local referendum.

It was anticipated that these options, along with other potential changes, would be revisited and consulted upon as part of designing a Council Tax Support Scheme for 2020/21.

83. COMMERCIAL STRATEGY 2018 - 2021

The Cabinet received a report in relation to the Commercial Strategy 2018 – 2021.

The purpose of this report was to provide an overview of the proposed Commercial Strategy 2018-2021 and to seek Cabinet approval.

The Cabinet Member for Resources introduced the report and advised that the Strategy had been considered by the Joint Meeting of the Scrutiny Committees in its draft form. The strategy came as a result of several months' worth of work between Peterborough City Council and Cambridgeshire County Council and would ensure that Peterborough looked more closely at key areas, including procurement and how the Council used its strength in the market. It was noted that the Council was already adapting its working practices to become more commercial, with £70 million generated in the past year. It was considered important to determine whether the Council's current assets were being used correctly and if not, what alternatives were available. Any proposal would still need the support of the Section 151 Officer.

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

- In relation to procurement, it was considered that even 0.5% savings would result in a substantial sum. It was thought that such a saving could be made through reviewing the Council's approach to procurement.
- It was accepted that commercial ventures did have risk attached, however, no proposal would be accepted without a robust business case and a clear assessment of any risks involved.
- Members felt that it was important to have targets, however, recognised that only indicative figures were available within the strategy at current. These would become firmer following the creation of business cases.
- Questions were raised in relation to how staff would be encouraged to become more commercially minded.
- It was advised that social benefit would remain a key influence, with commercial benefit an additional positive.

Cabinet considered the report and **RESOLVED** to approve the Commercial Strategy 2018 – 2021 as attached at Appendix 1 to the report.

REASONS FOR THE DECISION

A Commercial Strategy and workplan was needed to build on existing initiatives, increasing the pace of portfolio development to ensure that commercial income makes a significant contribution to the Council's budget.

ALTERNATIVE OPTIONS CONSIDERED

The Council had been exploring strategies for achieving a balanced budget and options which included a range of commercial targets had been modelled alongside efficiency savings and service reductions.

As part of the development of the Commercial Strategy, the working group considered a range of options including alternative delivery models, acquisition and investment, contracts and procurement and trading income. The resulting Strategy proposed a mixed portfolio of commercial activity with ambitious but deliverable targets.

84. CORPORATE STRATEGY 2019/2021

The Cabinet received a report in relation to the Corporate Strategy 2019/2021.

The purpose of this report was to provide an overview of the proposed Corporate Strategy 2019/2021 and to seek endorsement to submit to the Growth, Environment and Resources Scrutiny Committee for comment.

The Leader of the Cabinet and Deputy Mayor for the Cambridgeshire and Peterborough Combined Authority introduced the report and commented that the Strategy was important for both the Council's staff and Peterborough's citizens. The Council had been working to seven priorities in the past. After considering what was important to residents, these priorities had been reviewed and it was proposed to narrow them down to three: (1) Pride in our communities and environment, (2) First rate futures for our children, young people – and quality support for our adults and elders, and (3) Better jobs, good homes and better opportunities for all.

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

- It was considered that maintaining growth and sustainability in the Peterborough area was of key importance, alongside investment in road networks, technological development, and environmental credentials.
- The three priorities were felt to be equally as important as each other.
- Comment was made in relation to the investment made into schools and the subsequent results of 93% of schools being rated good or outstanding by Ofsted.
- It was noted that work was being undertaken to ensure a cohesive city, including increased enforcement services. This had been recognised by Government when Peterborough was invited to bid for the Integrated Communities Strategy funding.
- Further comments were made in relation to the Think Communities Strategy and how this focused on ways in which the Council could support the strengths and assets of local communities.
- Peterborough was the third city in the UK to get gigabit broadband and it was felt that this would be a benefit to any companies moving to the area.
- It was suggested that a foreword be drafted to ensure that the messages within the strategy were clearly and appropriately communicated to the public.
- Discussion was had in relation to support provided to rural communities, which was not explicitly mentioned within the strategy.
- Members commented that the graphics used within the strategy were helpful in understanding the new aims of the Council.
- It was noted that residents should be clear as to what their role was and it would be useful for this to be included in any foreword that was drafted to accompany this report.

Cabinet considered the report and **RESOLVED** to endorse the proposed Corporate Strategy 2019 – 2021 for consideration by the Growth, Environment and Resources Scrutiny Committee, subject to the drafting of an accompanying foreword that indicated the support to be provided to rural areas, the role of residents, and any necessary elements to communicate the strategy to the public.

REASONS FOR THE DECISION

As well as articulating a framework to guide Council action, the Corporate Strategy communicated the Council's objectives and priorities to the community and to partners. It provided clarity about how the Council would be focusing its resource and effort and allowed us to measure performance and progress.

In developing the new Corporate Strategy it was important to have a strategy which:

- clearly articulates our ambition;
- honestly acknowledges the challenges we face;
- helps us to make choices;
- allows us both the freedom to innovate and the rigour to evaluate;
- flows through the business.

ALTERNATIVE OPTIONS CONSIDERED

The Council had managed well with individual service and functional strategies to date but, as the context in which the Council operates had become both more challenging

and more complex, the option to continue without an overarching Corporate Strategy and Strategic Framework was dismissed.

To evaluate the options in the Corporate Strategy, four elements were considered:

- the degree to which the proposed priority outcomes support delivery of the Council's statutory functions;
- the degree to which the proposed priority outcomes meet the needs of the citizens of Peterborough;
- the degree to which the proposed priority outcomes are financially viable and sustainable; and
- the degree to which the proposed priority outcomes are deliverable.

MONITORING ITEMS

85. BUDGET CONTROL REPORT DECEMBER 2018

The Cabinet received a report in relation to the Budget Control Report for December 2018.

The purpose of this report was to provide Cabinet with an update as at December 2018 of the Budgetary Control position.

The Cabinet Member for Resources introduced the report and advised that the revenue overrun had decreased from £3.9 million to £2.5 million in December. The level of reserves had reduced from £41 million to £21 million. Risks had been taken into account and plans were in place to mitigate these. The Cabinet Member was happy to commend this report to Cabinet.

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

1. The Revenue Budgetary Control position for 2018/19 at December 2018 including a £2.532m overspend position on the revenue budget.
2. The key variance analysis and explanations were contained in Appendix A to the report.
3. The estimated reserves position for 2018/19 are outlined in Appendix B to the report.
4. In year budget risks were highlighted in Appendix C to the report.
5. The Asset Investment and Treasury Budget Report was contained in Appendix D to the report.

Cabinet **RESOLVED** to approve:

1. This revised capital budget, which included the following changes:
 - a. the Stamp Duty payable (£600k) on Sand Martin House as this had been assessed as a finance lease
 - b. purchasing Refuse Collection Vehicles (RCV) (£700k) and
 - c. a loan facility for Local Authority Trading Company (LATCo) to provide working capital and to cover start-up costs (£1,450k).

REASONS FOR THE DECISION

The report updated Cabinet on the December 2018 budgetary control position.

ALTERNATIVE OPTIONS CONSIDERED

There had been no alternative options considered.

Chairman
10:00am – 11:18am
25 February 2019