

**MINUTES OF THE EXTRAORDINARY COUNCIL MEETING
HELD WEDNESDAY 16 DECEMBER 2021
ENGINE SHED, SAND MARTIN HOUSE, PETERBOROUGH**

THE DEPUTY MAYOR – COUNCILLOR MOHAMMED JAMIL

Present:

Councillors Steve Allen, Bisby, Day, Coles, Fitzgerald, John Fox, Hogg, Howard, Jamil, Jones, Joseph, Shaz Nawaz, Sainsbury Sandford, Simons

In Attendance Virtually:

Councillors Ansar Ali, Imtiaz Ali, Jackie Allen, Ayres, Bashir, Andrew Bond, Sandra Bond, Brown, Burbage, Casey, Cereste, Elsey, Mohammed Farooq, Saqib Farooq, Fenner, Judy Fox, Harper, Haseeb, Haynes, Hemraj, Hiller, Ishfaq Hussain, Mahboob Hussain, Iqbal, Moyo, Murphy, Gul Nawaz, Over, Robinson, Rush, Sharp, Skibsted, Tyler, Walsh, Warren, Wiggin, Yasin, Yurgutene

75. Apologies for Absence

Apologies for absence were received from Councillor Qayyum, Councillor Barkham, Councillor Lane and Councillor Ansar Ali.

76. Declarations of Interest

There were no declarations of interest received.

77. Capital Programme Moratorium

The Deputy Mayor moved a motion without notice to suspend Standing Order 21.4 in relation to the length of Member speeches, instead proposing that Members be permitted to speak once for up to 10 minutes for each agenda item.

Councillor Fitzgerald seconded the motion without notice.

A vote was taken on motion without notice and Council **RESOLVED** (unanimous with no Members indicating to vote against or abstain) to suspend Standing Order 21.4 and permit Members to speak once for up to 10 minutes for each agenda item.

The Council received a report in relation to enacting a temporary Capital Programme moratorium in order to help reset the Council's finances, pending the presentation of a revised capital programme to Council in March 2022.

Councillor Coles moved the recommendation and advised that this proposal came in light of the huge financial challenge the Council faced and would assist in reaching a level of financial sustainability. It was highlighted that this was a pause in capital

programme spending, not a cancellation. This would be in place until a refreshed Capital Strategy was released.

Councillor Fitzgerald seconded the recommendation and reserved his right to speak

There were no Members wishing to speak, as such the Deputy Mayor moved to the vote.

A vote was taken on the recommendation and Council **RESOLVED** (15 voted in favour, 0 voted against, 0 abstained from voting).

Councillors For: Steve Allen, Bisby, Day, Coles, Fitzgerald, John Fox, Hogg, Howard, Jamil, Jones, Joseph, Shaz Nawaz, Sainsbury Sandford, Simons

Councillors Against: Nil

Councillors Abstaining: Nil

Council **RESOLVED** to approve a temporary Capital Programme Moratorium and revised Capital Programme for 2021/22 as set out in the report.

78. Financial Improvement Planning

The Council received a report in relation to a series of actions, which responded to recommendations made in two independent reports on the Council's finances and governance from the Chartered Institute of Public Finance and Accountancy (CIPFA), commissioned by the Department of Levelling Up, Housing and Communities.

Councillor Fitzgerald moved the altered recommendation and advised that the Council faced serious financial challenges. Work had been carried out with the all groups in the Financial Sustainability Working Group, which it was felt would make the Council's plans much stronger. The appointment of an Independent Improvement and Assurance Panel would allow for a panel of experts to review the Council's arrangements. The remuneration of the panel reflected their intense contribution over the next two years. The Panel will report to Council on a four-monthly basis, as well as submitting reports to the Secretary of State for Levelling Up, Housing and Communities. Members were also asked to approve the Improvement Plan, with three key themes, which tackled areas in which the Council needed to take action on. The Corporate Strategy was presented for approval, with part two setting out the longer term action plan.

Additionally, Councillor Fitzgerald advised Members on proposals to approve the appointment of an Independent chair of Audit Committee and two independent Audit Committee members, with honorarium payments, which would be vital to strengthening the Audit Committee function. This would be accompanied by additional training to all Members on Audit Committee and Scrutiny Committee.

Communication and engagement plans were set out in the report and would be presented as 'plans on a page' in regular intervals to Members and the public.

Councillor Coles seconded the altered recommendation and delivered a presentation, available at Appendix 1 to the minutes.

Council debated the altered recommendation, and the summary of the points raised by Members included:

- Comment was made as to the justification for setting up an independent panel,

and paying the members of this panel, when the Council was facing significant financial strain.

- It was noted that the Council had entered into a number of joint arrangements in past years, which were difficult to keep track of. It was suggested that such complications led to inefficiencies.
- It was felt important to note that a cut in revenue support contributing to the current situation, along with low council tax, and a council tax freeze.
- Comment was made that the Government did not trust local authorities to handle their own finances.
- While Members felt it was appropriate to selectively sell off assets to build up reserves, concern was raised about using sales of assets to balance budgets.
- Further concern was expressed in relation to proposals to move to an all-out election cycle, which would be disadvantageous to smaller groups.
- It was suggested that opposition Members had brought a number of key proposals forward in relation to the budget.
- Comment was made that while there was much talk of groups working together, it was ultimately the Cabinet which brought forward the budget the Council for approval.
- Members thanked officers and other Members who had worked on the proposals, and felt that the shared commitment set out in the Corporate Strategy were appropriate. It was, however, felt to be difficult to share responsibility when not all Members were aware of the problems the Council faced.
- Issues highlighted in relation to the Audit Committee were noted, and Members were pleased to see these being addressed.
- It was clarified that the Council had had a Culture Strategy in place for some time, however Members were being presented with an updated version.
- It was considered to be unfortunate that the Housing Revenue Account would not be going ahead, however work would continue in this direction.
- Members thanked officers for working on revisions to the proposals presented to Members, which reinforced that Members views were being taking into account.
- It was suggested that those Council assets which received a good rate of return should not be sold, instead it should be established which assets weren't performing well.
- It was hoped that groups could work together going forward, which was being demonstrated through the work of the Financial Sustainability Working Group.
- Reference was made to mistakes of previous administrations.
- It was considered that the scrutiny function within the Council needed to be reviewed along with how these meetings were chaired.
- Further work needed to be done to examine bring services back in-house, with more innovative models for service delivery.
- It was noted that the Council had been drastically under-funded for a number of years, as funding had not reflected the level of growth within the city.
- Concern was expressed that the Independent Improvement and Assurance Panel would be meeting in private.
- Further concern raised in relation to previous savings outlined by Grant Thornton, which had not been realised.
- Members were pleased to see amendments to the Improvement Plan to include a review of the governance structure.
- The pressures on the Adult Social Care service were noted, with Members concerned that those in the most deprived areas of Peterborough would suffer the most.
- Comment was made that inequality in the city needed to be addressed.

Councillor Fitzgerald in summing up, stated that significant levels of funding had been brought forward by Paul Bristow MP. The Shareholder Cabinet Committee meetings were held in public and had been set up to ensure there was better management of the Council's companies. It was explained that the brown bin collection issues were a result of driver shortages. Comment was made that the factors for comparison used by CIPFA in their report were different to those typically used by the Council. It was felt that action had been taken to address the financial situation prior to the publication of the CIPFA report, with the new administration having been involved with the Peer Challenge immediately on taking on the position. It was clarified that the Council was not facing bankruptcy, but may do in the future if action was not taken. Councillor Fitzgerald advised that his door was always open and he was happy to hear ideas from all Members.

A vote was taken on the altered recommendation and Council **RESOLVED** (unanimous with no Members indicating to vote against or abstain) to:

1. Approve the Terms of Reference of the Peterborough City Council Independent Improvement and Assurance Panel as set out at Appendix 2 of this report and, in doing so make the following appointments to the Panel as follows:
 - a. Eleanor Kelly – Independent Chair
 - b. Chris Buss – Internal External Member (Finance)
 - c. Andrew Flockhart – Independent External Member (Governance)
 - d. Chris Naylor – Independent External Member (Services)
 - e. Clive Heaphy – Independent External Member (Assets, Contracts & Companies)
 - f. Rachel Litherland – Independent External Member (LGA)
2. Approve the remuneration to the Panel as set out in paragraph 3.3 of this report.
3. Approve the Improvement Plan as set out in Appendix 3 to this report.
4. Approve the draft Corporate Strategy set out at Appendix 4 of this report for public consultation in accordance with paragraph 5.3 of this report.
5. Approve:
 - i. The delegation of authority to the Chief Executive, Director of Law and Governance & Monitoring Officer and the Corporate Director of Resources & S151 Officer, to take all necessary actions in conjunction with CIPFA to carry out a recruitment and selection process for three external independent members of the Audit Committee, subject to ratification of the appointments for a fixed term of 4 years by Full Council on 26th January 2022; and
 - ii. The honorarium payment for the two independent members to be set at £1500 per annum and the honorarium payment for the independent chair at £3000, plus travelling and subsistence expenses.
6. Approve the ~~delegation of authority to the Director of Law and Governance and Monitoring Officer to make all necessary changes to the Council's Constitution as set out in the Additional Information Pack to:~~
 - i. Incorporate the terms of reference for the Improvement and Assurance Panel;
 - ii. Outline the route for recommendations from the Improvement and Assurance Panel through Cabinet, Growth, Environment and Resources Scrutiny and Full Council; and

- iii. Incorporate the roles and responsibilities of the independent members of Audit Committee, including the role of chairing the committee.
- 7. Note the work set out at 7.4 that has commenced alongside CIPFA on assessing and delivering member training on financial scrutiny for Audit and Scrutiny Committees.
- 8. Note the proposal at 8.2 for Full Council to consider a report before the end of July 2022 on commencing an evaluation on moving to “all out” elections every four years.

The Deputy Mayor
6pm – 7.51pm
16 December 2021

