

**MINUTES OF THE CABINET MEETING
HELD AT 16:00PM, ON
MONDAY 18 SEPTEMBER 2023
COUNCIL CHAMBER, TOWN HALL, PETERBOROUGH**

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

Cabinet Advisor Present: Councillor Hussain, Councillor Jackie Allen, Councillor Ray, Councillor Tyler

25. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor's Over, Nawaz and Moyo

26. DECLARATIONS OF INTEREST

There were no declarations interest received.

27. MINUTES OF THE CABINET MEETINGS HELD ON 10 JULY 2023

The minutes of the Cabinet meeting held on 10 July 2023 were agreed as a true and accurate record.

28. PETITIONS PRESENTED TO CABINET

There were no petitions presented to Cabinet.

STRATEGIC DECISIONS

29. THIRD REPORT OF THE PETERBOROUGH CITY COUNCIL INDEPENDENT IMPROVEMENT AND ASSURANCE PANEL

The Cabinet received a report in relation to the third Independent Improvement and Assurance Panel report.

The purpose of this report was for Cabinet to review the Panel's third six monthly review of the work of the Council against the previously agreed Improvement Plan and the recommendations of the independent reports commissioned by the Department of Levelling Up, Housing and Communities.

The Leader introduced the report and provided an overview of the key points.

The Chief Executive commented that the report had been presented to the Growth, Resources and Communities Scrutiny Committee and there were no further comments. The Council was entering the final phase around intervention. There were still some areas highlighted in the report that the Council may need further support on, this could be supported by organisations such as the LGA. There was still a lot of work

to do in order to transform and redesign some of the Council services to bring these into line with the corporate strategy.

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

- There were a number of challenges with external auditors being able to go through the accounts and have them signed off. There had been a push for external auditors to try and progress the audits as quickly as possible. If the accounts were not signed off by the deadlines set there was a risk that these would be qualified, which could potentially disrupt the Council's improvement journey. Members were informed that this was a national issue and lots of other authorities were in the same position. Officers were working hard with CIPFA and the Public Sector Audit Appointments (PSAA) to try and get the accounts signed off by the deadlines.
- In terms of qualified accounts, it was likely that the external auditors would look at areas of the accounts and not be able to do a full audit of the accounts, on this basis they would likely qualify the accounts. No formal guidance had come out from DHLUC over the auditing of accounts. All local authorities wanted the accounts to be unqualified, having a set of qualified accounts would raise concerns. The Audit Committee had been stern with the external auditors to stress the importance of the accounts being signed off before it reached that stage.
- All members of the Corporate Leadership Team (CLT) had been encouraged to reach out to mentors and coaches for support and experience in helping transform their services and the council as a whole. There was still support available for officers and councillors from the LGA and CIPFA.
- The Council as a whole was looking at the training and development budget for Councillors to ensure that this was robust and met the needs of members.
- A report produced by the Centre for Governance and Scrutiny (CfGS) would be published, this contained recommendations that the Council would look to implement.
- There was a possibility of extending the Improvement Panel a little longer and this would be reported to Cabinet going forward. The Council should be proud of the collaborative work that had been done so far.
- The Council needed to be proud of the journey it had come on so far, there had been a sea change in the culture and working relationships. Politicians across the board had stepped up and taken collective responsibility for tough decisions.

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

1. Note the third report of the Independent Improvement and Assurance Panel and agrees to the action to be taken as a result and progress being made with delivery of the Improvement Plan.
2. Respond with the action it wishes to take, including on the following issues:
 - Completing the audit and sign off of all outstanding annual accounts in this financial year,
 - Planning for the permanent recruitment to the S151 role,
 - Continuing to invest in the work of the Portfolio Boards,
 - Considering the approach to the disposal of assets,

- Developing and approving a Commercial Strategy to strengthen the work of the Shareholder Committee and align with best practice, Completing an Asset Management Plan and a Corporate Landlord approach,
- Considering replacement of the building compliance IT system,
- Reconsidering the proposal to move to all out elections,
- Facilitating handover between the outgoing and incoming Audit Committee chairs.

30. BUDGET SIMULATOR LAUNCH

The Cabinet received a report in relation to the Budget Simulator Launch.

The purpose of this report was to approve the launch of the budget simulator.

The Cabinet Member for Legal, Finance and Corporate Governance introduced the report and provided an overview of the key points.

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

- Officers were going to speak to the tutor of the accountancy and business course at the university to see how this could link in with the students. A further conversation was ongoing about the possibility of a presentation being worked on with Councillor Coles to try and spread the word on the simulator around the university. In addition, there were a number of radio slots lined up to promote the simulator.
- Officers had engaged with the Youth MP to try and encourage participation amongst the city's younger residents. Secondary schools had also been informed and asked if the simulator could be included in lesson plans.
- The first iteration of the simulator worked well and gathered four times the responses compared to the usual consultation process. Some updates had been made to the simulator, including links to officers outlining their service areas and what would happen if the budget was increased or decreased. There was also the addition this year of the being able to adjust the levels of council tax increases above 5% and the impact this would have.
- A few different community groups had requested that a presentation on the budget simulator was given to them, this would help increase the awareness of the simulator to a wider audience.
- Officers had several organisations they were to contact to help share the message on the simulator and this included Opportunity Peterborough.
- There were no provisions in this iteration of the simulator to deal with the disposal of assets. One of the reasons was that this was not a sustainable option going forward as it would be a single transaction affecting the budget for one year. The purpose behind the simulator was to look at ongoing proposals.
- The Leader confirmed that following attending the LGA conference the research firm Localis had commented that the simulator was innovative and had not gone unnoticed by other authorities and DHLUC.
- This followed hard work by the administration and opposition members to reduce the £25 million budget gap the Council faced in the last financial year.

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

1. The launch of the Budget Simulator from 19 September 2023, which will be open for the public to submit responses for a period of 6 weeks, closing on 31 October 2023.

REASONS FOR THE DECISION

To gather views of the public to support the Councils Budget Setting Process.

ALTERNATIVE OPTIONS CONSIDERED

No alternative option has been considered.

31. LEISURE, HERITAGE AND LIBRARY SERVICES CONTRACT AWARD

The Cabinet received a report in relation to the Council's Leisure, Heritage and Library Services contract award.

The purpose of this report was to extend the time period for the award of a contract to P-Ltd from 31 March 2024 to the 31 March 2029 in relation to leisure services (which P-Ltd would then sub-contract to the subsidiary), allowing the realisation of benefits which other operators in the market have, namely, National Non-Domestic Rates (NDR) and Value Added Tax (VAT).

The Deputy Leader and Cabinet Member for introduced the report and provided an overview of the key points.

The Service Director for explained that the report set out the key financial proposals, for which the subsidiary proposals would significantly reduce the costs to the Council. Peterborough Limited already ran the services to good effect, this would enable both Peterborough Limited and the Council to develop a longer-term strategy for leisure, libraries and heritage. In addition, this would provide the Council with the ability to have strategic oversight, ensuring the leisure services accorded with the Council's overall aims and objectives.

Members were advised that since the report was published, representations had come in from key partners around heritage, seeking assurances that accreditation status would be maintained for key heritage assets. Officers confirmed that they would continue working with those partners to ensure long term visions was achieved.

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

- The Council did not have sufficient funds to maintain the service as it was. Moving the services into a subsidiary allowed the Council to bring costs down and secure best value for the services.
- There had been three key points raised around this proposal. Firstly, around the Peterborough Museums Arts Gallery (PMAG) arrangements, which operated the museums and Flag Fen and how these arrangements were to be reviewed for future purposes. Legal officers were working behind the scenes to see how this could be dealt with more effectively in the future.
- The second point was around the accreditation, officers assured cabinet that there was no immediate threat to the accreditation and that work was being done with legal support to deal with any issues around this, making it clear this was a not-for-profit organisation.

- With regards to the third query around procurement, a bill was still to be passed and it seemed at the current time there were to be no issues around this. Officers were confident that if there were any changes this could be navigated through with the subsidiary.
- The report being presented to Cabinet was to deal with the immediate operational matters of how the Council deals with the services. These were currently interim arrangements. In the longer-term officers recognised that each of the services needed a detailed plan put in place. Once the final models had been established it would be brought back to Cabinet.
- Thanks were given to officers and the team at Peterborough Limited for working on the proposal. It was important to recognise that the Council took leisure, libraries and heritage seriously and were working to protect these services for residents. It has been a challenge to find a legal vehicle in which to operate the services without the onerous rules around charities. The proposals being debated regularise the arrangements currently in place.
- Officers would work with partner organisations to make sure all concerns were understood and looked into.
- It was important to remember that this proposal would help the Council identify £2 million in savings which was important in trying to meet the pressures of setting a balanced budget. All concerns that had been raised were addressed and nothing in terms of the services were changing.
- Two leisure facility buildings had RAAC found in them, this being the Key Theatre and the Regional Pool, however Cabinet was reminded that there was no intention to sell these assets. Once the assets had been surveyed and assurances given that they were safe the council would re-open the facilities.
- It was essential to have a long-term plan in place to run key services around leisure, libraries and heritage. A two-year contract was not long enough to get these long-term plans in place. This was why a five-year contract was being proposed, although there were clauses in the contract that allowed this to be changed and tweaked as needed.

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

1. Authorise the Council to commission Leisure services from Peterborough Limited (“P-Ltd”) and the sub-contracting of such services by P-Ltd to its wholly owned subsidiary company limited by guarantee (“CLG”) (subject to all necessary approvals being obtained and steps being completed, as required under Cabinet decision MAR23/CAB/104) until 31st March 2029 rather than 31st March 2024 as approved by Cabinet on 23 March 2023.
2. Subject to the Council in its capacity as trustee of the Peterborough Museum and Art Gallery obtaining all necessary consents, authorises the Council in its capacity as local authority to commission heritage and library services (specifically, Peterborough Museum and Art Gallery, Flag Fen, and Libraries), up to the available budget of £1.4m, from P-Ltd and the sub-contracting of such services by P-Ltd to CLG until 31st March 2029.
3. Delegate authority to the Executive Director for Place and Economy, in consultation with the Director for Legal and Governance and the Deputy Leader and Cabinet Member for Housing and Communities (following receipt of the necessary approvals and steps referred to in recommendation 1 and following receipt of any necessary consents referred to in recommendation 2) to take all necessary steps to protect the interests of the Council and implement the decision

in recommendations 1 and 2 including negotiating and entering into all documentation reasonably required to give effect to this recommendation.

REASONS FOR THE DECISION

As set out in this report, the provision of services by P-Ltd via a Not-for-Profit Company limited by guarantee (CLG) is the recommended option because of the following reasons:

- It is able to successfully administer “Vivacity Leisure” services.
- It can continue to benefit from economies of scale provided by P-Ltd.
- It has low additional administration costs.
- It can be in the same VAT group as P-Ltd to enable corporate services to support and recharge at cost without introducing new costs.
- The vision of the new entity and that of the Client are aligned and delivered.
- It will enable continued focus on other existing core business which P-Ltd has. In addition, it also provides a swift implementation option, given the most potential to reduce any deficit in 2023/24

ALTERNATIVE OPTIONS CONSIDERED

These were outlined in section 9 of the main report.

32. AWARD OF CONTRACTS FOR RESPITE CARE & ACCOMMODATION SERVICES FOR ADULTS WITH LEARNING DISABILITY/AUTISM IN PETERBOROUGH

The Cabinet received a report in relation to the award of contracts for respite care and accommodation services for adults with learning disability/autism in Peterborough.

The purpose of this report was to seek an award of contract

The Leader introduced the report and provided an overview of the key points.

Further information was provided by the Commissioning Manager Adult Services. The contract went out for tender and there were two bidders for Lot 1 of which one provider was successful. There were also two bidders for Lot 2, however one of those was excluded as they did not meet the criteria specified.

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

- There had been a long historic issue with the Integrated Care Board (ICB), they had funded the provision for a number of years under previous contracts. This proposal and recommendation would allow more to be able to be done for those with social care needs.
- Officers would be looking throughout the period of this year at utilisation, working with ICB colleagues to find a solution that was more accessible and health driven.

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

1. the award of Contract to Hereward Care Services Limited (company number 04044871) for the provision of Respite Care & Accommodation Services for Adults with Learning Disability / Autism for

Lot 1: six shared social care beds at a total cost of £429,240 per annum; being a total of £4,292,400 for the possible duration of ten (10) years) across all beds (budget to be uplifted annually as per the Inflation Strategy through the business plan) for a period of five years from 1st November 2023, with an option to extend up to a maximum period of five years in two increments; three years plus a further two years, making a possible total contract period of ten years and;

2. the award of Contract to Hereward Care Services Limited (company number 04044871) for the provision of Respite Care & Accommodation Services for Adults with Learning Disability / Autism for

Lot 2: five health beds at a cost of £393,562 across all beds for a period of one year from 1st November 2023

3. the Council entering into a Collaboration Agreement with Integrated Care Board to set out the funding arrangements for the Lot 2 Contract.

REASONS FOR THE DECISION

Statutory requirement under the Care Act 2014 to support needs of individuals with assessed health and social care needs

- Support of carers to give a break
- To support individuals to gain independence for future move to supported living and development of life skills

The reason for the recommendations is to continue the high-quality support to approximately 50 people per year plus their families and carers. Not providing the service would lead to a breakdown in support and pressures across the health and social care system such as earlier entry in supported living or residential support.

ALTERNATIVE OPTIONS CONSIDERED

Continue with current contractual arrangements without open tender: Would be a breach of Public Contract Regulations and would not explore competitive procurement and bring in improvements to service delivery or value for money. Terminate provision – people with planned respite would lose their support and their families and informal carers would lose their break. There would be pressures across along the social care system such as emergency admissions, safeguardings and pressure on permanent residential services.

33. SUPPLY OF TEMPORARY AGENCY RESOURCE TO THE COUNCIL

The Cabinet received a report in relation to the supply of temporary agency resource to the Council.

The purpose of this report was for the Cabinet to approve the recommendations for the Council's new temporary resource solution and to enter into contracts for the provision of agency workers within

- (i) social care; and
- (ii) non-social care; with effect from 1 October 2023 for a maximum contract period of four years.

The Cabinet Member for Legal, Finance and Corporate Services introduced the report and provided an overview of the key points.

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

- The Council currently had a contract with opus and that was used for social care and non-social care agency staff. Following evaluation and to get best value for money it was proposed that Opus would remain for social care, however for the rest of the organisation other options would provide better value for money.

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

1. Approve the award of a contract to OPUS People Solutions via ESPO MSTAR4 Lot1b Master Vendor for the provision of all social care temporary resources for a period of three years with an option to extend for a period of one year. The estimated value of the contract is £4m per year.
2. Approve the award of contracts via the ESPO 3S_22 framework to the suppliers listed below for the provision of all temporary resources that are non-social care for a period of four years including an option to break at year three and the estimated total value of the contracts is £3m per year.
 - Eden Brown
 - Tile Hill
 - Capita
 - Morgan Hunt
 - Hays
 - Reed
 - Sellick Partnership
 - Penna PLC
 - Liquid
 - Blue Arrow
 - OPUS People Solutions
3. Delegate authority to the Executive Director Corporate Services and Section 151 Officer to award non-social care call-off contracts to additional suppliers that are listed on the ESPO 3S_22 framework on a case-by-case basis and following recommendation by the Council's Work Force Board. The value of additional call-off contract(s) shall not exceed the value set out in recommendation 2.
4. Approve the Council entering into contracts with the contractors that are awarded contracts within recommendation 1, 2 and 3.

REASONS FOR THE DECISION

Social Care: OPUS have been delivering social care via the current contract which terminates 30th September 2023. There are a substantial number of agency staff that are placed via the current contract. The best option to avoid disruption was to find a more cost-effective route to use OPUS to continue to deliver this element of the Council's requirements. OPUS is an awarded supplier on the ESPO MSTAR4 Framework. It was therefore proposed that we should direct award to OPUS via the

ESPO Contract. OPUS will be a Master Vendor meaning that they will supply staff and could source via Agencies should the need arise. The Agency Fee is variable and is dependent upon the scale of pay. There is a fixed fee of £0.30 for the MSP Service. This is a standard fee across all frameworks although the amount may vary. OPUS Fees were competitive against other suppliers on the Framework.

Non-Social care: There was a need within the Council to achieve greater compliance and increased flexibility for Hiring Managers. In having 11 delivery partners that are drawn from the ESPO Framework and having contracts in place with each we can demonstrate robust compliance with PCR 2015. The Flexibility that is afforded to Hiring Managers will mean that fulfilling the need to fill a temporary vacancy will be flexible as Hiring Managers will have the ability to liaise directly with the Agencies and not have to go through a Master Vendor – this removes a layer of cost and facilitates accessing the right quality of candidate at the right time. Utilisation of the framework also ensures that we can be confident that pricing is competitive. YPO, CCS and ESPO Frameworks were considered but only ESPO 3S_22 met our requirements in terms of flexibility. It should also be noted that we receive a rebate from ESPO on total spend rates and fees are broadly similar to both CCS and YPO Contracts. The Key driver to achieve a more flexible process once Work Force Board approval had been secured.

ALTERNATIVE OPTIONS CONSIDERED

Option 1 Maintain Status Quo – Continue with OPUS Contract however, this was discounted as it was not meeting all the Council's agency staff requirements.

Option 2 Exit Opus using Break Clause and use an alternative Framework (ESPO/CCS/YPO) via direct award. Whilst procurement would be quicker via direct award, it would still require a high level of procurement resource and potentially the addition of a specialist category manager and associated additional costs.

Option 3 Exit Opus using Break Clause and use an alternative Framework (ESPO/CCS/YPO) via mini competition. Each procurement would be managed by procurement department and would result in a high level of procurement resource.

Option 4 Exit Opus using Break Clause and complete open procedure in accordance with PCR 2015 for a local framework with appropriate lots. This would require a consultant and high level of business input to develop the detailed specification. It would also require a named contract manager to ensure good supplier performance of the resulting framework.

Option 5 Exit Opus using Break Clause and appoint another managed Master or Neutral vendor. Fees would be applied for the finder service, which would result in the arrangement we have today and not give the Council the specific arrangements they need to meet their agency staff requirements.

MONITORING ITEMS

34. BUDGET CONTROL REPORT JUNE 2023 - QUARTER 1

The Cabinet received a report in relation to the budget control report for quarter one.

The purpose of this report was to provide Cabinet with an overview of the Councils forecast outturn for 2023/24, as at 30 June 2023

The Cabinet Member for Legal, Finance and Corporate Services introduced the report and provided an overview of the key points.

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

- The most recent update was in line with what was being presented in the report. The overspend now stood at £5.3 million. There were proposals in place to try and minimise the impact and the report referred to improvement made since the end of June.
- With regards to Clare Lodge there were new fees in place and all providers had accepted those fees and it was suggested that this would now break even.
- There had been a huge rise in demand for temporary accommodation. Pressures around this had reduced down to £1 million.
- Officers were confident that the savings programme would deliver on those savings outlined. At the current time only 3% of those savings had been earmarked as being in the red, which was down from the 5% highlighted in the report.
- The team were working through a number of actions, including reducing the use of agency staff, reviewing reserve commitments and reviewing the capital programme to bring this down if possible.
- A lot of the pressure on budgets was not just due to inflation but from demand on services the Council run, particularly around Children's Services.
- The Executive Director Children's Services and Young People confirmed there were extreme pressures faced by the service area. There had been an increased demand in the volume of work coming in through the front door. This was down to two key aspects, namely demand on social care and issues post pandemic.
- There were still several areas to work through in terms of decoupling from Cambridgeshire County Council. It was key for officers to look at transforming services to enable the services to be sustainable over the longer term.

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

1. The budgetary control position for 2023/24 on 30 June 2023 is a forecast overspend of £5.1m position.
2. The key variance analysis and explanations are contained in section 4.2 and Appendix A to the report.
3. The Council's performance with respect to Business Rates (NNDR) and Council Tax Collection, as outlined within Appendix B to the report.

REASONS FOR THE DECISION

To ensure members of the Cabinet are abreast of the Council's current year forecast Outturn Position for 2023/24.

ALTERNATIVE OPTIONS CONSIDERED

Not Applicable - Performance report, item for information.

35. QUARTERLY PERFORMANCE REPORT – QUARTER ONE (2023/24)

The Cabinet received a report in relation to the quarterly performance report – quarter one.

The purpose of this report was to provide an update to Cabinet and to provide the direction of travel on the Council's corporate performance in line with our priority outcomes as set out in the Council's Corporate Strategy 2022-25

The Leader introduced the report and provided an overview of the key points.

Cabinet considered the report and **RESOLVED** to note the Corporate Performance Report for Quarter One, 2023/24.

REASONS FOR THE DECISION

The corporate performance report will support members to identify areas where improvement in performance is required.

ALTERNATIVE OPTIONS CONSIDERED

Do not publish a regular performance report – this option was considered but rejected as it would not provide CLT and Cabinet with oversight of the council's performance and progress.

At this point in the meeting the Leader made an announcement on changes to the Cabinet portfolios, this included:

Cllr Ayres portfolio to now read Cabinet Member for Skills, Further and Higher Education, including the University

Councillor Jackie Allen was now Cabinet Member for Children's Services and Education.

Councillor Hussain was now Cabinet Member for Adult Services and Public Health.

Councillor David Over would now be Cabinet Advisor for Children's Services and Education.

Councillor Moyo had resigned from her position as Cabinet Advisor for Legal.

Chair
4pm to 5.05pm
18 September 2023

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