

CABINET

MONDAY 13 FEBRUARY 2023
10.00 AM

Council Chamber - Town Hall
Contact – Philippa.turvey@peterborough.gov.uk, 01733 452460

SUPPLEMENTARY AGENDA

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CABINET	AGENDA ITEM No.5
13 February 2023	PUBLIC REPORT

Report of:	Cecilie Booth: Executive Director of Corporate Services and S151 Officer
Cabinet Member(s) responsible:	Councillor Andy Coles, Cabinet Member for Finance and Corporate Governance
Contact Officer(s):	Cecilie Booth, Executive Director of Corporate Services and S151 Officer Patricia Phillipson Interim Director: Financial Services & DS151

Final Budget 2023-2024 and MTF5 2023-2026 Supplementary Report

Recommendation

That Council notes the following changes to the Budget Report:

- 1.1. The Final Local Government Finance Settlement was published on the 6th of February including the following changes:
 - Services Grant allocations had increased by £0.067m, from £1.632m to £1.699m
 - A slight reduction of £0.001m from the ASC Market Sustainability and Improvement Fund reducing from £1.859m to £1.858m.
 - All other grants remain at the value confirmed in the provisional settlement.
- 1.2. This has increased the Councils funding position by a net £0.066m, resulting in the final net funding position moving from £202,568m to £202,634m.
- 1.3. Changes have been made to the various tables within the documents to reflect this change including the covering report and appendix's A, B and K. These revised documents will be submitted to Council for approval.
- 1.4. The following text has also been added to Appendix B section 4, following suggestions from the members of the Green party, and discussions with other Local Authorities:
 - The council is continuing to support those most impacted by the national cost of living challenge in a number of ways, including through the council tax hardship and household support funds. Also following a suggestion from Green Councillor's to liaise with Lewes and Eastbourne councils to see if we can learn from anything they are doing, officers have spoken to counterparts at these Councils, and we are consequently also considering whether to procure an additional system that uses exiting data sets to better identify low-income households to help ensure we are targeting our resources to support those most in need.

CABINET	AGENDA ITEM No.
13 FEBRUARY 2023	PUBLIC REPORT

Report of:	Executive Director of Corporate Services and S151 Officer	
Cabinet Member(s) responsible:	Councillor Andy Coles, Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Cecilie Booth, Executive Director of Corporate Services and S151 Officer Patricia Phillipson Interim Director: Financial Services & DS151	Tel. 452520

FINAL BUDGET 2023/24 AND MEDIUM - TERM FINANCIAL STRATEGY 2023-2026

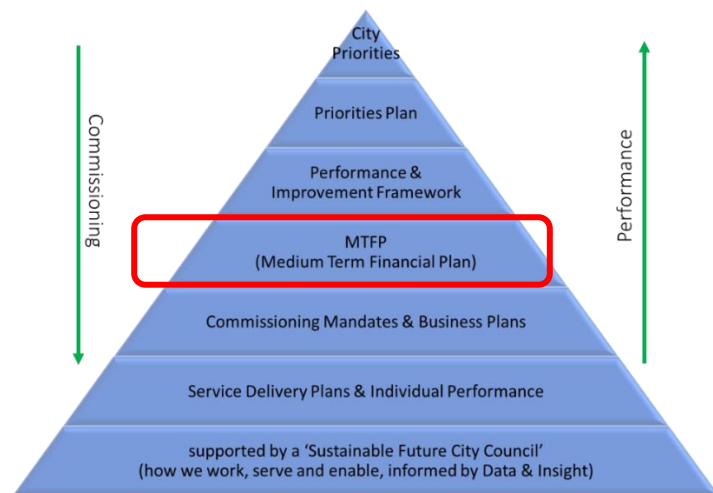
RECOMMENDATIONS	
FROM: Cabinet Member for Finance and Corporate Governance	Deadline date: 13 January 2023
<p>It is recommended that Cabinet reviews and recommends to Council for approval:</p> <ol style="list-style-type: none"> 1. The final Medium Term Financial Strategy 2023/26 outlined in Appendix A- Medium Term Financial Strategy 2023/2026 Final Settlement, which includes the key financial assumptions, strategic direction, and estimated budget gaps in future years. 2. The proposed Final Budget for 2023/24, outlined in Appendix B- Revenue & Capital Budget 2023/24 Final Settlement which includes: <ol style="list-style-type: none"> a. Funding and Council Tax Summary, which includes a proposed Council Tax increase of 4.99% in 2023/24 and 2024/25. b. Detailed Revenue budgets and proposal detail c. Detailed Capital Budget (Programme) d. Section 25 robustness statement 3. The feedback from the budget consultation summarised in section 4 of this report and outlined in Appendix C- Budget Consultation Feedback 4. The Reserves commitments outlined in section 2 of the draft budget report and the Reserves Strategy and Policy outlined in Appendix D- Reserves Strategy & Policy which sets the future direction of travel and planned use of reserves. 5. The Equality Impact Assessments outlined in Appendix E- Equality Impact Assessments, which have been completed for all major budget proposals 6. The Carbon Impact Assessments outlined in Appendix F- Carbon Impact Assessments, which have been completed for all major budget proposals 7. The Treasury Management Strategy outlined in Appendix G- Treasury Management Strategy, which has the fundamental roles of managing external investments, outlining the Prudential Indicators, ensuring debt is prudent and economic, and that decisions comply with regulations. 8. The Capital and Investment Strategy outlined in Appendix H- Capital and Investment Strategy 2022-25, which manages its assets and investment resources to help achieve the strategic priorities of the Council. 9. The proposed Schools Budget as set out in Appendix I- The Schools Budget 2023/24 	

10. The outline Asset Management Plan (AMP) as set out in Appendix J- Asset Management Plan, which sets out principles for managing the Councils assets in the most efficient and effective manner and the direction of travel for future years while a more detailed and refreshed AMP is developed.
11. The Council Tax Resolution, setting out the Council Tax requirement and precepts including those from the Parish Councils, the Police and Crime Commissioner for Cambridgeshire, Cambridgeshire & Peterborough Fire Authority and the Cambridgeshire and Peterborough Combined Authority (new for 2023/24) is outlined in Appendix K- Council Tax Resolution 2023/24 Final Settlement - **NOTE- The Cambridgeshire and Cambridgeshire & Peterborough Fire Authority are set to approve their rate of Band D Council Tax on 10th February therefore this appendix includes a provisional figure and will be finalised before this meeting on 13 February.**
12. The Budget Virement Rules Appendix L- Budget Virement rules which sets out the financial approval limits for transferring budgets between different cost codes and directorates.
13. Community Leadership Fund policy for 2023/24 as outlined in Appendix M- Community Leadership Fund, which outlines revised spending criteria and an allocation per Councillor of £3,000, (£180,000 in total).
14. The Councils response to the Budget Consultation feedback received from residents, businesses, and community groups, as set out in Appendix N- Response to the Budget Consultation

1.0	ORIGIN OF REPORT
1.1	This report comes to this Cabinet meeting as part of the Council’s process for developing a Medium-Term Financial Strategy (MTFS) and budget setting process.
2.0	PURPOSE AND REASON FOR REPORT
2.1	<p>Purpose</p> <p>This report is submitted for Cabinet to consider under its Terms of Reference No. 3.2.1, “To take collective responsibility for the delivery of all strategic Executive functions within the Council’s Major Policy and Budget Framework and lead the Council’s overall improvement programmes to delivery excellent services.”</p>
2.2	<p>Background</p> <p>The Budget for 2023/24, Medium Term Financial Strategy 2023/24-2025/26 and its associated strategies, forms a key part of the Council’s Performance and Improvement Framework. The Budget Report (Appendix B) sets out the Revenue and Capital Budgets for 2023/24, and the MTFS (Appendix A) aims to demonstrate that the Council's finances over the medium term are secured to deliver the Council's priorities over the next three years. Preparation of an MTFS is good financial practice. It’s an important part of understanding the Council’s financial challenges and risks, its financial resilience, and sets out the strategy to deliver long term financial sustainability and viability. The key objectives of the MTFS are:</p> <ul style="list-style-type: none"> • To ensure that effective financial planning and management contributes to the Council achieving the corporate priorities

- To ensure that the Council is financially resilient, stable, and sustainable for the future
- To maximise the income from Council Tax, Business Rates, and Fees and Charges to support the priorities of the Council
- To continue to improve value for money – managing our people and money more efficiently and effectively to continue to improve value for money, standardise, streamline, and share best practice, getting better value from commissioning and procurement, whilst seeking to minimise the impact of budget savings on priority services

The following diagram sets out the overall approach and translates this into tangible activity through a single Performance & Improvement Framework.



The [City Priorities](#) and new [Sustainable Future City Council](#) documents, both signed off by city council members, set out the proposed direction of travel for the council and how it will deliver long-term improvements and meet the changing needs of residents in the next three years.

2.3 Overview- Future Sustainable Council

The financial landscape in which the council is operating has been constantly changing. Peterborough’s rapidly rising population means that demand for services has increased faster than the average. The Covid-19 pandemic has had a lasting impact as significant spending pressures arising from built up demand and increased complexity of care packages came to fruition.

Added to this, there is an ongoing War in Ukraine, which has seen the Council and other local authorities step up to the mark to support refugees settle safely in the UK. Furthermore, the council now faces rising inflation, which is driving up the cost of delivering services. Like many households and businesses, the council faces increased energy costs and rising costs of pay for its own staff and those who deliver services on its behalf such as care workers. At the same time, the funding the council receives from Government and from Council Tax has not kept pace, with increasing demand for the services the council provides. All of these factors combined has created the perfect storm.

In July, Cabinet considered the council’s forecast budget for 2023/24; this identified a forecast budget gap of approximately £9.5m, based on the latest funding and inflationary assumptions available at the time. However, since then the economic picture has vastly changed with inflation and interest rates continuing to grow. This meant in October, due to unprecedented levels of inflation, a nationally agreed pay award for staff creating at least an additional £2m pressure and the council expecting to receive less than originally anticipated from its membership of the Cambridgeshire Business Rates Pool, forecasts indicated that the council’s financial challenge could be as high as £21.7m. Given the economic climate the scale of the challenge has been no surprise, and officers have been planning for it and developing strategies as early as possible to meet the very steep challenge, this has included:

- Working closely with councillors as part of our cross-party Financial Sustainability Working Group, to develop budget saving ideas and explore ways to support the council to achieve financial sustainability.
- Working with the Independent Improvement and Assurance Panel, who are experts in specific fields of local government to challenge, scrutinise and advise on our budget proposals to ensure they are robust and provide best value.
- Managing inflation has been a crucial part of our plan, and the Council has taken steps to ensure we maintain a tight grip on these pressures, by:
 - Insourcing the procurement team and using some additional external specialist procurement expertise.
 - Reviewing all contracts to ensure they reflect best value and meet established needs.
 - Reviewing all expenditure budgets, whilst at the same time maintaining a tight grip and control on expenditure.
 - Establishing an inflation reserve to mitigate and smooth any immediate pressures.

The Corporate Leadership Team have been working closely with cabinet and all members to identify ways that we can make savings and transform service delivery. This includes:

- Continuing to look for ways to reduce spend and get a better deal from those organisations relied on to provide services.
- Continuing to transform the way the Council delivers services, doing things differently in a way that improves outcomes, doing more for less or have somebody else doing it cheaper.
- Reducing the capital programme. The asset disposal programme has reduced the risk of future interest rates exposure and our cost of borrowing by selling surplus assets.
- Stopping 'non vital' services or charging more - as part of this The Council must consider its statutory obligations to those who need help and support the most.

Additionally, the Local Government Provisional Finance Settlement has confirmed additional funding for Adult Social Care, and the Council Tax referendum limits of 4.99% in 2023/24 and 2024/25. This report assumes the Council will set Council tax at the maximum referendum limit, in line with the budget principles approved, and set out within our consultation document.

These actions have enabled the Council to propose a balanced budget for 2023/24, with a gap of £0.5m in 2024/25 and £1.1m 2025/26 remaining.

The following table outlines at a high level the forecast budget gap over the life of the MTFs:

	2023/24	2024/25	2025/26
People Services	111,121	116,889	120,413
Corporate Services	67,724	74,337	76,195
Place & Economy	24,093	26,048	27,211
Public Health	(304)	(332)	(332)
Total Net Revenue Expenditure	202,634	216,943	223,487
Funding	(202,634)	(216,411)	(222,403)
Estimated Budget Gap	(0)	532	1,084

It's important to remember that the financial operating context for the Council, like many other local authorities, remains challenging with uncertainties in the future relating to funding levels due to Adult Social Care and Funding reforms. Notwithstanding the following national issues, driving up the cost of services:

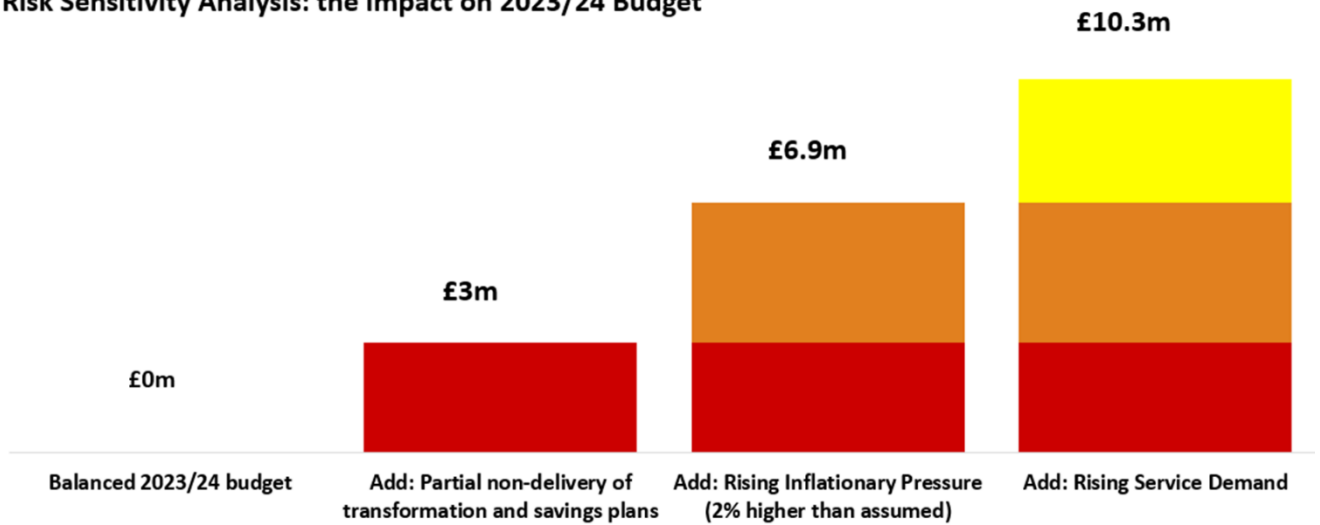
- The continuation of national strikes across a number of sectors and the knock-on impact on Council services.
- Rising rates of inflation and interest, and the effect this has on our cost of Services and borrowing.

- Increasing demand for Council services, resulting from a rising population, complexity of need, cost of living crisis and changes to policy and government direction, e.g., focus on hospital discharges.

Although the Council has a financial strategy which is close to a balanced position over the next three years, as outlined above there are still a number of risks to manage, some of which are externally driven and beyond the Councils control. There is a high dependency on the Council to continue with the significant financial improvements it has made this year and continue to manage expenditure levels within its funding envelope, deliver preventive and early intervention measures to contain demand and successfully deliver the programme of savings and transformation plans.

The following chart demonstrates what the impact could be to the budget position as a result of these pressures becoming more challenging to manage, and how they could quickly compound and change the position if they are all effected.

Risk Sensitivity Analysis: the impact on 2023/24 Budget



2.

Dedicated Schools Grant and the Schools Budget 2023/24

The Local Authority retains a statutory duty to annually set the schools budget for all schools in Peterborough (Maintained and Academy schools). The majority of the funding for Education comes through the Dedicated Schools Grant (DSG) which totals £277m for 2023/24.

Officers have worked with the Schools Forum, who are the representative group of education providers in the City, to develop budget proposals including draft school level budgets. Briefings have also been held with Headteacher groups and information shared with Governors / Trusts. The local funding arrangements operate within the context of national requirements and guidelines, but we do have some discretion to appropriately target funding at priorities and pressures within the City. Schools Forum met on 18 January 2023 to consider these final budget proposals and agreed to them at this meeting.

The final budget requires formal council approval, and as such this will be included within the final budget report to Council on 22 February 2023, with Appendix I outlining the proposed deployment of the DSG.

3.

TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	13 February 2023
Date for relevant Council meeting	22 February 2023	Date for submission to Government Dept.	N/A

The following timetable outlines the key meeting dates in relation to the MTFS and the Budget for 2023/24:

Timescales	Update
11 July 2022- Cabinet	MTFS Quarter 1 Update ✓
17 October 2022- Cabinet	MTFS Quarter 2 Update ✓
5 December 2022 - Cabinet	Budget Consultation Launch ✓
23 January 2023 - Joint Scrutiny	Draft Budget 2023/24 and MTFS 2023/2026 Report ✓
13 February 2023 - Cabinet 23 February 2023 - Council	Final Budget and MTFS 2023/24 including the associated strategies (this report) <ul style="list-style-type: none"> • MTFS 2023/2026 • Budget 2023/24, including: <ul style="list-style-type: none"> ○ Revenue Budget ○ Capital Budget ○ Section 25 (robustness) Statement • Council Tax resolution • Reserves Strategy • Treasury Management • Capital Strategy • Asset Management Plan

In addition to the timetable above, all budget proposals including savings, investment and revised financial assumptions and consultation feedback are considered within the following groups:

- **Budget- Corporate Leadership Team (CLT)**- made up of the council's corporate directors and finance officers as support.
- **Cabinet Policy Forum (CPF)**- informal meeting of Cabinet.
- **Financial Sustainability Working Group (FSWG)**- Cross-party working group focussed on supporting the delivery of financial sustainability for the council. During the year, this group has convened on a monthly basis to consider the Councils financial position and develop proposals to support the Councils budget position. The Budget which has been recommended within this report includes proposals put forward by members of the opposition and agreed collectively by this group. Including the following Proposals:
 - Charging for electric car points- implemented in November 2022 (Liberal Democrat proposal)
 - Delivering Revenue from Council buildings/assets- included as part of the property and Asset proposals (Liberal Democrat Proposal)
 - Focus on Procurement- generating procurement savings and buying local, with a procurement expert now working with the Council working on a strategy, having already insourced the Procurement team from 31 October 2022 (Labour Proposal)
 - Inclusion of Eco Homes as an invest to save bid in the Capital Programme (Green proposal)
 - Focus on planting wildflowers and biodiversity (Green Proposal)

There are some proposals which are still being developed with members, these include options to generate and store renewable energy and an option to introduce care farms.

	<ul style="list-style-type: none"> • Alternative Budget Working Group- This was established during 2021, with the Chief Finance Officer meeting with the group leaders on a monthly basis to consider alternative budget proposals. Suggestions made by this group were subsequently recommended to FSWG, and these meetings have now stopped. • Independent Improvement and Assurance Panel (IIAP)- who are experts in specific fields of local government to challenge, scrutinise and advise on our budget proposals to ensure they are robust and provide best value.
	<p>CORPORATE PRIORITIES</p>
	<p>The Budget and MTFFS forms a key part of the Council's Performance and Improvement Framework and aims to demonstrate that the Council's finances over the medium term are secured to deliver the Council's priorities over the next three years from 2023/24 to 2025/26.</p> <p>This therefore supports all the Council's priorities, but forms a key element of the Council's budget setting process, therefore it is strongly geared towards enabling the Council to deliver on the following priority:</p> <ul style="list-style-type: none"> • Supported by a Sustainable Future City Council - adjust how we work, serve, and enable, informed by strong data and insight capability, and led by a culture of strong leadership.
<p>4.0</p>	<p>CONSULTATION</p>
<p>4.1</p>	<p>Budget Consultation</p> <p>On 5 December Cabinet launched a budget consultation to seek the views of residents, businesses, stakeholders, and service users. The Consultation took place via the following methods:</p> <ul style="list-style-type: none"> • Web-based form on the council website, which included ten multiple choice and free text questions to gather the thoughts and views of readers. • Social media was used to reach out to as many people as possible, directing them to the details and web form. • Hard copies of the Budget Consultation could be requested. • Key stakeholders and community groups were contacted with the Budget Consultation details and were offered the opportunity to have a briefing. <p>Feedback Received</p> <p>The Council received 50 responses to the online survey, in addition to receiving a separate submission from the interfaith Council. All responses have been included within Appendix C, with the following points summarising the feedback received:</p> <ul style="list-style-type: none"> • Most submissions agree that there is a lack of information regarding fostering processes and benefits, with some suggesting online brochures, improved community outreach and communication and publishing anonymised case studies would help, in addition to emphasising the benefits for the children, foster families and the society. People also suggested increasing the pay would make fostering more attractive. • The most common suggestions on how to support residents to avoid them becoming homeless were: early interventions, cross referencing with schools and other services, information packages and boost Citizen Advice Bureau to provide more assistance. • In relation to the Community Hub services, the majority of respondents thought residents would benefit most from support with budgeting, market comparison (such as energy providers, insurances, phone, and mobile packages), information on types of help available for all classes (working age, children, students, unemployed, elderly, etc), job hunting, debt management and mental health. • In respect of the question around the Council achieving the zero-carbon target, the responses outlined a clear focus on wanting to see more and better cycling ways, as well as an improved bus service with more routes and running for extended hours, with some suggesting minibuses at reduced fare for routes avoiding the city centre. • The question about ideas to reduce the Council spending has attracted the most variety of responses,

however the most common responses related to potholes and road maintenance being more efficient and causing less disruption, reducing expenditure on pavement cleaning and fly tipping collection by usage of community services, using voluntary services and looking at reducing senior posts within the council's workforce.

- For ways to increase income the responses focussed on improvements to enforcement services (such as parking, litter, and pavement cycling), suggestions on an invest to save approach regarding the city centre and Queensgate to regain its attractiveness and increase tourism via publicity and sponsorships.

More detailed analysis can be found in Appendix C, or by using the following link ([survey form analysis](#))

This has been considered by the Joint Scrutiny Committee on 23 January 2023, and will be considered, alongside the Council's response to the feedback (as outlined in Appendix N) by the Cabinet at this meeting, before formally proposing a final budget for 2023/24 to Council on 22 February 2023.

Budget Simulator

Additionally, the Council launched a Budget Simulator tool on its website for a six-week period from 17 October to 28 November 2022. The simulator was set up in an easy-to-use format, allowing users to gain a greater understanding of what we spend our money on, and how reducing expenditure or investing in services has consequences, or benefits for the council and residents. Users also had the opportunity to provide comments and ideas. During this period, the simulator attracted 185 responses, with the following key points being the key:

- Of all the areas identified for savings and investment, education is the area that most respondents said they did not want to cut funding.
- The average council tax rise agreed by residents was 5%.
- More savings need to be found in adults and children's services.
- Leave hedgerows and grass to grow longer.
- Growing the economy is important to attract better paid jobs and more housing. Others said that too much growth can be damaging for the city.
- We need to look at how much we spend on third parties.
- It is difficult to balance the simulator because of the choices given which are not exhaustive – however this has been a useful tool to raise awareness of the pressures on the council and the difficulty of balancing the budget with the current service delivery.

The Budget Simulator has been highly commended by the Council's Independent Improvement and Assurance Panel (IIAP) in its recent report. The following statement is an extract from that report;

“Public engagement has been through the web-based budget simulator tool which has had a significantly higher level of response than normal consultation arrangements. The Council should be commended on this initiative which has highlighted to the community the very real challenge in balancing a complicated budget.”

5.0	ANTICIPATED OUTCOMES OR IMPACT
5.1	<p>The release of this final MTFS 2023/26 and budget 2023/24, outlines the proposed budget and strategic approach to addressing the financial gap in future years.</p> <p>Cabinet launched a budget consultation which closed on 8 January 2023. Partner organisations, businesses and other interested parties have been able to feedback which Council services matter most. Cabinet will review feedback from the consultation, alongside side the Council's response, and the contents of this report at this meeting before making a final recommendation to Council on 22 February 2023.</p> <p>The Council must set a balanced budget for 2023/24 within the financial resources available.</p>

6.0	REASON FOR THE RECOMMENDATION
6.1	The Council must set a lawful and balanced budget. The approach outlined in this report work towards this requirement.
7	ALTERNATIVE OPTIONS CONSIDERED
7.1	No alternative option has been considered. The Cabinet is responsible under the constitution for initiating budget proposals and the Council is statutorily obliged to set a lawful and balanced budget by 11 March annually.
8.0	IMPLICATIONS
	Legal Implications
8.3	In terms of the Council's executive arrangements, the adoption of the Council's Budget is a role shared between the Cabinet and the Council, whereby the Cabinet (Leader) is responsible for formulating the budget proposals and Full Council is responsible for then approving (or not) those proposals and setting the budget and council tax requirement.
8.4	For the remainder of the year, the principal purpose of the Budget is to set the upper limits of what the executive (Leader, Cabinet, or officer under delegated executive authority) may decide to spend the Council's resources on. The Council cannot, through the budget, overrule an executive decision as to how to spend money, but the Budget will require the Cabinet to exercise their responsibilities for decision making so as not to make a decision where they are 'minded to determine the matter contrary to, or not wholly in accordance with the authority's budget.' This means that a decision that leads to excess expenditure, a virement from one budget heading to another over the amount allowed by Council in the Budget Book, or expenditure of unexpected new money outside the Budget is required to have approval of the Council before the Leader and the Cabinet can make that decision.
8.5	When it comes to making its decision on 22 February 2023, the Council is under a legal duty to meet the full requirements of Section 31A of the Local Government Finance Act 1992, which includes the obligation to produce a balanced budget by 11 March annually.
8.6	The principle of fairness applies to consultation on the budget proposals, both consultations required under s65 of the Local Government Finance Act 1992 and more generally as proposed here, which operates as a set of rules of law. These rules are that: <ul style="list-style-type: none"> • Consultation must be at a time when proposals are still at a formative stage; • The proposer must give sufficient reasons for any proposal to permit intelligent consideration and response; • Adequate time must be given for consideration and response; and • The product of consultation must be conscientiously considered in finalising any statutory proposals.
8.7	Added to which are two further principles that allow for variation in the form of consultation which are: <ul style="list-style-type: none"> • The degree of specificity with which, in fairness, the public authority should conduct its consultation exercise may be influenced by the identity of those whom it is consulting; and • The demands of fairness are likely to be somewhat higher when an authority contemplates depriving someone of an existing benefit or advantage than when the claimant is a bare application for a future benefit.
8.8	It should be noted that the consultation undertaken is on the Budget proposals, and consequently the Cabinet's general approach to balancing the budget, and not on the various decisions to take whatever actions that may be implicit in the proposals and later adoption of that budget, each of which may or may not require their own consultation process.
8.9	By virtue of section 25, Local Government Act 2003, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Chief Finance Officer (CFO), as to the robustness of the

	<p>estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. It is essential, as a matter of prudence, that the financial position continues to be closely monitored. In particular, members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered, and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.</p> <p>Where the CFO makes a judgement that the Council is unable to set or achieve a balanced budget, or there is an imminent prospect of this they have a responsibility to issue a section 114 notice (s114) of the Local Government Act 1988.</p> <p>Once a s114 notice has been served the council has 21 days to meet and consider the report. During these 21 days the council must not incur any new expenditure unless the CFO has specifically authorised the spend. This suspension of spending will trigger external scrutiny from the Council's auditors. However, failure to act, when necessary, could result in the Council losing its financial independence with its powers potentially passed to commissioners appointed by government.</p>
8.10	<p>Human Resources implications</p> <p>It is anticipated that there will be minimal staffing implications as part of these budget proposals as much of the management focus will be looking at transformation of our operating model aligning business areas to the requirements as set out within the newly adopted Corporate Plan. Outlined business cases have been developed which notes that there will be a reduction of 9 FTE posts. Although no further redundancies are anticipated as part of the budget proposals, as we progress through our transformation journey, we will have clearer visibility over any further impact on staffing.</p> <p>As always, it is the aim of the Council to try and minimise any compulsory redundancies and the resulting impact on service delivery. In the first instance there are a number of elements which the Council considers first which are looking for redeployment opportunities, deleting vacant posts, restricting recruitment (<i>considering service delivery</i>), natural wastage / turnover and reducing or eliminating overtime (<i>providing service delivery is not compromised</i>). Where there are staffing implications, the Council will seek voluntary redundancies as appropriate to minimise compulsory redundancies and where this is unavoidable, appropriate outplacement support will be considered.</p>
8.11	<p>Equality Impact Assessments</p> <p>All budget proposals published in this budget process have been considered with regards to equalities issues, and where an Equality Impact Assessment (EIA), has been required these have been completed and compiled within Appendix E- Equality Impact Assessments</p>
8.12	<p>Carbon Impact Assessments</p> <p>All major budget proposals published in this budget process have been considered with regards to the carbon impact and where appropriate carbon impact assessments (CIA) have been completed. These have been outlined in Appendix F– Carbon Impact Assessments</p>
9.0	<p>BACKGROUND DOCUMENTS</p> <p>Quarter 1 MTFS 2023-2026 report Quarter 2 MTFS 2023-2026 report Budget 2023/24 Consultation Document Report of the Independent Improvement and Assurance Panel- 7 December 2022 Council Peterborough Improvement Plan Sustainable Future City Council Strategy 2022-25 and Our City Priorities Draft Budget 2023/24 and MTFS 2023-2026 (Joint Scrutiny, Item 4)</p>
10.0	<p>APPENDICES</p>

11.1	Appendix A- Medium Term Financial Strategy 2023/2026 Appendix B- Revenue and Capital Budget 2023/24 Appendix C- Budget Consultation Feedback Appendix D- Reserves Strategy and Policy Appendix E- Equality Impact Assessments Appendix F- Carbon Impact Assessments Appendix G- Treasury Management Strategy Statement (TMSS) Appendix H- Capital and Investment Strategy 2022/25 Appendix I- Schools Budget 2023/24 Appendix J- Asset Management Plan Appendix K- Council Tax Resolution 2023/24 Appendix L- Budget Virement Rules Appendix M- Community Leadership Fund Appendix N- Response to the Budget Consultation
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Peterborough City Council

Appendix A – Final Medium Term Financial Strategy 2023 – 2026 (Q3 update)

1. Executive Summary

The MTFS position is summarised in Table 1, outlining a breakdown of how the gap changes each financial year, followed by a summary of the key assumptions. It should be noted that as the Council identifies ongoing proposals to address the budget gap, the future years will reduce accordingly.

Table 1: Budget Gap	2022/23	2023/24	2024/25	2025/26
Funding	(181,603)	(202,634)	(216,411)	(222,403)
Net Revenue Expenditure (NRE)	181,603	202,634	216,943	223,487
Budget Gap	-	-	532	1,084

Key assumptions

- Pay award 3% pa
- Inflation in expenditure and Sales Fees and Charges income: 2023/24 – a baseline of 9%, 2024/25 – 2%, 2025/26 – 2%, has been factored into the budget, but then a detailed review of all expenditure and contracts has taken place to look at ways to minimise the exposure to this (see section 5 for more details)
- Demographic and Volumatic service demand – 3% pa
- NNDR – increases based on business growth and CPI as per legislation
- Revenue Support Grant – CPI
- Council Tax increases – 4.99% in 2023/24 and 2024/25, then 2.99% from 2025/26.
- Council Tax base - reduced in 2023/24 due to slower housing growth than expected, but then estimated growth of 1,000 homes pa from 2024/25 onwards
- New Homes Bonus – reducing
- Business Rate Pool – based on performance of the Local Authorities within the Cambridgeshire Business Rates Pool.
- Adult Social Care (ASC) Grants– increasing
- Transport Levy (Cambridgeshire and Peterborough Combined Authority)- 2%

These are outlined in more detail within the report.

2. The Financial Challenge

It is important to note that although the Council has presented a balanced budget, an underlying financial challenge still remains. PCC is not alone in facing such challenges, most other local authorities are also reporting significant budget pressures next year and into the future. The financial pressures can be divided into three core elements; revenue, reserves and capital. Each element has identified actions to improve the overall financial health of the Council over the life of the MTFS, which are summarised in the following sections.

Revenue

Aim: Maintain revenue costs within the funding envelope.

Challenge: This has developed over the years due to underfunding, exposure to greater levels of demand and reliance on one-off solutions in order to set a balanced budget. The Council has made positive steps towards meeting this challenge over the last 12 months, leading to the proposed balanced budget for 2023/24. However, the key priority of driving forward long-term financial sustainability remains firm, and it doesn't come without some underlying challenges. These are summarised in the following points:

- Core Government grants increase much slower than demand and rates inflation.
- Uncertainty for the future in relation to funding levels-making it difficult to plan.
- Greater reliance placed on local taxation- 81% of the Council's core funding now comes from Council Tax and Business rates, with the Council carrying the risks associated with collection.
- Inflationary pressures; the Bank of England is forecasting the rate of CPI peaks at 10.9% in Q4 2022/23 and expecting it to drop mid 2023.
- **65%** of the Council's budget represents debt and social care costs:
 - Cost of debt financing equates to **15%** of NRE, with interest rates expecting to rise.
 - Adult Social Care and Children's Social Care represent **50%** of NRE.

Capital

Aim: Reduce the level of debt on the Balance Sheet and the ongoing cost of borrowing

Challenge: The Council has an ambitious Capital Programme, but at the same time the Balance Sheet position is poor with borrowing totalling £441m at 31 December 2022. This puts significant pressure on the Council's revenue budget. The Council recognises the need to invest in the city to encourage economic development and provide vital services such as school places and infrastructure, but these demands must be prioritised within the context of the Council's financial position. The following points summarise the capital challenges:

- Every £10m borrowed to fund capital expenditure costs £0.8m per year in revenue.
- The MTFS assumes there will only be new borrowing where necessary over the next three years, except where there is a robust business case to do so. It is assumed that capital receipts and external grants will be used to fund the Capital Programme.

Reserves

Aim: Increase reserves balances to improve financial resilience.

Challenge: The Council has been exposed to low financial resilience and greater levels of risk due to low reserves balances and limited ability to fund transformational change. It is recognised that for the Council to reach financial sustainability in the future it will have to increase reserves balances and invest to transform services, in particular in the following areas:

- Capacity to deliver
- External expertise and advice
- Feasibility
- Maximisation of technology
- Physical and economic development of the city

At the end of 2023/24 revenue reserves balances are forecast to be at £40.3m. But after accounting for commitments, ringfenced and risk related reserves and the General Fund reserve of £9.5m, only £10.2m of the Innovation Delivery Fund remains for investment in programmes to drive the change required to become financially sustainable.

The Council will ensure that financial decisions taken will strike a balance between investing wisely to maximise return, meeting its strategic priorities and seeking to improve its Balance Sheet health and resilience by replenishing balances. Guidelines are outlined within the Reserves Strategy and Policy set out in Appendix D to the main report.

3. Future Sustainable Council - Strategic Direction

In October 2022, PCC's members signed off a [Sustainable Future City Council](#) strategy which sets out how the Council will deliver long-term improvements and meet the changing needs of residents in the next three years. [Our City Priorities](#) document set out the proposed direction of travel for the Council to deliver the long-term vision and the four priority outcomes:

- **The Economy & Inclusive Growth** - maximising economic growth and prosperity for Peterborough as a city of opportunity in an inclusive and environmentally sustainable way, together with our partners and communities.
- **Our Places & Communities** – creating healthy and safe environments where people want to live, work, visit and play, enabled by effective community engagement and strong partnerships.
- **Prevention, Independence & Resilience** - help and support our residents early on in their lives and prevent them from slipping into crisis.
- **Supported by a Sustainable Future City Council** - adjust how we work, serve and enable, informed by strong data and insight capability and led by a culture of strong leadership.

From January 2023, detailed service delivery plans, backed by robust business cases, will be developed, with expertise and resources already secured to drive this transformation in line with the City Priorities. These will set out the milestones, desired outcomes, savings expected, and resources/investment required to ensure delivery. At the same time work will continue to deliver a balanced MTF5 by:

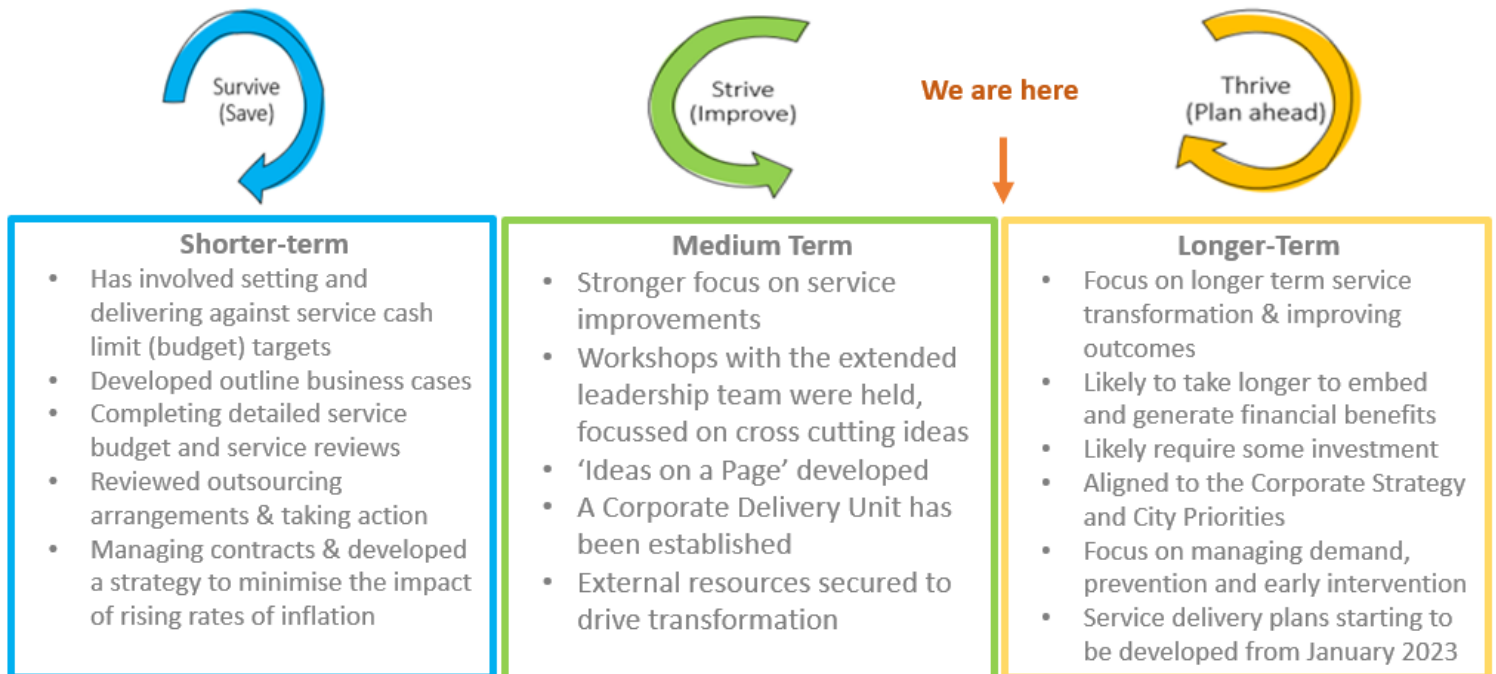
- Continuing to look for ways to reduce spend and get a better deal from those organisations relied on to provide services.
- Continuing to transform the way the Council delivers services, doing things differently in a way that improves outcomes, doing more for less or have somebody else doing it cheaper.
- Reducing the Capital Programme. The asset disposal plan has reduced the risk of future interest rates exposure and cost of borrowing by selling surplus assets.
- Stopping 'non vital' services or charging more - as part of this the Council must consider its statutory obligations to those who need help and support the most, but also ensure that there is a robust charging strategy in place.

This is not only about money, our long-term financial resilience rests on our ability to **manage demand** and help and support people before they reach crisis point while finding ways to improve outcomes and to tackle inequality in our communities by maximising economic growth that benefits everyone.

The starting point for this has been identifying opportunities which will provide long term financial sustainability. This has meant balancing the identification of shorter-term savings which can be delivered at pace, whilst at the same time considering plans for the medium and longer term which will achieve

financial sustainability. Recognising these differing timescales, and the requirement to deliver a balanced budget for 2023/24, the Corporate Leadership Team (CLT), Cabinet and the Financial Sustainability Working Group have collectively been progressing plans to deliver this.

The following Diagram summarises the Councils journey so far through these stages:



Longer- term (Thrive & Plan)

Setting all of this out in line with the Council's Performance and Improvement Framework will ensure that the MTFs outlines, in financial terms, how the service delivery plans will be delivered. This will be the golden thread between the Service Delivery Plans and the City Priorities. A key part of this next stage will involve developing the required workforce structure and embedding Workforce Planning, which will include building organisational resilience and succession planning. There will be specific programmes of transformation mapped out to deliver the City Priorities, this is already beginning to take shape with specific workstream including:

Adult Social Care (ASC) Digitisation: Removing avoidable contacts and demand management. Focussing on Digitally Enabled Social Care, Tec and Systems. The digitisation of ASC will provide efficiencies, cost and savings. This will include Online Financial Assessment, Care Assessment and a Customer Portal. We will also be Improving ASC data access and reporting.

Culture and Leisure Services and Community Hubs:

- **Heritage:** Bringing together the operation of Flag Fen and the Museum as a single service.
- **Libraries and Community Hubs:** Reviewing our library service as it offers us great potential to focus our work on supporting households with the current cost of living challenges at a very local level. The model would be based on assembling officers and partners from different services, including housing, adult skills, and debt advice, to be based within our libraries or community centres, making access to help at the earliest possible opportunity as simple as possible.

- **Leisure:** Exploring delivery options for this service, including soft market testing, developing a refreshed service scope and carrying out a procurement exercise to ensure the service provides value for money and meets the needs of users.

Children’s Services Transformation programme: This will include the four key pillars:

- **Workforce planning,** including a focus on development, recruitment and retention and strengthening pathways in the social care pathways.
- **Fostering and Adoption/Special Guardianship Orders (SGOs),** Increasing in-house provision, more focused commercial approach underpinning delivery.
- **Children’s Placement sufficiency:** Strategic commissioning to deliver the right mix of cost-efficient capacity to meet demand, including generating options and models (e.g. Clare Lodge)
- **Education and SEND,** including transformation of the Home to School Transport provision, education teams role and function in line with government reform and new duties of the local authority and maximising IT Systems, striving for digitalisation.

4. National Context & Risks

Since the MTFS Quarter 2 report in October, the political landscape has changed significantly with the appointment of a new Prime Minister together and further cabinet changes, and a new Minister for the Department of Levelling up Housing and Communities (DLUHC).

Local Government Final Settlement and Autumn Statement

The Autumn Statement was issued on the 17 November 2022 and on the face of it the settlement for local government seemed fairly positive with additional council tax flexibility, additional support for households and businesses and additional Adult Social Care (ASC) funding.

The Local Government Final Settlement was published on 6 February 2022, confirming the final grant allocation. This was more or less as outlined in the provisional settlement in December with a minor (£0.067m) increase in the level of services grant.

Although there is additional ASC funding and council tax flexibility, other grants have been reduced or removed to fund the new 3% Funding Guarantee to ensure all local authorities received a 3% increase in core spending power. The key headlines (along with the impact on the Council’s MTFS) include:

- Social Care Grants - to support rising adult’s and children’s social care, fair cost of care and hospital discharges (£7.4m additional funding)
- Revenue Support Grant (RSG) (increased by £1.3m) - but Local Council Tax Support Administration Subsidy (£0.2m) and Independent Living Fund (£0.1m) have been rolled into RSG.
- New Homes Bonus reduction due to the removal of legacy payments and slower housing growth (£0.7m reduction in grant)
- Removal of Lower-Level Services Grant (£0.3m reduction in grant)
- Council Tax core threshold will increase from 1.99% to 2.99% and the ASC precept will be 2% in both 2023/24 and 2024/25.
- 3% Funding Guarantee Grant - the Council will not receive this as overall Core Funding is over the 3% increase.
- Services Grant reduced to fund the reversal of the national insurance (NI) social care levy and support other grants (£1.2m reduction in grant)
- Business Rates:
 - confirmation that the multiplier will be frozen with local authorities receiving compensation based on Septembers CPI (10.1%).

- Further retail, leisure and hospitality relief for businesses
- 2023 valuation list released - with Peterborough seeing an increase in valuation from £243m to £269.2m (10.8%)

Ministers have “noted” that local authority reserves have increased significantly in recent years and made clear in the statement that they want local authorities to apply these to funding pressures. The Chief Financial Officer is required to report to the Council on the adequacy of the proposed financial reserves.

Funding Reforms: The Local Government sector has been anticipating the implementation of major structural changes within the funding system, to reflect changes in relative need, resources and the continuing pressures, such as those most noticeable within Adults and Children’s Social Care budgets. However, no Business Rates Reset or review of Relative Need will take place in this Spending Review period. Although the Government remains committed, it will be in the next parliament (2025/26). This means local authorities across the country continue to operate with a high degree of uncertainty around its future funding levels, at the same time the gap between funding levels and need grows increasingly wider. The recently published 2021 census data demonstrates this with the population in Peterborough having increased by 17.5% since 2011, much higher than the national picture at 6.6%- with this growth not being reflected in our current grant funding allocation.

Social Care Reform: The Government recently published ‘Build Back Better: Our Plan for Health and Social Care’ and ‘People at the Heart of Care: Social Care Reform’, which outline significant legislative changes to Adult Social Care.

Whilst the key changes are associated with the introduction of a cap on care costs, changes to financial means testing and the Fair Cost of Care will bring significant new financial implications for the Council. The reforms bring wider changes including Care Quality Commission assurance, carers support, new models for housing and care and a focus on digitalisation and technology.

Whilst, following the Autumn Budget announcement, the reforms relating to the cap on care costs and changes in financial means testing have been delayed for two years, we still face challenges next year to implement non-delayed elements of the reforms, including the Fair Cost of Care and Care Quality Commission Assurance. These changes will be extremely challenging to deliver both in terms of complexity and cost.

With our local Fair Cost of Care, Market Sustainability Plan due to be formally published at the end of March 2023 in line with Government requirements, early indications are that this will present a pressure of circa £10.7m to the Council. With Government ‘Market Sustainability and Improvement’ funding expected to be in the region of £1.9m for 2023/24 and £2.8m for 2024/25, this presents a significant funding gap.

During 2021 the Government published Child Safeguarding Practice Review Panel Report: National Review into the murders of Arthur Labinjo-Hughes and Star Hobson and an Independent Review of Children’s Social Care. This will include several national recommendations which local authorities and other partners will be required to implement.

Waste Strategy: Several significant policy changes will impact on recycling and waste services. These are listed below with current proposed implementation dates:

1. Extended Producer Responsibility – 2025
2. Deposit Return Scheme (DRS) – 2025
3. Consistency in collections (& separate Food Waste) (Consistency) – 2025

4. Monitoring, Reporting & Verification (MRV) for ETS – 2025
5. Emissions Trading Scheme (ETS) - 2028

The specific financial implications of the combination of legislative instruments mentioned above are not fully understood at this time, however, there is a commitment from the government to publish their responses to the second round of consultations on DRS and Consistency early in 2023. As more information becomes available following this publication, this will be included in future iterations of the MTFS process.

All of these reforms and reports will bring significant financial and operational difficulties that Local Authorities nationally will have to work through.

Risks

The Council assesses financial risks as part of its budget setting process and regular Budgetary Control Review. The Council also has a Risk Management Board, led by the Assistant Director, Customer & Digital Services which is set up to challenge and support risk management across the Council and partner organisations. The output from this Board is considered regularly at Audit Committee. Some of the key risks identified will inevitably have an impact on the Council's financial position. These include:

- **Rising Inflation** including rising energy costs and the increasing cost of living. The Council is mitigating these by maintaining control of expenditure, reviewing all contracts and establishing an inflation reserve to deal with any immediate financial pressures.
- The impact of the Economy on the **Council's income streams** - Council Tax & NNDR, of which now equates to 81% of the Council's core funding.
- **Ukrainian War** and the wider impact on the economy, supply chains, energy and demand for services.
- **Increased service demand** - which could increase as a result of ASC reform, the cost of living crisis and rising complexity of need. The current drive from the Government to work with the NHS to speed up and increase the levels of hospital discharges will also have a long-term impact on our social care services.
- Implementation of recommendations outlined within the [Child Safeguarding Practice Review Panel Report & the Independent Review of Children's Social Care](#)
- **NHS integration**- Integrated Care System (ICS) - and the risk resulting from health also looking to make savings.
- **Brexit**- availability of workforce, supplies and services.
- **Climate Change**- balancing the need to reduce the Councils carbon footprint and deliver financial sustainability.

5. Detailed Assumptions

This section outlines the detailed assumptions incorporated within this MTFS update.

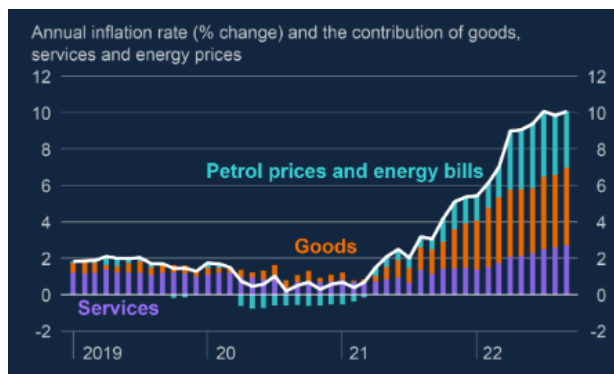
Pay: The employer's offer for the 2022/23 pay award, outlining a £1,925 increase to all NJC salary SCP's was approved at the end of 2022. The ongoing cost of this has been built into budget in addition to an assumption the annual pay award of 3% in the years 2023/24-2025/26.

Savings delivery: The 2022/23 budget incorporates £16.7m savings plans, and all but £0.5m have been or are on track to be delivered. A number of one-off mitigations have been identified to reach this position, therefore the assessed risk in 2023/24 is minimal.

Inflation: The Council has been keeping a keen eye on the regular releases of the Bank of England [monetary report](#) and using this to inform its MTFS assumptions on our expenditure (including supplies

and services, transport, agency third party costs and premises) and Sales, Fees and Charges income. Graph 2 highlights the forecast levels of CPI, demonstrating how the rates were expecting to peak at 10.9% in quarter 4 (2022), then drop sharply in 2023, with graph 1 demonstrating how fuel and energy prices are a significant driver for these increases.

Graph 1: CPI breakdown



Graph 2: CPI forecast



Inflation Strategy: mitigating the impact of inflationary increases has been a crucial part of the Council's financial strategy plan, with the following actions already taken as part of a Council wide **inflation strategy** to ensure we maintain a firm control on these pressures:

- Insourcing the procurement service and securing external procurement expertise.
- Reviewing all inflationary requirements and expenditure budgets as part of the cash limits work, whilst at the same time maintaining tight control of expenditure.
- Reviewing all contracts to ensure they reflect best value and meet established needs. Where the Council opens up negotiations or looks at de-specifying contracts, any significant financial risks will be considered before contract changes are approved.
- Developing a Market Sustainability Plan for our Social Care contracts, which enable us to move towards implementing a Fair Cost of Care, alongside managing inflationary pressures. This will involve negotiating on a case by case basis with our providers and will involve closely managing risks of market sustainability.
- Utilising the additional income generated from the Energy from Waste (EfW) facility to hedge the Council's rising energy costs.
- Establishment of an inflation reserve to mitigate and smooth any immediate inflationary pressures.

Inflation Reserve and the EfW income:

An Inflation Risk Reserve was established at the end of 2021/22 to respond to the financial risk from rapidly rising rates. The current balance of £4.7m. Income from the EfW facility is forecast to be £9.7m over budget, which is being added to the inflation reserve. The Council plans to utilise £6.9m, during 2022/23 to meet the immediate cost of rising energy prices, the pay award and rising adult's and children's social care provider contracts. This leaves a remaining balance of £7.5m to smooth the future years' impact of inflation, not already budgeted for. The energy market can be volatile, we will therefore closely monitor electricity expenditure and income generated from the EfW facility to ensure the Council is hedging the financial impact of rising prices. It should be noted that:

- Additional EfW 'windfall' income has been factored into the 2023/24 budget and it is planned that the inflation reserve will support the 2023/24 energy budgets.

- Beyond 2023/24 the EfW income budget has been reduced significantly, however, if this level of income continues, the additional income will be used to offset the corresponding pressure on expenditure budgets.

Demographic and volumetric service demand - Peterborough is a growing City, with a 17.5% growth in population since the 2011 census. Although this does generate additional income from housing (Council Tax) and business growth (NNDR), it also brings additional demand for our services. A detailed review has been undertaken on the Councils core Social Care budgets to assess the demand projections over the life of the MTFs.

Adults -Based on 2021/22 data there has been an overall increase in demand of 3.3% which can be broken down into the following categories and age groups.

Age band	Demand Increase Bed Based	Demand Increase Community Based
18-24	(3.3%)	3%
25-64	3%	6%
65+	9.2%	(0.5%)

There is a high increase in demand for 65+ bed-based care which is largely due to a shift in hospital discharge pathways to the discharge to assess (D2A) model. This had led to a greater push to move people out of hospital earlier (particularly during the pandemic), often to bed based care as an interim arrangement until they are fully assessed in the community. In reality, once someone is in bed-based care it is very difficult to move away from this provision due to the level of dependency it develops. Alongside this, people present with higher levels of need. This is reflected in the increased number of referrals to the long term care team leading to assessment for older people, indicating increasing complexity. Based on analysis of future projections a rise in demand equivalent to c2.8% of the Adults Social Care net budgets has been included within the budget after taking account of using prevention and early intervention activity to support people remain independent for longer and reduce costs.

Children's – the majority of the expenditure from within children's is spent on supporting children in care (Looked after Children - LAC). During 2021 the Council had 352 LAC, 354 in 2022 and is forecasting to have 358 in 2023 and 353 from 2024 onwards. There is also a rise in demand across other children's services, including a 15% rise in the number of families accessing short breaks and a 25% increase in the use of homecare and direct payments. These factors combined equate to an overall increase in demand of approximately 3% of the Children's budgets in 2023/24.

Capital Financing (cost of borrowing) and Capital Programme update - The Capital and Investment Strategy 2023/24 - 2025/26 sets out a strategy based on the Council's financial position and guides the development of the Capital Programme in accordance with the key objectives within the Improvement Plan.

The process for approval of capital projects over the MTFs period is linked to the Corporate Strategy and Priorities. Bids with outline business cases are presented to and assessed by the Operational Capital Board and recommendations made on which projects can be taken forward for full business case preparation to the Strategic Capital Board. Once approved by the Strategic Capital Board, recommendations are made for inclusion in the Capital Programme.

The Capital Strategy sets out the need to reduce external borrowing levels and that all capital expenditure should, as far as possible, be funded by third party contributions and capital receipts, or through invest to save schemes where the cost of borrowing could be funded from future income streams.

An Asset Management Plan has been prepared for consideration alongside the MTFs. The Asset Disposal Plan was approved by Cabinet in September 2022 [report](#).

Pensions Contribution Rates - The outcome of the latest tri-annual valuation carried out during 2022, covering the period 1 April 2023 to March 2026 is included within MTFs. The assumptions are based on a 17.4% contribution rate and an annual lump sum contribution of £2.2m in 2023/24, £2.0m in 2024/25 and £1.7m in 2025/26. This is an increase on the previous tri-annual valuation period where the lump sum contribution was set at £1.9m. Combined, these provide a primary contribution rate of 17.5%.

Funding - Table 3 outlines the Council's estimated core funding levels over the life of the MTFs:

Table 3: Funding	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000
NNDR	(54,038)	(67,823)	(68,807)	(70,382)
Revenue Support Grant	(10,794)	(12,117)	(13,014)	(13,014)
Council Tax	(91,593)	(95,440)	(103,707)	(108,125)
New Homes Bonus	(2,951)	(811)	(811)	(811)
Business Rate Pool	(2,541)	(2,070)	(2,070)	(2,070)
Services Grant	(2,896)	(1,699)	(1,699)	(1,699)
Improved Better Care Fund	(7,480)	(7,480)	(7,480)	(7,480)
Social Care Grant	(7,753)	(12,287)	(14,280)	(14,280)
ASC Market Sustainability and Improvement Fund	(535)	(1,858)	(2,794)	(2,794)
Discharge Support Grant ringfenced	-	(1,049)	(1,748)	(1,748)
Reserves	(720)	-	-	-
Lower Tier Services Grant	(302)	-	-	-
Core Funding	(181,603)	(202,634)	(216,411)	(222,403)

Council Tax:

- Assumed annual Council Tax increase of 4.99% in 2023/24 and 2024/25 and 2.99% from 2025/26 onwards.
- **Band D rate will increase from £1,511.65 in 2022/23, to £1,587.08 in 2023/24, £1,666.27 in 2024/25 and finally to £1,716.09 in 2025/26**
- The Council Tax base for 2023/24 was set at 61,023.62, as outlined within a report to [Cabinet](#) on 19 December 2022 and forecast to increase by 1,000 homes each year from 2024/25, which equates to 780 Band D equivalents. This is based on historical local housing growth.

NNDR (Business Rates):

- The 2023 Rating Valuation (RV) list has been published which will come into effect in 2023/24, with Peterborough's total RV increasing by 10.8% to £269m.
- Business Rates Pool: Additional income of £2.1m assumed as a result of the continuation of the Business Rates pool arrangement with the other Cambridgeshire Local Authorities. This is lower than previously expected, which is the result of the dividend distribution methodology being reviewed as part of the 2023/24 pool application.
- Business Growth: This includes specific growth in business rates based on planning and economic development information, including Fletton Quays, Great Haddon (Roxhill) and Flagship Park (Fengate).
- The multiplier was frozen for businesses; however, local authorities will be compensated via section 31 grant based on an increase equivalent to the rate of CPI (September)

- Bad debt: A loss on non-collection equivalent to 1.2% of gross rates.
- Appeals: The appeals provision is forecast to equate to roughly 1.5% of the Councils total RV as per an assessment commissioned from advisors Wilks Head and Eve.

Grants:

Overall, it is difficult to foresee how Local Government Funding Reforms will change the distribution of funding across local government. There has been no further consultation and it is now highly likely to be postponed until at least 2025/26. At this stage it assumes that the grant funding in 2025/26 remains at the same levels of 2024/25, with the following assumptions being made for 2024/25:

- Revenue Support Grant- increasing in line with CPI
- Improved Better Care Fund- remains at the same level as per 2023/24 allocation.
- Social Care funding- increasing in line with the national totals confirmed in SR21.
- Services Grant: has been kept at the same level as it was reduced to fund other grants in 2023/24, so there is a risk this could happen again in the future.
- New Homes Bonus: The current scheme is being phased out, with a new scheme still to be confirmed by the Government. In the absence of the new scheme the government has continued to pay a grant based on the most recent years housing performance.

Appendix B- Final Revenue & Capital Budget Report 2023/24

Peterborough City Council

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1. Overview

As outlined in the main report, the Council has been able to propose balanced revenue budget for 2023/24. The following table summarising the revenue expenditure, funding and council tax requirement for 2023/24:

	Gross Expenditure Budget	Income Budget	Net Expenditure Budget
People Services	272,326	(161,204)	111,121
Corporate Services	119,934	(52,210)	67,724
Place & Economy	60,157	(36,064)	24,093
Public Health	11,500	(11,804)	(304)
Total Service Expenditure	463,917	(261,283)	202,634
Core Funding	5,253	(207,887)	(202,634)
Net Budget Gap (Surplus)/Deficit	469,170	(469,170)	-

The following sections provide a summary of the key revenue pressures, savings and investments included within this budget, with further detail on the Council's budgets and proposals are outlined in section 5.

Key Revenue Pressures

In Addition to the proposals for savings and transformation, as outlined within this report, the Council has been proactive in developing actions and strategies to manage demand and Inflation. These are summarised below:

Inflation: Inflation has risen significantly over the last 18 months, having an impact on the Councils ongoing cost of salaries, and the salary costs of those who provide services on our behalf, contracts, supplies and services and a sharp rise in energy prices. The Council has taken actions to manage maintain control on this including:

- Insourcing the Procurement team and getting external procurement specialist to support this work.
- Reviewing all inflationary requirements and expenditure budgets as part of the cash limits work
- Maintaining a tight control on expenditure.
- Reviewing all contracts to ensure they reflect best value and meet established needs
- Developing a Market Sustainability Plan for our Social Care contracts, which enable us to move towards implementing a Fair Cost of Care, alongside managing inflationary pressures. This will involve negotiating on a case-by-case basis with our providers and will involve closely managing risks of market sustainability.
- Utilising the additional income generated from the Energy from Waste (EfW) facility to hedge the Council's rising energy costs and other inflationary pressures.
- Establishment of an inflation reserve to mitigate and smooth any immediate pressures.

Demography & Service Pressures: Over the past 12 months, services have continued to operate in a wider shifting context that has impacted on adults, children's and education services and presents ongoing pressures across these areas. We are seeing a more latent demand coming through and people having higher levels of need when they present. This is alongside a growing population of 17.5% in Peterborough since the 2011 Census.

The full extent of the impact is still not fully known, making it very hard to accurately forecast demand. Whilst significant steps in infection, prevention control and vaccination roll out have been made, we are still

faced with the unknown impact of presentation of latent demand along with expected higher demand during winter months and the NHS investment in catching up on elective care backlogs. We are also aware that as a result of the pandemic many people are looking for different types of care and are reluctant to go into a care home. This means that there is more demand on domiciliary care and individualised care solutions. We are seeing the demand for care slowly move back towards pre pandemic levels and are noticing that the patients we support on discharge from hospital have much higher levels of need than previously.

As part of the budget setting process a full detailed review of demand led service budgets has taken place, with the review focussed on using recent local demand data, available Census 2021 data and local knowledge to inform revised forecasts. In addition to taking account of ways the Council will minimise rising demand by continuing with successful programmes such as the Adults Positive Challenge, implementing family hubs and increasing the level of preventative and early intervention services. This approach has played a huge role in setting a balanced budget, and has been focussed on managing and reducing demand in the following areas:

- Children's- number of looked after children.
- Adult Social Care- numbers in long term bed-based care.
- Housing- number homelessness presentations.
- SEND & Home to School Transport- number of Children with Educational Health Care Plans (EHCP's), requiring transport to school.

Key Revenue Savings and Investment

In response to the challenges outlined above the Council has identified savings opportunities and areas for transformation, this includes:

- Increasing the level of preventative and early intervention services to support even more people to remain independent for as long as possible, through technology enabled care and reablement services
- Driving forward the development of Family Hubs, using significant central government funding
- Transformation of Home to School Transport, with the aim of providing more cost-effective transport
- Building a systemic response to meaningful preventative work at the earliest opportunity to support households in economic difficulty or facing other challenges through our network of community hubs.
- Investment of £1.5m to create a Growth, Regeneration and Economic Development Service to drive forward at pace our ambitious plans to increase the number of homes, attract new businesses, create better jobs, and ensure that growth acts as a lever to address inequalities
- Investment in a range of measures to cut carbon across our buildings and drive energy efficiencies through increasing recycling
- Reducing our reliance on costly temporary accommodation for homeless households with, increased housing supply and meaningful preventative work at an earlier stage.
- Ensuring the Council has service best suited to support front line services by investing in our Human Resources department and restructuring the Finance department.
- Maximising the return from our assets by conducting a commercial review of leases, maximising rental income and selling surplus assets in line with the Asset Disposal Plan approved by Cabinet in September.
- Maximising investment income in line with a refreshed Treasury Management Strategy.
- Getting the best out of our contract arrangements, by opening negotiations with Serco and insourcing the contract for property services with NPS.

Capital & Transformation Programme Summary

The Council recognises it needs to invest in the city to encourage economic development, provide vital Council services and improve the way it works, it therefore has ambitions for a significant capital and transformation programme. However, it is also recognised the need to reduce the current level of debt and the resulting ongoing cost of borrowing which puts a strain on the revenue budget. The MTFs assumes that capital receipts, third party funding and appropriate reserves will be used to fund the programme. New borrowing will only be used where absolutely necessary over next three years (other than refinancing of maturing loans).

Borrowing (at December 2022) totals £442m. With current market rates, every £10m borrowed costs approximately £800k per year, which is a revenue expense.

Capital & Transformational Bids 2023/24	£
Bids to date for 2023/24	82,541,324
Funded by:	
Third Party Funding	63,473,441
Corporate Resources	13,432,446
Transformation Funding - Reserve	5,635,437
	82,541,324

A list of the capital and transformation bids for 2023/24 to 2025/26 can be seen in the Capital and Investment Strategy (Appendix H to the main report)

The Council has established a process for receiving and reviewing requests for funding and inclusion in the Capital and Transformation Programme. There is a two-stage process in place where bids are reviewed initially by the Capital Review Group, a multi-disciplinary team, and then considered by the Capital Board. The Capital Board reviews each project to ensure that the business case is robust, the proposed scheme / project meets corporate objectives and funding is secured. Further prioritisation is undertaken to assess urgency as well as reprofiling of those schemes requiring corporate resource to minimise any borrowing requirement if in excess of capital receipts and third party funding.

There may be additional third-party funding available during the year, so the Capital Programme may be subject to further changes, subject to member approval. Any slippage from the 2022/23 capital programme will be reviewed for continuation in the Capital Programme.

2. Section 25 (Robustness) Statement

Requirement

Section 25 of The Local Government Act 2003 includes the following statutory duty in respect of the budget report to Council:

“the Chief Financial (section 151) Officer (CFO) of the authority must report to it on the following matters:

- a. *the robustness of the estimates made for the purpose of the calculations and*
- b. *the adequacy of the proposed financial reserves.”*

The Council is required to take this report into account when making that decision. Section 26 of the same Act places an onus on the CFO to ensure the Council has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget.

This report has been prepared by the CFO as part of fulfilling her duty and gives the required advice relating to the Council’s current and next years’ financial position, including a consideration of the proposed budget as a whole and all the financial risks facing the Council. It identifies the Council’s approach to budget risk management and assesses the risks associated with the current year and 2023/24 budget to inform the advice on robustness.

Robustness of Estimates

In setting the budget it is important to ensure that estimates are based on the best available information at the time. The accuracy and reliability varies, and where there are uncertainties, the Council has taken a balanced approach, not being overly pessimistic or optimistic. The revenue budget has been formulated having regard to several factors including risks, opportunities, pressures and resources available, all outlined within this report. The CFO has formed the **over-arching conclusion is that the estimates included are realistic**, but not completely free from risk. There are a several risks and challenges which should be highlighted:

- **Funding:** Local Government has been one of the departments clearly prioritised by the Government alongside the NHS and Department for Education, resulting in a fairly positive settlement being confirmed for 2023/24. However, the Council is becoming increasingly reliant on local taxation, with Council Tax and NNDR now equating to 81% of the Council’s core funding. This means challenging economic times, where businesses and households are struggling with the cost of living, and the Council bears the greater risk of reduced income levels.
- **Uncertainties and Reforms:** The Council, along with the rest of the sector, is operating with uncertainty around the future funding levels. 2023/24 will be the 5th consecutive single year settlement, with the promise of a multi-year settlement pushed back to the next Spending Review in 2025/26. Adding to the challenge there are some fundamental reforms required to the Funding formula to provide a fairer Adult Social Care system, including better integration with health services. These has also been delayed to 2025/26 at the earliest.
- **Rising Service Demand:** Predicting demand pressures will always be a challenge, particularly when individual placements can be hugely expensive. Using historic trends, along with forecast population data, and intelligence from the Council’s own internal management information systems, would normally provide a reasonable estimate.
 - **Adult Social Care** takes up a significant proportion of the Council’s budgets, and there are multiple challenges in this area including:

- The difficulties in retaining and recruiting the social care workforce especially in the independent sector delivering home care and working in residential and nursing homes.
 - An aging population, meaning people are living until they are older and requiring support and care for longer, often with several health problems meaning their social care needs are also more complex and harder to meet
 - The need for national policy change and system reforms that will support the market, ensure people received the right level of care to meet their needs, but at the same time ensure local authorities are sufficiently funded to continue providing good quality care services. The Governments position on implementation of reforms is still unclear.
 - The interface with demand and need in the NHS and the need to continue to develop integrated approaches that help to keep people living independently at home and in the community and avoid hospital admission unless it is appropriate. The pressure to discharge people from hospital can drive people towards bed-based care when they could return home with the right level of community support and rehabilitation. Once someone has been moved from a hospital to a residential bed it can be difficult for them to return home to independence
- **Children’s** also represents a significant proportion of the Council’s budgets, with a number of challenges being faced including:
 - The workforce - with national shortages of social workers.
 - A rapidly growing local population, with significant increases in younger age groups.
 - Increasing complexity of need of young people coming into care.
 - Rising placement costs due to lack of local placement choice and inflationary pressures.
 - The highest rates of school admissions we have ever experienced, alongside significantly rising demand for Special Educational Needs (SEND) and rising inflation impacting on Home to School Transport costs.
 - The need for an ambitious transformation programme for children’s social care to focus on key areas including our workforce development, fostering and adoption and replacing current systems.
- **Rates of Inflation:** For many years, inflation has been low and stable, but rates are now at their highest in over 30 years, with Novembers rate of CPI being confirmed by the [ONS](#) as 9.3%. The Council has taken measures to manage expenditure, mitigate the financial implications of inflation and have built assumptions into the budget based on the Bank of England forecast. However, predicting where these rates will go over the coming year is difficult, and if they continue at current rates, or increase, then the impact this may have on our costs (rising) and services (increasing demand).
 - **Deliverability and Capacity:** The Council’s budget includes £12.1m of new savings and transformation plans. A savings board has been embedded over the past year in recognition that delivering savings can often be tricky and require close challenge and scrutiny to ensure delivery remains on track or mitigating actions are identified where savings are delayed or doubtful. Capacity and capability to deliver the savings and transformation programme has been addressed with an established Corporate Delivery Unit, which has been pump primed with external resource and expertise to drive progress at pace.

Adequacy of Reserves

The level of reserves the Council holds is reviewed annually and guided by the Reserves Strategy and policy as outlined in Appendix D. The review must be balanced and reasonable, factoring in the current financial standing of the Council, the funding outlook into the medium term and beyond, and most importantly, the financial risk environment operating in. The Chartered Institute of Public Finance and Accountancy (CIPFA)

recommend that the following factors should be considered when considering the level of reserves and balances:

1. Assumptions regarding inflation and interest rates
2. Estimates of the level and timing of capital receipts
3. The capacity to manage in-year demand led pressures
4. Ability to activate contingency plans if planned savings cannot be delivered
5. Risks inherent in any new partnerships
6. Financial standing of the authority (level of borrowing, debt outstanding etc.)
7. The authority's record of budget management and ability to manage in year budget pressures
8. Virement and year-end procedures in relation to under and overspends
9. The general financial climate
10. The adequacy of insurance arrangements

The assessment of the adequacy of reserves is subjective and a matter of judgement. In considering the ten factors listed above, as well as the risks associated with the budget, the CFO is of the opinion that the reserves balances estimated as at 1 April 2023 are adequate for the year ahead.

Reserves Balances

The Council broadly categorises reserves as follows, in line with Local Government accounting practice:

1. **A working balance to manage in year risks** – the General Fund Balance, is forecast to have a balance of £8.5m and is profiled to increase over the life of the MTFS to reach a target reflective of 5% of the Councils net revenue expenditure.

Earmarked Reserves broken down as follows:

2. **Ring Fenced Reserves** – to meet known or predicted requirements. Estimated to hold balances of £4.3m at the end of 2022/23, including £2m insurance reserve and £0.9m held on behalf of schools for future capital expenditure.
2. **Usable Reserves** – these are reserves for available for future commitments such as transformational investments and have been used to balance the budget. Further detail is provided in the following table:

Reserve	Description
Innovation Fund Reserve	For investment required to enable transformational change and implementation of the service saving proposals costs associated with delivering the savings and improvement plans. The cost of delivering the 2023/24 savings and transformation programme have been considered when determining the estimated balance on this reserve.
Departmental & Grant Related Reserves	Amounts set aside by departments in accordance with financial guidance. These funds have been received in advance for specific projects covering multiple years and are anticipated to reduce significantly during 2022/23. It is expected that a balance of £1.3m will remain, of which £0.5m relates to balances being held on behalf of Peterborough City College. The remaining £0.8m relates to the Ukrainian Refugee Grant. In 2023/24 the Council is planning to contribution some of the additional Adult Social Care Grant to reserves, this will be held while plans are developed to transform services, mitigate service demand and may be required to fund further inflationary pressures, in addition to the fair cost of care funding and inflationary increases already factored into the budget.

Reserve	Description
Local Tax Income Risk Reserve*	This reserve was created as a result of timing differences due to Section 31 grants and the Tax Income Guarantee scheme grant received in 2020/21. The balance remaining is now being held to mitigate future tax losses as a result of system changes and loss of collection due to the cost of living crisis.
Budget Risk Reserve	This reserve was created as part of the 2022/23 budget process to mitigate the risks associated with delivering the challenging savings programme. It is anticipated that this reserve will be fully utilised with £1.6m balancing the current years outturn and £0.4m will be transferred to the General Fund reserve.
Inflation Risk Reserve*	This reserve was created to mitigate some of the financial risk resulting from rising rates of inflation. It is anticipated that £6.9m will be used to meet the immediate cost of rising energy, pay and contract inflation. The Council operates an Energy Recovery Facility (ErF) which generates income from selling the electricity it generates. Due to the current energy market this income is forecast to be £9.7m in excess of budget, which will contribute to support the Council's inflation strategy by mitigating any unbudgeted further inflationary pressures.

**Specific Risk reserves will be reviewed and where deemed appropriate reduced, and balances contributed to the General Fund Reserve to mitigate wider risks facing the Council.*

The following table summarises the reserves balances:

	2022/23	2023/24	2024/25	2025/26
Summary of Reserves	Est Bal at 31.03.23	Est Bal at 31.03.24	Est Bal at 31.03.25	Est Bal at 31.03.26
	£000	£000	£000	£000
General Fund	8,506	9,506	10,506	11,106
Earmarked Reserves				
Innovation Fund Reserve	21,617	10,188	10,188	10,188
Departmental & Grant Related Reserves	1,323	4,828	4,578	4,328
Local Tax Income Risk Reserve	7,636	6,636	6,636	6,636
Inflation Risk Reserve	7,510	5,370	5,370	5,370
Budget Risk Reserve	-	-	-	-
Usable Reserves	38,086	27,023	26,773	26,523
Insurance Reserve	2,416	2,416	2,416	2,416
Schools Capital Expenditure Reserve	868	868	868	868
Parish Council Burial Ground Reserve	59	59	59	59
Hackney Carriage Reserve	221	221	221	221
Public Health Reserve	757	246	10	10
Ring-Fenced Reserves	4,321	3,810	3,573	3,573
Total Earmarked Reserves	42,407	30,833	30,346	30,096
TOTAL Earmarked and General Fund Balance	50,913	40,339	40,852	41,202

3. Detailed Revenue Service Budgets Breakdown

	Base Budget 2023/24 £000	Pay £000	Inflation £000	Savings & Efficiencies* £000	Sales Fees & Charges £000	Service Demand £000	Cost of Borrowing changes £000	Cost & Income Pressures £000	Investment £000	Service Transformation £000	Income Generation £000	Budget Adjustments £000	Proposed Budget 2023/24 £000
People Services													
Director of People Services	823	-	15	-	-	-	-	-	-	-	-	38	875
Education	6,447	-	794	(25)	(4)	-	-	-	1,391	(350)	-	12	8,265
Adults - Commissioning	49,535	-	3,995	(18)	(5)	2,018	-	117	-	(363)	(40)	(414)	54,825
Adults - Operations	9,353	-	142	(52)	(1)	1	-	-	-	-	-	266	9,710
Children's - Operations	14,242	-	288	(394)	(44)	-	-	-	-	-	-	-	14,091
Children's Commissioning	18,097	-	1,648	872	(86)	1,179	-	-	-	-	-	83	21,793
Commissioning Team and Commercial Operations	1,415	-	110	-	9	-	-	-	-	-	-	28	1,563
People Services Total	99,911	-	6,991	383	(131)	3,199	-	117	1,391	(713)	(40)	13	111,121
Corporate Services													
HR & Workforce Development	1,242	-	4	(41)	-	-	-	103	-	237	-	1	1,546
Director of Corporate Services	239	-	1	(16)	-	-	-	-	-	-	-	31	254
Financial Services	2,370	-	(14)	-	-	-	-	-	-	(158)	-	1	2,199
Capital Financing	30,294	-	5	-	-	-	135	-	-	-	(1,000)	(5)	29,429
Corporate Items***	4,746	1,968	605	1,400	-	3,755	-	-	180	-	-	451	13,104
Peterborough Serco Strategic Partnership	6,225	-	439	-	-	-	-	228	-	(423)	-	127	6,596
Digital, Data & Technology Services	6,938	-	184	(334)	(15)	-	-	50	60	200	-	4	7,088
Cemeteries, Cremation & Registrars	(1,505)	-	130	(50)	(261)	-	-	-	-	-	-	-	(1,686)
Corporate Property	2,078	-	606	-	-	-	-	456	-	-	(920)	(163)	2,057
Marketing & Communications	498	-	9	-	-	-	-	31	-	-	-	(7)	530
Health & Safety	143	-	1	(10)	-	-	-	-	63	-	-	8	205
Internal Audit and Insurance	1,679	-	145	(124)	-	-	-	-	-	-	-	50	1,749
Chief Executive	341	-	3	(24)	-	-	-	-	-	-	-	4	325
Director of Legal & Governance	133	-	5	66	-	-	-	-	-	-	-	(37)	166
Legal Services	1,942	-	46	(248)	(67)	-	-	181	-	-	-	37	1,892
Information Governance	225	-	-	(31)	-	-	-	-	-	-	-	1	196

	Base Budget 2023/24 £000	Pay £000	Inflation £000	Savings & Efficiencies* £000	Sales Fees & Charges £000	Service Demand £000	Cost of Borrowing changes £000	Cost & Income Pressures £000	Investment £000	Service Transformation £000	Income Generation £000	Budget Adjustments £000	Proposed Budget 2023/24 £000
Constitutional Services	2,016	-	35	24	-	-	-	-	-	-	-	-	2,074
Corporate Services Total	59,605	1,968	2,201	613	(342)	3,755	135	1,049	303	(144)	(1,920)	502	67,724
Place & Economy													
Planning - Development Management & Building Control	60	-	22	-	(159)	-	-	-	-	-	-	155	78
Director Place & Economy	434	-	18	-	-	-	-	-	-	(261)	-	-	191
Highways and Transport	4,434	-	444	-	(64)	-	-	-	-	-	-	20	4,833
Planning - Policy and Strategy	1,447	-	64	-	-	-	-	-	-	-	-	455	1,966
Waste, Cleansing and Open Spaces	13,738	-	1,723	(1,945)	-	-	-	-	-	(3,557)	-	-	9,959
Climate Change & Energy Services	154	-	49	(150)	-	-	-	-	-	(156)	-	(20)	(123)
Westcombe Engineering	97	-	95	-	-	-	-	-	-	-	(156)	-	36
Growth & Regeneration	289	-	7	-	-	-	-	-	1,500	-	-	(610)	1,186
Housing and Homelessness	2,610	-	244	-	(37)	35	-	-	-	(39)	-	-	2,814
Communities	(59)	-	373	1,318	(359)	-	-	-	-	-	(176)	(20)	1,076
Regulatory Services	1,894	-	97	-	(73)	-	-	-	-	-	-	20	1,938
Emergency Resilience and Planning	137	-	1	-	-	-	-	-	-	-	-	-	138
Place & Economy Total	25,235	-	3,136	(777)	(692)	35	-	-	1,500	(4,013)	(332)	-	24,093
Public Health													
Public Health	(178)	-	(60)	(76)	-	10	-	-	-	-	-	-	(304)
Public Health Total	(178)	-	(60)	(76)	-	10	-	-	-	-	-	-	(304)
Total	184,574	1,968	12,268	143	(1,165)	6,999	135	1,166	3,194	(4,870)	(2,292)	515	202,634
Funding													(202,634)
Gap													-

* Savings & Efficiencies also includes amendments to the 2022/23 savings plan.

**Changes within the Investment, Cost and Income pressures, service transformation, income generation and savings and efficiencies are outlined in section 5.

***Corporate Items includes a £3.6m contribution to Reserves from the Adult Social Care Grants

4. Funding & Council Tax Summary

Council Tax

The 2023/24 settlement published on 19 December 2022 includes an explanatory note which defines “Core Spending Power (CSP)” as a measure of the resources available to local authorities to fund service delivery. It sets out the money that has been made available to local authorities through the Local Government Finance Settlement (LGFS).” One of the constituent parts of the CSP calculation is the level of income expected to be raised from Council Tax. The Explanatory note says that “For 2023-24, the figures (Council tax income) have been estimated by:

- Applying each local authority’s average annual growth in their council tax base between 2018-19 and 2022-23 to project growth in tax base for 2023-24; and
- Assuming local authorities increase their Band D council tax in line with the maximum allowable level set out by the council tax referendum principles for 2023-24. That is a 3% core principle, 2% Adult Social Care precept, the greater of 3% or £5 cash principle for shire districts, and the greater or 2% or a cash principle of £10 for the Greater London Authority, and the greater or 2% or a cash principle of £10 police element of the Greater London Authority.”

The above is an explicit admission that the government is expecting Councils to increase Council Tax by the Referendum limit.

Council Tax Summary	2023/24	2024/25	2025/26
Council Tax increase	2.99%	2.99%	2.99%
ASC precept increase	2.00%	2.00%	0.00%
Total Increase %	4.99%	4.99%	2.99%
Council Tax Band D	£1,587.08	£1,666.27	£1,716.09
Council Tax Base - Band Ds	61,023.62	61,803.62	62,583.62
Council Tax Requirements (Band D x Council Tax Base)	96,849,367	102,981,517	107,399,124
Parish Precept	725,498	725,498	725,498
Total Council Tax Income	97,574,865	103,707,015	108,124,622
Collection Fund Deficit	(2,135,220)	-	-
Total Council Tax	95,439,645	103,707,015	108,124,622

The following table demonstrates how the council takes account of our funding and expenditure budgets to arrive at our Council Tax requirement, and in turn our Band D rate of Council Tax:

	Gross Expenditure Budget £m	Income Budget £m	Net Expenditure Budget £m
People Services	272,326	(161,204)	111,121
Corporate Services	119,934	(52,210)	67,724
Place & Economy	60,157	(36,064)	24,093
Public Health	11,500	(11,804)	(304)
Total Service Expenditure	463,917	(261,283)	202,634
NNDR (<i>including the Business rates Pool</i>)			(67,172)
Core Grant Funding			(37,302)
Parish Precepts			(725)
Collection Fund Position			(586)
Council Tax Requirement (exc Parishes)			96,849
Council Tax base 2023/24			61,023.62

Council Tax Band D Rate (<i>Council Tax requirement/ Council Tax base</i>)	£1,587.08
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The council is continuing to support those most impacted by the national cost of living challenge in a number of ways, including through the council tax hardship and household support funds. Also following a suggestion from Green Councillor's to liaise with Lewes and Eastbourne councils to see if we can learn from anything they are doing, officers have spoken to counterparts at these councils and we are consequently also considering whether to procure an additional system that uses exiting data sets to better identify low-income households to help ensure we are targeting our resources to support those most in need.

Core Funding

The following table summarises the Council's core funding. Further details around the key assumptions are outlined within Appendix A (Medium Term Financial Strategy update) to the main report.

Core Funding & Grants	2023/24	2024/25	2025/26
	£000	£000	£000
NNDR	(67,823)	(68,807)	(70,382)
Revenue Support Grant (RSG)	(12,117)	(13,014)	(13,014)
Council Tax	(95,440)	(103,707)	(108,125)
New Homes Bonus	(811)	(811)	(811)
Business Rates Pool	(2,070)	(2,070)	(2,070)
Services Grant	(1,699)	(1,699)	(1,699)
Improved Better Care Fund	(7,480)	(7,480)	(7,480)
Social Care Grant	(12,287)	(14,280)	(14,280)
ASC Market Sustainability and Improvement Fund	(1,858)	(2,794)	(2,794)
Discharge Support Grant ringfenced (AS22)	(1,049)	(1,748)	(1,748)
TOTAL CORPORATE FUNDING	(202,634)	(216,411)	(222,403)

5. Service Budgets & Proposals

Corporate Services

There are a number of essential professional support services the Council needs to keep operating effectively and they provide vital support to services across the Council, enabling these services to function effectively.

For example, the Council's finance team ensures there is an effective system of financial control to manage budgets, monitor spending and is responsible for ensuring the Council prepares statutory accounts. It also prepares the Medium Term Financial Strategy which sets out the Council's financial position over the next three years to deliver priorities set out in the Corporate Strategy.

The legal service provides legal advice to the Council's departments and to Councillors to support decision making, and represents the Council in court, as well as taking legal action, e.g. relating to trading standards and fly-tipping prosecutions.

The HR and Development function assists in delivering the corporate strategy and objectives by supporting change, effectively recruiting and developing people and managing their performance as well as ensuring our policies and processes are compliant with employment legislation, easy to understand and supportive. Health & Safety also sits within this function and provides an advisory service to the Chief Executive and all Council employees to ensure we are compliant.

We are in the process of redesigning the Finance, HR, and Legal teams to make sure they are fit for purpose and structured in a way that provides best value and are aligned to our new Corporate Strategy. HR is an area that has been cut too far in the past, so we will be investing in the service, including benchmarking and a review of the key areas requiring extra resource.

As part of our Improvement Plan a review of all the Council's contracts has taken place to ensure they are providing value for money and meeting the Council's needs. As a result, the procurement service moved back in house on 1 November. We have started to develop an Annual Procurement Plan which will provide a pro-active plan of all Council key areas of spend.

In addition, in June we gave notice on a 10-year joint venture agreement with NPS - Norfolk Property Services, which provided the Council with a range of property and asset related services. These services will be provided in-house from 1st February 2023, allowing us greater oversight of all aspects of the property service, including staff and a new Asset Management Plan, aligned to the Capital and Investment Strategy. This plan will formalise the approach we are now taking, which is to invest in assets which support our Corporate Priorities and dispose of those that don't, thereby reducing borrowing costs.

IT and Digital Services are largely invisible to members of the public, apart from the website. However, they are essential and underpin the delivery of all front-line services. Everything we do requires access to IT in a secure and compliant manner. In the coming year we will be refreshing our IT and Digital Strategy to ensure it is aligned with the Council's priorities.

Our Communications Team has been a shared service with Cambridgeshire County Council since January 2020. In July, the Council's Employment Committee agreed to appoint a dedicated Head of Communication for Peterborough and this officer is now in post. A redesign of the communications team will be needed so it can meet the needs of the organisation and align itself with the new corporate priorities, whilst looking for opportunities for continued joint working.

In addition, our Constitutional and Democratic Services team will continue to support the organisation of around 80 public meetings each year and the organisation of civic events such as Remembrance events and flag raising ceremonies. Our Electoral Services will be responsible for running the local elections in May which will include managing and publishing an up-to-date and accurate register of voters so anybody entitled to vote can do so.

Corporate Services Proposed Budget

	2023/24	2024/25	2025/26
Chief Executive	325	319	315
Director of Legal & Governance	166	167	168
Legal Services	1,892	1491	1622
Information Governance	196	196	196
Constitutional Services	2,074	2,000	1,817
HR & Workforce Development	1,546	1,550	1,546
Executive Director of Corporate Services	254	250	247
Financial Services	2,199	2,157	2,124
Capital Financing	29,429	29,604	29,605
Corporate Items*	13,105	19,622	21,574
Peterborough Serco Strategic Partnership	6,596	6,702	6,780
Digital, Data & Technology Services	7,088	7,501	7,578
Cemeteries, Cremation & Registrars	(1,686)	(1,706)	(1,748)
Corporate Property	2,057	2,101	2,033
Marketing & Communications	530	532	533
Health & Safety	205	114	64
Internal Audit and Insurance	1,749	1,737	1,741
Corporate Services Total	67,724	74,337	76,195

*Includes a £3.6m contribution to Reserves from Adult Social Care Grants

Service & Budget Changes

Title	Description	2023/24	2024/25	2025/26
Additional Treasury Income & ESPO dividend	A more pro-active approach to Treasury Management, including working with our advisors to introduce a range of longer-term investments and reduce borrowing.	(1,000)	(1,000)	(1,000)
Constitutional Services - Elections	Additional budget of £80k is required to ensure that elections can be delivered with no financial pressure. Currently the Local Elections budget does not cover the costs to run elections in Peterborough. Savings will be made where elections are combined with other national or regional elections and when there is a 'fallow' year and no elections take place.	80	0	(190)
Corporate Property Savings Proposals	Insourcing of NPS services – due to be completed by February 2023. Savings through establishing an in-house property function, plus a review of property maintenance and commercial rental income. Asset rationalisation to divest of poorly performing assets, reduce operational costs and maintenance.	(920)	(1,030)	(1,190)

Title	Description	2023/24	2024/25	2025/26
Corporate Property – Loss of rental income & Lease cost	Loss of income rental income for Sand Martin House, however active marketing of space in SMH is taking place to mitigate the pressure. The Lease at SMH is also under review.	456	456	456
Efficiency & Spend reductions (supplies & services etc)	Savings across the department generated through minor efficiencies and a reduction in the supplies and services budgets.	(83)	(97)	(109)
Financial Services Restructure	Restructure of Financial Services to improve resilience and accountability and deliver a saving.	(158)	(198)	(228)
Head of Comms & associated shared service savings	Investment is required following the shared service arrangement ceasing with Cambridgeshire County Council. Efficiency savings will ensue.	31	31	31
New Health & Safety Manager	The Health & Safety function currently has no recognised manager and this post is essential to maintain the continuation of the service to meet statutory requirements.	63	63	63
New Risk Manager Role	The Audit Committee has requested that Risk Management is separated from the Internal Audit function to ensure there is no conflict of interest. A new Risk Management post has been created, which will be part of the corporate management framework.	60	60	60
HR - Shared Service Arrangement & Apprenticeship Levy	The HR service is going through a restructure, which will lead to ceasing the Recruitment & Retention shared service arrangement with Cambridgeshire County Council and incorporating a new Recruitment & Retention function within PCC. Apprenticeship Levy Scheme adjustment to realign budget.	(63)	(63)	(63)
HR Restructure	The aim of this investment is to ensure that there is a sustainable HR function which is resourced appropriately to support the Council to deliver against its priorities, corporate plan, and improvement plan and streamline HR processes (Transformation)	300	300	300
LCTS Admin Subsidy Grant Rolled into RSG	LCTS Admin Subsidy Grant has been rolled into the Revenue Support Grant.	228	228	228
Review of employee Terms and Conditions and benefits	The non-contractual rewards and benefits are specific and are available to a reduced number of employees. Providing all employees with a reward package that will benefit them on a day to day basis, resulting in improved employee engagement and retention, whilst increasing savings (dependant on employee take-up) to NI and pension contributions. Savings could also be made from DBS checks and leave arrangement proposals.	(32)	(556)	(562)

Title	Description	2023/24	2024/25	2025/26
Transparency Grant income	Confirmation has been received from DLUHC that we will continue to receive the Transparency grant for the foreseeable future.	(31)	(31)	(31)
Legal Services Review	<p>The following savings have been identified: -</p> <ul style="list-style-type: none"> Resourcing changes within legal services including reviewing an existing vacant post Alternative options for the Deputy Monitoring Officer role Increase income targets in leases and compensation Reduction of supplies and services and review of subscriptions <p>In addition, proposals for a service review to commence following the appointment of the Director of Legal and Governance to identify efficiencies and/or transformation which can realise further savings.</p>	(214)	(611)	(476)
Insurance Savings	A number of savings are being proposed in relation to the insurance premium budget following tender, a review of the insurance reserve and a budget reduction to the insurance risk reduction fund.	(124)	(155)	(179)
IT & Digital Services- move to the cloud	Existing arrangement for Mosaic hosting charge to end, and this service will move to the cloud which will incur an additional fee however resulting benefits include resilience and security.	50	100	100
IT & Digital Services Savings	<p>The proposal covers 5 different areas</p> <ol style="list-style-type: none"> Stopping legacy systems / Processes, for example faxes and cheques and moving to one forms solution instead of three Reducing Service Levels for system support and cutting down overtime Reassessing resilience levels for frequency and retention of system backups. System Changes Corporate re-alignment 	(334)	(370)	(370)
Legal Services- reduction in Land charges income	The centralisation of the LLC1 land charges and the Council no longer delivering legal work for Rutland Council has left a pressure on the income target.	181	181	181
Prior Year MTFS Restructure saving- Partially non-deliverable	This is the reversal of a prior year MFTS savings target which was built permanently into the budget from 2023/24. It was originally related to a revised Corporate leadership team structure. The proposed structure changes are now different meaning the saving is not fully delivered.	103	103	103
Peterborough Serco Strategic Partnership -	Further contractual discussions to transform services. The initial focus is around business support, and the Council is utilising experienced specialist external	(223)	(286)	(291)

Title	Description	2023/24	2024/25	2025/26
Contract renegotiation	support in contract reshaping/ transformation to deliver this.			
Peterborough Serco Strategic Partnership - Procurement Transformation and further Procurement Savings	Insourcing of the Council's Procurement function – this is now complete and the service transferred back to the Council on 1 st November 2022. The service will now be reviewed and redesigned to align with the Council's future procurement planning strategies. It is also hoped that the refreshed function will help deliver a further £200k procurement savings	(400)	(430)	(490)
Mausoleum sale income	Demand remains high for mausoleum and capital investment will generate further income.	(50)	(100)	(150)
VAT shelter income	This additional income is now built into the budget to more accurately reflect budget profile.	(100)	(100)	(100)
Community Leadership Fund	To introduce a revised Community Leadership Fund. This scheme proposes to: <ul style="list-style-type: none"> Relax the spending restrictions, to allow both capital and revenue expenditure Increase the allowance from £1,000 per member to £3,000 Allow balances to be pooled and carried forward into future years. The full scheme is outlined in Appendix M to the main report.	180	180	180
Investing in Business Intelligence and data analytics	The Council has recognised it needs to invest in data insight to support delivery of the City Priorities in particular the prevention and early intervention agenda.	200	200	200

Changes to service demand & inflationary assumptions are not included in the above. See detailed revenue service budgets tables for breakdown.

Place & Economy Services

Safer and Stronger Communities

Delivering services that help make communities safer and stronger is something which we know matters to people and has a direct impact on the quality of life for residents, businesses, and visitors to Peterborough.

We are in the middle of a set of social and economic challenges and the increasing cost of living is making it harder for many people to make ends meet. In addition, we know there are groups of people who need our support more than ever. For example, the increasing number of people experiencing domestic abuse and our new residents and communities, including asylum seekers who have been placed in the city by the Home Office just recently, as well as refugees who have arrived from the Ukraine, Afghanistan and Syria in recent years. We are so grateful to our many voluntary, community and faith sector partners, without whom the level of practical help and support we'd be able to offer would be far less significant.

Therefore, we continue to do all we can to help people who are struggling the most, including issuing grants via the Government's Household Support Fund to those in greatest need and to families to support with the cost of food during the school holidays.

In the coming year we plan to further this work by locating small teams of officers including housing, social care, adult skills, and others in community buildings to target support at people long before they reach crisis point. We know that if we can help people sooner it is better for them, and it reduces demand on council services.

Requests for help from people in housing crisis are rising because of the difficult economic climate, with national data suggesting there will be a 25% increase in the number of people coming to us at risk of becoming homeless. In the coming year we will increase our efforts to work with residents who are in housing difficulty at the earliest possible opportunity, to prevent them becoming homeless in the first place. Where this is not possible and there are no other options, we will continue to provide accommodation for those who are homeless.

We also have a legal duty to ensure the safety of all privately rented housing in our city and are planning to increase our support for the private rented sector, which is a vital part of the city's housing stock. We cannot control the level of rental charged for such properties, but we can ensure the safety of properties and the quality of new builds. Therefore, we want to introduce a stronger regime to regulate the standards of private rented housing, through additional licensing requirements, taking enforcement action where necessary. In addition, we will increase our support for landlords and offer advice, particularly around managing difficult tenants.

In the coming year we will continue to focus our efforts on the city centre, making sure it is a place which is vibrant and where people feel and are safe. As part of this we will increase our efforts to make sure it is clean and attractive and will work with our partners, including the police, to continue tackling anti-social behaviour. We will make sure we are using our assets, such as Cathedral Square and the museum, in the best way possible.

Our focus will not just be on the city centre though; we plan to work closer with our partners to better solve neighbourhood problems. These are the issues that affect people's quality of life, and we will be looking at how we can work smarter to find solutions to issues.

Through Peterborough Limited, a company wholly owned by the council, we collect 7.15 million wheeled bins each year, and currently recycle or compost around 41% of the city's waste – or 18,000 tonnes. We maintain and clean over 1,685km of highway, pathways, cycleways, and pedestrianised areas and respond to around 12,000 reports of fly tipping and 2,000 requests for litter/dog foul clearance or bin emptying.

Like any organisation, Peterborough Limited is facing significant financial pressures because of rises in inflation and nationally agreed pay increases. To meet this increase, in the region of £1m, we plan to make savings where we can, for example reducing cleaning in council buildings. We also plan to review the structural arrangements of the council-owned company to make savings by, for example, reducing back-office functions where there is duplication with the council.

Place and Prosperity

The past few years have been challenging for all towns and cities in the UK – the pandemic, followed by rising costs and inflation, have hit everyone hard.

Growing the city creates opportunities for residents including better jobs, higher salaries, a better mix of housing and less deprivation. For the council it means more investment through business rates and council tax to fund services for residents.

In our Budget Simulator you told us that growing the economy is important to attract better paid jobs and more housing, however growth needs to be controlled and carefully managed.

In the coming year we plan to invest £1.5million to create a growth, regeneration, and economic development service to drive forward at pace our ambitious plans to increase the number of homes in our city, attract new businesses, create better jobs, and ensure that growth acts as a lever to address our inequalities.

It is also vital to the success of our economic growth and development that we have a directly managed adult skills service wholly focused on providing opportunities for people to enter the workforce or to increase their earnings through better employment. Our adult education service is currently delivered by City College Peterborough, a department of the council. We plan to review the way we deliver adult skills services in the city, exploring options for working differently through City College Peterborough and also Opportunity Peterborough, our economic regeneration arm, to produce a refreshed adult skills service.

From 1 February 2023, Opportunity Peterborough will transfer to the council. This will further enhance its focus locally and nationally to attract new businesses and developers to invest in the city, thereby generating employment opportunities, as well as the work with businesses to support them to succeed and expand.

A good mix of housing is essential for a growing city and therefore we will continue to plan for the city's housing needs to ensure there is the supply needed now and into the future.

We will continue to support public sector grant funding and loan opportunities which support major projects in the city. For example, through the Government's Towns Fund, Peterborough is set to receive £22.9m which will create additional leisure and educational opportunities for residents and pay for new infrastructure including a pedestrian bridge connecting the Embankment with Fletton Quays. It has also been announced that £48m investment as part of the Government's Levelling Up Fund has been awarded to the city to develop a new station quarter.

The Council's culture and leisure services (gyms, swimming pools, libraries, the museum, and Flag Fen) are currently delivered by Peterborough Limited. Although leisure performance is improving following the pandemic, it remains a challenging landscape and at best we expect services to be cost neutral. Therefore, we are exploring a range of options to deliver our culture and leisure portfolio.

Infrastructure and Climate

Providing the right infrastructure is crucial as the city grows, including a good network of roads, footways, and cycleways.

We maintain and develop the highway network which includes over 930km of roads, 24,000 streetlights, 366 structures (like bridges) as well as footways, cycle paths, traffic signs and signals, bollards, and drainage gullies. This includes carrying out emergency work to repair potholes, broken paving, streetlights, and cleaning gullies to keep roads draining well. Over the winter months we grit main routes to ensure people can get around safely.

We operate school crossing patrols, promote cycling and walking and deal with issues such as speeding and parking problems where needed.

Our highways services are provided by Milestone, and we will be reviewing this contract to make sure it is delivering the services we need in the most cost-effective way. This is part of a wider piece of work to ensure all council contracts are providing best value for residents.

We will also use new powers to tackle parking offences such as driving in a pedestrianised area and driving through a no entry sign, in selected areas of the city, with the potential to increase the number of areas if successful. Previously moving traffic offences could only be enforced by the police, but in May 2022 the government enacted part 6 of the Traffic Management Act 2004 which allows local authorities in England (outside London) to apply for powers to enforce moving traffic offences for the first time.

We will look to use automatic number plate recognition cameras in council car parks; based on other areas of the country, we are predicting an increase in car park income of at least 15%. This will also free up enforcement officer time to focus on other areas of the city and its neighbourhoods.

Reducing our carbon emissions will bring a number of vital benefits for our city including reducing fuel poverty, improving physical and mental health, improving air quality, stimulating our economy, and providing jobs to the local area. To make our city net-zero carbon every community group, business and resident has an essential role to play, and we are in the process of developing a Peterborough-wide Climate Change Action Plan. This work will continue into 2023/24.

We will also invest in a range of measures to improve energy efficiency and cut carbon across our buildings, such as installing more solar panels, and increasing take-up of solar and other technologies across communities, for example, through group buying schemes to enable mass roll-out of solar and other technologies in communities.

Every 1% increase in recycling achieves a £66k benefit to the council. Evidence from across the country shows that targeted education in areas where recycling rates are poor, or where there are high levels of waste cross-contamination, leads to direct increases in recycling rates.

There are also a number of areas where the council expects to increase its income, which can be used to provide services. This includes Westcombe Engineering, the council service providing employment to people with learning or physical disabilities, and the Energy Recovery Facility operated by Viridor.

Place & Economy Proposed Budget

	2023/24	2024/25	2025/26
Planning - Development Management & Building Control	78	53	25
Director Place & Economy	191	192	193
Highways and Transport	4,833	4,899	4,971
Planning - Policy and Strategy	1,966	1,978	1,991
Waste, Cleansing and Open Spaces*	9,959	12,284	13,402
Climate Change & Energy Services	(123)	(148)	(158)
Westcombe Engineering	36	14	(9)
Growth & Regeneration	1,186	1,188	1,189
Housing and Homelessness	2,813	2,574	2,610
Communities	1,076	936	911
Regulatory Services	1,938	1,943	1,948
Emergency Resilience and Planning	138	138	138
Place & Economy Total	24,093	26,048	27,211

*Significant change relates to reducing the income target relating to the Energy Recovery Facility while we review the future energy prices. This is inline with our inflation strategy as set out in the MTFs (Appendix A to the main report)

Service & Budget Changes

Title	Description	2023/24	2024/25	2025/26
Growth, Regeneration and Economic Development	We need to build a new team to drive forward at pace our ambitious growth and regeneration plans, to increase the number of homes in our city, attract new businesses, create better jobs, and ensure that growth acts as a lever to address our inequalities.	1,500	1,500	1,500
Westcombe Engineering	Westcombe Engineering is a council service providing employment to people with learning or physical disabilities. Under new leadership, the financial performance of the service has significantly improved in recent months, and we are identifying new markets within which to trade. We are therefore predicting an increase in net income over the next three years.	(156)	(196)	(238)
Peterborough Ltd (Aragon Direct Services) – Pay Inflation	Salary inflation and pay increases have resulted in a pressure of £869k in Aragon and this cost needs to be fully mitigated through a combination of savings and transformation activity.	869	1,194	1,519
Peterborough Ltd (Aragon Direct Services) – Service Reductions & Transformation	£33k can be saved by reducing the cleaning specification for council buildings. We are targeting a further saving of £250k by transforming the way the council and Peterborough Ltd work together, removing any structural or organisational barriers that prevent our ability to maximise value for money. We will explore, for example, sharing senior roles across both organisations and combining back-office functions where there is duplication.	(283)	(333)	(333)
Energy Recovery Facility –	The council has a contract with Viridor for the operation of the Energy Recovery Facility. The contract	(1,844)	(1,773)	(1,701)

Title	Description	2023/24	2024/25	2025/26
increase on base income levels	<p>provides the council with a level of income that is built into our core budgets. In recent months, and due to the strength of international energy markets, the levels of income generated through the contract have far exceeded previous income levels, and this is likely to continue for some time. This surplus, as well as future surpluses, are being treated as windfall income and being transferred to corporate balances / supporting the overall budget to support increased energy costs across our services. We anticipate this windfall being £3.2m in 2023/24 (and reducing thereafter).</p> <p>However, the core income level has not been reviewed since it was set some years ago, and the effects of inflation over those years means that we can also increase that core income level by the values set out above.</p>			
Moving Traffic Enforcement	<p>We will use new powers to enforce against moving traffic offences for the first time. Previously moving traffic offences could only be enforced by the police. We will be applying to use these powers where there are known issues with vehicles causing moving traffic offences, initially targeting 6 locations to begin with:</p> <ul style="list-style-type: none"> • Long Causeway (at the Midgate/Broadway entrance) • Westgate (at the no entry point at the Midgate/Broadway junction) • Church Street (at the no entry point on Cowgate) • Stanground South (at the new bus gate) • Park Farm (at the new bus gate) • Queens Drive West (at the Safer Streets pedestrianised area) <p>Offenders will be issued with a Penalty Charge Notice of £70, reduced to £35 if paid within 14 days. We are required to operate a 6-month warning period, hence the reduced income in the first year.</p>	(60)	(138)	(138)
Automatic Number Plate Recognition in Car Parks	<p>At present, users of our car parks pay in advance via ticket machines or via an app for the amount of time they think they will remain in the car park. Automatic Number Plate Recognition (ANPR) technology, widely used across the UK, provides a different approach where drivers pay when they leave the car park based on the amount of time they've actually spent there. We are predicting an increase in car park income of at least 15% (based on research into other areas where this technology is used).</p>	(229)	(272)	(272)

Title	Description	2023/24	2024/25	2025/26
	This proposal has the added benefit of freeing up enforcement officer time to focus on other areas of the city and its neighbourhoods.			
Increased Recycling Rates	This proposal seeks to invest in a dedicated education resource to significantly improve our recycling rates. Every 1% increase in recycling achieves a £66k benefit to the council. Evidence from across the country shows that targeted education in areas where recycling rates are poor, or where there are high levels of waste cross-contamination, leads to direct increases in recycling rates. We are proposing increases of 6% in year 1, 8% in year 2, and 12% in year 3.	(146)	(273)	(532)
Energy, Environment and Climate Change – energy measures	This proposal provides investment in a range of measures to improve energy efficiency across our buildings and increase take-up of solar and other technologies across communities, leading to a net financial benefit as set out above. These measures include investing in LED lighting in council buildings, analysing council energy bills, implementing basic energy management techniques in council buildings, and joining group buying schemes to enable mass roll-out of solar and other technologies in communities.	(306)	(340)	(360)
Energy Recovery Facility – additional income projection	The figures above also include the windfall income forecast from the Energy Recovery Facility, referred to earlier.	(3,229)	(1,276)	(469)
Housing Management Functions	As part of our strategy to tackle homelessness, the council has previously acquired a small number of properties from the open market which are used for either temporary accommodation or as a permanent housing solution. We are also transferring the property functions currently delivered via our arrangements with NPS into the council. This provides a perfect opportunity to merge housing and property related functions for a more joined up service.	(50)	(50)	(50)
Culture and Leisure	The council's culture and leisure services (gyms, swimming pools, libraries, the museum, and Flag Fen) are currently delivered by Peterborough Ltd, the council's trading company. Although leisure performance is improving, it is likely that, unlike in previous years, it will achieve cost neutrality at best rather than generating a surplus to be invested in cultural services. Libraries provide a statutory service, but our library service has not been reviewed for many years and the service feels outdated, with the same being true of the museum. Flag Fen costs the council around £250k per annum to deliver, and the potential to generate significant income has never been realised.	0	0	0

Title	Description	2023/24	2024/25	2025/26
	<p>There is already an existing saving built into our budget based on transforming services to be delivered within a new net budget envelope of £1.4m compared to the current net cost to deliver the service of more than £3m.</p> <p>This proposal therefore seeks to review the delivery arrangements of our culture and leisure portfolio, considering a range of options for service delivery that are sustainable for the future.</p> <p>We are developing proposals to bring together the operation of Flag Fen and the Museum as a single service. We are also reviewing our library service as it offers us great potential to focus our work on supporting households with the current cost of living challenges at a very local level. The model would be based on assembling officers and partners from different services, including housing, adult skills, and debt advice, to be based within our libraries or community centres, making access to help at the earliest possible opportunity as simple as possible.</p> <p>Part of this work will involve reviewing, and possibly consolidating, our libraries and community buildings to maximise their efficient use and to make them available for longer periods than at present.</p> <p>Any changes will be the subject of an intensive transformation programme and extensive community engagement.</p>			
Cost of Living Hubs	<p>We have already established a number of measures to support households struggling financially as a result of the national and international economic conditions. We anticipate the impacts of this, along with the ongoing impacts from Covid and the existing inequalities in our city, to continue for some time, and so are proposing the development of a new model of providing direct support at the earliest possible opportunity from within community settings.</p> <p>Co-locating a small team of housing, social care, adult skills, and other officers in a community building such as a library will provide far greater opportunities for local data and intelligence to be used to target support at people before real need or crisis develops.</p> <p>Although no savings are identified at this stage, we are piloting this approach for a short period to identify</p>	0	0	0

Title	Description	2023/24	2024/25	2025/26
	cashable savings across council budgets as a consequence of the approach reducing demand for costly statutory interventions, such as care packages.			
Adult Skills / City College Peterborough	<p>City College Peterborough is a department of the council primarily responsible for delivering adult skills training and development. Although the college operates very successfully, this proposal seeks to ensure we maximise value for money as well as drive economic growth by reviewing the operational and governance structures of the College.</p> <p>The proposed saving is an estimate of the value of efficiencies that should be achieved through the review.</p> <p>The College provides additional services, including Day Opportunities provision for people with learning disabilities. These fall outside the scope of this review, and will be considered as part of the review of adult social care instead.</p>	(250)	(250)	(250)
Housing and Homelessness	<p>The council needs to transform the way we support households who are at risk of becoming homeless. At the moment, the service is highly reactive and often engages with a household too late in their homelessness journey. We need to change this so that we are engaging far earlier with households who may be at risk of becoming homeless.</p> <p>This proposal includes a range of measures that shifts our focus more on earlier preventative work, as well as building a portfolio of housing options which we can use instead of inappropriate and very costly bed and breakfast accommodation.</p>	(101)	(135)	(167)
Private Sector Housing Standards	<p>The council has a legal duty to ensure the safety of all privately rented housing in our city. There are a range of interventions that can be deployed by council officers to ensure that privately rented housing is as the required standard, including legal powers set out in housing legislation, the introduction of local licensing schemes to better regulate quality in both specific geographical areas and for different types of property, and the use of civil enforcement activity.</p> <p>This proposal will see the full transformation of our housing enforcement service to become a housing standards service, implementing a suite of interventions including:</p> <ul style="list-style-type: none"> • Mandatory licensing for formal Houses in Multiple Occupation (five or more persons from two or more households) 	112	(166)	(175)

Title	Description	2023/24	2024/25	2025/26
	<ul style="list-style-type: none"> • Selective Licensing, which would require privately rented housing in identified areas to be licensed with the council • Additional Licensing, which would require HMOs not covered by the mandatory licensing rules to be licensed with the council <p>The introduction of the second and third schemes is subject to consultation and formal approval.</p> <p>Additionally, the Housing Act provides us with the ability to use civil enforcement powers as a mechanism for improving the quality of privately rented housing where necessary. This is a tool widely used across the country, but which hasn't been used significantly in Peterborough.</p> <p>Alongside these measures, we will also introduce schemes that provide direct support and advice to landlords, particularly for example where they are facing legitimate challenges with their tenants.</p> <p>Selective and Additional Licensing schemes will be delivered by an external specialist organisation, and the figures quoted above include both staff savings and increased income, as well as unachievable income targets previously written into budgets.</p>			
Directorate Efficiencies	Minor spend reductions and efficiencies across the directorate, primarily to supplies and services.	(11)	(13)	(16)

Changes to service demand & inflationary assumptions are not included in the above. See detailed revenue service budgets tables for breakdown

Peoples Services (including Public Health)

Adult Services

We aim to help and support our residents early on in their lives and prevent them from slipping into crisis by ensuring they receive the right level of support at the right time, in the right place and by the right person.

The aim is to keep people as independent and healthy as possible and prevent or delay the need for long-term care and support, which improves outcomes and less expensive than the alternative. This is delivered through a range of different services:

- Early intervention and prevention – supporting people early with targeted information and advice and low-level and community support, for example targeted short-term reablement support at home, or equipment that can help people manage at home.
- Long-term care and support which is personalised and keeps people connected to their communities, for example regular care coming into the home or residential/nursing care placements.
- Adults at risk are safeguarded from harm in ways that meet their desired outcomes. This year we have responded to an average of 232 safeguarding concerns each month.
- Supporting people to meet care and support needs when they come out of hospital. This includes designing, delivering, and commissioning localised, person-centred, and sustainable care services to meet their needs. This year, we are supporting an average of 175 discharges from hospital each month.

Adult services face challenges including rising inflation, population growth and the ongoing impacts of the pandemic. This means we are seeing more demand on services and people having higher levels of need when they come to us for help. This year, we have received an average of 3,414 contacts per month to our adult early help team, a 4% increase on last year.

We also support 52 people a month with short term reablement to recover from a hospital stay or illness for up to 6 weeks and are currently supporting 2,031 people with long term packages of care.

Our focus in future years is to embed further opportunities to deliver more prevention and intervention through the following areas:

- Increased Technology Enabled Care: TEC involves using equipment to support people with their care and support needs. This could be things such as Lifeline alarms, medication reminders and fall sensors. By increasing the use and range of TEC we can increase people's confidence to live independently and delay the need for more costly long-term provision of care.
- Reablement: This delivers short term, goal-oriented support for up to six weeks to help people regain their independence when they have been in hospital. We will recruit more frontline workers which will enable us to expand the service to support more people in their own homes, preventing the escalation of need for long-term care which is more costly.
- Direct Payments: These enable people to plan and pay for their care and support directly, with a financial contribution from the council. Reviewing processes and enhancing the range of options available for people to access Direct Payments will enable them to benefit from greater choice at more affordable costs.

Children's Services

We have a statutory duty to support vulnerable young people and their families across Peterborough with the key aim of helping children to meet their development goals and supporting their mental health and emotional needs.

The service has faced several challenges in recent years, particularly because of Covid-19 and most recently the cost-of-living crisis. As a result, demand for our services has risen and we expect this trend to continue.

We provide an extensive fostering service across Peterborough, helping young people who are in vital need of support to find loving homes and the best opportunities to develop. Like many fostering agencies, we have experienced a decrease in public interest in fostering since March 2022, despite the need to find homes for local children and young people remaining high.

We continue to look to increase the numbers of council fostering placements, enabling us to reduce the numbers of children placed in more expensive agency placements. We are currently appealing for new foster carers to come forward and will also be reviewing our service offer to foster carers. Changes might include helping foster carers to work more flexibly and providing them with additional support.

There is a continuing commitment to protect and promote services for children and families, and we will also benefit from the significant central government grants being offered to promote the development of Family Hubs and drug and alcohol treatment services over the next three financial years.

We have recently reviewed our family safeguarding structure and deleted existing vacancies. We have embedded a new operating model in Peterborough, resulting in low numbers of children subject to child protection planning and low numbers of children being placed into care.

In the coming year we want to continue with our commitment to reunite children in care with their birth families, where it is safe to do so, in a more-timely way.

We operate a positive behaviour service which works with children who have complex additional needs and disabilities, as well as prevention and early help services, providing advice and support to children and families to help keep children at home in a safe, loving family environment. This includes support to children with additional needs such as autism or ADHD and young people at risk of sexual or criminal exploitation or becoming homeless. In the coming year we plan to increase income for some services for children with complex needs.

We will continue to focus on improving the recruitment and retention of staff, including strengthening pathways into social care as a profession. A review of the management structure in Children's Services is also underway to ensure we have the right skills in the right place.

Over the next three years an ambitious transformation programme for children's social care will be developed, focussing on key areas including our workforce development, fostering and adoption and replacing current systems.

Education

We have a statutory responsibility to provide education for every young person in schools, colleges, and further education locally, and our key aim is supporting them to achieve expected national standards. Our Budget Simulator challenge told us that Education is the area you least want to see funding reduce.

There are currently 63 primary schools within the authority area, along with 15 secondary, eight special schools and three further education colleges. As of May 2022, there were a total of 40,166 pupils in education locally. Our education service has faced some unprecedented challenges in recent times, most notably working to support schools and colleges throughout the Covid-19 pandemic, which stretched resources to the very maximum.

A key challenge remains, providing places for pupils in light of Peterborough's rapid population growth. Three new schools were opened for the current academic year, but it is likely that additional places will have to be found in future. Secondary and Special Educational Needs (SEND) numbers are expected to increase for the next five years, whilst there has been a fall in the number of annual births, which is resulting in a lower demand for early years and younger primary school places.

The cost-of-living crisis and austerity in national funding is likely to be a huge issue moving forward. Next year, 2023-24 is the final year of a three-year settlement and whilst it has an increase in funding, it is not reflecting the cost pressures of the sector. We are currently waiting for the October School Census, and we have been building budgets throughout November.

Despite these challenges, we are seeing some very encouraging progress in our schools and significant rises in several league tables. In the national 'progress 8' table which measures how far young people progress in their education across secondary education for eight subjects, the improvement by 0.24 is a substantial rise. It is also the first time Peterborough has had a positive progress 8 outcome. Out of the 151 local authorities, this places Peterborough as 38th nationally, up from 107 previously.

We have built strong relationships with all our schools and colleges, proactively setting up head teacher groups to ensure regular dialogue and effective problem solving. Moving forwards, we are working on several measures to help drive financial efficiencies and manage increasing demand.

A transformation programme of work for the Home to School Transport service is being developed, with the aim of providing more cost-effective transport. This will include a review of our transport routes, sourcing volunteer drivers and developing independent travel training along with other strategies to manage this significant area of pressure.

Meanwhile, our school improvement services has been streamlined, including a removal of school intervention funding.

Following the national reorganisation of secondary schools in 2007, the council has a historic legacy pension liability for teachers' dependents. Due to the passage of time, the number of eligible dependents has decreased meaning the financial liability to the council has reduced.

There has also been investment in the Statutory Assessment Team (SAMS) and Educational Psychology Team (EPS) to ensure capacity to respond to significant increases in demand.

The department's current IT system will be replaced, maximising opportunities for digitalisation to deliver leaner process efficiencies.

People Services Proposed Budget

	2023/24	2024/25	2025/26
Director of People Services	875	2,326	2,326
Education	8,265	8,271	8,278
Adults - Commissioning	54,825	59,604	63,040
Adults - Operations	9,710	9,723	9,738
Children's - Operations	14,091	14,090	14,086
Children's Commissioning	21,793	21,310	21,376
Commissioning Team and Commercial Operations	1,563	1,566	1,569
People Services Total	111,121	116,889	120,413

Service & Budget Changes

Title	Description	2023/24	2024/25	2025/26
Adults Services - Administration charges for Self-Funders	Where people pay for the full cost of their care, we charge a monthly administration fee to cover the cost of arranging care for them. We expect to see an increased number of people being charged this administration fee due to increased demand for the service.	(40)	(40)	(40)
Adults Services - Direct Payments	Direct Payments enable people to plan and pay for their care and support directly, with a financial contribution from the council. Reviewing processes and enhancing the range of Direct Payment options available for people to access will enable them to benefit from greater choice at more affordable costs.	(100)	(100)	(100)
Adults Services - Increased Reablement-Demand Prevention	Reablement delivers short term, goal-oriented support for up to six weeks to help people regain their independence when they have been in hospital. By increasing reablement capacity, recruiting to existing vacancies in the team, we can expand the service to support more people in their own homes, preventing the escalation of need for long-term care which is more costly.	(200)	(200)	(200)
Adults Services - Increased Tech Enabled Care-Demand Prevention	Technology enable care (TEC) involves using equipment to support people with their care and support needs. This could be things such as Lifeline alarms, medication reminders and fall sensors. TEC can be put in place either alongside other care and support provision, or as an alternative depending on individual circumstances. By increasing the use of TEC, through both increasing the range of TEC available and ensuring practitioners are skilled in identifying where TEC would be of benefit, we can increase people's confidence to live independently, and the confidence of their families or family carers and delay the need for more costly long-term provision of care.	(100)	(100)	(100)
Adults Services – Workforce	Reablement delivers short term, goal-oriented support for up to six weeks to help people regain their	(363)	(363)	(363)

Title	Description	2023/24	2024/25	2025/26
retention and recruitment - increased reablement	independence when they have been in hospital. Through improved recruitment and retention, we can expand the service to support more people in their own homes, preventing the escalation of need for long-term care which is more costly. Many people want to remain living in their own home.			
Public health substitution for Handyperson Scheme in ASC	This service supports older people to remain independent and well in their own homes. A proportion of the programme is focused upon falls prevention which falls into one of the Public Health Ringfenced Grant categories. Consequently, we will substitute Public Health Grant funding for the Falls Prevention element of this work.	(52)	(52)	(52)
Public health substitution for Infection Control Nurse	The COVID-19 pandemic had a huge impact on Care Homes in terms of morbidity and mortality. The infection risks remain, and the coming winter brings the double risk of both COVID-19 and Flu. The Infection Control Nurse post will work with care homes and social care staff to mitigate the risks. Consequently, we will substitute Public Health grant funding for this post.	(18)	(18)	(18)
Increased demand Home to School Transport	The Home to School transport service has seen a continued increase in demand, which is reflective of school admissions numbers being at their highest rates. This investment is needed to ensure that we can support children to access their school placement.	1,200	1,200	1,200
Increased demand in Educational Psychology Service and Statutory Assessment and Monitoring Service	Demand for the Educational Psychology Service (EPS) service and the Statutory Assessment and Monitoring Service, which is responsible for the assessment and review of Education Health and Care Plans (EHCP) has been increasing year on year. This investment will ensure we have capacity in the team to respond to demand.	191	191	191
School Improvement Service Redesign	It is well recognised that the school improvement service offers challenge, support and guidance to schools across Peterborough. In light of the changing Education legislation, we will review the responsibilities and associated processes of the team.	(150)	(150)	(150)
Home to School Transport Restructure and Transformation	Implementation of the Home to School Transport strategy via a number of transformation workstreams, focusing on greater efficiencies in route planning, procurement processes and more effective modes of transport.	(200)	(200)	(200)
Family safeguarding team (remove vacancies)	Since the implementation of the family safeguarding model of intervention and support to children and families in 2019. We have successfully reduced the number of children with child protection plans and the	(394)	(394)	(394)

Title	Description	2023/24	2024/25	2025/26
	number of children being placed into care. This means that we are able to meet demand currently with slightly tapered resources.			
Pre 1998 Pension Strain	Due to the reorganisation of secondary schools in 2007, the Council has a historic legacy pension liability for teachers' dependents. Due to the passage of time, the number of eligible dependents has decreased and the financial liability to the Council has reduced.	(25)	(25)	(25)
People & Communities Restructure	Creation of separate leadership structure and commissioning directorate for the Council which is sustainable and will equip Peterborough to face future challenges and the National Reform Agenda and responding to the needs of Peterborough residents (Employee Committee paper dated 1st December 2022) This will be met from the innovation fund during 2023/24, during the period of transformation.	0	1,450	1,450
Independent Living Fund	Independent Living Fund Grant has been rolled into the Social Care Grant	117	117	117

Changes to service demand and inflationary assumptions are not included in the above. See detailed revenue service budgets tables for breakdown

Public Health

We have a duty to improve and protect the health of everyone who lives in Peterborough. More broadly this is about living for longer in good health, reducing inequalities in health and making sure that children have good outcomes that lead to a long and healthy life.

We commission services that support healthier lifestyles, identify issues early and prevent problems escalating which includes:

- School nurses and health visitors (Healthy Child Programme) – last year we funded approximately 8,000 visits to children and families by health visitors. This program enables all families with a new baby to get support to improve health and wellbeing and identify any issues early. There were nearly 5,000 contacts with young people through Chathealth (a confidential text messaging service for children and young people aged 11-19) and approximately 4,000 calls to our Healthy Child Programme (0-19) duty desk in 2021/22.
- Help to stop smoking – we helped 432 people quit smoking last year.
- Improving sexual and reproductive health through information and support – in 2021/22, there were a total of 8,899 sexual health clinic attendances.
- Reducing drug and alcohol misuse – There were a total of 1,522 adults and 136 young people aged 12-18 who used services during 2021/22.
- NHS health checks – for people aged between 40 and 74 which look at an individual's general health including their weight, blood pressure and cholesterol. The NHS health check is designed to spot early signs of stroke, kidney disease, heart disease, type 2 diabetes or dementia. 2,481 health checks were completed in 21/22
- Weight management – 273 people lost 5% or more of their weight through a Tier 2 Adult Weight management course last year

It is also important to keep investing in public health as it not only provides health benefits to those who engage with us, but this in turn reduces pressure on other public services and saves money in the long term. This is especially important as Peterborough gets 39% less funding per head for public health services than comparable areas (£54 per head compared to £75 per head).

Many of our residents – across all ages, but particularly in deprived areas – benefit from these public health services and which will be needed even more in the future due to an increase in our population. For instance, there has been a 24% increase in children under 15 over the past 10 years, many with a high level of need, for example, 38.5% of our Year 6 children are overweight or obese.

Importantly, Peterborough has been identified as one of 75 local authorities to receive funding for Family Hubs which support families from conception, through the child’s early years, to later childhood, up to the age of 19 (or 25 for young people with special educational needs and disabilities). This is a real opportunity for Peterborough as Family Hubs provide support services early and in a joined up-way (with the NHS and voluntary sector), when families need them. They can support *all* families, but they are designed to be particularly accessible to families from lower socio-economic groups, families who have special education needs or a disability, or those from minority groups who are experiencing exclusion.

We are all dealing with the impact that Covid had on health, especially on long term conditions and mental wellbeing. However, we also learnt a lot during the Covid pandemic. We are taking that learning and making sure we continue to work differently both with the council and with partners - keeping the focus on prevention and early intervention despite financial challenges and using data, evidence and intelligence (international, national and local) in a more proactive way to improve people’s health.

The Health and Wellbeing Integrated Care Strategy has highlighted three main goals by 2030:

- Increase the number of years people spend in good health
- Reduce inequalities in preventable deaths before the age of 75
- Achieve better outcomes for our children

How do we do this?

- By making sure our children are ready to start school and are prepared for their lives after they finish education
- By creating an environment to give people the opportunity to be as healthy as can be
- By reducing poverty through better employment, skills and housing
- Promoting early intervention and prevention around mental health and wellbeing.

This will be delivered through working with partners and co-production which is where we deliver solutions alongside those we are trying to help.

Public Health Proposed Budget

	2023/24	2024/25	2025/26
Public Health	11,341	11,311	11,309
Public Health Grant	(11,645)	(11,643)	(11,641)
Public Health Total	(304)	(332)	(332)

Service & Budget Changes

Title	Description	2023/24	2024/25	2025/26
Breast feeding support contract	This is a small contract to provide breastfeeding peer support in order to improve breastfeeding rates. There are other support opportunities which could develop and strengthen the offer especially with the current work on Family Hubs.	(12)	(25)	(25)
Communications Materials	There is a small communications budget in Public Health which is to support campaign work. This has been under spent for several years as a lot of communication activities use social media platforms which are very cost-effective or use national templates for the campaign imagery.	(3)	(3)	(3)
Healthy Behaviour Consumables	The Healthy Behaviours Service (Healthy You) provides Stop Smoking Services across Peterborough in the community and in GP practices. This is purchased by the provider from the NHS at its tariff, however, if supplied by a non-NHS supplier the cost is reduced considerably.	(30)	(30)	(30)
Suicide Prevention Training	The STOP Suicide Campaign and Suicide Prevention Training are designed to equip members of the community to have conversations about suicide. The rationale for this saving is to adopt a more strategic approach to funding the training. NHS England also funds this training through the Wave 4 suicide prevention work in Peterborough and Cambridgeshire and the Integrated Care Board will be part of the development of the strategic approach.	(10)	(10)	(10)
Workplace health contract	This five-year contract ending on May 31 2023 provides support to employers for improving the working environment of their employees to prevent ill health and the associated absenteeism and presenteeism. The low value of the contract in relation to the large number of workplaces in Peterborough means it has limited traction and it is proposed not to renew the contract when it ends.	(21)	(25)	(25)

Changes to service demand & inflationary assumptions are not included in the above. See detailed revenue service budgets tables for breakdown

Peterborough City Council

Appendix K- Council Tax Resolution 2023/24

Following consideration of the report to this Council on 22 February 2023 and the setting of the revenue budget for 2023/24, the Council is requested to pass the resolution below to set the council tax requirement.

RESOLVED

1. THAT the Revenue Budget in the sum of **£167,562,645 (being £277,770,024 less School Funding of £110,207,379** now presented be approved).

2. THAT it be noted that at its meeting on 19 December 2022 the Cabinet calculated the following amounts for the year 2023/24 in accordance with regulations made under Section 31B(3) of the Local Government Finance Act 1992 (the Act) (as amended) and that these were confirmed under delegated authority by the Corporate Director: Resources following decision on the Council Tax Support Scheme by Council on 6 March 2019:

(a) **61,023.62** being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended), as its council tax base for the year.

(b) Part of the Council's Area

Ailsworth	239.59
Bainton & Ashton	152.26
Barnack	481.49
Bretton	3,272.49
Castor	361.95
City (non-parished)	38,431.44
Deeping Gate	223.05
Etton	52.96
Eye	1,626.24
Glington	622.27
Hampton	3,934.87
Helpston	472.11
Marholm	79.71
Maxey	318.51
Newborough & Borough Fen	659.94
Northborough	503.51
Orton Longueville	3,185.91
Orton Waterville	3,604.00
Peakirk	183.65
Southorpe	74.89
Sutton	70.70
Thorney	960.95
Thornhaugh	93.71
Ufford	134.21
Wansford	252.55
Wittering	798.46
SUB TOTAL	60,791.42
The Council tax base total for areas of which no special items relate	232.20
TOTAL	61,023.62

being the amounts calculated by the Council, in accordance with regulation 6 of the Regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which one or more special items relate.

3. THAT the following amounts be now calculated by the Council for the year 2023/24 in accordance with Sections 31A, 31B and 34 to 36 of the Local Government and Finance Act 1992 (as amended):

(a) **£469,170,296** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act. (Gross expenditure including repayments of grants to government 31A(6) (a), Parish Precepts and Special Expenses 31A (6) (b))

(b) **£371,595,430** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act. (Revenue Income)

(c) **£97,574,865** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with section 31A(4) of the act as its council tax requirement for the year.

(d) **£1,598.97** being the amount at 3(c) above divided by the council tax base at 2(b) above in accordance within section 31B(1) of the Act, as the basic amount of its council tax requirement for the year

(e) **£725,498** being the aggregate amount of all special items referred to in Section 35 (1)of the Act. (Parish Precepts).

(f) **£1,587,08** being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by the amount at 2(a) above, calculated by the Council in accordance with section 34(2) of the Act, as the basic amount of its Council tax requirement for the year for dwellings in those parts of its area to which no special item relates

(g) Parts of Council's Area

Parish Of:	Band D
Ailsworth	£1,619.31
Bainton & Ashton	£1,665.93
Barnack	£1,621.54
Bretton	£1,637.64
Castor	£1,668.08
Deeping Gate	£1,612.41
Etton	£1,627.85
Eye	£1,621.75
Glington	£1,628.08
Hampton	£1,610.97
Helpston	£1,613.43
Marholm	£1,604.77
Maxey	£1,620.14
Newborough & Borough Fen	£1,645.23
Northborough	£1,638.38
Orton Longueville	£1,598.00

Orton Waterville	£1,603.52
Peakirk	£1,628.94
Southorpe	£1,621.93
Sutton	£1,658.86
St. Martin's Without	£1,587.08
Thorney	£1,623.71
Thornhaugh	£1,646.44
Ufford	£1,652.80
Upton	£1,587.08
Wansford	£1,635.97
Wittering	£1,650.67
Wothorpe	£1,587.08

Being the amounts given by adding to the amount at 3(f) above the amounts of the special items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 2(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

(h) Part of the Council's Area								
	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Ailsworth	1,079.54	1,259.47	1,439.39	1,619.31	1,979.15	2,339.00	2,698.85	3,238.62
Bainton & Ashton	1,110.62	1,295.73	1,480.83	1,665.93	2,036.13	2,406.34	2,776.55	3,331.86
Barnack	1,081.02	1,261.20	1,441.37	1,621.54	1,981.88	2,342.23	2,702.56	3,243.08
Bretton	1,091.76	1,273.72	1,455.68	1,637.64	2,001.56	2,365.48	2,729.40	3,275.28
Castor	1,112.05	1,297.40	1,482.74	1,668.08	2,038.76	2,409.45	2,780.13	3,336.16
Deeping Gate	1,074.94	1,254.10	1,433.26	1,612.41	1,970.72	2,329.04	2,687.35	3,224.82
Etton	1,085.23	1,266.11	1,446.98	1,627.85	1,989.59	2,351.34	2,713.08	3,255.70
Eye	1,081.16	1,261.37	1,441.56	1,621.75	1,982.13	2,342.53	2,702.91	3,243.50
Glington	1,085.38	1,266.29	1,447.18	1,628.08	1,989.87	2,351.67	2,713.46	3,256.16
Hampton	1,073.98	1,252.98	1,431.98	1,610.97	1,968.96	2,326.96	2,684.95	3,221.94
Helpston	1,075.62	1,254.89	1,434.16	1,613.43	1,971.97	2,330.51	2,689.05	3,226.86
Marholm	1,069.84	1,248.16	1,426.46	1,604.77	1,961.38	2,318.00	2,674.61	3,209.54
Maxey	1,080.09	1,260.11	1,440.13	1,620.14	1,980.17	2,340.20	2,700.23	3,240.28
Newborough & Borough Fen	1,096.82	1,279.63	1,462.43	1,645.23	2,010.83	2,376.44	2,742.05	3,290.46
Northborough	1,092.25	1,274.30	1,456.34	1,638.38	2,002.46	2,366.55	2,730.63	3,276.76
Orton Longueville	1,065.33	1,242.89	1,420.45	1,598.00	1,953.11	2,308.22	2,663.33	3,196.00
Orton Waterville	1,069.01	1,247.19	1,425.35	1,603.52	1,959.85	2,316.20	2,672.53	3,207.04
Peakirk	1,085.96	1,266.96	1,447.95	1,628.94	1,990.92	2,352.91	2,714.90	3,257.88
Southorpe	1,081.28	1,261.51	1,441.72	1,621.93	1,982.35	2,342.79	2,703.21	3,243.86
Sutton	1,105.90	1,290.23	1,474.54	1,658.86	2,027.49	2,396.13	2,764.76	3,317.72
St. Martin's Without	1,058.05	1,234.40	1,410.74	1,587.08	1,939.76	2,292.45	2,645.13	3,174.16
Thorney	1,082.47	1,262.89	1,443.30	1,623.71	1,984.53	2,345.36	2,706.18	3,247.42
Thornhaugh	1,097.62	1,280.57	1,463.50	1,646.44	2,012.31	2,378.19	2,744.06	3,292.88
Ufford	1,101.86	1,285.52	1,469.16	1,652.80	2,020.08	2,387.38	2,754.66	3,305.60
Upton	1,058.05	1,234.40	1,410.74	1,587.08	1,939.76	2,292.45	2,645.13	3,174.16
Wansford	1,090.64	1,272.43	1,454.20	1,635.97	1,999.51	2,363.07	2,726.61	3,271.94

Wittering	1,100.44	1,283.86	1,467.26	1,650.67	2,017.48	2,384.30	2,751.11	3,301.34
Wothorpe	1,058.05	1,234.40	1,410.74	1,587.08	1,939.76	2,292.45	2,645.13	3,174.16
Total Non-Parished Areas	1,058.05	1,234.40	1,410.74	1,587.08	1,939.76	2,292.45	2,645.13	3,174.16

being the amounts given at 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. THAT it be noted that for the year 2023/24 the Police and Crime Commissioner for Cambridgeshire, the Cambridgeshire & Peterborough Fire Authority and the Cambridgeshire & Peterborough Combined Authority have stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

THAT the following amounts be now calculated by the Council for the year 2023/24 in accordance with Sections 31A, 31B and 34 to 36 of the Local Government and Finance Act 1992 (as amended):

	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Police and Crime Commissioner for Cambridgeshire	181.68	211.96	242.24	272.52	333.08	393.64	454.20	545.04
Cambridgeshire & Peterborough Fire Authority	53.28	62.16	71.04	79.92	97.68	115.44	133.20	159.84
Cambridgeshire & Peterborough Combined Authority	8.00	9.33	10.67	12.00	14.67	17.33	20.00	24.00
TOTAL	242.96	283.45	323.95	364.44	445.43	526.41	607.40	728.88

5. THAT having calculated the aggregate in each case of the amounts at 3 (h) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2023/24 for each of the categories of dwellings shown below:

	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Ailsworth	£1,322.50	£1,542.92	£1,763.34	£1,983.75	£2,424.58	£2,865.41	£3,306.25	£3,967.50
Bainton & Ashton	£1,353.58	£1,579.18	£1,804.78	£2,030.37	£2,481.56	£2,932.75	£3,383.95	£4,060.74
Barnack	£1,323.98	£1,544.65	£1,765.32	£1,985.98	£2,427.31	£2,868.64	£3,309.96	£3,971.96
Bretton	£1,334.72	£1,557.17	£1,779.63	£2,002.08	£2,446.99	£2,891.89	£3,336.80	£4,004.16
Castor	£1,355.01	£1,580.85	£1,806.69	£2,032.52	£2,484.19	£2,935.86	£3,387.53	£4,065.04
Deeping Gate	£1,317.90	£1,537.55	£1,757.21	£1,976.85	£2,416.15	£2,855.45	£3,294.75	£3,953.70
Etton	£1,328.19	£1,549.56	£1,770.93	£1,992.29	£2,435.02	£2,877.75	£3,320.48	£3,984.58
Eye	£1,324.12	£1,544.82	£1,765.51	£1,986.19	£2,427.56	£2,868.94	£3,310.31	£3,972.38
Glington	£1,328.34	£1,549.74	£1,771.13	£1,992.52	£2,435.30	£2,878.08	£3,320.86	£3,985.04
Hampton	£1,316.94	£1,536.43	£1,755.93	£1,975.41	£2,414.39	£2,853.37	£3,292.35	£3,950.82
Helpston	£1,318.58	£1,538.34	£1,758.11	£1,977.87	£2,417.40	£2,856.92	£3,296.45	£3,955.74
Marholm	£1,312.80	£1,531.61	£1,750.41	£1,969.21	£2,406.81	£2,844.41	£3,282.01	£3,938.42
Maxey	£1,323.05	£1,543.56	£1,764.08	£1,984.58	£2,425.60	£2,866.61	£3,307.63	£3,969.16
Newborough & Borough Fen	£1,339.78	£1,563.08	£1,786.38	£2,009.67	£2,456.26	£2,902.85	£3,349.45	£4,019.34
Northborough	£1,335.21	£1,557.75	£1,780.29	£2,002.82	£2,447.89	£2,892.96	£3,338.03	£4,005.64
Orton Longueville	£1,308.29	£1,526.34	£1,744.40	£1,962.44	£2,398.54	£2,834.63	£3,270.73	£3,924.88
Orton Waterville	£1,311.97	£1,530.64	£1,749.30	£1,967.96	£2,405.28	£2,842.61	£3,279.93	£3,935.92

Peakirk	£1,328.92	£1,550.41	£1,771.90	£1,993.38	£2,436.35	£2,879.32	£3,322.30	£3,986.76
Southorpe	£1,324.24	£1,544.96	£1,765.67	£1,986.37	£2,427.78	£2,869.20	£3,310.61	£3,972.74
Sutton	£1,348.86	£1,573.68	£1,798.49	£2,023.30	£2,472.92	£2,922.54	£3,372.16	£4,046.60
St. Martin's Without	£1,301.01	£1,517.85	£1,734.69	£1,951.52	£2,385.19	£2,818.86	£3,252.53	£3,903.04
Thorney	£1,325.43	£1,546.34	£1,767.25	£1,988.15	£2,429.96	£2,871.77	£3,313.58	£3,976.30
Thornhaugh	£1,340.58	£1,564.02	£1,787.45	£2,010.88	£2,457.74	£2,904.60	£3,351.46	£4,021.76
Ufford	£1,344.82	£1,568.97	£1,793.11	£2,017.24	£2,465.51	£2,913.79	£3,362.06	£4,034.48
Upton	£1,301.01	£1,517.85	£1,734.69	£1,951.52	£2,385.19	£2,818.86	£3,252.53	£3,903.04
Wansford	£1,333.60	£1,555.88	£1,778.15	£2,000.41	£2,444.94	£2,889.48	£3,334.01	£4,000.82
Wittering	£1,343.40	£1,567.31	£1,791.21	£2,015.11	£2,462.91	£2,910.71	£3,358.51	£4,030.22
Wothorpe	£1,301.01	£1,517.85	£1,734.69	£1,951.52	£2,385.19	£2,818.86	£3,252.53	£3,903.04
Total Non-Parished Areas	£1,301.01	£1,517.85	£1,734.69	£1,951.52	£2,385.19	£2,818.86	£3,252.53	£3,903.04

Parish Precepts

The following parish precepts have been levied on Peterborough City Council (comparable figures are shown for 2022/23).

	2022/23 Precept £	2023/24 Precept £	2023/24 Council Tax Band D Equivalent £
Ailsworth	7,617	7,723	32.23
Bainton & Ashton	8,096	12,005	78.85
Barnack	15,447	16,593	34.46
Bretton	165,445	165,445	50.56
Castor	29,161	29,318	81.00
Deeping Gate	5,043	5,649	25.33
Etton	2,159	2,159	40.77
Eye	56,250	56,375	34.67
Glinton	23,656	25,513	41.00
Hampton	97,000	94,000	23.89
Helpston	8,397	12,442	26.35
Marholm	1,409	1,410	17.69
Maxey	11,395	10,530	33.06
Newborough & Borough Fen	40,289	38,375	58.15
Northborough	24,902	25,830	51.30
Orton Longueville	34,760	34,790	10.92
Orton Waterville	55,834	59,267	16.44
Peakirk	6,532	7,688	41.86
Southorpe	2,175	2,610	34.85
Sutton	4,127	5,075	71.78
St. Martin's Without	-	-	-
Thorney	34,225	35,200	36.63
Thornhaugh	5,563	5,563	59.36

Ufford	8,720	8,820	65.72
Upton	-	-	-
Wansford	11,760	12,348	£48.89
Wittering	44,896	50,771	£63.59
Wothorpe	-	-	-
Total	704,855	725,498	

6. The Council notes that, in accordance with the Section 52ZB of the Local Government Finance Act 1992, the basic amount of its Council Tax for 2023/24 is not excessive and that no referendum to approve the basic amount of Council Tax is required.

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