

**MINUTES OF THE JOINT SCRUTINY COMMITTEE
HELD AT 6.00PM ON
22 FEBRUARY 2021
VIRTUAL MEETING: PETERBOROUGH CITY COUNCIL'S YOUTUBE PAGE**

Committee Members Present: Councillors N. Simons (Chairman), K. Aitken, S. Bond, R. Brown, C. Burbage, G. Casey, A. Coles, N. Day, A. Dowson, A. Ellis, John Fox, Judy Fox, C. Harper, T. Haynes, J. Howard, J. Howell, Amjad Iqbal, A. Joseph, S Lane, S. Nawaz, D. Over, S. Qayyum, L. Robinson, B. Rush, N Sandford, H. Skibsted, S. Warren, C Wiggin and I. Yasin.

Independent Co-opted Members:

Alistair Kingsley, Rizwan Rahemtulla
Parish Councillor June Bull
Parish Councillor Susie Lucas
Parish Councillor Keith Lievesley
Parish Councillor Neil Boyce
Parish Councillor James Hayes

Officers Present:

Gillian Beasley – Chief Executive
Steve Cox – Executive Director, Place and Economy
Wendi Ogle-Welbourn – Executive Director, People and Communities
Amanda Askham - Director of Business Improvement and Development
Dr. Liz Robin – Director of Public Health
Sue Grace – Director of Customer and Digital Services
Peter Carpenter – Corporate Director, Resources
Fiona McMillan – Director of Law and Governance
Michael Kelleher – Assistant Director, Housing
Charlotte Palmer – Group Manager, Transport and Environment
James Collingridge – Head of Environmental Partnerships
Paulina Ford – Senior Democratic Services Officer
David Beauchamp – Democratic Services Officer

Also Present:

Councillor John Holdich – Leader of the Council
Councillor Wayne Fitzgerald – Deputy Leader and Cabinet Member for Adult Social Care, Health and Public Health
Councillor David Seaton – Cabinet Member for Finance
Councillor Peter Hiller – Cabinet Member for Strategic Planning and Commercial Strategy and Investments
Councillor Lynne Ayres – Cabinet Member for Children's Services, Education, Skills and the University
Councillor Steve Allen – Cabinet Member for Housing, Culture and Recreation
Councillor Irene Walsh – Cabinet Member for Communities

Councillor Marco Cereste, Cabinet Member for Waste, Street Scene and the Environment
Councillor Shazia Bashir – Cabinet Advisor for Childrens Services

The Senior Democratic Services Officer opened the meeting by welcoming those members of the public and press who were watching the livestream of the meeting through the Council's YouTube page. Due to government guidance on social distancing, the meeting took place remotely in accordance with current legislation which made provision for remote attendance at, and remote access to Council meetings. The meeting was also following the Peterborough City Council's Virtual Meeting Protocol

1. NOMINATION OF CHAIR

The Senior Democratic Services Officer advised the Committee that in accordance with *Part 4, Section 8 – Scrutiny Committee Procedure Rules, section 13, Joint Meetings of Scrutiny Committees* a Chair would be required to be appointed from among the Chairmen or Chairwomen of the Committees who were holding the meeting. Nominations were sought from those Chairs present who were Councillor Simons, Chair of the Adults and Communities Scrutiny Committee and Councillor Harper, Chair of the Growth, Environment and Resources Scrutiny Committee.

Councillor Harper, seconded by Councillor Brown, proposed that Councillor Simons take the Chair. There being no further nominations, Councillor Harper was appointed Chair of this committee.

The Chair 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, 2021/22 to 2023/24 Phase One Proposals document as part of the formal consultation process, before being presented to Cabinet on 23 February 2021 for approval and recommendation to Full Council on 3 March 2021.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Hemraj (Cllr Joseph in attendance as a substitute), Councillor Ali (Cllr Shaz Nawaz in attendance as a substitute) and Councillor Bisby.

The following Education co-opted members also submitted their apologies: Flavio Vettese, Peter Cantley and Clare Watchorn.

3. DECLARATIONS OF INTEREST

No declarations of interest were received.

4. MEDIUM TERM FINANCIAL STRATEGY 2021/22 TO 2023/24-PHASE TWO

The Cabinet Member for Finance gave a short introduction to this agenda item. This report comes to the Joint Meeting of Scrutiny Committees as part of the Council's formal budget process as set out within the constitution and as per legislative requirements to set a balanced budget for 2021/22.

The Cabinet Member made the following points:

- A balanced budget had been set which represented progress towards financial stability.

- The Council's openness and transparency had been praised by the Ministry of Housing, Communities and Local Government (MHCLG). This put the Council in good stead for the Fairer Funding Review.

The Corporate Director, Resources delivered a PowerPoint presentation. Slides may be found in Appendix. 1

The Joint Scrutiny Committee debated the report and in summary, key points raised and responses to questions included:

Please note that any references to the 'Cabinet Member' or the 'Corporate Director' refer to the Cabinet Member for Finance and the Corporate Director Resources respectively unless otherwise stated.

Section of MTFS Phase One Proposals	Questions / Comment from Members	Response from Relevant Cabinet Member / Corporate Director
<p>4. Presentation and Introduction of the Medium-Term Financial Strategy Phase Two Proposals Document Cabinet report dated 23 February 2021 (pages 1 to 40) of the MTFS 2021/22 to 2023/24 Phase Two Proposals Document</p>	<p>Members referred to table 11 on page 21 of the reports pack and asked why there appeared to be no Community Leadership Fund allocations for 2021/22 and 2022/23</p>	<p>The Corporate Director, Resources responded that he thought that was funding was continuous and would verify this after the meeting.</p>
	<p>In light of a projected future deficit, Members asked how certain officers were that the future Fair Funding Review would result in financial stability</p> <p>Given that the Council had requested a capitalisation direction of £20m with a projected budget gap of £13.7 in 2021/22, members asked if the remaining £6.3m could be used in the next financial year.</p>	<p>The Corporate Director responded that Alex Skinner (Director of Finance for the MHCLG) was still of the view that that the Fair Funding Review would be delivered this year, for implementation next year. The possible rescheduling of the Business Rates Review to the Autumn would make things more difficult. It was assumed that the Fair Funding Review would take place in March or April, after the Chancellor's Spring Statement.</p> <p>The Cabinet Member responded that the Council was making the argument to MHCLG that the extra £6.3m was needed to introduce the required changes.</p>

	Members commented that the proposed Capitalisation Direction did not represent generosity on behalf of the Government as it merely allowed the Council to borrow more money. The Direction represented a move towards Central Government control of local authorities.	The Cabinet Member responded that it was good news that the Council would be able to borrow to deliver a balanced budget and move towards financial sustainability. These issues would form part of the Fair Funding Review
	Members asked how the Council could escape the 'trap' of having low Council tax while being constrained by increases of 5% per year.	The Corporate Director responded that this was a problem caused by the valuations system with 65% of Peterborough properties in bands A or B when average bands were calculated based on Band D. Until the Valuations Office changed this system, this would always be a challenge for Peterborough due to its low property values. The Cabinet Member concurred with these comments. A 1% increase would be worth more in some areas than others and there was currently no solution for that.
	Members asked why the Phase 2 Budget did not contain measures to tackle the Climate Emergency, given these were also absent from Phase 1. A proposal tabled at the working group was rejected due to lack of funds.	The Cabinet Member responded that he would be happy to consider proposals for expenditure. If a measure had a net cost, a case would need to be made to MHCLG. Work was being undertaken to find money for proposals that came forward.
	Members referred to Table 11 on page 21 of the Budget Book. What would happen if the third party funding for the Towns Fund and 62-66 Bridge Street did not materialise, given that a fifth of the Council's revenue budget serviced capital programmes.	The Cabinet Member was conscious of the final point regarding the revenue budget and capital programmes and this formed part of the Council's sustainability arguments to MHCLG. The Corporate Director stated that approval had been received from MHCLG for £23m of matched funding. The Executive Director, Place and Economy added

	<p>Members asked what would happen if the £10m for the Bridge Street building did not materialise.</p>	<p>that the Towns Fund had £2.9m for 62-66 Bridge Street with matched funding included in the budget. Officers were investigating what users and commercial opportunities could be found for the building. Once completed, community uses could be considered. It was important that the building's use was self-sustaining. The building was critical to the post-COVID recovery of the City Centre.</p> <p>Officers responded that the mixed uses of the building would contain a commercial underpinning. 'Third party' included the Council and the Combined Authority.</p>
	<p>Members asked what the biggest budgetary risks were in 2021/22 and 2022/3.</p>	<p>The Corporate Director responded that the biggest risk in 2021/22 was the COVID-19 pandemic. MHCLG were requiring returns on a monthly basis. Government announcements did suggest the Council's assumptions around this risk were correct but this needed to be checked. In 2023/23, COVID funding was no longer available and the Capitalisation Direction was required. The budget gap was £30m and a map towards sustainability was required. The Cabinet Member added that the recovery from COVID-19 was important. In 2022/23 the Council could make the case to MHCLG that it was underfunded via the Fair Funding Review. Gaps in funding would need to be identified and a robust case presented to Government.</p>

	Members referred to page 35 of the Budget Book, noted that the Council's unit costs were 13% lower than average and asked why the Council was performing worse than other Councils with higher unit costs	The Cabinet Member responded that the Council was performing better than the average, not worse. The Council had 13% cheaper unit costs than the average local authority. The Corporate Director stated that the Council was providing high quality services for less money than most Councils. The Cabinet Member added that this would be a key point made to Government.
	Members referred to section 4.6 on page 11. Was the Council really in a sustainable position if it had to borrow money to balance the budget after selling assets and cutting services.	The Cabinet Member responded that there were 400 councils in the country and the fact they were still delivering services 11 years later showed there had been excess expenditure that could be cut. The grant equalisation reserve helped to ensure a sustainable budget. The Council's current position was caused by the pandemic and its budgetary situation had been positive prior to this.
	The Cabinet Member was asked to confirm if opposition groups had been invited to the Budget Working Group and if they had put forward any solutions.	The Cabinet Member responded that Labour and the Liberal Democrats had been invited but refused to take part. Attending the group would have helped them to understand the budgetary situation the Council faced. No particular proposals had been received in the last 12 months.
	Were there any plans to cut services?	The Cabinet Member responded that there were no plans to cut services in this phase. There were efficiency savings in both tranches.
	Had budget challenges held back the Council's response to the COVID-19 pandemic?	The Cabinet Member stated that this was not the case; all actions required had been undertaken. Highlights included being the second highest rated Council in the country for delivering grants to

		businesses over summer 2020.
	Members commented that the Labour Group had left the budget working group because they felt their ideas were not listened to	The Cabinet Member responded that Labour had not put forward any ideas but information had always been provided to them on request. The Leader of the Council added that they had sought feedback on how to improve the working groups but none had been received.
	Members commented that Peterborough was high growth with high deprivation. What was being done to address this?	The Corporate Director responded that it depended on which indicators were used. Demand on services did not always align with the receipt of grant funding which could cause difficulties. Peterborough did not have particular issues with Children's Services or high-rise tower blocks, unlike many Councils.
	Members requested an explanation of the Business Rate Collection Fund's deficit and business growth in light of lockdown.	<p>The Corporate Director responded that the collection fund was down 17%. Grant funding was being received for industries affected by the pandemic such as hospitality. The Council was investigating how to tackle the larger non-payers of business rates.</p> <p>The situation for the next financial year looked positive due to the business rate base. Issues with the Debenhams Warehouse were offset by an increase in activity from the Gateway Retail Park and the new Premier Inn. The Council was waiting for news from the Chancellor on the provision of relief for specific sections of the economy.</p>
	Members responded that Table 1 on page 4 of the	The Corporate Director agreed and stated that the

	Budget Book painted a negative picture of business rates.	Council was working to follow up on the collection of business rates. The business rate base would be higher in the next municipal year
<p>ACTIONS AGREED:</p> <p>The Committee RESOLVED to:</p> <ol style="list-style-type: none"> 1. Note this section of the budget. 2. Request that the Corporate Director, Resources confirms if the Community Leadership Fund (CLF) will continue beyond 2021/22. 		
Appendix A Page 41 to 42 2021/22-2023/24 MTFS Detailed Budget Position Phase Two AND Appendix B Page 43 to 58 Budget Proposal Detail	Members praised plans to empower communities and asked how this would be facilitated. Members also asked how people without access to primary care would be helped to access NHS services.	It was agreed that the Cabinet Member for Communities would answer these questions via email.
	Members asked how the projected £23.793m deficit for 2022/23 would be addressed.	The Cabinet Member responded that the Council would present a case to MHCLG either within the Fair Funding Review or outside it. There was a good case to be made.
	Members referred to page 44 of the Budget Book, noting that the costs of the Care Homes Team investment would be shared, with Peterborough City Council contributing 26% and Cambridgeshire County Council contributing 74%. Did this mean that Cambridgeshire would have 74% control of the scheme and would the team be put under the remit of care homes and subject to Care Quality Commission (CQC) inspections?	The Executive Director, People and Communities responded that the funding was proportional to the population of the two Council areas. CQC standards would be conformed to.
	Members referred to page 46 of the Budget Book, noting the £1.5m budget pressure and stating that this was not surprising as the original contract had been undervalued.	

	<p>Members felt that there was a 'two tier' divide between the cleansing services provided in the City Centre vs. other areas of the city and hoped the extra investment would improve this.</p>	<p>The Cabinet Member responded that services were tailored to the needs of an area within the resources available and it was not fair to describe the service as two tier. Further information would be provided in writing. Officers adding that there were different service levels across the City. A core City Centre team ensured the retail area was appealing and addressed concerns by individual retailers. Fleet investment in more reliable vehicles was being considered.</p>
	<p>Members referred to page 46 of the Budget Book and asked why proposals were appearing in both budget phases.</p> <p>Members followed up by asking if the additional expenditure had therefore already occurred.</p>	<p>The Corporate Director responded that two tables had been combined into one. The first columns were phase one, the second phase two and the third the net effect.</p> <p>The Corporate Director responded that this was correct but both phases needed to be displayed in the budget. The middle three columns contained the figures for phase 2.</p>
	<p>Members referred to page 55 of the Budget Book, asked why the new Assistant Director of Housing post was not being shared with Cambridgeshire and how the Housing Service savings had been calculated.</p>	<p>The Executive Director, Place and Economy responded that the housing model in Peterborough was different necessitating a separate role. Savings had been achieved from bringing the management service in-house and improved rental payments. The savings offset the cost of the new Assistant Director</p>
	<p>Members requested an explanation of the Think Communities initiative to improve access to the NHS</p>	<p>The Executive Director, People and Communities responded that the additional investment was to provide additional staff in the Think Communities</p>

		team and to provide additional money in the voluntary sector to provide a range of different services. This helped to reduce pressure on GPs surgeries.
	Members referred to page 46 of the Budget Book and asked how much the pay award uplift was for Agenda 4 Change (A4C) staff. Would this be awarded annually?	The Corporate Director was not aware of the uplift figures but would confirm these outside the meeting. The figure was ongoing and covered all three years. The Deputy Leader and Cabinet Member for Adult Social Care, Health and Public Health added that the Council would pay whatever the agreed rate was.
	Members referred to page 51 of the Budget Book, noting that the need for social distancing meant that savings could not be made from the Home to School Transport service. Would these additional costs really last in 2022/23?	The Cabinet Member for Children's Services, Education, Skills and the University responded that social distancing was projected to continue and savings plans had proved impossible. The Executive Director, People and Communities responded that the failure to make savings was because of the need to transport children separately. Route optimisations in Cambridgeshire had been put on hold for the same reason. Infection control measures were expected to continue for some time. The Director of Public Health added that when the Council received grant funding from the Department of Health and Social Care, it was agreed the Council would fund this cost going forward.
	Members referred to page 53 of the budget book and asked if the reduction in staffing costs for the Blue	The Executive Director, Place and Economy responded that this was not the case. The savings were being achieved via

	Badge service would mean redundancies.	efficiency improvements to systems, not from redundancies.
ACTIONS AGREED:		
The Committee RESOLVED to: <ol style="list-style-type: none"> Note this section of the budget. Request that the Executive Director, Place and Economy confirms how appointing a new Assistant Director of Housing would produce savings. 		
Appendix C Page 59 to 60 Phase One and Phase Two Budget Proposal Summary	Members referred to page 59 of the reports pack and asked why COVID-19 grant funding was not in the list.	The Corporate Director responded that this would be reallocated, predominantly to Adult Social Care, Children's Services and Housing. Business funding would not extend to this.
The Committee RESOLVED to note this section of the budget.		
Appendix D Page 61 to 62 Grant Register	Members asked if the Council could collect fly-tipping on private land in rural areas. Farmers were considering closing footpaths due to the issue. Members asked if the Council could investigate clearing fly-tipping on the edge of private land.	The Cabinet Member for Waste, Street Scene and the Environment responded that this would not be possible under current budgetary constraints. Another saving would need to be found. to pay for this The Cabinet Member agreed to take this away as an action.
	Members noted that the details of education grants were listed as unknown. What would happen if these grants were not received?	The Corporate Director responded that the Council was still awaiting final notification of the status of these grants
	Members asked why the grants for Drug Intervention on page 61 of the budget book were listed as unknown.	The Director of Public Health responded that Change Grow live provided services for younger people with funding awarded through Aspire. This was the work of the Drug and Alcohol Service. The Corporate Director added that confirmation of the funding would be received in the next two to three weeks
	Members asked why the grants for Rough Sleeping Drug and Alcohol Treatment were unknown.	The Corporate Director responded that they were waiting for further guidance so that a realistic figure

		could be obtained. Officers would chase MHCLG for this. Some rough sleeper grant funding had been drip fed.
ACTIONS AGREED:		
<p>The Committee RESOLVED to:</p> <ol style="list-style-type: none"> 1. Note this section of the budget. 2. Request that the Cabinet Member for Waste, Street Scene and the Environment sees grant funding to clear fly tipping on the edges of private land, e.g. farmyards and gateways. 3. Request that the Corporate Director, Resources confirms when the budget for drug intervention services would be known and how much this would be 4. Request that the Corporate Director, Resources confirms the budget for rough sleeper drug and alcohol treatment when this was known. 		
Appendix E Page 63 to 64 Council Tax Information AND Appendix F Page 65 to 66 Fees and Charges	Members asked for an explanation of the 11.6% increase in parental contribution to Bus Passes issued, on page 65 of the Budget Book	The Executive Director, People and Communities agreed to take this away as an action.
ACTIONS AGREED:		
<p>The Committee RESOLVED to</p> <ol style="list-style-type: none"> 1. Note this section of the budget. 2. Request that the Executive Director, People and Communities and the Service Director, Education to provide more detail on the 11.6% increase in the parental contribution to bus passes issued. 		
Appendix G Page 67 to 70 – Capital Programme Schemes 2021/22-2023/24	Members referred to page 69 and asked if the proposed Crescent Bridge refurbishment expenditure related to the cycleway and if Cabinet had reached a view on making this permanent.	The Group Manager, Transport and Environment responded this expenditure was related to solely to the duty to maintain the physical infrastructure. Issues in relation the Emergency Active Travel Grant were still being determined by the working group and the relevant Cabinet Member.
	<p>Members asked if the £200k budget for Operation Can Do was related to the £7.5m promised for the area or if it was in addition to it. How would this funding be accessed?</p> <p>Members asked if this funding would be accessible.</p>	<p>The Executive Director, Place and Economy responded that this was matched funding from the Towns Fund for Lincoln Road. The total amount was £4m for the Millfield and Lincoln Road areas.</p> <p>Officers responded that projects consistent with the Towns Fund would have a business case prepared over nine months then</p>

		submitted to government. The funding could be accessed.
The Committee RESOLVED to note this section of the budget.		
Appendix H Pages 71 to 80 – Financial Risk Register	Members referred to page 73. For how long had the Clinical Commissioning Group (CCG) owed the Council £43m and how would this be resolved?	The Corporate Director responded that meetings took place between the Council and the CCG every two weeks. £16m of old debt had been cleared and the existing old debt had been reduced to £6m. The remainder of the debt was from the current financial year.
	Members expressed surprise that the Risk Register did not contain reference to Climate Change, specifically the risk of flooding to Peterborough.	The Cabinet Member for Finance and Corporate Director agreed that this needed to be added to the register. The Cabinet Member for Strategic Planning and Commercial Strategy investments added that he sat on the Internal Drainage Board and an Environment Agency Board and would be happy to provide input to any future flood risk assessments.
	Councillor Sandford, seconded by Cllr Simons proposed that the Committee recommends to Cabinet that the Financial Risk Register be updated to include reference to the risks posed by climate change to the City, with particular reference to flood risk. This was UNANIMOUSLY agreed.	This recommendation was accepted by the Cabinet Member.
<p>RECOMMENDATION</p> <p>The Joint Meeting of the Scrutiny Committees RESOLVED to recommend to Cabinet that the Financial Risk Register be updated to include reference to the risks posed by climate change to the City, with particular reference to flood risk.</p> <p>ACTIONS AGREED:</p> <p>The Committee RESOLVED to note this section of the budget.</p>		

Appendix I Pages 81 to 82 – Carbon Impact Assessment	No questions.	
The Committee RESOLVED to note this section of the budget.		
Appendix J Pages 83 to 112 – Treasury Management Strategy	No questions.	
The Committee RESOLVED to note this section of the budget.		
Appendix K Pages 113 to 138 Capital Strategy, Programme and Disposals	Referring to page 135, Members asked what the net book value of assets for disposal was and what percentage of this value would be used for the Capital Receipts flexible programme.	The Corporate Director agreed to take this away as an action
	<p>Noting the inclusion of St. George’s Hydrotherapy Pool on the disposals schedule, Members asked what this facility would be replaced with noting that 95% of people who used the facility said it improved their health and that it reduced costs to healthcare providers.</p> <p>Members stated that they had been informed at Full council that both pools would be used going forward? What had changed?</p>	<p>The Executive Director, Place and Economy responded that St. George’s pool would require refurbishment. Discussions were underway with a special school so that residents could use their hydrotherapy pool. The Cabinet Member for Adult Social Care, Health and Public Health added that this was a good solution.</p> <p>The Cabinet Member for Adult Social Care, Health and Public Health responded that this was not his recollection and there were no formal plans to have a hydrotherapy facility in the new leisure pool. There was no requirement for the Council to provide NHS commissioned services but they were keen to provide alternative options. The Executive Director added that long term solutions were being investigated where the school would maintain the pool with the help of the Council. St. George’s Pool would reach the end of its natural life.</p>

	<p>Members noted the financial issues with keeping St. George's Pool open. Had safeguarding issues around the use of the school facility been considered?</p> <p>Members asked if there were any plans for a hydrotherapy pool at the Regional Pool.</p> <p>Members asked if any closure of St. Georges would be subject to consultation.</p>	<p>The Cabinet Member for Adult Social Care, Health and Public Health added the deal was financially beneficial for the school. St. George's was dilapidated and the Council could not be expected to refurbish it.</p> <p>The Cabinet Member for Adult Social Care, Health and Public Health stated that there was plenty of downtime in the evenings and at the weekends. Money was not available to replace the hydrotherapy pool. These issues had been fully discussed at the steering group.</p> <p>The Cabinet Member for Adult Social Care, Health and Public Health responded that there were no such plans.</p> <p>The Cabinet Member for Housing, Culture and Recreation added that various options had been investigated and consultants had advised against including a hydrotherapy pool at the Regional Pool.</p> <p>The Cabinet Member for Adult Social Care, Health and Public Health added that there were no plans to close St. George's currently. When it reached the end of its life, Cabinet would consider the options.</p> <p>The Cabinet Member for Adult Social Care responded that the Council would not consult on a service that they did not provide or commission. It would be difficult to make the argument for running the facility at a loss.</p>
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	Members referred to page 13 and requested information on the status of the £2m of assets held for sale.	The Corporate Director responded that he would find more information outside the meeting. These assets might be linked to Section 77 agreements where Department for Health approval was required to sell them.
	Members commented that hydrotherapy pools were valuable and could not see how a school pool would be suitable. Would they public have to pay to use this facility?	The Cabinet Member for Adult Social Care, Health and Public Health responded that it was a proper hydrotherapy pool contained within a school. The Cabinet Member for Adult Social Care, Health and Public Health responded that people would have to pay, but this was also the case currently.
	Members expressed support for the retention of St. Georges Hydrotherapy Pool and encouraged the Council to liaise with volunteers and service users, stating that they were currently fundraising for the facility.	The Cabinet Member responded that the inclusion of St Georges' Pool on the Disposals Schedule just represented forward planning and the intention was to keep the facility open for as long as possible. However, if the facility became unusable alternative plans needed to be in place to avoid letting service users down. The school facility had come to light as a result of developing these plans.
	Members asked what impact the disposal of The Cresset would have on Community Facilities.	The Cabinet Member responded that the Cresset was already on a long term lease to the YMCA. The inclusion in the disposals schedule was a technicality. The Corporate Director added that this had been in negotiations for a number of years. Final elements were being concluded prior to the Cabinet Member Decision Notice (CMDN) being issued. The Cabinet Member for Adult Social Care, Health

		and Public Health added that he was a board member of the Cresset and considered it a good thing that the YMCA were taking over. They had spent a great deal of money on the building and would continue to provide the same services they always had. The Council was merely relinquishing liability or the building.
	Members questioned the prudence of selling the Peterborough United Stadium back to the Football Club for less than the Council paid for it, given that he Club did not want to use it for football and the Council would provide a new plot of land on the Embankment for a new stadium.	The Cabinet Member responded that the Council had made a profit from the stadium and speculation was unhelpful. The stadium was on the disposals schedule because the Council was selling it.
	Members queried the inclusion of Land at Whitworth Mill – Plot 7 / 8. Had this not been sold with the Mill?	Officers responded that this disposal was linked to the conclusion of the Mill proposal.
	Members asked what the plan was for the market and its stallholders.	<p>The Executive Director responded that a working group had been established to consider all options for the market. Many types of market were being considered.</p> <p>The Cabinet Member added that the market was under consideration for disposal.</p> <p>The Cabinet Member for Waste, Street Scene and the Environment stated that the market was important. A great deal of work was underway to find alternative provision and develop a top class market.</p> <p>The Leader of the Council added that the planning application for Northminster would be considered in the next few</p>

		months and these proposals still included the market.
	Members sought reassurance that stallholders would be kept informed about future plans for the market, given that they were out of work.	The Executive Director, Place and Economy confirmed that they would be kept informed. It was also agreed to take this away as an action.
ACTIONS AGREED:		
The Committee RESOLVED to:		
<ol style="list-style-type: none"> 1. Note this section of the budget. 2. Request that the Corporate Director Resources ensures that market stallholders were kept informed regarding plans for the market as they emerged. . 		
Appendix L Pages 139 to 156 Asset Management Plan	No questions.	
The Committee RESOLVED to note this section of the budget.		
General Comments, any overall recommendations and Conclusion	No questions or comments.	
The Committee RESOLVED to note this section of the budget.		

CHAIRMAN

6pm – 8.26pm



2021/22 MTFS Joint Scrutiny of the Budget

22 February 2021

CLlr David Seaton – Cabinet Member
Finance

Pete Carpenter – Corporate Director
Resources

Resources Directorate / Financial Services

Why do we have a Challenge?



•Low Council Tax Base



•Low government funding



•Fast growing City



•High growth + high deprivation = both more and more complex demand



•Low financial resilience, with low levels of usable reserves



•C-19 Impact

Tax and Funding Comparisons

Chart 5: 2020/21 Council Tax Band D Charge

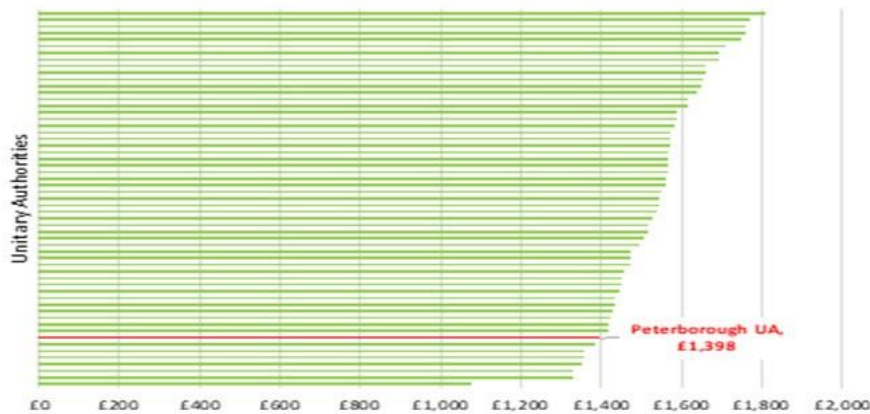
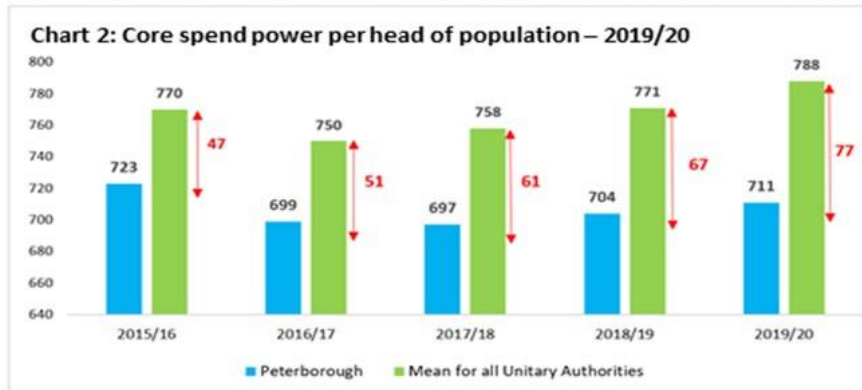


Chart 2: Core spend power per head of population – 2019/20



What Action Have We Taken

- External Challenge
 - LGA in 2018
 - Grant Thornton in 2019
 - MHCLG appointed Local Government specialist 2020

- Enhanced Cost Controls
 - Recruitment and agency panels
 - Expenditure controls for spending over £1k
 - Business Case requirements over £10k
 - Separate control process for C-19 expenditure
 - Enhanced Internal Governance processes

- Core Process Review
- Contract Review
- New Towns Grant Application
- MHCLG Application

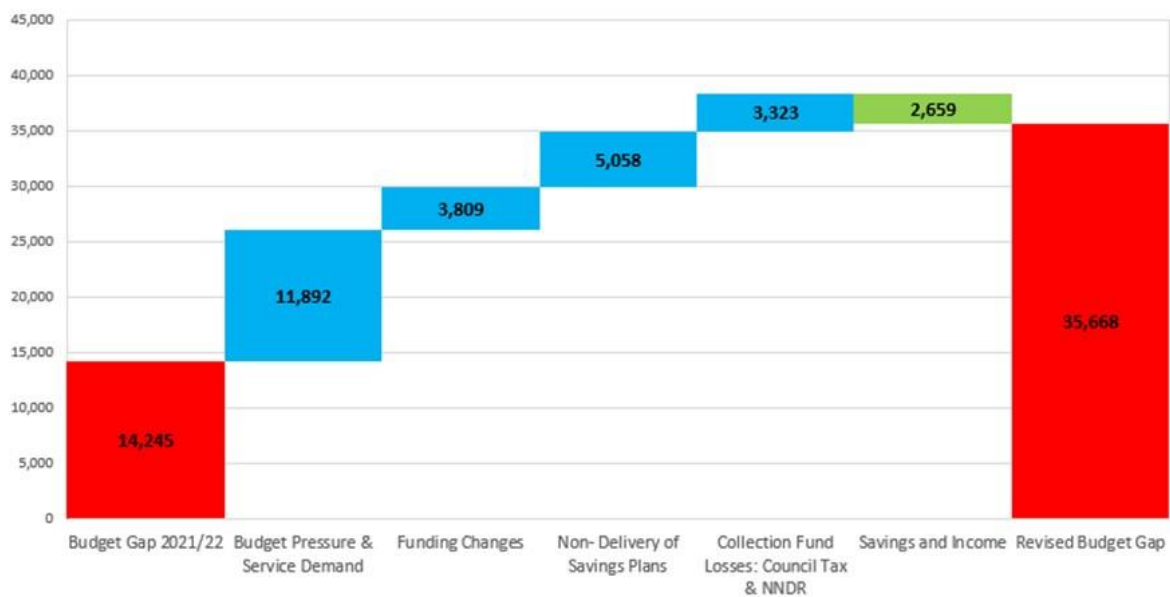
Performing Well

- Individual Departments Performance (e.g.Children's Ofsted, Highways)
- Providing Services at Low Unit Costs
- Innovation
- Sharing Costs and approach with CCC
- Service Delivery with External Partners (including CPCA)
- Reduced the Councils Property Footprint significantly
- Strong income generation

MTFS 2021/22 Phase One Summary

Estimated 2021/22 MTFS budget gap

Existing budget gap **£14.2 m** + pressures **£24.1m** - new savings **£2.7m** = revised budget **gap of £35.7m**



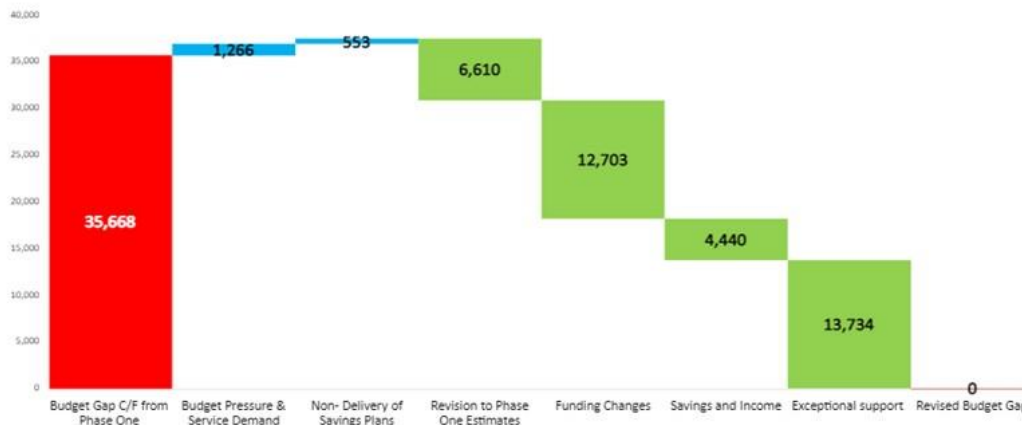
MTFS 2021/22 Phase Two Summary

MTFS 2021/22 Phase Two Summary

The following chart outlines the change in position from Phase one to Phase two.

Existing budget gap from phase one £35.7m + pressures £1.8m - additional funding & revised estimates £23.8m and £13.7m Exceptional Support, assumed Capitalisation Direction = balanced budget

Estimated 2021/22 MTFS budget gap - Phase Two



Capitalisation Direction

Since October 2020 we have undertaken a review with MHCLG of our financial position. The key focus of those discussions was an assessment on the Council's:

- **Value For Money:** an assessment of affordability and a review of the Council's position including a review the existing resources the Council may be able to deploy to mitigate pressures.
- **Securing the longer-term financial sustainability of a council:** does the requested support and the authorities longer term plan seek to underpin the longer-term financial position of a Council.
- **Addressing the underlying drivers of risk or fragility:** does the requested support and the authorities longer term plan seek to address the underlying causes of pressures.
- **Eligibility:** is the authority able to demonstrate why the measures in the generalised sector wide package did not provide enough financial support.

Review concluded strong case to be considered for 'exceptional support'.

PCC one of 4 Councils to be awarded 'exceptional' support on the 10th February 2021

The Way Forward

- Capitalisation Direction to ensure balanced 2021/22 budget
 - Up to £4.8m in 2020/21
 - "Minded" to award up to £20m in 21/22 to support the Council to sustainability
 - Ongoing review with MHCLG to establish how sustainability can be achieved
- The Council has no recourse to alternative options at this stage
- Without receipt of the exceptional support, the Council is not able to set a legal budget in 2021/22 which is the requirement of Full Council
- If Budget not agreed next step is a S114 Statement
- Key step is input into the Fair Funding review – presently expected in 2022/23

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