

**MINUTES OF THE BUDGET CABINET MEETING
HELD AT 10:00AM, ON
MONDAY 30 NOVEMBER 2020
VIRTUAL MEETING VIA ZOOM**

Cabinet Members Present: Councillor Holdich (Chair), Councillor Allen, Councillor Ayres, Councillor Cereste, Councillor Farooq, Councillor Fitzgerald, Councillor Hiller, Councillor Walsh

Cabinet Advisor Present: Councillor Bashir

36. APOLOGIES FOR ABSENCE

No apologies for absence were received.

37. DECLARATIONS OF INTEREST

Declarations of interest were received from Councillor Holdich and Councillor Hiller in relation to agenda item 7, 'Replacing the Regional Pool', and confirmed that they would not take part in the debate for this item.

38. PETITIONS PRESENTED TO CABINET

There were no petitions presented to Cabinet.

STRATEGIC DECISIONS

39. REGIONAL ADOPTION AGENCY – CONFIRMATION OF ARRANGEMENTS

The Cabinet received a report in relation to arrangements for the Regional Adoption Agency.

The purpose of this report was to confirm the arrangements for the Regional Adoption Agency, which included adoption and post adoption services, and which was being established between Cambridgeshire County Council and Peterborough City Council.

The Cabinet Member for Children's Services, Education, Skills and the University introduced the report.

Cabinet Members debated the report and in summary responses to questions raised included:

- It was noted that one of the key issues for the service was increasing the profile of adoption, which was increasingly important as courts seemed to have become reluctant to place older children for fear they may be left in 'limbo'.
- Members were advised that all location authorities were required make such arrangements and that this was an opportunity for Peterborough City Council and Cambridgeshire County Council to align their direction of travel.

- The proposals were felt to sit well alongside the approach of other services areas with the directorate, including the requirement of foster carers and doctors.
- It was considered that the proposals would result in a financial benefit to the Council.
- Members were reassured that there would be break clauses factored into the agreement and that there was also a formal requirement to review arrangements by March 2022.

Cabinet considered the report and **RESOLVED** to authorise the Council to enter into a Partnership Agreement with Cambridgeshire County Council for the establishment of a regional adoption agency for the initial period of 1 December 2020 until 30 November 2030 and subject to a further extended period as agreed between the authorities.

REASONS FOR THE DECISION

Government guidance was for all local authorities to establish regional adoption arrangements by March 31 2021. The Peterborough and Cambridgeshire Regional Adoption Agency satisfied these requirements and would deliver improved outcomes for children in need of adoption and others in need of post adoption support.

ALTERNATIVE OPTIONS CONSIDERED

The original intention was to seek a Voluntary Adoption Agency to operate the Peterborough and Cambridgeshire Regional Adoption Agency on behalf of the two authorities. This could not progress as there were no suitable applications. The status quo was not an option since the Government required all authorities to develop regional adoption arrangements.

40. CIPFA FINANCIAL MANAGEMENT CODE

The Cabinet received a report in relation to the Chartered Institute of Public Finance and Accountancy Financial Management Code.

The purpose of this report was to inform Cabinet of the contents of the Financial Management Code, and the proposed approach to reviewing and report on the Council's compliance with the code.

The Cabinet Member for Finance introduced the report and confirmed that the Code required procedures to be put in place to ensure that the finance of the Council was sustainable, and that the Council must be fully compliant for 2021/22. The Code had been influenced by the situation that local authorities now found themselves in with significantly reduced funding. The Code was based on the 6 Principles of Good Financial Management. The Council had already undertaken work to deliver these standards within the financial improvement programme in the 2019/2020 audit. It was noted that the Council's auditors had always confirmed good financial management.

Cabinet Members debated the report and in summary responses to questions raised included:

- Queries were raised as to why another code of compliance was necessary when the Council already had one in place and it was noted that the CIPFA Financial Management Code had a real focus on sustainability.

- The Council had already begun work on an action plan that would help to demonstrate conformity.
- Current compliance would be included within the second phase of the Medium Term Financial Strategy, with the intention to provide update reports to Cabinet through the Budget Control Reports, and also report to Audit Committee.
- It was noted that the Ministry for Housing, Communities and Local Government had been asking authorities for a high level of detail in their reporting, which had assisted in the standardisation of information across the country.

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

1. The contents of the CIPFA Financial Management Code.
2. The proposed approach to reviewing and reporting on the Council's compliance with the CIPFA Financial Management Code.

REASONS FOR THE DECISION

The CIPFA Financial Management Code was a requirement for all local authorities and as such the Council must demonstrate full compliance in 2021/22.

ALTERNATIVE OPTIONS CONSIDERED

No alternative option had been considered.

41. MEDIUM TERM FINANCIAL STRATEGY 2021/22 TO 2023/24 – PHASE ONE

The Cabinet received a report in relation to the Medium Term Financial Strategy 2021/22 to 2023/24.

The purpose of this report was to form part of the Council's formal Budget and Policy Framework. This required Cabinet to initiate and make proposals and update assumptions to set a balanced budget for the financial years 2021/22 to 2023/24. There were as a legal requirement to set a balanced budget for 2021/22.

The Cabinet Member for Finance introduced the report and confirmed that the Council was in a critical period. While the Council played a key role in the response to the COVID-19 pandemic, the financial landscape was changing. In March 2020 the Council had a £14 million budget gap, with a savings plan of £12 million; the Cabinet Member had been confident that sustainability could be achieved. Following the impact of COVID-19, however, all local authorities were significantly affected. The Government had provided support for 88% of the COVID-19 impact this year, however, long term support was considered to be vital. Fairer funding, it was felt, would not happen for another year at least.

It was further noted that the further support from the Government would be required. It was felt that the Council was well run, but was facing challenges currently due to the COVID-19 pandemic. However, the Council did have specific challenging factors setting it apart, including a growing population with complex demands, low unit costs and low Council Tax, and low funding support. It was considered that this could not continue and, as such, the Council had entered talks with the Ministry for Housing, Communities and Local Government to ensure that they fully understood the financial position of the Council and what was required to continue to be viable.

Cabinet Members debated the report and in summary responses to questions raised included:

- It was commented that a small number of recommendations had been received from the Joint Meeting of Scrutiny Committees, but with no alternative funding sources provided.
- The consultation from the Light Project had been received and it was considered that work assisting with rough sleepers was of key importance.
- Officers were currently in conversation with their MHCLG counterparts, with the Ministry currently undertaking an independent review of the information provided. It was hoped that a report back from the MHCLG would be received before Christmas.
- Further detail in relation to the Capital Programme would be received within the second tranche of the budget. Officers had raised concerns about slippage in this area and would be looking at what could be rolled over into the next financial year.
- The CIPFA guidance would support the key aim of the budget in a move to a sustainable position.
- It was considered that generation of income would be important in the second phase of the budget.
- Officers advised that MHCLG were currently looking for further data in relation to unrecoverable Council Tax and Business Rates losses.

Cabinet considered the report and **RESOLVED** to approve and recommend to Council:

1. The Phase One service proposals outlined in Appendix C.
2. The updated budget assumptions, to be incorporated within the Medium-Term Financial Strategy 2021/22-2023/24. These are outlined in sections 5.2 and 5.3.
3. The revised capital programme outlined in section 5.5 and referencing Appendix B.
4. The Medium-Term Financial Strategy 2021/22 to 2023/24 - Phase One, as set out in the body of the report and the following appendices:
 - Appendix A – 2021/22- 2023/24 MTFs Detailed Budget Position-Phase One
 - Appendix B – Capital Programme Schemes 2021/22- 2023/24
 - Appendix C – Budget Consultation Feedback, including Phase One Budget Proposal detail
 - Appendix D – Financial Strategy pre-C-19
 - Appendix E – Financial Risk Register
 - Appendix F – Equality Impact Assessments
 - Appendix G – Carbon Impact Assessments
 - Appendix H – Budget Consultation Feedback

Cabinet recommends to Council:

5. The strategic financial approach taken by Council outlined in section 5.4 of the report.
6. The forecast reserves position, and the statutory advice of the Chief Finance Officer outlined in Section 6, The Robustness Statement
7. The feedback received on the budget proposals, received via the consultation detailed in Appendix H.

REASONS FOR THE DECISION

The Council must set a lawful and balanced budget. The approach outlined in this 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.

42. REPLACING THE REGIONAL POOL

Councillor Holdich and Councillor Hiller left the meeting at this point, with Councillor Fitzgerald assuming the Chair.

The Cabinet received a report in relation to replacing the regional pool.

The purpose of this report was to make recommendations to Cabinet about the replacement of the existing Regional Pool facility, which was nearing the end of its life. The report was being presented following approval of a September CMDN on progressing work to develop a detailed assessment and business case for the replacement of the regional pool.

The Cabinet Member for Housing, Culture and Recreation introduced the report and explain that the current regional pool no longer met the requirements of the area. It was considered that investing in a new specialist pool would be a better value choice than investing further in an aging facility. The proposal before Cabinet had been drawn up by the Peterborough Investment Partnership for a new pool facility on the Pleasure Fair Meadows car park site, which was allocated for development in the Local Plan.

The proposal included a pool of eight lanes, a teaching pool and a new leisure water same. The facility would also include a gym, four court sports hall, and exercise, yoga and café facilities. The pool would remain a 25 metre pool, as the increase in cost for the maintenance of a 50 metre pool would worsen the revenue of the facility. Similarly, it was not proposed to include diving facilities, as there was no evidence demand for such.

It was further noted that the long term future of the Lido was important to the city and to the Council, and it had become clear that co-location was not the best path for either.

Cabinet Members debated the report and in summary responses to questions raised included:

- It was advised that the PIP would take the lead of development and planning of the facility.
- Comment was in relation to hopes that a hydrotherapy pool may be included in the site in the future, with further comments noting that the Council had supported the maintenance of a hydrotherapy pool in the past.
- It was suggested that a dialogue could be opened up with the Clinical Commissioning Group in relation to the hydrotherapy pool once more.
- It was noted that the site would need to ensure maximum financial benefit.
- Members discussed the wish to consider further details of the proposal, including a hydrotherapy provision and, as such, suggestion was made for the formation of a working group involving Councillors Allen, Fitzgerald, Walsh and Seaton.

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

1. Subject to Recommendation 2 below and contingent on Council independent best value sign off, approve the purchase of a new Regional Pool facility on Pleasure Fair Meadows from the Peterborough Investment Partnership (PIP), as per the PIP's specification set out in the report.
2. Recommend to Full Council an amendment to the Council's budget to include capital purchase costs up to the level indicated in this report of £38m, subject to Recommendation 4.
3. Approve an investment into PIP of up to 49% of the project development costs set out in this report (up to £19m).
4. Delegate authority to the Executive Director of Place and Economy, in consultation with the Director of Law and Governance and Director of Resources to negotiate the terms of the investment and enter the necessary legal documents to facilitate the delivery of this project.
5. Establish a working group comprising Cllr Allen, Cllr Fitzgerald, Cllr Seaton and Cllr Walsh, and appropriate officers, in order to consider the detail of the project with regard to, among other things, the potential provision of a hydrotherapy pool.

REASONS FOR THE DECISION

To progress work to develop a detailed assessment and business case for the replacement of the regional pool.

ALTERNATIVE OPTIONS CONSIDERED

No alternative options had been considered.

MONITORING ITEMS

43. BUDGET CONTROL REPORT OCT 2020

Councillor Holdich and Councillor Hiller re-joined meeting at this point, with Councillor Holdich retaking the Chair.

The Cabinet received a report in relation to the Peterborough City Council Budget Control Report for October 2020.

The purpose of this report was to provide Cabinet with the forecast for 2020/21 as at October 2020 budgetary control position.

The Cabinet Member for Finance introduced the report and advised that funding had been provided to business as well as hardship funding, including grant assistance to open the city centre. Council Tax collection had improved throughout the year. Local restriction support grants had been awarded of £2.8 million, with a further discretionary scheme to be developed.

Cabinet Members debated the report and in summary responses to questions raised included:

- It was advised that the Council had seen collection rates go down, and were limited in following up unpaid payments with court closed. It was noted, however, that if people were struggling to make payments, the Council had a number of different routes to offer if individuals make contact.
- It was noted that further cost had been taken into consideration within the budget for the second part of the year, including any COVID-19 vaccination scheme, however it was difficult to predict the magnitude of these.
- Further discussion was had in relation to COVID-19 vaccinations and Members were advised that while there was no requirement to have a flu vaccination prior to a COVID-19 vaccination, if someone had a flu vaccination they may need to wait for a period of time before receiving a COVID-19 vaccination.
- It was noted that officers were continually reviewing savings and income levels that were not being delivered and whether these could be recovered in the future.

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

1. The Budgetary Control position for 2020/21 as at 31 October 2020 is a forecast overspend of £6.6m against budget. This includes the current estimated impact of C-19 and the additional C-19 response funding.
2. Included in this report is a forecast £38.1m of additional pressure due to C-19, as reported to the Ministry of Housing Communities and Local Government, within the October return, as outlined in section 4.
3. The reduction in collection rates in respect of Council Tax and National Non-Domestic Rates, in comparison to the levels achieved in 2019/20, as outlined in section 4;
4. The additional funding that has been made available to the Council and businesses as a result of the national lockdown, as outlined in section 4;
5. The key variance analysis and explanations are contained in Appendix A;
6. The Council's reserves position, as outlined within Appendix A.

REASONS FOR THE DECISION

To provide Cabinet with the forecast for 2020/21 as at October 2020 budgetary control position.

ALTERNATIVE OPTIONS CONSIDERED

None provided.

Chairman
10.00am to 11.23am
30 November 2020