

**MINUTES OF THE JOINT SCRUTINY COMMITTEE
HELD AT 6.00PM ON
17 NOVEMBER 2021
AT THE ENGINE SHED, SAND MARTIN HOUSE, BITTERN WAY**

Committee Members Present: Councillors C. Harper (Chairman), Jackie Allen, Ansar Ali, Brown, Burbage, Casey, Elsey, Dowson, M Farooq, S Farooq, John Fox, Judy Fox, Haynes, Haseeb, Hemraj, Ishfaq Hussain, Iqbal, Rush, Robinson, Lane, Moyo, Murphy, Tyler, Sainsbury, Sandford, Sharp, Skibsted, Warren, Wiggin, Qayyum.

Independent Co-optee Members:

Sameena Aziz
Parish Councillor June Bull
Parish Councillor Michael Samways
Parish Councillor Neil Boyce

Officers Present:

Gillian Beasley, Chief Executive of Peterborough City Council
Dr Joyti Atri, Director for Public Health - Virtually
Steve Cox, Executive Director Place & Economy
Sue Grace, Director, Customer and Digital Services
Peter Carpenter, Corporate Director Resources
James Collingridge, Head of Environmental Partnerships
Charlotte Palmer, Head of Service - Environment, Highways and Transport
Michael Kelleher, Assistant Director Housing - Virtually
Jonathan Lewis, Service Director, Education
Lou Williams, Director, Children's Services
Will Patten, Service Director, Commissioning
Adrian Chapman, Service Director, People and Communities
Rachel Edwards, Head of Constitutional Services
Phillipa Turvey, Democratic and Constitutional Services Manager
Paulina Ford, Senior Democratic Services Officer
Karen S Dunleavy, Democratic Services Officer

Also Present:

Councillor Fitzgerald, Leader of the Council and Deputy Mayor of the Cambridgeshire and Peterborough Combined Authority
Councillor Allen, Deputy Leader and Cabinet Member for Housing, Culture and Communities
Councillor Ayres, Cabinet Member for Children's Services and Education, Skills and University
Councillor Coles, Cabinet Member for Finance
Councillor Simons, Cabinet Member for Waste, Street Scene and Environment
Councillor Bashir Cabinet Advisor for Children's Services

Councillor John Howard, Cabinet Advisor for Housing, Culture and Communities
Councillor Ray Bisby, Cabinet Advisor to the Cabinet Member for Children's Services, Education, Skills and the University

The Senior Democratic Services Officer opened the meeting by welcoming everyone present and those members of the public and press who were watching the livestream of the meeting through the Council's YouTube page.

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 Chairs of the Committees who were holding the meeting. Nominations were sought from those Chair's present who were Councillor Elsey, Chair of the Adults and Health Scrutiny Committee, Councillor Casey, Chair of the Communities Scrutiny Committee and Children and Education Scrutiny Committee and Councillor Harper, Chair of the Growth, Environment and Resources Scrutiny Committee. Councillor Harper was nominated by Councillor Elsey and seconded by Councillor Joseph. 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, 2022/23 to 2024/25 Phase One Proposals document as part of the formal consultation process before being presented to Cabinet on 29 November 2021 for approval and recommendation to Full Council on 8 December 2021.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Fenner, Barkham, Ansar Ali, Imtiaz Ali, and Yasin. Councillor Joseph was in attendance as substitute for Councillor Imtiaz Ali and Councillor M Farooq was in attendance as substitute for Councillor Fenner.

The following co-opted members also submitted their apologies: Flavio Vettese, Peter Cantley, Mohammed Younis and Al Kingsley

Apologies were also received from the following Cabinet Members:

- Councillor Hiller, Cabinet Member for Strategic Planning and Commercial Strategy and Investments
- Councillor Cereste, Cabinet Member for Digital Services and Transformation
- Councillor Walsh, Cabinet Member for Adult Social Care, Health and Public Health

3. DECLARATIONS OF INTEREST AND WHIPPING DECLARATIONS

No declarations of interest were received.

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

The Cabinet Member for Finance gave a short introduction to the Medium-Term Financial Strategy 2022/23 – 2024/25 Phase One proposals document as per the Cabinet report dated 25 October 2021 in the agenda.

The Cabinet Member for Finance highlighted the following:

The phase one of the 2022/23 budget gap would be closed by £9.6m if approved at Council. The independent reports from The Chartered Institute of Public Finance and Accountancy (CIPFA) and the LGA had highlighted that there was a substantial budget gap and the reasons for this would need to be discussed in public in an open and transparent way. The Cabinet Member for Finance explained that the findings of these reports particularly about the budget, would be discussed at the Financial Sustainability Working Group. The questions raised at this meeting and the overall improvement plan would be presented to an Extraordinary Council meeting on Thursday, 16 December 2021. Lessons learnt from the past would be discussed in a constructive and open way.

The budget gap for 2022/23 and 2024/25 would be £26.8m for 2022/23 rising to £28.9m from 2023/24 onwards. Phase one would look at closing the gap of £9.6m to £6.5m of savings proposals and £3.2m of funding changes and £700k of budget pressures. This meant that there would be a budget gap of £17.8m in 2022/23, which would rise to £21.1m by 23/24. The Council was required to move into financial sustainability in 23/24 by the Department of Levelling up and Housing Communities (DLUHC).

Phase one of the revenue budget included £0.724m of costs which included the employment of a single Chief Executive and the additional social care levy on national insurance. There was £3.2m of savings business rates pooling and revised NNDR business rates base assumptions.

There had been £1.9m of savings that had already been partially delivered in the 2021/22 monitoring reports. In addition, there had been £4.6m of savings proposals which included £2.2m due to a revised capital programme.

The phase one capital programme was usually reviewed in phase two of the budget, however work had begun for 2022/23 to change the way it would be reported to over a three-year period rather than being front loaded within the first year. With the 22/23 budget there was an amount of £79m for invest to save schemes. There would be £70m of capital budget required for phase one, which would include a Claire Lodge refurbishment, Westcombe Engineering machinery investment, contributions to the A14 highway improvement scheme and the building of a Mausoleum at Fletton and Eastfield Cemeteries.

The phase two budget would leave a gap of £18m to be delivered to balance the 2022/2023 budget with the ongoing £21m on an ongoing basis. Processes had been put in place to deliver the savings and move the Council into financial sustainability and the details were contained within the DLUHC report published on 2 November 2021. The capital funding programmes would be reduced to include only schemes that were legally required. The Government had been clear that any budget deficits should be found from the sale of assets in 2022/23 along with the cost of transformation of services. In addition, contracts would be reviewed to see if these could be reduced, and that the Council could maintain effectiveness. There had been a forensic review of adults, children's, housing, planning, culture, leisure and community services. The aim of the forensic review would explore whether these services could be delivered at a lower cost. There had also been £9m of savings identified by the rapid implementation group and would be included within the single improvement action plan. The work would be carried out in segments and reported to an improvement panel every six months, who would then report back to DLUHC.

It was vital that the Council retained control of its destiny by delivering a sustainable budget and show progress to DLUHC. If the Council did not deliver the savings identified, intervention would follow, which would result in a total loss of control of its spending.

The savings would be difficult to find, and it was important that the Council deliver only statutory, business and legal requirements of its services.

Furthermore, the Council's balance of funds was at an inadequate level of 3.2% and should be at least five percent. In addition, the Council's available reserves stood at £13.6m.

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

Section Of MTFS Phase One Proposals	Questions/ Commentfrom Members	Response from Relevant Cabinet Member / Executive Director
<p>Presentation and Introduction of the Medium-Term Financial Strategy Phase One Proposals Document</p> <p>Cabinet report dated 25 October 2021 (pages 1 to 30) of the MTFS 2022/23 to 2024/25 Phase One Proposals Document</p>	<p>Members asked about the capital finance costs of £31m and whether there were plans to reduce the figure as it had remained at that figure for several years?</p>	<p>The Corporate Director for Finance advised Members that the £31m had been made up of two elements, the first was the repayment of capital and the second was interest. The loan was mostly for the Public Works Loan Board.</p> <p>In addition, Members were advised that the numbers had stayed the same for the past few years because the debt could not be repaid until it was due as the penalties were quite high for early repayment.</p> <p>The Council was exploring schemes that allowed it to forward borrow if the capital programme had been agreed. This would help to avoid potential high interest rates in the future.</p>
	<p>Could the Council develop and reshape the current governance structure for the future to meet the budget challenges.</p>	<p>The Leader of the Council advised Members that the Constitution and Ethics Committee would consider any governance restructure.</p> <p>The Chief Executive of the Council also advised that the improvement plan had contained recommendations about governance reform, which would be presented to the next council meeting.</p>

	Members asked about the Empower loan set out on page 15 paragraph 5.4 of the report and where the loan was coming from, and when it would start.	<p>The Executive Director of Resources advised that the £20.3m asset portfolio had been taken over by the Council and that there was an asset manager in place.</p> <p>In addition, it was advised that the portfolio was being reviewed to make improvements where possible.</p>
	What was contained within the Council's strategies to help it achieve net zero by 2030.	The Cabinet Member for Finance advised that the strategy was under review and that the financial sustainability group would concentrate on reaching financial sustainability and that this would take precedence over the net zero carbon for 2030 target, however, this was not meant to diminish the efforts in reaching the net zero carbon targets and that work would continue to meet that goal.
	Members asked about the social care reform on pages 22 to 24 of the report and what the full impact would be for clients and whether there would be a full funding review?	<p>The Corporate Director for Resources advised that the funding review discussed at the DLUHC had advised that there would be consultation in the summer on the new funding, however, it was not thought that the changes would be too radical. There had been very little detail about how that would affect social care now.</p> <p>The Service Director, Commissioning advised that the detail and guidance on social care reform was awaited from the Government before the full impact could be understood.</p>
	Members asked about the increase on Council Tax outlined on page 12, paragraph 5.3 core funding assumptions and what the outcome of the spending review was?	The Corporate Director for Finance confirmed that the Council Tax increase amount would be 2.99%.
	Members asked about the potential increase on	The Corporate Director for Finance advised that there was

	<p>interest rates and how the risks would affect the Council, particularly for the people budget for community services.</p>	<p>standard inflation on various contracts. The National Insurance increase for Council staff was yet to be announced as part of the pay settlements. This was due for the middle of December.</p> <p>Members were also advised that the impact of inflation on expenditure would be assessed in phase two of the budget to ensure spending was the most up to date at the time of Council setting the budget.</p>
	<p>Members asked about the hydrotherapy pool and whether the users' group would be fully consulted about changes to that service?</p>	<p>The Service Director, People and Communities advised that full consultation on the St George's Hydrotherapy Pool was underway, and that the friends' group of St George's were active in following the consultation and proposed changes.</p>
	<p>Members asked why there was no report on the current Council's financial pressures to the Constitution and Ethics Committee.</p>	<p>The Cabinet Member for Finance advised Members that the Council was developing the actions in relation to the CIPFA and LGA reports, and that the opportunity would be provided at the Extraordinary Council meeting on 16 December to discuss the findings and the way forward.</p> <p>Furthermore, the report findings and actions would not be ready in time for the next Constitution and Ethics Committee.</p>
	<p>Members asked about the budget pressures and inflation and how the Council were going to implement the increase in rental income for Sand Martin House (SMH). In addition, would there be a review of all commercial services to look for areas where income could be generated opposed to just exploring areas where services could be cut to save money?</p>	<p>The Corporate Director for Finance advised Members that the Council was exploring the options for SMH, however, the current tenants CITB, were looking to downsize the space rented so the Council was exploring options and advertising to other businesses.</p> <p>Members were also advised that the Council was reviewing how it used all buildings and what space the Council required, so that the opportunity</p>

		<p>to rent out office space could be maximised. However, most organisations were also exploring the option to downsize, and this could prove difficult in terms of uptake.</p> <p>Members were also advised that income generation options would be prevalent at phase two of the budget and the Council was exploring all commercial aspects and whether services could perform better. Closing the budget gap would involve a range of different options.</p>
	<p>Members asked about page 19 of the report in relation to the adequacy of reserves and what contingencies were in place to achieve the plans.</p>	<p>The Corporate Director for Resources advised Members that the underspend had reduced further on the Covid reserve and capitalisation direction and the savings from these areas would be added to the reserves pot.</p> <p>In addition, the Council would explore the decrease in expenditure and the commercial interest options of building reserves and aim for a healthier position for next year.</p> <p>Once the Council had moved into a more sustainable budget position, it would build reserves up in a more meaningful way without affecting frontline services in the future.</p>
	<p>Members asked about whether it would be better to move to a one phase budget rather than two phases, as the Council was not able to scrutinise the budget and plan with very little information from the Government.</p>	<p>The Corporate Director for Finance advised Members that it was important to set the plans for the budget as early as possible. In addition, the local Government settlement would not be received until mid-December. The Council was informed that there were plans around social care and the NI increase and doing things at a late stage would not provide a lot of time to consult on the budget or implement it. This was why a two-phase approach had been taken.</p>

	<p>Members asked about the health and social care funding changes outlined on page 23, paragraph 4.2 of the report and the £86k to be capped on lifetime care costs and the likely increased costs for Local Authorities to pay for the remainder of the care needs.</p> <p>In addition, there were concerns raised about the funding not being adequate to meet the additional cost of social care and that there could be a potential high increase on Council Tax to meet the shortfall.</p> <p>Members asked how likely the increased social care cost burden would impact on Local Authorities.</p>	<p>The Service Director, Commissioning Advised Members that the Council awaited detail from the Government before it could effectively plan for any shortfall. In addition, Members were advised that the changes could result in the Council funding the accommodation costs.</p> <p>The Cabinet Member for Finance advised Members that there was a need to go to public consultation if the Council Tax increase was to increase to over two percent.</p>
	<p>Members asked what concerns the Council had over social care that was privately funded and whether getting better rates for these users could destabilise the care market. In addition, Members asked whether there would be an increase in care assessments required as a result of the changes.</p>	<p>The Service Director, Commissioning Advised Members that the Council could be impacted by an increase in the level of care assessments required.</p> <p>Members were also advised that the Council care rate was lower than other providers. It was felt that the two rates could be merged closer together and that may impact on how much the Council paid and how much the provider received which was a risk impact, however this would not be known until the Government announced their plans.</p>
	<p>Members raised concerns about the increase in rates for Sand Martin House for 2023/24.</p>	<p>The Executive Director for Finance advised Members that the increase had been imposed as the Council had accommodated the building for five years and the deal was that it would increase after five years.</p>

	Members commented on the Empower contract and the interest rates and asked whether this was solvent?	The Corporate Director for Finance advised Members that the Council had been receiving development interest on the short-term loan that had been given to Empower and this had recently ceased. However, as the Council operated the contract it would benefit going forward from the feed in tariff income.
	Members asked about Council outsourced contracts and whether services could be brought in house?	The Corporate Director for Finance advised Members that significant work would be undertaken by the Finance and Sustainability working Group and reported back through phase two of the budget.
	Members asked about the finance revenue from borrowing recently announced by the Government and asked if this was something the Council could benefit from?	<p>The Corporate Director for Finance advised Members that the Government expected the Council to achieve sustainability by 2023/24 and any gap left in 2022/23 would need to be funded by the sale of assets.</p> <p>The Cabinet Member for Finance added that the Government needed to feel confident that the Council would deliver the services that residents required, and achieve financial stability by 2023/24</p>
	Members asked about the income from the sale of assets and whether the Council would need to pay any relevant interest rates on loans?	<p>The Corporate Director for Finance advised Members that the Council would not pay loans early and that income streams also needed to be considered in the sale of assets.</p> <p>In addition, the Council was required to achieve financial sustainability in 2023/24, which meant that the Council would not rely on the use of reserves or sale of assets and that was the ultimate goal.</p>
<p>The Joint Scrutiny Committee RESOLVED to note this section of the budget, and made the following recommendation:</p>		

RECOMMENDATION		
<p>The following proposal was received from Councillor Murphy and seconded by Councillor Fox, and following a vote 24 for, 0 against, 4 abstentions, the proposal was AGREED as follows:</p> <p>It was recommended to the Cabinet Member for Finance that no proposals on the hydrotherapy pool funding would be put to Council until the users' group and wider disability communities that may be affected had been fully consulted and reported back.</p>		
<p>Appendix A Page 1 to 31 2022/2023 – 2024/25 MTFS Detailed Budget Position Phase One</p>		
<p>The Committee RESOLVED to note this section of the budget.</p>		
<p>Appendix B Page 33 to 56 Phase one Budget Consultation Document</p>	<p>Members asked how achievable the £10m of savings would be given the cut back to services. Why wasn't the Council implementing all the CIPFA recommendations straight away given that phase one relied heavily on the Covid reserves of £10.5m, capitalisation direction of £5.5m rising to £19.2m in 2022/23, and the savings identified by CIPFA that had not been fully costed due to underachieved savings planned in prior years?</p> <p>Members also commented that phase one also relied on a reduced capital programme, however continued to include growth items such as £8.5M on ICT projects and £8.57m on Housing provisions.</p>	<p>The Corporate Director for Finance advised Members that the £4.8m capitalisation directions were not used in 2021 as the Council had not required it. In addition, the capitalisation direction for 2021/22 identified within the budget of £13.7m would not be used. This gap in the budget would be met by other resources and underspends in the budget.</p> <p>In addition, the Corporate Director for Finance confirmed that the £10.5m of savings had to be delivered in order to be included within the budget proposals and there were some funding items that would be delivered in the current year. This would be achievable by pooling the National Non-Domestic Rates (NDR) levels and other savings items.</p> <p>This was the first stage of the budget and could go forward, independent of the work being conducted for phase two of the budget. It was important to note that the Council had to reach financial sustainability by 2023/24.</p>
	<p>Members asked whether the Council would consider</p>	<p>The Corporate Director for Finance confirmed that the</p>

	<p>accelerating asset disposal to close the financial gap, given that there were 821 property assets.</p>	<p>asset portfolio was currently being reviewed, however, the Council needed to make sure properties were sold at the right price and in a planned way.</p> <p>The budget gap needed to achieve a sustainable budget in 2023/24. Currently, plans were underway to avoid the sale of assets if possible and to identify properties that could be repurposed.</p>
	<p>Members asked about the proposed Aragon service reductions to remove the spring and summer planting and the green flag status regime and why there had been a cost of £8k when the green flag application only costed £300?</p> <p>Members also commented that it would make sense to replace some areas with perennial plants and bulbs rather than grass.</p>	<p>The Head of Environmental Partnerships advised that although the price was low for the application, there had been a lot of resource used to achieve and retain the green flag status, hence the cost of £8k.</p> <p>In addition, the service area was in discussions with the friends of the city parks to explore the option of perennial and bulb planting.</p>
	<p>Members asked about the expected increase in coroner services.</p>	<p>The Service Director, People and Communities advised Members that the increase was to employ extra coronial staff such as a coroner's assistant and court ushers to ensure that the process operated smoothly for bereaved families.</p>
	<p>Members raised concerns about the proposed budget cuts for Aragon services and asked if the state of cleanliness of the city would decline further?</p> <p>Members also asked about the proposed reduction in budget for spring and summer planting and whether a slow approach could be applied rather than an immediate reduction.</p>	<p>The Cabinet Member for Finance advised Members that ideas on how to taper the spring and summer planting would be ideal, however, there were significant savings to find to balance the budget. In addition, Members were advised that the Council was working with local business to improve some of the run-down areas of the city with a Business Improvement District Scheme.</p> <p>The Head of Environmental Partnerships advised that some of the street cleaning proposed</p>

		for the budget reductions had been provided over and above the normal routine services.
	Members raised concerns about the proposals to generate income from lost stolen and damaged bins and that this could result in an increase in fly tipping.	<p>The Cabinet Member for Finance advised that the Council was following the recommendations made by Grant Thornton and that most Councils had already implemented the charge.</p> <p>The Head of Environmental Partnerships also advised that there was a cost of £178k to replace bins. The replacements for bins had increased as soon as the police had stopped accepting calls about stolen bins and issuing crime numbers. In addition, it was advised that a standard bin would cost around £25, and we would only be looking to charge the true cost at that time, therefore no profits would be made from this charge.</p> <p>It was also advised that any damage made by refuse staff would not incur a charge to the resident.</p>
	Members commented on the proposals for replacement bin charges and raised concerns about there being a danger of green bin recycling waste going into the black bin and inevitably the incinerator, which would incur higher costs.	The Cabinet Member for Finance advised that the Council needed to be realistic about following what other authorities were doing and to meet CIPFA expectations.
	Members asked whether PCC had asked neighbouring authorities about increased costs and the use of black bins and whether there were any savings or increased charges as a result of introducing charges for replacement bins.	Head of Environmental Partnerships advised that the nearest neighbours to PCC were consulted, and it was confirmed that there had been no increase in the costs for black bin use.

	Members asked about what increased bad debts had been factored in phase one of the budget proposals to achieve funding changes for National Non-Domestic Rates (NNDR)?	<p>The Corporate Director for Finance advised that the NNDR income base had an under recovery of £11.5m. However, the Government gave Councils funding but charged for it.</p> <p>In addition, the Council had collected 63% of the deficit. The base had been adjusted throughout the year. The finance team had explored whether the collection would be as severe as the previous year and had made predictions accordingly.</p>
	Members asked about the proposals to remove the cleansing hit squad and what affect this would have for the collection of glass or other dangerous objects?	The Head of Environmental Partnerships advised that the sharps would be collected as normal, and that emergency sharps collection would also be unaffected.
	Members asked about the proposed bin charges and potential contamination of green recycle bins and how the level of recycling would be impacted?	The Cabinet Member for Finance advised that education was the key to recycling.
	Members asked about the street cleaning schedule on page 45 of the report and how this would be impacted, if the service was reduced to once a year?	The Head of Environmental Partnerships advised that the collection of rubbish that had accumulated would not be impacted as the core sweepers would be in operation as normal in the City Centre. In addition, the hot wash would be one wash per year rather than most weeks.
	Members commented that the proposed replacement bin charges should be done wisely and asked whether the provision of a replacement bin would incur extra admin costs to chase debts?	The Head of Environmental Partnerships advised that the payment for replacement bins would be paid upfront before the bin was delivered, therefore avoiding any non-payment and debt collection.
	Members asked if there was a plan to monitor what waste was being put in the black bins if the proposed	The Head of Environmental Partnerships advised that all recycling and food waste was currently monitored, so the

	replacement bin charges were introduced.	Council would be able to check if the bin replacement changes would have any impact.
	Members asked about the proposals on page 46 in relation to the NPS and property contract and whether the Council was sure that £300k of savings would be achieved?	<p>The Corporate Director for Finance advised that the Council was exploring the option of NPS taking on more responsibility for the strategic elements of the property contracts and that Aragon concentrated solely on the physical side of the contract.</p> <p>The Cabinet Member for Finance also advised that all contracts were being reviewed to explore where further savings could be made.</p>
	Members asked about the reduction of the capital programme on page 44 of the report and whether it would create costs?	The Corporate Director for Resources advised that a spend freeze had been put in place for any capital expenditure that was not legally required. This had brought the expenditure from £140m to £80m in phase one. In phase two, a suspension had been placed on departments capital spend whilst exploring what expenditure had been required for future years and this had reduced expenditure for years two and three so that the Council was at a base level, and this was significantly lower than expected.
	Members asked what would happen with schemes from organisations such as the Combined Authority that required Council match funding and how this would be impacted by the prohibition on capital spending?	The Corporate Director for Finance advised Members that there were elements such as schools that required capital funding as a statutory requirement, however highway capital spending would need to be considered on a case-by-case basis.
	Members commented about the proposals on page 45 of the report in relation to the proposed Aragon cuts for street cleaning and whether the	The Head of Environmental Partnerships advised that the hot wash was only being undertaken in the Cathedral Square and Bridge Street.

	cities cleanliness would be as good as it should be?	
<p>The Joint Scrutiny Committee RESOLVED to note this section of the budget, and made the following recommendations:</p> <p>RECOMMENDATION</p> <p>Councillor Sandford proposed a recommendation, which was seconded by Councillor Wiggin and following a vote 26 for 0 against and 5 abstentions, the proposal was AGREED as follows:</p> <p>It was recommended that the Cabinet Member for Finance consider a differential charge for a replacement green and black bin and that the proposed charge would be less for the green bin than the black bin. This was hoped to encourage residents not to put recycled waste into their black bin.</p> <p>Councillor Wiggin proposed a further recommendation, which was seconded by Councillor Sandford and following a vote 7 for and 21 against, the proposal was DEFEATED as follows:</p> <p>It was recommended that the Aragon Services reduction was deferred to phase 2 of the budget proposals to allow alternative options to be considered and costed and that the individual sections would be reported back to the financial sustainability working group.</p>		
<p>Appendix C Page 57 to 60 Capital Programme Schemes 2022/23- 2024/25</p>	<p>Members asked about housing provision on page 60 of the report and how much of the money would be available for affordable homes given the capital spending suspension?</p>	<p>The Corporate Director for Resources advised that the funding for affordable homes would be ceased.</p>
	<p>Members asked if there was a statutory duty to provide affordable housing for low-income families.</p>	<p>The Corporate Director for Resources advised that there were several options available that had not included the Council building affordable houses and would look to the housing market to provide this option for the Council.</p>
	<p>Members asked why the Place and Economy trend was decreasing as outlined on Page 58 of the report especially in 2023/24.</p>	<p>The Executive Director Place & Economy advised Members that the difference was shown in the table and detailed the funding planned for next year which the Place and Economy department was currently reviewing, and this was of great significance for 2023/24. In addition, the Towns Funding match funding would be</p>

		significantly reduced as part of phase two of the budget review.
	Members asked what IFRS was.	The Corporate Director for Finance advised that the International Financial Reporting Standards (IFRS) transition was a change so that loans were shown differently on the balance sheet, so they had become a capital asset.
	Members asked about the Clare Lodge Refurbishment and Safety Works outlined on page 57 of the report and whether there were plans to mitigate the financial burden increase?	The Director, Children's Services advised Members that Clare Lodge was a source of revenue and therefore, was not a financial burden.
	Members asked what the plans were for the wheelie bins outlined on page 58 of the report and whether they were part of the proposals for replacement charges.	The Head of Environmental Partnerships advised that the financial amount outlined in the report was for the cost of replacement bins which would be negated by the income that would be received for replacement of lost, stolen or damaged bins.
The Committee RESOLVED to note this section of the budget.		
Appendix D Page 61 to 72 Financial Risk Register	Members commended that they were pleased to see that climate change had been included in the risk register on page 71 of the report, however it had only related to flooding. Members also asked if other risk factors could be included, such as those raised at the Full Council meeting on 10 November 2021.	The Cabinet Member for Finance confirmed that risk factors would be included as suggested.
	Members asked about the capital receipts outlined on page 67 of the report and whether there would be enough funding raised to repay debt by using the sale of assets?	The Corporate Director for Finance advised that the Council had been trying to reduce its reliance on capital receipts to help fund revenue over the past three years. However, if the Council had any deficit to close in 2022/23, this would need to be met by capital receipts. There was a review

		currently underway to identify potential asset sales to repay debt if necessary. Furthermore, this exercise was being undertaken as part of the Council's asset rationalisation programme.
	Members asked about page 71 of the report and climate change in the City and flooding and asked for assurances that there would be adequate risk assessments undertaken especially in relation to the embankment University development to introduce mitigated financial risks?	The Cabinet Member for Finance and the Leader of the Council advised that the public and stakeholders were currently being consulted over what development they would like to see on the embankment. In addition, there would be the correct risk assessments undertaken, including financial with any development application being proposed for the embankment.
	Members asked about the impact of Brexit outlined on page 70 of the report and whether the Council had been impacted by European Union funding and the loss of staff?	The Corporate Director for Finance confirmed that EU funding was available for several years. In addition, the retail, hospitality and leisure sector had suffered a staff shortage in Peterborough, however, the reasons for this were unknown and would need to be reviewed.
	Members asked about the risk of losing funding for school development outlined on page 68 of the report and whether that had related to current school development plans? In addition, Members asked whether the plans were in relation to grants and not the funding received from the Government to expand schools.	The Director for Education advised Members that the Council received a basic need grant and there was sometimes a delay in receiving that funding. This was subject to policy change in terms of the pay out for this funding, however the Council had been proactive in safeguarding funding and had drawn resources from other areas. In addition, the Government had announced a £3.2bn funding scheme for special schools nationally. The Council's capital programme would move towards grant funded routes in the future, therefore reducing the reliance on borrowing.
	Members asked about the outsourced contractual	The Corporate Director for Finance advised Members that

	commitments outlined on page 67 and whether the management would be brought in house in the future?	all contracts were being reviewed to identify if they could be better managed.
<p>The Committee RESOLVED to note this section of the budget, and the following action point was agreed:</p> <p>ACTION AGREED:</p> <p>That the Cabinet Member for Finance would review the climate change risk outlined on page 71 of the Cabinet report to include the elements of Councillor Day's agreed motion raised on 10 November 2021, in relation to a climate change adaptation plan, in order to ensure that all wider environmental impact risks are captured.</p>		
<p>Appendix E Page 73 to 84 Equality Impact Assessments</p>	<p>Members commented about the Equality Impact Assessment (EIA) in relation to the charge for bins that were lost, stolen or damaged. It was felt that some residents that had to store their bins out on the streets, would be at a disadvantage to those residents that could store their bins within their property boundary, and this had not been reflected in the EIA.</p>	<p>The Cabinet Member for Finance advised that it was not common for bins that were stored on the streets to be stolen or lost.</p> <p>The Head of Environmental Partnerships also advised that residents were advised to place house numbers on their bins to alleviate the issue of being misplaced.</p>
	<p>Members asked about the proposals to reduce street washing and whether gully cleaning would also be reduced too?</p>	<p>The Head of Environmental Partnerships advised that the cleaning of gullies was operated by the highways team. The street cleaning only related to the Cathedral and Bridge Street.</p>
	<p>Members asked whether the relocation of the market to Bridge Street and Cathedral Square would be affected by the reduction in street cleaning.</p>	<p>The Head of Environmental Partnerships advised that there was a specific budget for the market street cleaning which would be adapted for the move.</p>
<p>The Committee RESOLVED to note this section of the budget.</p>		
<p>Appendix F Page 85 to 107 Carbon Impact Assessments</p>	<p>Members commented about the carbon impact assessment on the proposed replacement charge for bins and raised concerns over the impact of residents putting recycle</p>	<p>The Head of Environmental Partnerships advised that there could be a reduction in carbon impact as there may be less abuse of the current system for replacement bins by introducing the charges.</p>

	or garden waste into the black bin.	
	Members asked if there had been any impact reported by neighbouring councils on recycling rates as a result of the charges introduced and adopted by them for lost, stolen or damaged bins.	The Head of Environmental Partnerships advised that there had been no impact identified by other councils in relation to the decrease on recycling rates as a result of the charges introduced for a replacement bin.
<p>The Committee RESOLVED to note this section of the budget, and the following action points was agreed:</p> <p>ACTIONS AGREED</p> <p>That the Cabinet Member for Finance would review the carbon impact assessment undertaken for income generation in relation to the proposed charges for the replacement of stolen, lost or damaged bins, which was outlined on page 91 of the report, to ensure that the correct carbon impact had been identified</p> <p>The Head of Environmental Partnerships would provide Members with comparative data from neighbouring councils in relation to the impact on recycling rates as a result of fees introduced for bins that had been stolen, lost or damaged.</p>		
General Comments, any overall recommendations and Conclusion of item 4.		
	Members commented that future scrutiny training should include a budget element in order to work towards attaining a balanced budget for the Council.	The Cabinet Member for Finance and the Leader of the Council confirmed that extra training relating to scrutiny of the budget would be planned going forward.
<p>The Committee RESOLVED to note this section of the budget.</p>		

CHAIRMAN

The meeting began at 6.00pm and ended at 20:09pm

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