

**MINUTES OF THE BUDGET CABINET MEETING
HELD AT 10:00AM, ON
MONDAY 10 JANUARY 2022
SAND MARTIN HOUSE, PETERBOROUGH**

Cabinet Members Present: Councillor Fitzgerald (Chair), Steve Allen, Councillor Ayres, Councillor Cereste, Councillor Coles, Councillor Hiller, Councillor Simons, Councillor Walsh

Cabinet Advisor Present: Councillor Bashir, Councillor Bisby, Councillor Howard, Councillor Gul Nawaz

50. APOLOGIES FOR ABSENCE

There were no apologies for absence received.

51. DECLARATIONS OF INTEREST

There were no declarations of interest received.

STRATEGIC DECISIONS

52. MEDIUM TERM FINANCIAL PLAN 2022/23 – PHASE TWO

The Cabinet received a report in relation phase two of the Medium Term Financial Plan for 2022/23.

The purpose of this report was to recommend that Cabinet approve the Phase Two budget proposals, ask Cabinet to agree that the Medium Term Financial Strategy was necessarily delayed until September 2022, as proposed in the Improvement Plan that was approved by Council on 16 December 2021, outline the financial challenges facing the Council in setting a balanced budget over the medium term, and outline the tactical approach and actions taken by the Council to deliver a balanced budget in 2022/23.

The Cabinet Member for Finance introduced the report and thanked those who had been working on the proposals in the past few months for their rigor and openness in determining how the Council could meet its financial challenges. The Cabinet Member further thanked the cross-party Financial Sustainability Working Group for its constructive contribution to proposals. It was considered that the tactical budget before Members was the first step towards financial sustainability, built on maximising income and reconfiguring services such as libraries and leisure services. The proposals set out included risks, which would need to be monitored closely, with inflation one of the biggest potential concerns.

It was advised that, although the proposals before Members included a small surplus, the estimates used as a basis for proposals were subject to change and it was vital to reduce the Council's reliance on deficit. The proposals had been signed off by the Section 151 Officer, with reference in the Robustness Statement to need to increase the level of reserves the Council retained.

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

- Members were advised that discussions had been ongoing with Government, who had advised that any support would only be provided as a last option. As was set out in the report, the Council had been able to find a solution without such measures.
- It was confirmed that all pressures included within the proposals were necessary and unavoidable.
- Members were informed that the risk levels of savings proposals were determined between the Finance Team, Heads of Service and the Corporate Management Team. Challenging targets required a significant amount of savings, which attracted risk.
- It was noted that cuts to front line services were less risky in terms of deliverability, however, would be more significant to residents and clients.
- Within the Capital Strategy, it was advised that all proposals would require the development of individual business cases and a robustness statement.
- Members were advised that delivery plans would also be developed for proposals where appropriate.
- It was advised that the budget was the top priority for the Council, with sustainability and growth being of key importance. The proposals currently before Members were tactical, and did not cover an extended three-year period.
- It was considered vitally important to listen to the advice of the Council's Independent Improvement and Assurance Panel in order to ensure that decision making remained within the remit of the Council itself.
- Members suggested that the proposals before Cabinet represented the first steps towards recovery, with emphasis being made on the Council as a whole taking ownership of the budget, not purely the Cabinet.

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

1. The Phase Two budget proposals as outlined in Appendix B as the basis for public consultation.
2. The updated budget assumptions, to be incorporated within the Medium-Term Financial Plan 2022/23. These are outlined in section 5.
3. The revised capital programme outlined in section 5 and referencing Appendix C.
4. The establishment of a Budget Risk Reserve and the forecast reserve commitments to fund the cost of transformational investment and the implementation of the Improvement Plan. These are outlined in section 6 and Appendix F.
5. The Education budget as outlined in section 5.5 and within Appendix J.
6. The Medium-Term Financial Plan 2022/23 - Phase Two, as set out in the body of the report and the following appendices:
 - Appendix A – 2022/23 MTFP Budget Position Phase Two
 - Appendix B – Phase Two Budget Consultation Document
 - Appendix C – Capital Programme Schemes 2022/23-2024/25
 - Appendix D – Financial Risk Register
 - Appendix E – Fees and Charges
 - Appendix F – Reserves Commitments
 - Appendix G – Equality Impact Assessments
 - Appendix H – Carbon Impact Assessments

- Appendix I – Executive Summary of the Council’s Improvement Plan
- Appendix J – Dedicated Schools Grant and the Schools Budget 2022-23
- Appendix K – Treasury Management Strategy
- Appendix L – Capital Strategy

Cabinet **RESOLVED** to note:

7. This proposed budget includes a Council Tax increase of 2.99%, (1.99% general Council Tax and 1% Adult Social Care Precept), as outlined within section 5.2
8. The strategic financial approach taken by the Council outlined in section 4 of this report.
9. The Council’s core funding position following the Local Government Provisional Finance Settlement published on 16 December 2021 as provisional until the Final Settlement position is published in February 2022. This is outlined in section 5.2.
10. The forecast reserves position, and the statutory advice of the Chief Finance Officer outlined in section 6 ‘The Robustness (Section 25) Statement’.

REASONS FOR THE DECISION

The Council must set a lawful and balanced budget. The approach outlined in the report worked towards this requirement

ALTERNATIVE OPTIONS CONSIDERED

No alternative option had been considered as the Cabinet was responsible under the constitution for initiating budget proposals and the Council was statutorily obliged to set a lawful and balanced budget by 11 March annually.

Chairman
10.00am to 10.26am
31 January 2022

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