

CABINET

MONDAY 11 JUNE 2018
2.00 PM

Bourges/Viersen Room - Town Hall
Contact – philippa.turvey@peterborough.gov.uk, 01733 452460

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**MINUTES OF THE CABINET MEETING
HELD AT 10:00AM, ON
MONDAY, 26 FEBRUARY 2018
BOURGES/VIERSEN ROOM, TOWN HALL, PETERBOROUGH**

Cabinet Members Present: Councillor Holdich (Chair), Councillor Ayres Councillor Elsey, Councillor Fitzgerald, Councillor Hiller, Councillor Lamb, Councillor Seaton, Councillor Smith, and Councillor Walsh

Cabinet Advisors Present: Councillor Allen and Councillor Stokes

68. APOLOGIES FOR ABSENCE

No apologies for absence were received.

69. DECLARATIONS OF INTEREST

No declarations of interest were received.

STRATEGIC DECISIONS

70. MEDIUM TERM FINANCIAL STRATEGY PHASE TWO 2018/2019 TO 2020/2021

A petition was presented by Mr Warren requesting the Council to keep the Bretton Water Park open and available to the wider community, signed by 330 local residents.

The Cabinet received a report on phase two of the Medium Term Financial Strategy 2018/2019 to 2020/2021 as part of the Council's formal budget process as set out within the constitution and as per legislative requirements to set a balanced and sustainable budget for 2018/19. The Cabinet also received a supplementary report detailing additional responses to the public consultation.

The purpose of this report was to initiate and put forward budget proposals to set a balanced and sustainable budget for the financial years 2018/19 to 2020/21. There was a legal requirement to set a balanced budget for 2018/19.

The Cabinet Member for Resources introduced the report and explained that and explained that the Council were anticipating that an arrangement could be reached with Vivacity to take on responsibility for the Bretton Water Park. With regard to the Manor respite care, it was advised that care would remain available at Cherry Lodge. The Manor building would be retained for outreach work.

There were still a significant budget gaps to be faced for 2019/20 and 2020/21. Work was already underway to investigate savings based on shared services with Cambridgeshire County Council.

Cabinet debated the report and in summary, key points raised and responses to questions included:

- Discussion was had on the issue of rough sleepers and it was considered that officers in services around health and mental health examine the long term issue.
- It was noted that although the Manor was proposed for closure for overnight provision, capacity was available at Cherry Lodge, even taking into account the existing numbers at the Manor.
- With regard to savings in future years it was considered vital to have a detailed proposal and implementation plan. The earlier the plans were approved, the more likely it was that they would be delivered.
- Queries were raised in relation to the charge for replacement brown bins. This related to an administration charge and not the replacement bin itself.
- It was suggested that the proposals be amended to reflect that the Council would retain the savings proposed in relation to the Bretton Water Park, but that a solution had been found for Vivacity to take on responsibility for the running of the park.

Cabinet considered the report and **RESOLVED** (unanimous) to note:

1. The statutory advice of the Chief Finance Officer outlined in section 6, The Robustness Statement. This is required to highlight the robustness of budget estimates and the adequacy of the reserves.
2. All the grant figures following the Local Government Final Finance Settlement, published on 6 February 2018 outlined in section 4.5. This details the following adjustments to the budget:
 - Adult Social Care Grant 2018/19- £0.496million
 - Business Rates compensation for limits increase in the NNDR £0.084million
3. The feedback received on the budget proposals, received via the consultation detailed in section 9 of the report, Appendix J and the Supplementary Report.
4. The Treasury Management Strategy 2018/19-2020/21, detailed in Appendix L, which also includes an amendment following the Audit Committee meeting held on 12 February 2018.

Cabinet considered the report and resolved to approve and recommend to Council:

5. The Phase Two budget proposals, outlined in Appendix H, subject to additional wording to clarify that Vivacity had agreed to take on the running of Bretton Water Park. This includes a 5.99 per cent council tax increase, and a change in service delivery for the 0-25 Provider service.
6. The Medium Term Financial Strategy 2018/19-2020/21 as set out in the body of the report and the following appendices:
 - Appendix A – Budget Context highlighted in Phase One, MTFS for 2018/19-2020/21
 - Appendix B – 2018/19 MTFS detailed position
 - Appendix C – 2018/19 MTFS by department
 - Appendix D – 2018/19 MTFS by Service
 - Appendix E – Capital Schemes
 - Appendix F – Council Grants
 - Appendix G – Fees and Charges

- Appendix H – Budget Proposals (consultation document)
- Appendix I – Equality Impact Assessments
- Appendix J – Budget Consultation Feedback
- Appendix K– December 2018 Budgetary Control Report
- Appendix L– Treasury Management Strategy 2018/19-2020/21
- Appendix M– Asset Investment and Acquisition Strategy, Capital Programme 2018/19-2020/21
- Appendix N– Asset Management Plan

REASONS FOR THE DECISION

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

ALTERNATIVE OPTIONS CONSIDERED

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

71. ROLLING MEDIUM TERM FINANCIAL STRATEGY PROCESS

The Cabinet received a report that proposed an amendment to the Council's formal budget setting process.

The purpose of this report was to implement a rolling Medium Term Financial Strategy (MTFS) budget process, whereby savings and pressures would be agreed by Council on a quarterly basis.

The Cabinet Member for Resources introduced the report and explained that the new process was requested in order to ensure that savings could be agreed and delivered as soon as possible.

It was noted that the proposed change would better reflect the practice of private businesses.

Cabinet considered the report and **RESOLVED** (unanimous) to:

1. Note the proposal for a rolling budget process.
2. Recommend to Council that the rolling budget be approved and that authority be delegated to the Interim Director of Law and Governance to approve the amendment of the 'Budget Framework Procedure Rules' to follow a revised budget process.

REASONS FOR THE DECISION

The Cabinet was responsible for initiating Budget Proposals within the Council's Budget and Policy Framework Procedure Rules. The proposed approach and timetable for the 2019/20 budget setting process contained within the report varied from that contained within the Procedure Rules and Cabinet was being asked to put forward this alternative, four tranche process, for Council approval. Another benefit of the four tranche approach was that the early agreement of budget proposals before the start of the new financial year gave all council departments more time to implement the

proposals, some of which may require long lead in times to achieve successful implementation.

ALTERNATIVE OPTIONS CONSIDERED

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

72. COUNCIL TAX SUPPORT SCHEME 2018/19

The Cabinet received a report following consultation on proposals for the Council Tax Support Scheme 2018/19 including discussion at the cross party Budget Working Group.

The purpose of this report was to make a recommendation to Council on the Council Tax Support Scheme in Peterborough for the financial year 2018/19. Following a statutory instrument being laid before Parliament on the 21 December 2017, there was a statutory requirement for the Council to set a localised Council Tax Support Scheme by 11 March 2018 and this formed part of the formal budget process under the Budget and Policy framework.

The Cabinet Member for Resources introduced the report and explained that the level of council tax support would not change. It was, however, noted that the number of people claiming support at reduced year on year. Following the implementation of a statutory instrument the scheme would continue to align with housing benefits.

Cabinet debated the report and in summary, key points raised and responses to questions included:

- Pensioners would still receive the full support of the scheme.
- The reduction in the level of those claiming was also reflected in the reduction in unemployment figures.

Cabinet considered the report and **RESOLVED** (unanimous) to:

1. Note the responses to the consultation on the Council Tax Support Scheme
2. Note the continuation of the discretionary Council Tax Hardship Policy
3. Recommend that Full Council agrees a local Council Tax Support Scheme for Peterborough that contains the following local components:
 - a) No change to the existing scheme reduction of 30% for all eligible working age claimants
 - b) To keep the scheme mirroring the Housing Benefit scheme as much as possible, the following amendments are also proposed:
 - to limit the award of Council Tax Support based on a maximum of 2 children;
 - to provide protection to existing claims that already include more than 2 children;
 - to make provision for more than 2 children in the applicable amount where the child tax credit calculation includes additional children; and
 - to disregard earnings from part-time fire fighters and payments from the infected blood payment scheme.

- c) To amend appropriate rates in line with annual upratings.

REASONS FOR THE DECISION

The Council was statutorily required to approve a Council Tax Support Scheme by 11 March 2018 having had regard for the council's financial position and feedback from responses to the consultation. As part of this consultation, the Council was consulting on a Council Tax Discretionary Hardship Policy.

ALTERNATIVE OPTIONS CONSIDERED

The Council was statutorily required to approve a local scheme by 11 March 2018. Cabinet had discussed the current 30% Council Tax Support Scheme with the cross party Budget Working Group as part of ongoing budget discussions. Options discussed were:

- One option was to increase the 30% scheme, however this would have a negative impact on low income households with claimants having to pay more council tax.
- Another option was to reduce the 30% scheme, however, this would require the council to find savings of up to £2.3m from elsewhere in the budget.

73. FLETTON QUAYS AND OFFICE CONSOLIDATION PROCESS

The Cabinet received a report in relation to Fletton Quays and the office consolidation process, following a referral from CMT on 31 January 2018.

The purpose of this report was to provide an update to Cabinet on the progress of the Fletton Quays development and the council's office consolidation project and notes gains in revenue income and capital receipts, and to set out the revised costs (capital and revenue) for the office consolidation project and seek approval to put the report to full Council to approve additional capital investment.

The Cabinet Member for Resources introduced the report and explained the progress made on Fletton Quays. Additionally capital was requested in order to ensure that the ICT provision at Sand Martin House was fit for purpose and would allow for sub-letting for partners to work alongside the Council. The funding would allow for the building to be sufficiently futureproof.

Cabinet debated the report and in summary, key points raised and responses to questions included:

- Sand Martin House would house the back office functions of the Council and would host professional customers. The ground floor of Bayard Plan would be retained for a customer experience beyond what was currently provided.
- Part of the Town Hall was currently being fitted out for the Job Centre and negotiation were advancing in relation to the other half. Some of the existing suite would be refitted.
- More opportunities had arisen that originally anticipated in the initial Peterborough Investment Partnership business case.
- Every part of the Fletton Quays development had a cycle parking requirement.
- The aim for a pedestrian and cycle bridge to Fletton Quays remained, once the university was developed on the other side of the river.

Cabinet considered the report and **RESOLVED** (unanimous) to:

1. Note the significant progress and benefits which the Fletton Quays development has brought to the city since the plan was approved by Cabinet in February 2014, including additional financial benefits from grant funding an additional capital receipts.
2. Recommend that Council approves additional capital investment of £2,636,025 (including a contingency of £500,000), to ensure council office buildings, including Sand Martin House, are able to meet the new and emerging needs of the council and provide opportunities for other organisations to lease parts of the office building to provide the council with additional income streams. It also facilitates the conversion and refurbishments of Bayard Place reception to provide an improved customer experience.

REASONS FOR THE DECISION

The Council had agreed to consolidate back office functions to Fletton Quays. Agreeing the additional capital investment would facilitate a landmark regeneration site, provided the Council with much-needed flexibility in its office portfolio, aligned to its current programmes for flexible working, and was financially beneficial over the long-term.

ALTERNATIVE OPTIONS CONSIDERED

No alternative options were considered.

Chairman
10:00am – 10:36am
26 February 2018

**MINUTES OF THE CABINET MEETING
HELD AT 10:00AM, ON
MONDAY, 26 MARCH 2018
BOURGES/VIERSEN ROOM, TOWN HALL, PETERBOROUGH**

Cabinet Members Present: Councillor Holdich (Chair), Councillor Ayres Councillor Elsey, Councillor Hiller, Councillor Lamb, Councillor Seaton, Councillor Smith, and Councillor Walsh

Cabinet Advisors Present: Councillor Allen and Councillor Stokes

74. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Fitzgerald

75. DECLARATIONS OF INTEREST

No declarations of interest were received.

76. MINUTES OF THE CABINET MEETINGS HELD ON 9 FEBRUARY 2018

The minutes of the meeting held on 9 February 2018 were agreed as a true and accurate record.

77. PETITIONS PRESENTED TO CABINET

There were no petitions presented to Cabinet.

STRATEGIC DECISIONS

78. REPORT OF THE TASK AND FINISH GROUP TO ASSIST THE DEVELOPMENT OF A NEW HOMELESSNESS STRATEGY

The Cabinet received a report from the Task and Finish Group to Assist the Development of a New Homelessness Strategy.

The purpose of this report was to consider the recommendations of the Task and Finish Group to develop a new draft Homelessness Strategy and endorse the strategy to Full Council for approval.

The Cabinet Member introduced the report and explained that there were a variety of reasons for people to present as homeless. This was different to those who were classed as rough sleepers, or those on the housing waiting list. Presenting as homeless referred to those that had or were facing the loss of their home. The Cabinet Member thanked the Task and Finish Group Members and officers for their work, which was diligent and well researched.

Councillor Lane, the Chairman of the Task and Finish Group advised that the Group worked closely with partner agencies to create the strategy, with expert guidance from officers. The work of the Group was timely, with the implementation of new legislation

around homelessness. It was noted that the work around homelessness did not stop with the introduction of this strategy.

Cabinet debated the report and in summary, key points raised and responses to questions included:

- A number of questions raised when the recommendations were considered by the Adults and Communities Scrutiny Committee included continued work and how the delivery of the strategy would be overseen.
- Accordingly, the governance of the strategy would be reviews to ensure strong oversight.
- It was considered very important to engage thoroughly with local private landlords, with one of the Group's recommendations including the formation of a landlord's forum.
- The Council had already made a start in reducing the number of people in temporary accommodation, with an improved toolkit for prevention. This had also been assistance with the creation of Medesham Homes Ltd.
- The matter of empty homes was discussed, which was a national problem.
- The Group visited a number of other authorities in London areas, including a borough that was trailing the newly proposed legislation.
- It was also a priority for the Council to help to tackle entrenched rough sleepers who were not currently engaging. It was felt that a different style of outreach was required in order to help these individuals change their lifestyles.
- It was noted that if individuals continued not to engage with support programmes then there were enforcement actions the Council could employ.

Cabinet considered the report and **RESOLVED** (unanimous) to recommend that Council approve the report and recommendations contained within.

REASONS FOR THE DECISION

The statutory requirement to conduct a review of homelessness and have a current homelessness strategy in readiness for the introduction of the Homelessness Reduction Act 2017.

ALTERNATIVE OPTIONS CONSIDERED

No alternative options were considered.

79. MINERALS AND WASTE LOCAL PLAN – PRELIMINARY DRAFT FOR PUBLIC CONSULTATION

The Cabinet received a report on the preliminary draft Minerals and Waste Local Plan for public consultation, following the decision of Cabinet on 10 July 2017 to proceed with a new plan jointly with Cambridgeshire County Council.

The purpose of this report was to agree the preliminary draft plan for the first round of formal consultation. This was the first of a number of stages that would take place before the plan was finalised and adopted.

The Cabinet Member for Growth, Planning, Housing and Economic Development introduced the report and explained that the draft Minerals and Waste Local Plan was simplified and streamlined, and had been considered by the Growth, Environment and Resources Scrutiny Committee and the Planning and Environment Protection Committee. No new sites had been added into the plan at this stage.

Cabinet debated the report and in summary, key points raised and responses to questions included:

- It was questioned whether recycling on site had cut down on use of quarries. Officers advised that this was the intention, however, figures were not available.
- Concerns were raised in relation the restoration of wildlife on quarry sites. It was advised that protected sites would be avoided and that restoration plans were put in place that were implemented from the first day of work.
- In relation to who would be responsible for any resulting nature reserves, this would be determined on a case by case basis. The Planning and Environmental Protection Committee would consider the future management of sites in there determinations.
- There were a number of efficiencies results from working Cambridgeshire County Council. This included a sharing of costs and a sharing in expertise. It was anticipated that working with together would result in a better quality plan.

Cabinet considered the report and **RESOLVED** (unanimous) to:

1. Approve the attached Cambridgeshire-Peterborough Minerals and Waste Local Plan - Preliminary Draft, for the purpose of subsequent public consultation commencing in May 2018, subject to the insertion of an additional paragraph in the Introduction of the Plan as recommended by Planning and Environmental Protection Committee (see paragraph 4.10 of the agenda report below).
2. Delegate to officers authority to make any minor non-consequential amendments to the Plan as attached, prior to consultation, in order to: correct any typographical errors or factual matters; improve presentation; or address any minor amendments arising from the Plan's consideration by Cambridgeshire County Council's democratic process.
3. Delegate to the Cabinet Member for Growth, Planning, Housing and Economic Development authority to make more substantive changes to the Plan as attached, prior to consultation, provided he should see fit to do so, if it would help to address any more substantive suggested amendments arising from the Plan's consideration by Cambridgeshire County Council's democratic process.

REASONS FOR THE DECISION

Two main reasons for the decision were:

- As a 'top tier' authority, the council had a statutory duty to maintain a Minerals and Waste Local Plan.
- The council had previously agreed (2017) to proceed with preparation of an updated Plan.

ALTERNATIVE OPTIONS CONSIDERED

1. To not prepare a plan. This option was rejected by Cabinet in July 2017.
2. Any options relating to not undertaking consultation or not complying with national policy were immediately rejected, as it would be unlawful to do so.
3. Alternative options for Plan content would be considered (and appraised under the legally required sustainability appraisal framework) as the Plan progressed.

80. 20mph Speed Limits In Werrington – Working Group

The Cabinet received a report on following a decision made at Full Council on 24 January 2018 in relation to a petition submitted to the Council. This petition requested the introduction of a 20mph speed limit in parts of the Werrington area.

The purpose of this report was for Cabinet to consider setting up a cross-party working group to consider the petition request.

The Cabinet Member for Communities introduced the report and explained that this matter had been debate and referred from Full Council. It was considered that an end date of July 2018 gave the working group sufficient time. It was felt beneficial to consider not just Werrington, but requests for 20mph speed limits in general. The working group should formulate a criteria to assess such requests. It was proposed that this be added into the working group's terms of reference.

Cabinet debated the report and in summary, key points raised and responses to questions included:

- It was felt that a criteria for future use in such situations would be useful.
- Further suggestion was made that the matter of enforcement should be included within the terms of reference and that the police should be consulted.
- With the additional inclusions in the terms of reference it was suggested that the date for the working group to report should remain as July. If an extension was required then this could be requested at that time.
- With the local elections in May it was anticipated that officers would begin gathering evidence and that the first meeting of the working group would be held after the elections.

Cabinet considered the report and **RESOLVED** (unanimous) to:

1. Establish a cross-party working group to explore the options for introducing a 20mph speed limit on The Green, Church Street, Amberley Slope, Twelvetree Avenue and parts of Lincoln Road and Fulbridge Road approaching the Lincoln Road / Church Street and Fulbridge Road / The Green junctions, to review and make recommendations on the precise area to be covered, and to report back to Cabinet with their recommendations;
2. Agree the draft terms of reference for the working group, subject to:
 - The amendment of item 10 to provide for the formulation of a set of criteria, including safety and health considerations, to be used as a toolkit in the assessment of future potential 20mph speed limit areas in the Peterborough area.
 - The addition an item 11 to consider the effectiveness and financial implications of enforcement, in consultation with the police; and
3. Agree the working group reports back to Cabinet with recommendations and findings by July 2018.

REASONS FOR THE DECISION

The decision followed a decision made at Full Council in January 2018.

ALTERNATIVE OPTIONS CONSIDERED

Not forming a working group would not allow the issues of residents and the consensus of Council to be fully investigated.

81. BUDGET CONTROL REPORT JANUARY 2018

The Cabinet received a report on that provided an update on the Budget position in January 2018.

The purpose of this report was to provide Cabinet with an update as part of the Council's agreed process within the Budget and Policy framework that required Cabinet to initiate and consider financial strategy and budget proposals in order to set a balanced budget for the forthcoming financial year.

The Cabinet Member for Resources introduced the report and explained that the budget position had improved by £1 million since December. It was currently anticipated that there would be a £3.5 million underspend, which would be transferred to the Council's reserves. This was due, in part, to additional planning income and PFI insurance rebates. There was still some risk present in relation to capital receipts.

It was explained that additional budget was requested through a virement for investment in day services.

The Cabinet Member further announced that Marion Kelly, the Interim Corporate Director of Resources was leaving the Council. Peter Carpenter, Service Director Financial Services would be acting up as Section 151 officer. The Cabinet thanked Marion for all her work in her time with the Council.

Cabinet considered the report and **RESOLVED** (unanimous) to:

1. Note the Budgetary Control position for 2017/18 at January includes an underspend of £3.466m for Revenue.
2. Note a contribution to the capacity reserve of £3.466m, which relates to the 2017/18 underspend as reflected in Appendix A.
3. Note the estimated reserves position for 2017/18 outlined in Appendix C.
4. Note the Asset Investment and Treasury Budget position outlined in Appendix D.
5. Approve the virement of a capital budget of £0.310m for further investment in to the day opportunities service, as outlined in Appendix D, from the People and Communities budget.

REASONS FOR THE DECISION

The report updated Cabinet on the January 2018 budgetary control position.

ALTERNATIVE OPTIONS CONSIDERED

There were no alternative options considered.

MONITORING ITEMS

82. OUTCOME OF PETITIONS

The Cabinet received a report in relation to e-petitions and petitions presented at Council meetings and to Council officers.

The purpose of the report was to update Cabinet on the progress being made in response to petitions submitted to the Council.

Cabinet considered the report and **RESOLVED** (unanimous) to note the actions taken in respect of petitions.

REASONS FOR THE DECISION

As the petitions presented in this report had been dealt with by Cabinet Members or officers, it was appropriate that the action taken was reported to Cabinet.

ALTERNATIVE OPTIONS CONSIDERED

There had been no alternative options considered.

Chairman
10:00am – 11:00am
26 March 2018

| | |
|---------------------|--------------------------|
| CABINET | AGENDA ITEM No. 5 |
| 11 JUNE 2018 | PUBLIC REPORT |

| | | |
|--------------------------------|--|-------------------|
| Report of: | Annette Joyce, Service Director of Environment and Economy | |
| Cabinet Member(s) responsible: | Councillor John Holdich, Leader of Peterborough City Council Councillor Marco Cereste Cabinet Member for Waste and Street Scene | |
| Contact Officer(s): | Annette Joyce, Service Director of Environment and Economy | Tel. 01733 452280 |

PROPOSAL TO EXPLORE THE OPTION OF FORMING A LOCAL AUTHORITY TRADING COMPANY

| RECOMMENDATIONS | |
|---|---------------------------|
| FROM: Annette Joyce, Service Director of Environment & Economy | Deadline date: N/A |
| It is recommended that Cabinet note: | |
| <ol style="list-style-type: none"> 1. That the Cabinet Member for Waste and Street Scene, together with the Service Director of Environment and Economy are investigating the establishment of a Local Authority Trading Company (LATCo) for services currently performed under the EMS contract by Amey. 2. That the arrangements in place for these services as set out in paragraph 4.4 are paused whilst such an investigation takes place. | |

1. ORIGIN OF REPORT

- 1.1 The Medium Term Financial Strategy (MTFS) 2017/18 – 2026/27 presented to Council on 8 March 2017 included a proposal for the Council’s current contract for services with Enterprise Managed Services Limited (EMS) to terminate by mutual agreement and for the Council to consider alternative ways of providing those services.

2. PURPOSE AND REASON FOR REPORT

- 2.1 At Annual Council the Leader of the Council made an announcement about the setting up of a LATCo to provide waste collection and street cleansing services. This report brings this matter formally to the attention of Cabinet by way of an update as a result of that announcement.

3. TIMESCALES

| | | | |
|---|-----------|----------------------------------|------------|
| Is this a Major Policy Item/Statutory Plan? | NO | If yes, date for Cabinet meeting | N/A |
|---|-----------|----------------------------------|------------|

4. BACKGROUND AND KEY ISSUES

4.1 The current contract with EMS was awarded after an OJEU compliant procurement process in 2011 and was to run for 23 years. Services covered by this contract included Street Cleansing, Refuse Collections, Grounds and Tree Maintenance, Parks and Open Spaces, Building Maintenance, Building Cleaning and Home to School Transport Services. EMS were brought out by AMEY who have fulfilled the contract since.

4.2 During 2016 and 2017 there were several operational challenges in fulfilling the contract and it was recognised by both the Council and Amey that the contract was no longer fit for purpose. The contract was procured prior to the significant financial challenges that have resulted from Government's austerity cuts alongside increased demands on services.

4.3 In the autumn of 2017 an options appraisal was carried out by the Council with consultants as a result of the recognition of the matters set out in paragraph 4.2 above. A summary of some of the key options explored was detailed in the Cabinet report of 18 December 2017. These included:

- **Continuing with the existing contract** - Amey had advised that they were not willing to carry on with the existing contract at the current value, which both parties have acknowledged was no longer fit for purpose.
- **Transfer the majority of services into a Joint Venture company with the Norse Group** - It was originally proposed that the Council would transfer services in the EMS contract to a new joint venture company with Norse Commercial Services. However, given the scope of services and in the absence of a procurement process it has not been possible to demonstrate that this represents the best value for money for the Council or that such a solution would be affordable.
- **Bring services back in house** - The report detailed that the in house option was highly unlikely to be an affordable option.
- **Retender in separate packaged contracts**

4.4 As a result of this report authority to terminate the contract was approved by Cabinet on 18 December 2017, as follows:

"Agree for the Cabinet Member for Waste and Street Scene to approve the award of replacement contracts or arrangement of alternative provisions for all services currently provided under the Enterprise Managed Services contract (such steps to include matters relating to contracts, leases and other relevant legal documentation and pensions arrangements) including:

- *Refuse, street cleansing vehicle workshop*
- *Parks and open spaces*
- *Property maintenance and property cleaning*
- *Community link and home to school transport*
- *Grounds and trees maintenance "*

4.5 As a result of this Cabinet decision from January 2018 to March 2018 a work plan was devised which determined the following actions:-

- (a) **Waste and Recycling Collection, Street Cleansing and Fleet Management** would be subject to procurement (Lot 1)
- (b) **Parks, Trees and Open Spaces** would be subject to procurement (Lot 2)
- (c) **Property Maintenance** would be subject to Joint Venture with Norfolk Property Services (Lot 3)
- (d) **Building Cleaning** would be subject to contracted ESPO Framework through mini competition (Lot 4)

(e) **Community Link and Home to School Transport** would be brought in house and then reviewed to determine the best arrangement for these services.

4.6 By the time the Leader made his announcements, Lot 1 (Waste and recycling collections, Street cleansing and Fleet Management) had not been put out to tender although Lot 2 (parks, trees and open spaces) had been put out to tender. In his speech to Annual Council, the Leader set out, in brief the reasons why a rethink of the arrangements for the provision of waste and street cleansing services had taken place. In essence he explained that the services concerned were important to the residents of the city and that greater control over the quality and performance of those services was required. He also reflected his desire to see every penny spent devoted to providing high quality waste and cleansing services. These factors, plus the ability for a LATCo to trade and earn income for the Council to support its services, led the Leader to conclude that such a company arrangement should be considered for the provision of these services.

4.7 In addition to the above a LATCo model is becoming more prevalent in local government and would allow us to adopt a commercial culture and compete for external commercial work on a level playing field with commercial operators.
The advantages can be described as:

- The ability to trade in the wider market
- Generation of economies of scale and greater efficiency
- Returning revenue to the Council through profitability
- Creation of a more commercial culture
- Retaining people knowledge inside the Company
- Retaining more control and a greater public sector ethos
- Safeguarding jobs via diversifying work and contracts

4.8 In relation to other services provided by Amey, further consideration of the arrangements for their provision has taken place since Annual Council. As the decision of Cabinet on 18 December 2017 allows consideration of “alternative provisions for all services currently provided under the EMS contract,” alongside waste and cleansing services, the arrangements for the provision of these services under Lots 2, 3 and 4 are also being considered. Whilst tenders for Lot 2 (Parks, Trees and Open Spaces) are being evaluated, it is with the understanding that the Council is not bound to accept the lowest or any bid. If the Council determines, through its investigation that a LATCo is the best option, then the cost of providing services by the LATCo as opposed to the costs of the winning bid can be compared before making a decision as to the future delivery of these services.

4.9 Finally negotiations have been taking place with Amey on the principle of extending the contract (due to expire by mutual agreement on 31 August) to allow further investigation of the options above. Amey have agreed to extend the contract at a cost to be agreed and this issue, together with the outcome of the investigations for a LATCo will be brought back to Cabinet later this summer.

5. CONSULTATION

5.1 Initial consultation with staff and unions has taken place, as has initial discussions with Cabinet Members. However a full and formal consultation exercise will be undertaken with all stakeholders.

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 The anticipated outcome is one that allows a smooth transfer of services upon termination of EMS/Amey contract which would provide better value and control than previously considered.

7. REASON FOR THE RECOMMENDATION

- 7.1 This report seeks approval to further investigate service delivery options following the 2017/18 budget decision to terminate the current EMS contract as the contract is no longer fit for purpose. Exploration of this option is considered necessary in order to ensure that the Council has considered all options for a better service delivery.

8. ALTERNATIVE OPTIONS CONSIDERED

These have previously been considered by Cabinet as described in section 4.3 of this report.

9. IMPLICATIONS

9.1 Financial Implications

These will be covered in the Business Case should exploration of the LATCo be approved.

9.2 Legal Implications

A Local Authority Trading Company can be created under the General Power of Competence introduced by The Localism Act 2011 which explicitly gives councils the power to do anything that an individual can do which is not expressly prohibited by other legislation. This activity can include charging or it can be undertaken for a commercial purpose, and could be aimed at benefiting the authority, the area or its local communities.

The Trading Company would need to be “Teckal” compliant to gain “Teckal” exemption from needing to compete with other companies under procurement legislation. “Teckal” refers to originating legal case which has since been confided within Article 12 (1-6) of the EU Directive 2014/24 and Public Contract Regulations 2015.

Internal and external legal advice will be required in formulating a business case supporting the creation of such a wholly owned Trading Company.

9.3 HR & Pension Implications

A total of 402 employees are currently employed by EMS and will be affected by any decision to create a LATCo. Detailed consideration will need to be given to the staffing and pension implications of any proposal going forward.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985.

- 10.1 None.

11. APPENDICES

- 11.1 None.

| | |
|---------------------|--------------------------|
| CABINET | AGENDA ITEM No. 6 |
| 11 JUNE 2018 | PUBLIC REPORT |

| | | |
|--------------------------------|---|----------------------------|
| Cabinet Member(s) responsible: | Cllr David Seaton, Cabinet Member for Resources | |
| Contact Officer(s): | Peter Carpenter, Acting Director of Corporate Resources Kirsty Nutton, Head of Corporate Finance | Tel. 452520 Tel. 384590 |

BUDGET MONITORING REPORT FINAL OUTTURN 2017/18

| RECOMMENDATIONS | |
|--|--------------------|
| FROM: Acting Director of Corporate Resources | Deadline date: N/A |
| <p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1. Note the final outturn position for 2017/18 (subject to finalisation of the statutory statement of accounts) of a £6.9m underspend on the Council's revenue budget. 2. Note the reserves position outlined in section 6, which includes a contributions to the capacity building reserve of £6.9m, as a result of departmental underspends as highlighted in the revenue outturn. 3. Note the outturn spending of £80.164m in the Council's capital programme in 2017/18 outlined in section 7. 4. Note the performance against the prudential indicators outlined in Appendix B. 5. Note the performance on payment of creditors, collection performance for debtors, local taxation and benefit overpayments outlined in Appendix C. | |

1. ORIGIN OF THE REPORT

- 1.1. This report is submitted to Cabinet as a monitoring item. The outturn position will be reported to Audit Committee on 16 July 2018 alongside the draft statement of accounts.

2. PURPOSE AND REASON FOR REPORT

- 2.1. The report provides Cabinet with the outturn position for both the revenue budget and capital programme for 2017/18, subject to any changes required in the finalisation of the Statement of Accounts.

- 2.2. The report also contains performance information on payment of creditors and collection performance for debtors, local taxation and benefit overpayments.
- 2.3. The report is for Cabinet to consider under its terms of reference 3.2.7 to be responsible for the Council's overall budget and determine action to ensure that the overall budget remains within the cash limit.

3. TIMESCALE

| | | | |
|--|-----------|-------------------------------------|------------|
| Is this a Major Policy Item/ Statutory Plan | NO | If yes, date for Cabinet meeting | N/A |
|--|-----------|-------------------------------------|------------|

4. FINAL OUTTURN 2017/18

Corporate Overview

- 4.1. The Council, at its meeting on 7 March 2017 approved a balanced budget for 2017/18 that supported the delivery of key services. The approved budget included £20.8m of savings, £9.8m of demand-related pressures and investment, and further grant reductions of £2.8m.
- 4.2. The Budget also included the use of £7.2m from the Grant Equalisation (GE) reserve. This was used in line with the purpose the reserve was initially set up for in 2015/16, which was to defer the impact of reductions in government grant, protecting as far as possible the delivery of services to our residents, while allowing officers time to develop a sustainable budget.
- 4.3. There were a number of other non-repeatable savings included within the 2017/18 budget, such as the use of capital receipts, council tax surplus and the use of the GE reserve, as mentioned in point 4.2, these are outlined in the following table:

| Non Repeatable | 2017/18 £000 |
|-----------------------|-------------------------|
| Capital Receipts | 12,738 |
| Council Tax Surplus | 173 |
| Use of Reserves | 7,194 |
| Total | 20,405 |

- 4.4. During the year the Corporate Management Team (CMT) have received regular reports on the in-year budget position, including progress updates against savings approved as part of previous budget rounds. The Cabinet also discuss the financial position regularly, with formal positions reported to the Cabinet meetings held between November and March. Financial plans have also been considered by a cross-party budget working group.
- 4.5. Actions undertaken by the CMT and Cabinet have included:
- Departmental management teams, together with CMT have reviewed the budget position monthly and have taken appropriate action, including plans to address budget issues. These have been acknowledged in Budgetary Control Reports;
 - Regular reports to CMT have included a summary of progress with savings proposals, additional pressures and risks;

- Savings have been brought forward as part of a two stage budget process for 2018/19;
- An Officer led Capital Review Group has been established within 2017/18, meeting on a fortnightly basis this group has the responsibility of reviewing the following and reporting updated information to CMT:
 - Review of the capital programme during the year, deferring projects into future financial years or removing projects that are no longer required. Any reduction in the amount that the council requires to borrow to fund the capital programme has reduced the costs of financing borrowing which has been reflected in the revenue outturn position;
 - Monitoring Capital receipts;
 - Utilising all opportunities to capitalise expenditure relieving pressure on the general fund; and
 - Reviewing new capital project proposals for adequacy, value for money, requirement and ensuring the Council only invests in necessary projects.
- Thorough review of the reserves balances including a review of the future planned use of reserves.
- An enhanced Risk Management Board has been established within the financial year, which will be led by the Director of Growth and Regeneration. This has been established with the purpose of challenging and supporting risk management across the council and partner organisations, and will report corporate and departmental risks into CMT.

- 4.6. The January 2018 Budget Control Report came to Cabinet on 26 March 2018, reporting a £3.5m underspend for the year. The Council can now report a departmental underspend of £6.9m, which will be added to the Capacity Building Reserve for future transformational use.
- 4.7. The final outturn position for 2017/18 is outlined in a summary table section 5 below, with additional detailed information in Appendix A.
- 4.8. In addition to this, there were a number of other items such as additional benefit received from Direct Revenue Funding which will be added to the capacity building reserve. There has also been a significant boost in the departmental reserves position as a result of a number of specific grants received in advance. Throughout the year the reserves have undergone a thorough review by officers in conjunction with the Section 151 officer. As a result of this a number of reserve commitments were released, freeing up capacity to support future council transformational change and supporting the creation of a balanced and sustainable budget for future years.
- 4.9. Officers have taken a proactive approach to addressing the financial challenge the council faces. The Council's budget for 2018/19 includes budget reductions of £26.4m and a planned use of £4.2m from the GE reserve. Included within the reductions are a number of items which are one off non-repeatable savings, such as capital receipts, MRP re-provision and Council tax surplus. The following table demonstrates the Council's transition to a sustainable budget with a reduction in non-repeatable savings currently planned over the three year period compared with the 2017/18 position.

| Non Repeatable One Off Savings | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Capital Receipts | 12,738 | 2,922 | 4,139 | - | - |
| MRP Re-Provision | - | 3,700 | - | - | - |
| Council Tax Surplus | 173 | 1,188 | - | - | - |
| Use of Reserves | 7,194 | 4,231 | - | - | - |
| Total | 20,105 | 12,041 | 4,139 | - | - |

4.10. The budget gap in 2019/20 currently stands at £12m rising to £19m in 2020/21. CMT and Cabinet have started work on a strategy to tackle this gap and create a sustainable budget. In 2018/19 Cabinet and Council will be updated more frequently on the budget position with the introduction of the rolling budget process as agreed at Council on 7 March.

5. REVENUE OUTTURN

5.1. The Council's overall revenue outturn shows a £6.9m underspend for 2017/18, after movements in reserves. The table below summarises the revenue outturn position by the Directorates during 2017/18.

Revenue outturn 2017/18

| Directorate | Budget £000 | Contributions from Reserve £000 | Revised Budget £000 | Actual £000 | Contributions to Reserve £000 | Revised Variance £000 |
|-----------------------|------------------------|--|------------------------------------|------------------------|---|--------------------------------------|
| Chief Executive | 1,599 | 217 | 1,816 | 1,426 | 20 | (370) |
| Governance | 4,512 | 115 | 4,627 | 4,499 | 39 | (89) |
| Growth & Regeneration | 24,511 | 1,074 | 25,585 | 22,196 | 344 | (3,045) |
| People & Communities | 74,062 | 993 | 75,055 | 71,210 | 4,561 | 716 |
| Public Health | 207 | 0 | 207 | 1 | 0 | (206) |
| Resources | 40,083 | 862 | 40,945 | 36,386 | 559 | (4,000) |
| Totals | 144,974 | 3,261 | 148,235 | 135,718 | 5,523 | (6,994) |
| | | | | | Financing Adjustment | 140 |
| | | | | | Revised Underspend | (6,854) |
| | | | | | Contribution to the Capacity Building Reserve | 6,854 |
| | | | | | Final Variance | 0 |

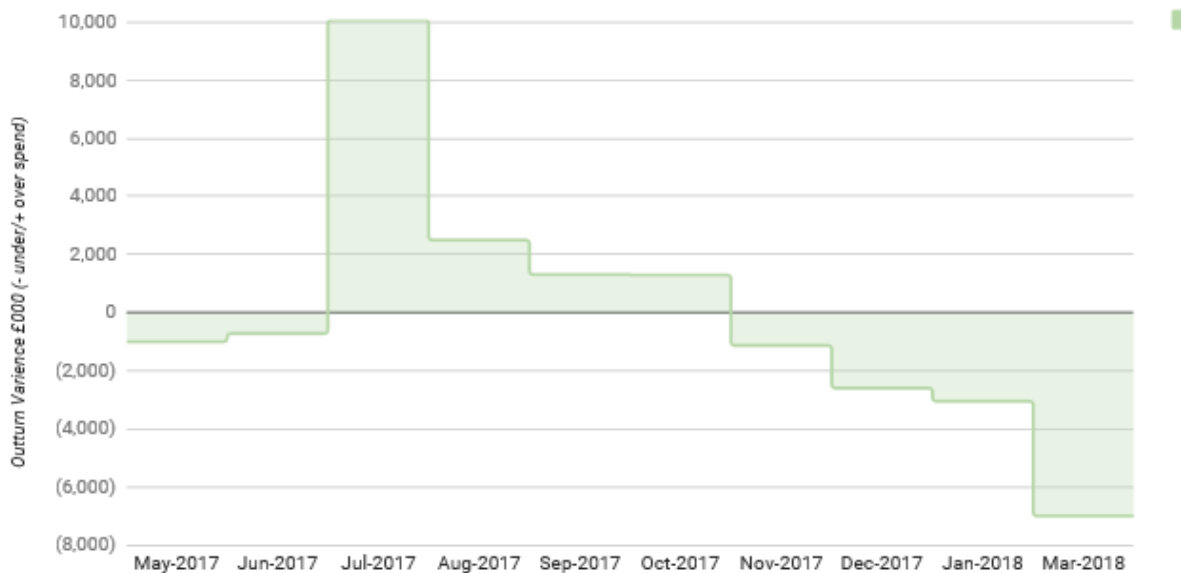
5.2. A detailed breakdown of the outturn by Directorate and explanation of the major variances is provided in Appendix A.

5.3. The overall position shows a £6.9m underspend, an improved position against a January 2018 Budgetary Control Report (BCR) forecast of a £3.5m underspend. This change is summarised in the following table:

| | |
|--|----------------|
| | £000 |
| January position | (3,466) |
| Chief Executives - minor variances | (79) |
| Governance - legal services additional income | (102) |
| Growth & Regeneration - savings in Highways Development team to fund temp staff | (163) |
| Growth & Regeneration - Business Rates | (115) |
| Growth & Regeneration -Energy from Waste plant additional income | (132) |
| Growth & Regeneration - Corporate repairs and maintenance and street cleaning underspend | (183) |
| Growth & Regeneration – various savings across the service including supplies and services, additional income generation, reduction in utility costs | (392) |
| Growth & Regeneration – reduction in unrecoverable road traffic accident costs. | (77) |
| Growth & Regeneration – Westcombe engineering additional income. | (35) |
| People & Communities - savings target in relation to 'Creation of Health and Social Care Teams' has not been achieved and is therefore reported as a pressure. | 345 |
| People & Communities - Home to School and Children's Social Care transport | (213) |
| People & Communities - Education - increased income from school DSG de-delegations | (408) |
| People & Communities - Adult Social Care | (424) |
| Resources - Centrally held inflation budget not allocated through bid system | (295) |
| Resources - Underspend against bad debt provision budget | (244) |
| Resources - ICT project budget underspend | (321) |
| Resources - Savings target in Energy Projects exceeded due to Empower extension | (480) |
| Resources - Income exceeded budget due to additional Cremation Fees plus allocated s106 money. | (225) |
| Resources - Prior year balance sheet reconciliation entries impacting on Payments and Subsidy revenue budget | 367 |
| Other Variances | (212) |
| Outturn position | (6,854) |

5.4. The following Chart outlines the reported forecast outturn throughout the financial year:

Forecast Month by Month Outturn Variance for 2017/18



5.5. The graph demonstrates how the position reported has improved throughout the financial year for the council. This is as a result of actions taken by management to reduce the in year expenditure.

5.6. The most noticeable change is in July 2017, the forecast overspend reached £10m, this was largely the result of updated information in respect of the councils property sales, impacting the levels of capital receipts the Council was expecting to receive. Later progress updates on property sales meant that as the year progressed and further action was taken the Council was able to place greater certainty on receipts from property sales, and the Council was able to update its assumptions on this bringing down the expected overspend.

6. RESERVES

6.1. The Council's reserves are monitored throughout the year as part of the budgetary control reporting and feed into the budget setting process accordingly. The following table summarises the balance for all reserves at the end of 2016/17 against the position at the end of 2017/18, and the forecast position for future years.

| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|---|---------------------|---------------------|------------------------|------------------------|------------------------|
| Summary of Reserves | Balance 31.03.17 | Balance 31.03.18 | Est Bal at 31.03.19 | Est Bal at 31.03.20 | Est Bal at 31.03.21 |
| | £000 | £000 | £000 | £000 | £000 |
| General Fund | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| | | | | | |
| Available Reserves: | | | | | |
| Capacity Building Reserve | 4,314 | 12,714 | 11,574 | 11,539 | 11,539 |
| Risk Management Contingency | 680 | 0 | 0 | 0 | 0 |
| Grant Equalisation Reserve | 15,639 | 8,445 | 4,214 | 4,214 | 4,214 |
| Development Equalisation Reserve | 1,233 | 1,233 | 0 | 0 | 0 |
| Departmental Reserve | 3,855 | 5,197 | 902 | 902 | 902 |
| Available Reserves | 25,721 | 27,589 | 16,690 | 16,655 | 16,655 |
| Ring-Fenced Reserves: | | | | | |
| Insurance Reserve | 4,425 | 4,936 | 4,936 | 4,936 | 4,936 |
| Schools Capital Expenditure Reserve | 1,287 | 1,208 | 1,208 | 1,208 | 1,208 |
| Parish Council Burial Ground Reserve | 53 | 51 | 51 | 51 | 51 |
| Hackney Carriage Reserve | 155 | 203 | 203 | 203 | 203 |
| School Leases Reserve | 336 | 244 | 228 | 178 | 178 |
| Future Cities Reserve | 569 | 240 | 0 | 0 | 0 |
| Public Health Reserve | 428 | 428 | 230 | 230 | 230 |
| Ring-Fenced Reserves | 7,253 | 7,310 | 6,856 | 6,806 | 6,806 |
| | | | | | |
| TOTAL Earmarked and General Fund Balance | 38,974 | 40,899 | 29,546 | 29,461 | 29,461 |

6.2. The earmarked reserves balances are set aside for specific purposes, the table highlights which of these are reserves are ring-fenced for specific use, or available for use. The

available for use reserves will be utilised in part over the next financial years to resource the cost of transformational change and support a sustainable and balanced budget.

6.3. The table also indicates what the expecting future reserves balances are, once the planned commitments against these have been realised.

6.4. Key comments for reserve movements are as follows:

Departmental Reserves - the amounts set aside by departments during the preparation of the accounts is in accordance with financial guidance to minimise risk exposure to the council in the following financial year.

Future Cities Reserve – the movement on this reserve represents further drawdowns from the Future Cities Grant awarded to Peterborough in 2013/14.

Risk Management Contingency – this reserve was created in the 2014/15 budget process by transfer from the Capacity Building Reserve to fund one-off type expenditure. In 2016/17 we expected to fully utilise the funds within this reserve, however this reserve has only seen a very small reduction in balance. As there are no further commitments against this at the end of 2017/18 the balance of this reserve has been consolidated within the Capacity Building Reserve.

Capacity Building Reserve - this reserve is held to meet one off costs of service transformation and the delivery of savings within the MTFs. The MTFs agreed that a proportion of this would be used in 2016/17 and 2017/18 to drive forward the transformation of services to deliver savings. As part of an in year review of the reserves a number of the commitments against this reserve were released, and the current £6.9m departmental underspend has been contributed to this reserve, boosting the balance available for future transformation.

Public Health – movements on this reserve represent a net carry forward of unused Public Health grant, in relation to previous years underspends. This balance has not changed in 2017/18, however there is future planned use of the reserve as detailed in the MTFs, to support the delivery of public health services through a period of transformation.

Grant Equalisation – This reserve was created in 2015/16, with the purpose of stabilising the budget position, while the Government funding received by the Council reduces considerably. The £7.2m was used to support the position in 2017/18 and £4.2m is planned in 2018/19 as per the MTFs. There are no further commitments against this reserve at this time.

Development Equalisation Reserve - This reserve was established at the end of 2016/17 to manage cash flow in relation to a £1.2m declared distribution from the Peterborough Investment Partnership (PIP), and will be fully required in 2018/19.

General Fund – the general fund will be maintained at £6.0m and this is consistent with the current budget strategy.

7. CAPITAL BUDGET REPORT AS AT 31 MARCH 2018

7.1. The following provides the final position of Council's Asset Investment Plan and the Treasury activity for the financial year 2017/18. Treasury activity for the Council during 2017/18 has been compliant with the Treasury Management Strategy approved in March 2017. This information compliments the Prudential Indicators performance report as set out in Appendix B.

Asset Investment Plan 2017/18

- 7.2. The final adjusted budget for the 2017/18 financial year was £80m, which includes £13.6m for Invest to Save (I2S) Schemes. The agreed investment as per the Medium Term Financial Plan (MTFS) was £219.3m. The movement between the MTFS position and the £80m is a result of projects not being delivered to the original timescales, and other projects being removed following an enhanced scrutiny process linking to the development of the 2018/19 MTFS. The Invest to Save projects have been cut significantly, and a number of other large projects across all directorates have been reprofiled to more accurately reflect the spending over future years.
- 7.3. During the year the Council enhanced its governance arrangements for making asset investment decisions and project management in the City through the implementation of the Capital Review Group. This review group has focused on ensuring all schemes in the asset investment plan provide value for money, are correctly profiled to ensure effective borrowing decisions can be made, and project management review is strengthened.
- 7.4. The following table shows capital budgets as agreed for the 2017/18 MTFS (£219.3m), budgets containing slippage from 2016/17 (£324.7m), and the budget as reported at 31 January 2018 (£92.8m). This compares to the final expenditure for each directorates and how this investment is planned to be financed (£80.3m).

| Directorate | MTFS Budget £000 | 1 April Budget £000 | 31 Jan. Budget £000 | Actual £000 |
|------------------------------------|---------------------|------------------------|------------------------|----------------|
| Governance | - | 49 | - | - |
| Growth & Regeneration | 37,064 | 44,704 | 32,000 | 28,662 |
| People & Communities | 65,916 | 77,783 | 36,549 | 32,921 |
| Resources | 23,378 | 32,575 | 8,954 | 5,086 |
| Invest to Save | 92,954 | 169,547 | 15,288 | 13,584 |
| TOTAL | 219,312 | 324,658 | 92,791 | 80,253 |
| Grants & Contributions | 44,259 | 50,297 | 39,773 | 36,531 |
| Borrowing for capital programme | 174,111 | 273,277 | 51,935 | 42,639 |
| Capital Receipts relating to loans | 942 | 1,083 | 1,083 | 1,083 |
| TOTAL | 219,312 | 324,658 | 92,791 | 80,253 |

- 7.5. The Council and CMT have agreed to reduce and re-phase some projects in the programme during the year to reduce the impact on financial resources or to reflect changing demographic needs. Other projects have been subject to delays which have led to budgets being slipped into 2018/19.
- 7.6. Listed below are the material value projects that have been slipped into 2018/19 that have contributed to the variance between the revised budget reported at January 2018 and the reported capital programme outturn of £80.3m.
- Jack Hunt Expansion, £1.3m – scheme impacted by delays caused through Carillion collapse

- Omiston Bushfield Academy Expansion, £0.6m – delays in completion of milestones which trigger payments
- Nene Park Academy Expansion, £0.8m – review of costs required to complete scheme alongside delays in completion of milestones which trigger payments
- Clare Lodge - Phase 6, £0.7m - delays in completion of milestones which trigger payments
- Customer Experience, £0.6m – a review of the schemes making up this project was undertaken during the year which resulted in some schemes being removed, and for other schemes requirements being realigned to ensure better value for money was to be achieved which has caused some delays
- Housing Joint Venture, £4.0m – delays experienced in the Bretton Court element of the scheme
- Fletton Quays Fit Out, £2.4m – payments have not occurred in accordance with profile originally envisaged

Funding the Asset Investment Plan

7.7. In reflection of the Council's Minimum Revenue Provision (MRP) Policy, the Asset Investment Plan is funded via grants and third party contributions, and borrowing funds from the external market. Capital receipts generated from the sale of Council assets now contribute to the MRP and therefore no longer form part of the funding of the Asset Investment Plan. However, as per 4.9 it is recognised that this treatment is not sustainable position for the longer term MTFS.

7.8. It is a statutory duty for the Council to determine and keep under review the level of borrowing it considers to be affordable. The Council's approved Prudential Indicators (affordable, prudent and sustainable limits) are outlined in the approved Treasury Management Strategy. The Council borrows only to fund expenditure for new assets, and not for revenue expenditure. Just over half the expenditure incurred on asset investment will be funded via borrowing.

7.9. The Council's borrowing as at the end of the financial year is £419.6m, and the total interest paid on these loans for the year was £13.7m. The following tables summarise the overall treasury borrowing activity undertaken for the year, and summary details for the Council's debt portfolio.

| Borrowing Activity for the Year | £000 | £000 |
|--|-------------|----------------|
| April 2017 Debt B/fwd | | 395,371 |
| New Debt in year | 43,000 | |
| Repayment in year | (18,784) | |
| Net increase / (decrease) for the year | | 24,216 |
| TOTAL | | 419,587 |

| Borrowings | Less than 1yr | 1-2yrs | 3-5yrs | 6 - 10yrs | 10+yrs | Total | Ave. Interest Rate | Ave. length of loan |
|------------------------|---------------|---------------|---------------|---------------|----------------|----------------|--------------------|---------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | % | Years |
| PWLB | - | - | 11,628 | 15,715 | 302,244 | 329,587 | 3.68 | 31 |
| Local Authority | 19,000 | 45,500 | 5,000 | - | - | 69,500 | 1.28 | 1 |
| Market Loans | - | - | - | - | 17,500 | 17,500 | 4.53 | 28 |
| LEP Loan | 3,000 | - | - | - | - | 3,000 | 0.00 | 0 |
| Total Borrowing | 22,000 | 45,500 | 16,628 | 15,715 | 319,744 | 419,587 | 3.26 | 25 |
| % of total Borrowing | 5% | 11% | 4% | 4% | 76% | | | |
| Borrowing Limit (PI) | 40% | 40% | 80% | 80% | 100% | | | |

7.10. Consideration has been made to rescheduling debt, however there have been no suitable opportunities to do this. The difference between the repayment rate and the rate of a new loan has not resulted in a net discount to the Council and no savings were to be made.

Capital Receipts

7.11. As per the MTFs and the Council's MRP policy, capital receipts generated from the sale of Council assets now contribute to the MRP and therefore no longer form part of the funding of the Asset Investment Plan. However, as per 4.9 it is recognised that this treatment is not sustainable position for the longer term MTFs.

7.12. This transaction reflects the cash flow of receipts rather than the funding of the capital programme. The application provides a short term benefit to the Council's revenue budgets as the income, by its very nature, is one-off and non-recurring income and postpone the budget gap to future years.

7.13. The following table shows the amounts of capital receipts built into the MTFs for last, current and future financial years.

| MTFS | Budget £000 | Achieved £000 | Green £000 | Amber £000 | Red £000 | (Short) / Over |
|---------|-------------|---------------|------------|------------|----------|----------------|
| 2017/18 | 12,738 | 4,310 | | | | (8,428) |
| 2018/19 | 2,922 | | 8,958 | 8,784 | | 14,820 |
| 2019/20 | 4,319 | | | 1,850 | | (2,469) |
| 2020/21 | 0 | | | | | |

7.14. Whilst the Tesam sale occurred in 2017/18 the cash was not received by the 31 March 2018 (£8,950k). It can be used in 2018/19 to offset MRP, or could be used to fund transformational investment per Sajid Javid announcement in December 2017, of a continuation of the capital receipts flexibility programme for a further three years, to allow councils to use sales of their assets flexibly. This receipt is shown in the Green column of the previous table. In order for the timing difference not to have an impact in 2017/18, funding from POIS and the MRP overprovision was used to offset MRP rather than the Tesam receipt, see table below. Therefore there are no additional funds to use in 2018/19.

| | MRP | MRP Offset By: | | | |
|-------------|--------|------------------|---------|---------------|-----------------|
| | | Capital Receipts | POIS | Overprovision | TOTAL |
| £000 | 12,278 | (7,179) | (4,437) | (662) | (12,278) |

Investments

- 7.15. The Council aims to achieve the optimum interest on investments commensurate with the proper levels of security and liquidity.
- 7.16. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when the council may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
- 7.17. In the current economic climate the Council considered it appropriate to keep investments short term to cover cash-flow fluctuations, and only invest with Barclays (the Council's banking provider) and Bank of Scotland (part of the Lloyds Banking Group), the Debt Management Office and Local Authorities. The Council opened a Money Market Fund account during the year to help mitigate the investment risks, whilst increasing returns. At the end of the financial year, the Council's external investments totalled £9m and the interest that has been received from all external investment activity has yielded £86k.
- 7.18. Further information on the Council's capital financing arrangements can be found in the Prudential Indicators performance found in Appendix B along with an update on treasury management activity and other financial performance indicators in Appendix C.

8. CONSULTATION

- 8.1. Detailed reports have been discussed in Departmental Management Teams and this report with the Corporate Management Team.

9. ANTICIPATED OUTCOMES

- 9.1. That the outturn position for 2017/18 is noted.

10. REASONS FOR RECOMMENDATIONS

- 10.1. This monitoring report forms part of the 2017/18 closure of accounts and decision making framework culminating in the production of the Statement of Accounts and informs Cabinet of the final position.

11. ALTERNATIVE OPTIONS CONSIDERED

- 11.1. None required.

12. IMPLICATIONS

- 12.1. Members must have regard to the advice of the Section 151 Officer.

13. BACKGROUND DOCUMENTS

- 13.1. The 2017/18 Medium Term Financial Strategy-
<https://www.peterborough.gov.uk/upload/www.peterborough.gov.uk/news/council/budgets-spending-and-performance/MediumTermFinancialStrategy201718to202627-AllStrategies.pdf?inline=true>
- 13.2. The 2018/19 Medium Term Financial Strategy-
<https://www.peterborough.gov.uk/upload/www.peterborough.gov.uk/council/budgets-spending-and-performance/MediumTermFinancialStrategy2018-19To20-21.pdf?inline=true>
- 13.3. Budgetary Control Report September 2017 (20 November 17 cabinet) – Item 8.
<http://democracy.peterborough.gov.uk/ieListDocuments.aspx?CId=116&MId=3979&Ver=4>
- 13.4. Budgetary Control Report September 2017 update (4 December 17 Cabinet) – Item 4.
<http://democracy.peterborough.gov.uk/ieListDocuments.aspx?CId=116&MId=3980&Ver=4>
- 13.5. Budgetary Control Report November 2017 (15 January 18 Cabinet) – Item 10.
<http://democracy.peterborough.gov.uk/ieListDocuments.aspx?CId=116&MId=3981&Ver=4>
- 13.6. Budgetary Control Report December 2017 (9 February 18 Cabinet)-
<http://democracy.peterborough.gov.uk/documents/s33575/8.%20Budget%20Control%20Report.pdf>
- 13.7. Budgetary Control Report January 2018 (26 March 18 Cabinet) – Item 8.
<http://democracy.peterborough.gov.uk/ieListDocuments.aspx?CId=116&MId=3984&Ver=4>

2017/18 REVENUE OUTTURN REPORT

| Directorate | Budget Group | Budget 2017/18 | Cont. from reserves | Revised Budget | Actual Spend | Cont. to reserves | Outturn Variance | Outturn Variance | Previous Variance | Movement |
|-----------------------|--|----------------|---------------------|----------------|---------------|-------------------|------------------|------------------|-------------------|----------------|
| | | £000 | £000 | £000 | £000 | £000 | £000 | % | £000 | £000 |
| Chief Executive | Chief Executive | 240 | 0 | 240 | 174 | 0 | (66) | -28% | (55) | (11) |
| | HR | 1,359 | 217 | 1,576 | 1,252 | 20 | (304) | -19% | (236) | (68) |
| | Total Chief Executives | 1,599 | 217 | 1,816 | 1,426 | 20 | (370) | -20% | (291) | (79) |
| Governance | Director of Governance | 357 | 0 | 357 | 301 | 0 | (56) | -16% | (36) | (20) |
| | Legal & Democratic | 3,544 | 115 | 3,659 | 3,501 | 0 | (158) | -4% | (6) | (152) |
| | Performance & Information | 611 | 0 | 611 | 697 | 39 | 125 | 20% | 38 | 87 |
| | Total Governance | 4,512 | 115 | 4,627 | 4,499 | 39 | (89) | -2% | (4) | (85) |
| Growth & Regeneration | Development and Construction | 291 | 0 | 291 | (89) | 0 | (380) | -131% | (239) | (141) |
| | Director, OP & JV | 528 | 185 | 713 | (143) | 150 | (706) | -99% | (568) | (138) |
| | Peterborough Highway Services | 9,673 | 0 | 9,673 | 8,985 | 0 | (688) | -7% | (165) | (523) |
| | Sustainable Growth Strategy | 1,799 | 365 | 2,164 | 1,811 | 194 | (159) | -7% | (113) | (46) |
| | Corporate Property | 783 | 134 | 917 | 509 | 0 | (408) | -44% | (163) | (245) |
| | Amey Peterborough & Waste Management | 11,333 | 390 | 11,723 | 11,054 | 0 | (669) | -6% | (300) | (369) |
| | Westcombe Engineering | 104 | 0 | 104 | 69 | 0 | (35) | -34% | 0 | (35) |
| | Total Growth & Regeneration | 24,511 | 1,074 | 25,585 | 22,196 | 344 | (3,045) | -12% | (1,548) | (1,497) |
| People & Communities | Adults | 41,303 | 26 | 41,329 | 38,385 | 686 | (2,258) | -5% | (1,834) | (424) |
| | Commissioning & Commercial Operations | 14,251 | 0 | 14,251 | 15,957 | 0 | 1,706 | 12% | 1,485 | 221 |
| | Children's & Safeguarding | 10,489 | 66 | 10,555 | 8,341 | 2,014 | (200) | -2% | (85) | (115) |
| | Director | 851 | 0 | 851 | 776 | 0 | (75) | -9% | (682) | 607 |
| | Education | 2,285 | 713 | 2,998 | 1,327 | 1,378 | (293) | -10% | 591 | (884) |
| | Communities | 4,883 | 188 | 5,071 | 6,424 | 483 | 1,836 | 36% | 1,949 | (113) |
| | Total People & Communities | 74,062 | 993 | 75,055 | 71,210 | 4,561 | 716 | 1% | 1,424 | (708) |
| Public Health | Children 0-5 Health Visitors | 2,967 | 0 | 2,967 | 2,937 | 0 | (30) | -1% | 0 | (30) |
| | Children 5-19 Health Programmes | 1,999 | 0 | 1,999 | 1,994 | 0 | (5) | 0% | 0 | (5) |
| | Sexual Health | 1,817 | 0 | 1,817 | 1,829 | 0 | 12 | 1% | (1) | 13 |
| | Substance Misuse | 2,370 | 0 | 2,370 | 2,348 | 0 | (22) | -1% | (22) | 0 |
| | Smoking and Tobacco | 375 | 0 | 375 | 316 | 0 | (59) | -16% | (52) | (7) |
| | Miscellaneous Public Health Services | 1,875 | 0 | 1,875 | 1,773 | 0 | (102) | -5% | (93) | (9) |
| | Public Health Grant | (11,196) | 0 | (11,196) | (11,196) | 0 | 0 | 0% | 0 | 0 |
| | Total Public Health | 207 | 0 | 207 | 1 | 0 | (206) | -100% | (168) | (38) |
| Resources | Director's Office | 258 | 0 | 258 | 283 | 0 | 25 | 10% | 38 | (13) |
| | Financial Services | 3,602 | 325 | 3,927 | 3,030 | 511 | (386) | -10% | (352) | (34) |

APPENDIX A

| | | | | | | | | | | |
|--|---|-------------------|-----------------|-------------------|-------------------|--------------|----------------|-------------|----------------|----------------|
| | Capital Financing and Capital Receipts | 15,988 | 0 | 15,988 | 13,752 | 0 | (2,236) | -14% | (2,344) | 108 |
| | Corporate Items | 5,698 | 341 | 6,039 | 4,050 | 0 | (1,989) | -33% | (1,474) | (515) |
| | Peterborough Serco Strategic Partnership | 7,352 | 0 | 7,352 | 7,385 | 0 | 33 | 0% | (552) | 585 |
| | ICT | 5,944 | 110 | 6,054 | 6,096 | 0 | 42 | 1% | 371 | (329) |
| | Commercial Group | 334 | 0 | 334 | 378 | 0 | 44 | 13% | 7 | 37 |
| | Energy | 392 | 0 | 392 | 865 | 0 | 473 | 121% | 952 | (479) |
| | Vivacity/Cultural Services | 2,608 | 5 | 2,613 | 2,514 | 0 | (99) | -4% | 6 | (105) |
| | Cemeteries, Cremation & Registrars | (1,326) | 38 | (1,288) | (1,581) | 0 | (293) | 23% | (45) | (248) |
| | City Servs & Communications | (767) | 43 | (724) | (386) | 48 | 386 | -53% | 426 | (40) |
| | Total Resources | 40,083 | 862 | 40,945 | 36,386 | 559 | (4,000) | -10% | (2,967) | (1,033) |
| | Total Expenditure | 144,974 | 3,261 | 148,235 | 135,718 | 5,523 | (6,994) | -5% | (3,554) | (3,440) |
| | Financed by: | | | | | | | | | |
| | Council Tax | (64,418) | 0 | (64,418) | (64,418) | 0 | 0 | 0% | 0 | 0 |
| | Council Tax - Adult Social Care precept | (3,169) | 0 | (3,169) | (3,169) | 0 | 0 | 0% | 0 | 0 |
| | NDR Income | (43,650) | 0 | (43,650) | (43,680) | 0 | (30) | 0% | 87 | (117) |
| | NDR Levy | 183 | 0 | 183 | 213 | 0 | 30 | 17% | 0 | 30 |
| | NDR Tarriff | 2,132 | 0 | 2,132 | 2,301 | 0 | 169 | 8% | 0 | 169 |
| | Revenue Support Grant | (19,821) | 0 | (19,821) | (19,821) | 0 | 0 | 0% | 0 | 0 |
| | Transport Levy returned from the Combined Authority | (9,823) | 0 | (9,823) | (9,823) | 0 | 0 | 0% | 0 | 0 |
| | Transport Levy paid to the Combined Authority | 9,823 | 0 | 9,823 | 9,823 | 0 | 0 | 0% | 0 | 0 |
| | Parish Precept | (600) | 0 | (600) | (600) | 0 | 0 | 0% | 0 | 0 |
| | New Homes Bonus | (6,548) | 0 | (6,548) | (6,548) | 0 | 0 | 0% | 0 | 0 |
| | Section 31 Grant | (2,874) | 0 | (2,874) | (2,902) | 0 | (28) | 1% | 0 | (28) |
| | Contribution from Grant Equalisation Reserve | (7,194) | 0 | (7,194) | (7,194) | 0 | 0 | 0% | 0 | 0 |
| | Contribution from/to Reserves | 0 | (3,261) | (3,261) | (3,261) | 0 | 0 | 0% | 0 | 0 |
| | Collection Fund - Council Tax | (173) | 0 | (173) | (174) | 0 | (1) | 1% | 0 | (1) |
| | Collection Fund - NDR | 1,158 | 0 | 1,158 | 1,158 | 0 | 0 | 0% | 0 | 0 |
| | Total Financing | (144,974) | (3,261) | (148,235) | (148,095) | 0 | 140 | 0% | 87 | 53 |
| | Net | 0 | 0 | 0 | (12,377) | 5,523 | (6,854) | -5% | (3,467) | (3,387) |

Explanation of Key Departmental Variances:

1. Chief Executives – Underspend £0.370m

Chief Executive

- There is an underspend of £0.066m, largely due to one off savings in supplies and services budgets.

HR

- There is a £0.137m saving due to vacant posts.
- A £0.047m saving against the Workforce Development and Training budgets was achieved in this financial year.
- A recharge for income from Cambridgeshire and Peterborough Combined Authority and Public Health gave a total of £0.068m additional income against the budget.

2. Governance- Underspend £0.089m

Director of Governance

- Miscellaneous small underspends across the service area are £0.056m.

Legal & Democratic

- There is an overspend of £0.240m on the Legal salaries budget due to a combination of the use of locums being used to cover vacancies, payment of market supplement to retain current staff and also an overspend in children's safeguarding legal costs. Additional budget was agreed in the 2018/19 MTFS to fund an additional Lawyer and a Business Support Officer to cope with the increased workload.
- There was an underspend of £0.043m on the salary budgets in the Governance support and Elections service.
- Additional income of £0.141m in relation to Land Charges.
- Legal services received additional income of £0.131m relating to works completed for external customers.
- An underspend of £0.097m in relation to the Members' Allowances budget, this is due to Councillor vacancies within the year, and a reduction in photocopying, postage and printing, ICT and premises hire costs.

Performance & Information

- An overspend of £0.125m on Coroner's budget due to an increase in demand. This ongoing pressure and has been incorporated within the budget requirement for future years.

3. Growth and Regeneration- Underspend £3.045m

Development and Construction

- There is a favourable variance of £0.198m within Development and Construction mainly due to additional Planning fee income.
- Savings on Legal costs of £0.075m have been achieved and are considerably less than in 2016/17. This budget is incorporated within the MTFS as a risk mechanism to cover the costs of

any legal challenges, this underspend is the result of receiving no legal challenges within 2017/18.

- The saving on employee costs increased to £0.057m as the final cost of temporary staff was less than anticipated.

Director, Opportunity Peterborough & Joint Venture

- A saving of £0.437m has been delivered in respect of the Highways roadmap efficiency programme. This includes removing budget from the Highways contract where the same level of service is delivered at a lower cost. (This has been delivered by improved programming and co-ordinating to avoid separate traffic management costs). It also includes receiving rebates based on a percentage of additional works put through the contract e.g. works for third parties. The final 2017/18 rebate figure was higher than previously anticipated, partly due to a fee uplift and partly a result of work being completed ahead of the original timeframes. The ongoing elements of these savings are factored into 2018/19 budgets.
- A saving of £0.269m has been achieved, through extracting budgets from across the directorate following outturn review for car allowances, administration expenses, telephones, salaries, professional services, and consultancy and computer software. The favourable variance has recently increased as expected Housing Joint Venture (JV) costs didn't arise. This also includes a £0.045m surplus (4%) on the arrangement between Peterborough Investment Partnership, Peterborough City Council and Skanska for the building of the access road for Fletton Quays.

Peterborough Highway Services

- A slightly reduced overspend of £0.264m due to a substantial inflationary increase in street lighting energy costs and a delayed start to the LED project. A budget adjustment is proposed for 2018/19.
- Highways Development is favourable by £0.405m due to significantly higher S38 income and departmental savings. This is partly offset by other staff costs and Community Link Bus Service costs. Savings have increased due to a lower than anticipated temporary staffing costs, and increased income due to more staff clearing more jobs
- The department is also delivering a further £0.347m. This is being delivered via savings within the transport planning, street lighting maintenance and the drainage services. Savings increased due to reduced final concessionary fares costs, improved New Roads and Street Works Act (NRSWA) income and traffic signals department costs significantly less than budget. There is also a one-off saving from winter maintenance, and a one off saving from the delayed move to permitting from noticing. These will be kept under review for 2018/19.
- Junction 18 footbridge – there is no longer a requirement for the capacity bid for maintenance works of £0.200m (previously reported £0.050m) as the capital project will be underway in 2018/19

Corporate Property

- Additional rental income of £0.143m has been achieved in relation to investment property purchased in Fengate in March 2017, this has been built in to the budget from 2018/19 onwards.
- A saving of £0.085m is reported on Utility costs. Expected increases in costs and the disposal of one of the properties this relates to, means it's likely this saving will not continue for 2018/19.
- Savings on the Business Rates budget of £0.115m, including Bridge Street at £0.045m & Unit 2 Tesam £0.058m. Credits for previous years now received.

Amey Peterborough & Waste Management

- An underspend of £0.181m has arisen on the Amey contract, in respect of a lower pension contribution rate in comparison with that assumed in the contract. The impact of this in future years will be considered along with a number of other potential contract costs.
- Proposed savings from Bin Sponsorship income £0.040m, and charging developers for bins £0.040m has not been achieved due to the lack of take up from the market, this have been corrected in the 2018/19 Budget.
- Energy from Waste is reporting additional income of £0.282m. The one off additional income is due to increased volume and price change, Triad income higher than expected, and monthly wholesale income unit price higher than expected.
- A £0.089m saving on street cleansing from a delayed start in the additional cleansing as agreed in the 2017/18 MTFs, in addition to this the costs were lower than expected within spring clean, abandon vehicles and emergency Street Cleansing
- Corporate Repairs & Maintenance underspend of £0.143m has been achieved. This is a result of adhoc Repairs & Maintenance lower than expected during December 2017 to March 2018, also Repairs & Maintenance on Photovoltaics Solar panels to start later than expected and now during 2018/19.
- Third party contract savings have been achieved within Parks, Trees and Open Spaces of £0.054m. Adhoc spend in Open Spaces was lower than expected and Highways Grounds Maintenance cost lower than budgeted.

Sustainable Growth Strategy

- There are various savings totalling £0.075m within this area, including the New Burdens funding for the Self & Custom Build Housing / Brownfield Register Pilot. Savings increased due to reduced use of consultancy and software costs and Historic Environment Records (HER) database project not approved.
- Savings on employee costs £0.084m due to reduced temporary staffing costs.

4. People and Communities Overspend £0.716m

Adults

- The Therapy, Reablement, Community Equipment service has overspent by £0.039m of this staffing budgets have overspent by £0.242m (the 0-25 Team accounts for £0.243m of this figure) and non-pay budgets are underspent by £0.210m.
- The Home Services Delivery Model is underspent by £0.115m. This saving is part of the non-digital element of the Digital Front Door savings.
- The Finance Service area has underspent by £3.797m This is broken down as follows: -
 - The council has invested £2.0m of capital funding in to a vulnerable housing scheme which has enabled the release £1.629m Improved Better Care Fund (IBCF) funding, to support other activity.
 - Better Care Fund (BCF) underspent by £0.1m as the Clinical Commissioning Group (CCG) contribution wasn't required to be made.
 - Resource plan underspent by £0.586m.
 - Bad debt provision underspent due to improved debt collection by £0.199m.
 - Care Act underspent by £1.207m, this is due to schemes been delayed to reduce overall departmental spend. These schemes include Points of Access - Front Door, Investment in Community Capacity, and Assistive Technology for Parent Carers, and funds have been transferred to an Earmarked Reserve.

- A pressure of £0.219m has arisen from funding for Care Act responsibilities, which was only factored into the MTFS for one year and need to be replicated in future years to ensure that the Council meets its obligations. This issue has been addressed in the 2018/19 budget.
- Projects not required underspend £0.225m, this projects were stopped or delayed as part of management action taken to support other areas of budget overspend.
- The Adults placement budget overspent by £1.482m, this is due to a combination of factors such as increased demand, contract inflation and a rise in the amount of high cost placements required.

Commissioning and Commercial Operations

- Clare Lodge is reporting an adverse variance of £0.830m at the end of the year. This is due to three key factors:
 - A pressure of £0.250m of this relates to the non-achievement of the additional MTFS Income target as a result of the delay in Construction work.
 - A £0.100m pressure is as a result of non-achievement of pay terms and conditions savings. A pressure of £0.480m is reported, which is broken down as follows:
 - There is reduced occupancy and therefore income, as the result of lower demand from other Local Authority Commissioners for beds at Clare Lodge. This has generated a pressure of £0.408m.
 - Clare Lodge is also struggling to recruit and retain staff. Without the required staffing levels it can't safely staff the units and therefore is unable make beds available. As a result of this, an overspend of £0.654m is reported against External Agency staffing. Due to problems with recruiting permanent staff an underspend of £0.451m is reported against other staffing budgets.
 - There is also an underspend of £0.130m on supplies and services.
 - Clare Lodge in conjunction with the responsible Local Authority Officer are working to increase occupancy
- The Commissioning service area has underspent by £0.159m. This is broken down due to a pressure of £0.038m relating to Play Centre property costs has arisen as a result of the delayed Community Asset transfer an underspend of £0.197m against Children's Commissioning budgets has been identified as a result of additional spending controls to mitigate the pressure against Clare Lodge.
- The Permanency Service (TACT) has overspent by £1m against a budget of £13.4m. The additional cost is as a result of looked after children (LAC) numbers being higher at the beginning of the contract than was anticipated. Work is ongoing with TACT on plans to reduce this number however this is taking longer than anticipated and as such giving rise to a pressure in year. Work is still underway to address this with results more likely to give rise to savings in 2019/20. Further work is being done around placement mix and the impact on the savings built into the contract for 2017/18 due to the later than planned mobilisation of the contract and therefore the changes that TACT are making were later into the contract than was originally anticipated. Discussions have been held with TACT and this is expected to be resolved for 2019/20 and there is a commitment that they will be able to deliver the level of savings that the contract requires. This will depend upon working together to get the LAC numbers back to the level that the contract was built on.

Children's and Safeguarding

- The Children's Social Care service area is reporting an underspent position of £0.040m. This is due to a £0.131m pressure on car and travel allowances, a £0.129m saving on staffing costs, a £0.042m saving in relation to other Income and Expenditure.
- An underspend of £0.193m is reported against the £0.054m budget for Children's Placements. This underspend has arisen as a result of an in depth review of Purchase Orders which relate to the period prior to the mobilisation of the TACT contract.

Director

- The £0.500m savings target in relation to 'New ways of working' has not been achieved and has therefore been reported as a pressure, and has been corrected in the 2018/19 budget.
- This pressure has been partially offset by a one off £0.409m saving in relation to the prior year element of the Norfolk Ordinary Residence case which has recently been agreed and paid.
- The £0.345m savings target in relation to 'Creation of Health and Social Care Teams' has not been achieved and is therefore reported as a pressure. This was in relation to creating neighbourhood multi-disciplinary teams linked to GP Surgeries. Health Priorities changed after the introduction of the Sustainability and Transformation programme (STP)
- The MTFs saving referenced 'SERCO Insight and Analytics' is reported as a £0.163m pressure.
- £0.465m of the departmental contingency has been released to offset Department pressures the departmental contingency was set up to help cover some in year pressures including the TACT contract which is the first of its type in the country. It was deemed appropriate to hold a contingency in light of this especially late mobilisation of the contract.
- Shared management arrangements with Cambridgeshire County Council has generated an underspend of £0.094m, this saving has been incorporated within the budget from 2018/19 onwards.
- Staff vacancies in the People and Communities finance team has resulted in an underspend of £0.084m.
- The front door programme was a two year programme starting in 2016/17 with further savings to be made in 2017/18. The programme was made up of two overarching programmes - digital solutions Digital Front Door (DFD) and Non-Digital Front Door (NDFD) practice initiatives and changes. The DFD element was cross cutting across the council (although the savings were allocated against People and Communities). The digital savings have not been delivered yet and are currently under a corporate review. The non-digital elements have been delivered with reductions in high cost placements, home services model delivery (including care and repair, reablement and increased use of Assistive Technology). The non-digital elements have been able to cover the savings related to the DFD and have therefore achieved the front door programme savings target for both years.

Education

- The Home to School and Children's Social Care Transport service area overspent by £0.356m the key elements of this are as follows:
 - An overspend of £0.262m due to a combination of demographic pressure and savings arising from the recent exercise to rationalise and re-tender routes etc.
 - The Children's Social Care transport is overspent by £0.063m. In part this is due to the loss of voluntary drivers and the necessity to procure more taxi transport. The transport team are actively trying to recruit additional voluntary drivers to reduce costs.
- The Pupil Referral Service is overspent by £0.237m this is as a result of the implementation of a new national funding model. This pressure has been addressed in the 2018/19 budget process.

- An underspend of £0.237m is reported against the PFI budget which relates to the PFI insurance rebate received for the period September 2015 to August 2017. £0.096m relates to underspends on utility costs.
- An underspend of £0.408m is reported against financing. This is as a result of increased School Dedicated Schools Grant (DSG) de-delegations and transitional grant. This underspend is not expected to be repeated in 2018/19 as more schools convert to academy and the transitional grant ends.
- An underspend of £0.098m is reported against School Standards and Effectiveness. This is as a result of additional Income (traded and fines) and the release of funding in relation to Education Safeguarding.
- An underspend of £0.069m is reported against Service Director Education. This is in relation to the joint Cambridgeshire County Council and Peterborough Council Service Director costs and a Project Manager post which was no longer required.

Communities

- The Housing Service area is reporting an overspend of £1.507m, this largely relates to Homelessness/ temporary accommodation costs. This is being closely monitored by Management.
- The Housing Enforcement Service area overspent by £0.366m, mainly as a result of the following:
 - Selective Licensing is overspent by £0.244m which is primarily as a result of the very high take up of an early bird discount scheme. Work is being undertaken to identify additional homes which should be licensed which should close the gap in financial years 2018/19 onwards
 - An overspend of £0.145m has arisen due to the under achievement of income in relation to Energy Performance Certificates (EPC). The income loss has been addressed in the 2018/19 budget setting process.

5. Public Health - Underspend £0.206m

- Public Health is reporting a favourable variance of £0.206m against its budget, this will be taken to bottom line for the council's savings. The key variances in each of the service areas are as follows:
 - Substance misuse has underspent by £0.022m. This underspend is as a result of an accrual (payment expected in prior year that never materialised) for DETOX treatment which is no longer required.
 - Smoking and Tobacco is forecast to underspend by £0.059m against its Smoking cessation services, due to underperformance of GP practice and pharmacy contracts to deliver smoking cessation services and underspends on medication.
 - Miscellaneous Public Health Services has underspent by £0.102m. This is as a result of an accrual for Redundancy which is no longer required (£0.060m) and the balance relates to two Public Health projects which will no longer be funded from 2017/18 revenue budgets. These are South Asian health checks for people aged under 40, which will no longer be implemented following changes to the relevant evidence base, and Healthier Eating in fast food outlets, which is still under discussion with the Environmental Health Team, and for which any costs will be funded from public health reserves.
- The Public Health department has managed its own resource envelope, when it was initially thought it would need £0.207m from the general fund to support its budget as a result of the

loss of grant supporting Public Health. Therefore the £0.207m will be released to general fund.

6. Resources- Underspend £4.000m

Financial Services

- A favourable variance of £0.386m within financial services, and in respect of the £1.030m Insurance budget, arising mainly from additional income of £0.066m from external recharges relating to management fees on school insurance recharges. Additional savings total £0.055m.

Capital Financing & Capital Receipts

- An underspend of £2.236m has been achieved on financing the capital programme, through lower costs for new borrowing and offset of the revenue minimum revenue provision (MRP). This is the result of borrowing for investment in assets across the city not being incurred to the timescales originally planned, total borrowed amounts not being as great as budgeted, and where borrowing has occurred the loans have been taken at lower rates than previously forecast. For further more detailed information see Capital Budget section of this report.
- Capital receipts, used to offset the MRP were £5.6m lower than budgeted due to actual cash being received after the end of the financial year. As this is a timing difference, where the receipts are expected to be used in 2018/19, MRP offset items agreed in the 2018/19 MTFS have been brought forward used instead. This relates to the use of POIS monies and some of the MRP Overprovision. For further more detailed information see Capital Budget section of this report.

Corporate Items

- There is a favourable variance of £1.990m within this area due to a review of corporate budgets. The variance includes £0.170m higher than budgeted income from the Cross Keys VAT shelter and the retention of £0.373m general and specific inflation not allocated to services, along with £0.295m centrally held inflation which have been reported as underspent. There was a budget allocated for the introduction of the auto-enrolment of the pension scheme which was to be introduced this year, but this £0.412m budget is no longer required and a further £0.385m saved in respect of lump sum pension fund contributions. Pension costs for premature retirement were £0.035m lower than then budgeted.
- External Audit fees are underspent by £0.023m largely due to a PSSA Audit Commission rebate.
- Around £0.037m has been saved in respect of the Apprenticeship Levy. In addition the budget for bad debt provision was not fully utilised and gave a saving of £0.244m. The 2018/19 impact of all of these savings are factored into budget proposals.

Peterborough Serco Strategic Partnership (PSSP)

- There is an additional £0.288m of Court Cost income and is expected to continue in future years and will be factored into the 2018/19 Budget.
- There is a £0.090m favourable variance on the Housing Benefit Subsidy Budget, this equates to less than a 0.01% variance on the £66m budget.

ICT

- There is an overspend of £0.237m against the £0.410m budget for the revenue impact of the IT Strategy of moving costs into the Cloud, as the cost was not fully identified at the time that the budget was set.
- There is also a pressure of £0.391m from the delay in delivering Salesforce Line of Business applications & Box having not yet been decommissioned, due to business continuity.

Energy

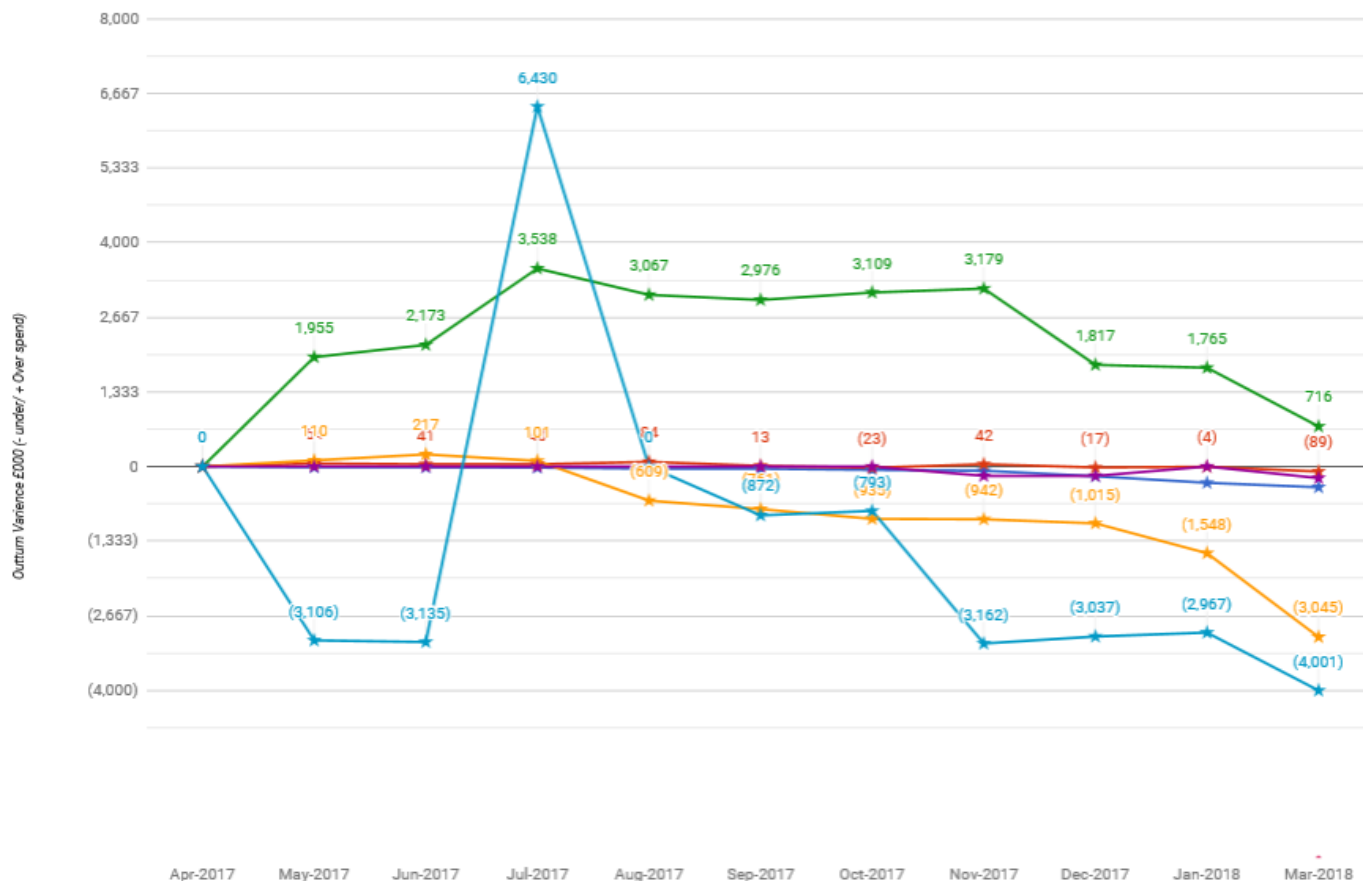
- One-off unbudgeted cost of £0.710m in relation to writing off abortive capital project costs.
- The Energy Projects savings target was exceeded by £0.238m during this year.

City Services and Communications

- The off street parking income budget of £2.400m is £0.348m adverse, but this is being offset by staff parking income which is £0.014m higher than the budget of £0.310m and season ticket income £0.077m higher than the budget of £0.108m.
- The Market, Events and Tourism service area reports an adverse variance of £0.310m. This is mainly due to £0.181m lower income than the budgeted £0.465m at the Market, £0.012m variance on £0.130m budget at the Destination Centre and a £0.014m surplus generated by the Perkins Great Eastern Run (PGER).
- Health and Safety recharges were £0.046m lower than expected.
- The Design and Print Team is a self-sufficient, through recharging all costs based on jobs completed. However £0.026m of costs was not recovered during this financial year, causing an adverse position.
- The income budgets for Travel choice and the Pedestrian Area within Markets, Tourism and Events are adverse by £0.138m due to reduced Coach Company income and street advertising income.
- Following a review of spending across the City Services & Communications service area, in year savings of £0.200m were achieved for 2017/18, over a gross expenditure budget of £5.740m.

The following Graph outlines the departmental position reported throughout 2017/18 year.

Service Forecast Month by Month Outturn Variance for 2017/18



- ★ Chief Executives
- ★ Governance
- ★ Growth & Regeneration
- ★ People & Communities
- ★ Public Health
- ★ Resources

Trend analysis

The graph demonstrates how the position reported has improved throughout the financial year for most departments. This is as a result of actions taken by management to reduce the in year expenditure. The most noticeable changes are within the resources department. In July 2017, the overspend forecast reached £6.430m, this was as a result of information on the capital receipts the Council was expecting to receive. Later updates to this meant that the Council was able to update its assumptions on this bringing down the expected overspend.

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Treasury Management Strategy – Prudential Indicators – Outturn 2017/2018

The Prudential Code for Capital Finance in Local Authorities provides a framework for local authority capital finance to ensure that:

- (a) capital expenditure plans are affordable,
- (b) all external borrowing and other long term liabilities are within prudent and sustainable levels;
- (c) treasury management decisions are taken in accordance with professional good practice.

In taking decisions in relation to (a) and (c) above, the local authority is accountable by providing a clear and transparent framework.

The Code requires the Council to set a range of Prudential Indicators for the forthcoming financial year and at least the following two financial years. The Council has set out indicators for the next 10 financial years in line with setting a 10 year budget. During the financial year to date the Council has operated within the treasury limits and Prudential Indicators set out in the Council's Annual Treasury Management Strategy.

The actual outturn for the Prudential Indicators for the financial year are detailed below. The indicators include the Invest to Save scheme. The costs of borrowing associated with these schemes will be offset by the income or savings generated by these projects.

The updated 2017/18 Prudential Indicators are shown below and the Council's performance to date against them. All performance is within the limits.

1. Indicator 1: Capital Expenditure

This indicator is the estimated capital expenditure for the year based on the Capital Programme for that period.

| Capital Expenditure | 2017/18 Indicator £m | 2017/18 Actual £m |
|---------------------|----------------------------|-------------------------|
| Capital Expenditure | 140.6 | 66.7 |
| Invest to Save | 78.7 | 13.6 |
| Total | 219.3 | 80.3 |

The outturn is lower than the MTFS indicator due to the removal of funds available for Invest to Save schemes, the more realistic profiling of expenditure for capital schemes and some year-end slippage resulting from project delays in some planned schemes.

2. Indicator 2: Capital Financing Requirement (CFR)

The CFR measures the Council's underlying need to borrow money in the long term for capital purposes. Any capital expenditure which has not immediately been paid for will increase the CFR.

| Capital Financing Requirement | 2017/18 Indicator £m | 2017/18 Actual £m |
|--|----------------------------|-------------------------|
| CFR b/fwd | 609.8 | 509.8 |
| Underlying Need to Borrow | 6.2 | 17.9 |
| Underlying Need to Borrow - Invest to Save | 78.3 | 13.6 |
| Total CFR C/fwd | 694.3 | 541.2 |

3. Indicator 3: Actuals and Estimates of the Ratio of Financing Costs to Net Revenue Budget

The Council must estimate the proportion of the revenue budget, which is taken up in financing capital expenditure i.e. the net interest cost and to make provision to repay debt.

The final position for this indicator, 3.7% is a result of the MRP offset being greater than previously forecast due to 'saving' proposals identified in the 2018/19 MTFS being applied earlier as reflected in the updated MRP policy.

| Ratio of net financing costs to net revenue stream | 2017/18 Indicator | 2017/18 Actual |
|---|--------------------------|-----------------------|
| Total Ratio | 6.2% | 3.7% |

4. Indicator 4: Actuals and Estimates of the Incremental Impact of Capital Investment on Council Tax

This indicator is intended to show the impact of the Council's decisions about capital investment on the level of Council Tax required to support those decisions over the medium term.

The calculation of this indicator has been done on the basis of the amount of the capital programme that is financed from borrowing. The calculation is based on the interest assumption for borrowing that was included in the capital financing budget for the 2017/18 MTFS (approved in 9 March 2016). The revenue costs are divided by the estimated Council Tax base for the year, and performance is shown in the table below.

| Incremental impact on capital investment decisions on Council Tax | 2017/18 Indicator | 2017/18 Actual |
|--|--------------------------|-----------------------|
| Total Incremental Impact | £13.49 | £(158.97) |

The incremental impact, £158.97, is a result of the MRP offset being greater than previously forecast due to 'saving' proposals identified in the 2018/19 MTFS being applied earlier as reflected in the updated MRP policy.

5. Indicator 5: Proportion of Gross Debt to the Capital Financing Requirement (CFR)

This indicator shows the proportion of the Council's external borrowings (Gross Debt) against the CFR. In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2016/17) plus the estimates of any additional capital financing requirement for the current (2017/18) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure.

| Proportion of Gross Debt to the CFR | 2017/18 Indicator | 2017/18 Actual |
|--|--------------------------|-----------------------|
| | £m | £m |
| CFR | 694.3 | 541.2 |
| Gross Debt (inc PFI & Leases) | 613.2 | 454.7 |
| % of Gross Debt to CFR | 88.3% | 84.0% |

This indicator shows that the Council maintained an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement (CFR)), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used. This strategy was prudent as investment returns were low and counterparty risk was still an issue that needed to be considered.

6. Indicator 6: The Operational Boundary

The Operational Boundary is a measure of the day to day likely borrowing for the Council. The code recognises that circumstances might arise when the boundary might be exceeded temporarily, but if this continues for a lengthy period then it ought to be investigated.

This indicator takes into consideration the capital programme over the life of the MTFS and the ability to phase the borrowing over this period. The indicator provides flexibility for the Council to take advantage of favourable interest rates in advance of the timing of the actual capital expenditure.

| Operational Boundary | 2017/18 Indicator £m | 2017/18 Actual £m |
|-----------------------------------|-------------------------------------|----------------------------------|
| Borrowing | 774.3 | 419.6 |
| Other Liabilities (PFI & Leases) | 36.7 | 35.1 |
| Total Operational Boundary | 811.0 | 454.7 |

7. Indicator 7: The Authorised Limit

The Authorised Limit represents the maximum amount the Council may borrow at any point in time in the year. It is set at a level the Council considers is "prudent".

The indicator takes account of the capital financing requirement estimated at the start of each year, plus the expected net borrowing requirement for the year. This makes allowance for the possibility that the optimum time to do all borrowing may be early in the year.

The limit also incorporates margins to allow for exceptional short-term movements in the Council's cash flow, bids from service departments to finance efficiencies, changes to the timing of capital payments and fluctuations in the realisation of capital receipts.

| Authorised Limit | 2017/18 Indicator £m | 2017/18 Actual £m |
|----------------------------------|-------------------------------------|----------------------------------|
| Borrowing | 877.4 | 419.6 |
| Other Liabilities (PFI & Leases) | 36.7 | 35.1 |
| Total Authorised Limit | 914.1 | 454.7 |

It is ultra vires to exceed the Authorised Limit so this should be set to avoid circumstances in which the Council would need to borrow more money than this limit. However, the Council can revise the limit during the course of the year. The actual position is lower than the indicator as the Council does not currently anticipate borrowing in advance of need due to the additional cost of holding the funds until required.

8. Indicator 8: Fixed Interest rate exposure

This indicator places an upper limit on the total amount of net borrowing which is at fixed rates secured against future interest rate movements. The upper limit allows flexibility in applying a proportion of the investment portfolio to finance new capital expenditure. It also reflects a position where the majority of borrowing is at fixed rate which provides budget certainty with 100% of borrowing being at fixed rate. The upper limit for fixed interest rate exposure was set to allow for flexibility in applying a proportion of the investment portfolio to finance new capital expenditure. It also reflected a position where the majority of borrowing was at fixed rates to provide budget certainty.

| Upper limit for fixed rate exposure | 2017/18 | 2017/18 |
|--|----------------|----------------|
|--|----------------|----------------|

| | Indicator £m | Actual £m |
|-----------------------------------|-------------------------|----------------------|
| Upper Limit | 877.4 | 419.6 |
| % of fixed interest rate exposure | 100% | 100% |

9. Indicator 9: Variable interest rate exposure

This indicator places an upper limit on the total amount of net borrowing (borrowing less investment) which is at variable rates subject to interest rate movements. The intention is to keep the variable rate borrowing below 25% of the total gross borrowing (CFR). The limit is expressed as the value of total borrowing less investments

| Upper limit for variable rate exposure | 2017/18 Indicator £m | 2017/18 Actual £m |
|---|-------------------------------------|----------------------------------|
| Upper Limit | 219.3 | 0.0 |
| % of variable interest rate exposure | 25% | 0% |

The indicator is zero due to the borrowing strategy of borrowing only at a fixed interest rate in an economic climate of volatile interest rates. Borrowing at fixed interest rates provides budget certainty for the Council.

10. Indicator 10: Maturity structure of borrowing

The prudential limits have been set with regard to the maturity structure of the Council's borrowing, and reflected the relatively beneficial long term rates that were expected to be available over the next few years. The borrowing that the Council has actually taken is £419.6m (shown in the indicator below).

| Period | Upper Limit Indicator | Actual Borrowing | Actual Borrowing £m |
|------------------------|--------------------------------------|-----------------------------|------------------------------------|
| Under 12 months* | 40% | 9% | 39.5 |
| 1 – 2 years | 40% | 11% | 45.5 |
| 2 – 5 years | 80% | 4% | 16.6 |
| 5 – 10 years | 80% | 4% | 15.7 |
| Over 10 years | 100% | 72% | 302.2 |
| Total Borrowing | | | 419.6 |

* The borrowing for under 12 months includes £17.5m of Lenders Option Borrowers Option (LOBO) loans. Although the loans are due to mature in 24-36 years' time, they are classed as loans repayable within the financial year due to LOBO's having a call-in date every six months.

11. Indicator 11: Total Investments for periods longer than 364 days

Authorities are able to invest for longer than 364 days; this can be advantageous if higher rates are available. However it would be unwise to lend a disproportionate amount of cash for too long a period particularly as the Council must maintain sufficient working capital for its operational needs.

This indicator reflects the Council's current lending policy of keeping investments short term for liquidity purposes. The Council has used its cash balances as an alternative to new borrowing and does not have the available cash balances to invest for long periods.

| | 2017/18 Indicator £m | 2017/18 Actual £m |
|--|-------------------------------------|----------------------------------|
| | | |

| | | |
|-----------------------------------|------|-----|
| Principal sums invested >364 days | 10.0 | 0.0 |
|-----------------------------------|------|-----|

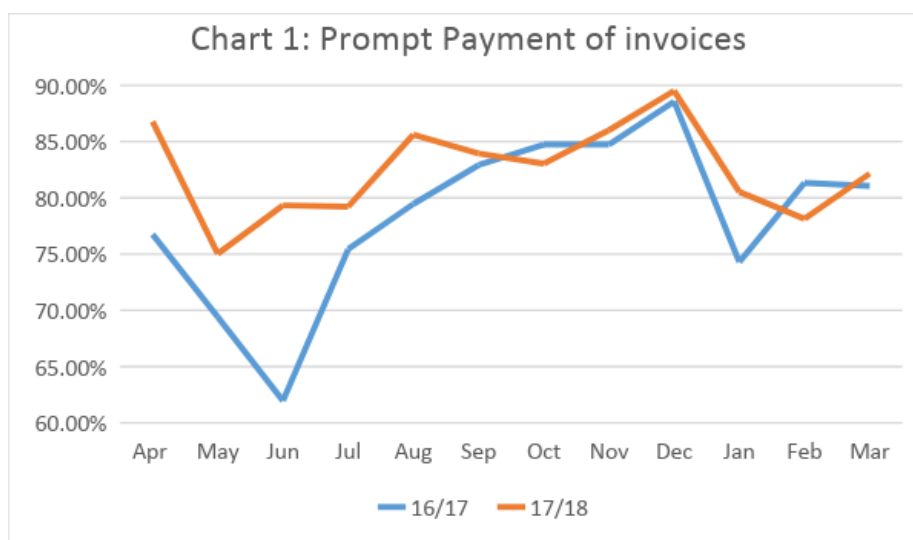
The indicator was set at £10m to allow for the accounting treatment of the Local Authority Mortgage Scheme (LAMS). At present the Council has £1m deposited in the LAMS scheme with Lloyds TSB and this is treated as capital expenditure, as a loan to a third party, (see section

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Performance Monitoring

1. Prompt Payment of Invoices (Invoices paid within 30 Days)

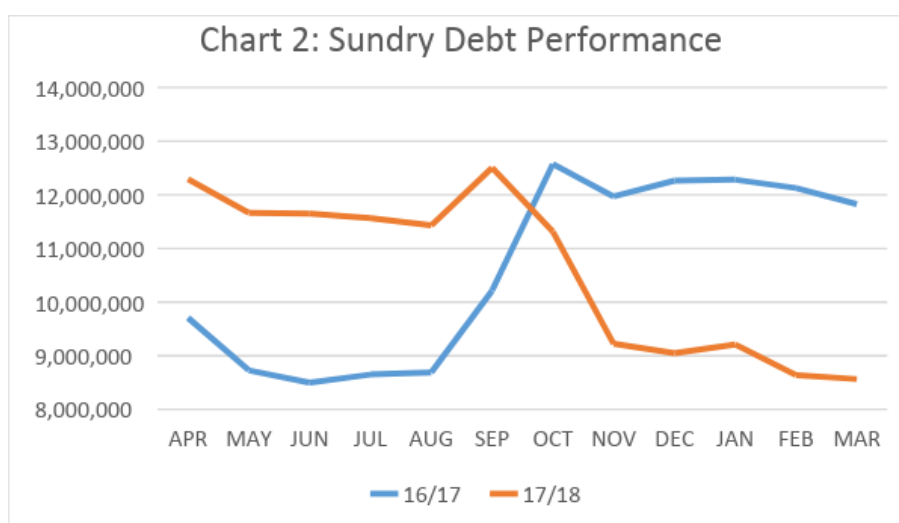
1.1. The cumulative position on prompt payment of invoices as at 31 March 2018 (the second full year of the Agresso finance system) was 82.45%, which is above the previous year's performance of 78.3%. Business processes are being continually reviewed and challenged in addition to improved performance and compliance through the use of SourceDogg (the new eProcurement system). This will further support improved performance in 2018/19. The performance for 2017/18 is shown alongside the equivalent 2016/17 figures in Chart 1.



1.2. During 2017/18 67,662 invoices were paid, of which 55,785 were paid within 30 days.

2. Sundry Debt Performance

2.1. The total outstanding Sundry Debt in excess of 6 months old (as at 31 March 2018) was £8.6m in total and is set out in Chart 2 (alongside comparative figures for 2016/17). Of this £8.6m figure, a total of 4.9m (57%) was in respect of the NHS/CCG debt.



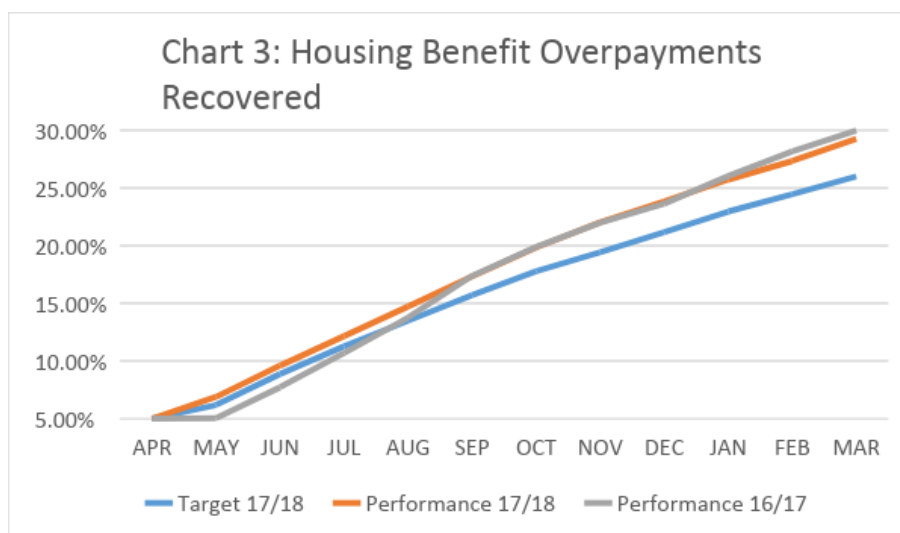
2.2. The top 20 debts owed to the Council at 31/03/18 totalled £4.4m, of which £2.0m was NHS/CCG. Of the £4.4m outstanding, £2.9m was less than a month old. A review of the end-to-end Sundry Debt recovery process has been undertaken and a new Accounts Receivable strategy and policy

have been developed. Key aspects of these include closer working between services and the AR team, Budget Holder accountability for debts, earlier intervention and more robust recovery action (i.e. legal action and use of enforcement agents), as well as clearer escalation processes and more timely write-offs. In addition, throughout 2017/18, finance staff have been engaged with CCG counterparts to address their outstanding debt. This is ongoing and a working group with key NHS partners is meeting in May to review and verify current data, and to address outstanding historic issues.

- 2.3. During 2017/18 a total of £56.9m was raised, whilst a total of £56.2m was collected (across all years of debt). In addition an aged debt gain share project has been undertaken over the last 16 months, looking at very historic debt which had 100% write-off provision against it. At the end of March 2018, a total of £0.142m had been collected with a further £0.028m on arrangement. An extension of this gain share project is currently being discussed which proposes to look at more recent debts.

3. Housing Benefit Overpayments

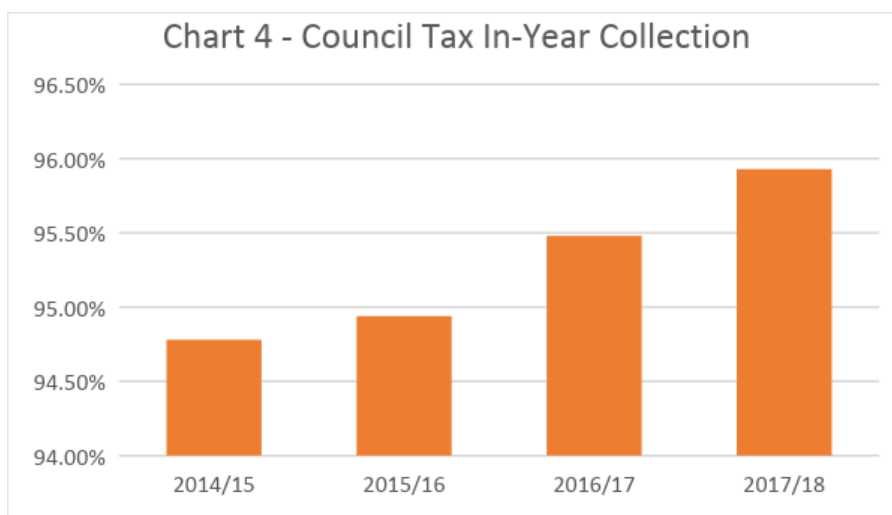
- 3.1. Chart 3 shows the total amount of housing benefit overpayments recovered against the cumulative target rate set for 2017/18 (and the 2016/17 figures).



- 3.2. Housing benefit overpayment collection as at the 31 March 2018 was 29.25% which is above the target of 26.0% but 0.76% lower than the figure for March 2017 (30.01%). The level of new debt raised has increased by £0.6m (15%), but recovered debt has also increased by £0.340m (11%). Identification of overpayments is being assisted by data matching with HMRC records to identify discrepancies in declared earnings. This is likely to give a short term increase in overpayments, but a longer term decrease as claims will be calculated on more accurate and up to date information. Most overpayments identified this way will attract 40% subsidy from central government in addition to any amounts actually recovered. Improvements have been made to the processes of the recovery of debt from DWP benefits, as well as increases in the number of attachments to earnings being applied. A fresh review of older debt is planned in 2018 with the aim of maximising the impact of these improvements.

4. Council Tax and Non Domestic Rates Collection

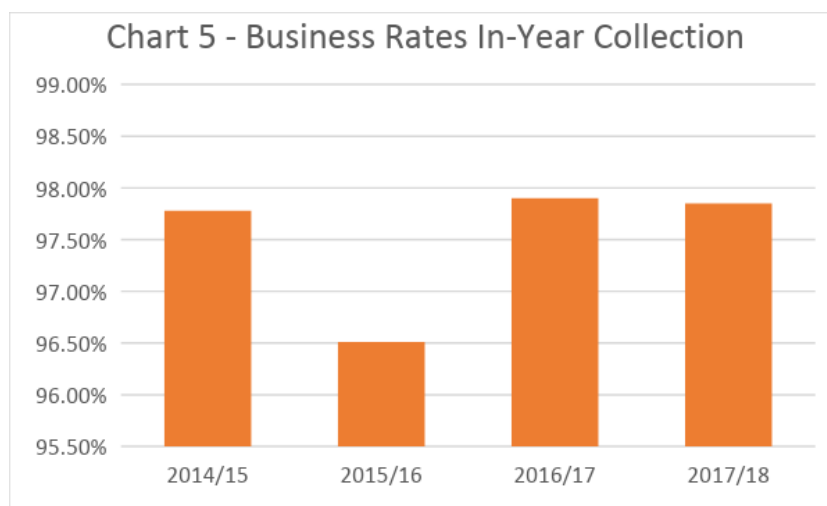
- 4.1. Chart 4 shows the performance for the collection of Council Tax over the last four years. In-year council tax collection at 31 March 2018 was 95.93%, which is 0.45% more than the amount collected by this stage in 2016/17.



4.2. The administration of the council's local Council Tax Support Scheme remains challenging and continues to impact overall council tax collected in the year. The continuing use of additional resources recruited into the team during 2016 have once again enhanced the increased performance in this area.

4.3. Improvements were also seen in the amount of Council Tax arrears collected with 16.60% achieved against a target of 14.31%. The arrears performance has benefited from more stringent recovery action being implemented during 2017, including an expanded portfolio of enforcement agents being utilised.

4.4. Chart 5 shows the performance for the collection of Non Domestic Rates over the last 4 years. To date, the in-year collection of Non Domestic Rates as at 31 March 2018 was 97.85%, which is 0.05% above the target set but a slight decrease of 0.05% compared with 2016/17.



4.5. Temporary additional resources employed in the business rates team in addition to targeted work on the debt lists and the continuing recovery action through enforcement agents, supported the achievement of the collection target. Business rates collection continues to remain challenging due to increasing use of avoidance tactics.

- 4.6. During 2017/18 the business rates team also implemented the three new discretionary schemes announced in the Spring Budget which benefited small business, public houses and those rate payers most impacted by the 2017 revaluation.
- 4.7. In terms of Non Domestic rates arrears, the amount achieved was 42.13% against a target of 30.00%.
- 4.8. In total, as a result of all four targets for Council Tax and Non Domestic Rates being exceeded, income received into the respective collection funds has been £1.3m higher than anticipated.

5. Write-off of Historic Debts

- 5.1. During 2017/18, a significant exercise was undertaken to write-off historic, uncollectable debts in relation to non-domestic rates, council tax, housing benefit overpayments and accounts receivable (sundry debt). The aggregate total value of debts written off over £10,000 was £4.6m. A further £1.9m was written off for debts under £10,000. In terms of financial context for these figures, it should be noted that the total write-off for each of these types of debt was less than 1% of the total raised (i.e. the amount expected to be received).
- 5.2. All cases requested for write-off followed a lengthy process to recover the outstanding money, sometimes dating back many years. The debts had been fully provided for in the council's debt provisions and as a result, there was no adverse impact on the Council's revenue position as a result of this write-off exercise. Writing off debt is standard practice and recommended as part of good budget management, and as such, future write-off exercises are now being proposed on a quarterly basis.

| | |
|---------------------|--------------------------|
| CABINET | AGENDA ITEM No. 8 |
| 11 JUNE 2018 | PUBLIC REPORT |

| | | |
|--------------------------------|--|--------------------|
| Cabinet Member(s) responsible: | Councillor Irene Walsh, Cabinet Member for Communities | |
| Contact Officer(s): | Amy Brown, Senior Lawyer | Tel: 01733 452 617 |

MODERN SLAVERY ACT

| R E C O M M E N D A T I O N S | |
|---|----------------------------|
| FROM : Rob Hill, Assistant Director - Community Safety (Peterborough and Cambridgeshire) | Deadline date : N/A |
| <p>Cabinet is recommended to:</p> <ol style="list-style-type: none"> 1. Approve the draft 2017/18 Modern Slavery Act Transparency Statement for signature and publication; and 2. Approve the draft Modern Slavery Policy for implementation. | |

1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet as recommended by CMT on 23 May 2018.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is for Cabinet to consider and approve the draft 2017/18 Modern Slavery Act Transparency Statement in order to meet the Council's statutory obligations under the Modern Slavery Act 2015 ("MSA"). Cabinet is also asked to approve the draft Modern Day Slavery Policy which sets out the Council's commitments and incorporates a procedure which must be followed in any circumstance where anyone working on behalf of the Council identifies a relevant concern.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.4, 'To promote the Council's corporate and key strategies and Peterborough's Community Strategy and approve strategies and cross-cutting programmes not included within the Council's major policy and budget framework.'

3. TIMESCALE

| | | | |
|---|-----------|---|------------|
| Is this a Major Policy Item/Statutory Plan? | NO | If Yes, date for relevant Cabinet Meeting | N/A |
|---|-----------|---|------------|

4. OVERVIEW

Background

- 4.1 As in previous years and since the implementation of the Modern Slavery Act 2015, the Council is required to prepare and publish a '*Slavery and Human Trafficking Statement*' as soon as reasonably practicable at the end of each financial year. The proposed draft Statement will meet that requirement and sets out the steps that the Council has and proposes to take in ensuring compliance in tackling MDS in its supply chains and the wider community.

Statement

- 4.2 The actions identified in the draft Statement demonstrate, as in previous years, the Council's ongoing commitment to taking a robust approach in the prevention of slavery and human trafficking in its corporate activities and supply chains.
- 4.3 During the last financial year, the following actions were taken:
- A referral Process has been identified to ensure our staff follow an agreed process to identify and report MDS concerns;
 - MDS Champions have been identified from services across the Council and have been provided with appropriate training. An online package has been made available for all staff. The Champions will play a fundamental role in supporting our workforce through the referral process and coordinating our response
 - An MDS lead has been identified, and is vice chair of the County MDS board (Asst Director Community Safety) This provides join up with wider partnership activity
 - Further work is underway to create a shared County / Peterborough policy and ensure we are working to the same standards across both organisations.

Continued Commitment

- 4.4 The 2018/19 Statement sets out the further steps that will be taken in the current financial year to meet the Council's ongoing commitment in tackling modern slavery to include the implementation of a training module across the workforce which, alongside the publication of the Policy is designed to raise awareness and signpost the procedure to follow where issues of concern are identified.

Policy

- 4.5 Fundamental to the identification and combat of MDS is the ability to recognise a potential issue. Consequently, a Policy has now been developed in order to raise staff awareness and provide a means through which concerns can be reported and managed with appropriate partner organisations. Once approved the Policy will be published on a dedicated Insite webpage with a corresponding campaign via the usual staff communication channels to highlight its location and the key messages.

5. REASONS FOR RECOMMENDATIONS

- 5.1 The draft Modern Slavery Act Transparency Statement fulfils the council's statutory obligations under the Modern Slavery Act 2015 and it is therefore recommended to Cabinet for approval.

- 5.2 The draft Policy builds on the Council's continued commitment to tackling MDS by raising awareness amongst staff and providing a means through which concerns can be reported. Publication of the Policy will run alongside a training module for appropriate frontline staff.

6 ALTERNATIVE OPTIONS CONSIDERED

- 6.1 Not to approve the draft Modern Slavery Act Transparency Statement. This option is not recommended as the Council will not be able to meet its statutory requirements.
- 6.2 Not to publish a Policy. Whilst there is no legal requirement for the Council to have a Policy, it is considered beneficial to ensure that staff and partners are aware of the potential issue and have a means through which to report their concerns.

7 IMPLICATIONS

- 7.1 The draft Modern Slavery Act Transparency Statement aims to ensure compliance with the statutory requirements of the Modern Slavery Act 2015.

8 BACKGROUND DOCUMENTS

- 8.1 None.

9 APPENDICES

- 9.1 Appendix 1 Modern Slavery Act Transparency Statement 2016/17.
- 9.2 Appendix 2 Draft Modern Day Slavery Policy.

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Modern Slavery Act Transparency Statement 2017/18

Peterborough City Council recognises its responsibilities under the Modern Slavery Act 2015 (MSA) and is fully committed to taking a robust approach in the prevention of slavery and human trafficking in its corporate activities and to ensuring that its supply chains are free from slavery and human trafficking.

Organisation's Structure

It is intended that this statement covers the activities of Peterborough City Council in achieving its vision and strategic objectives as determined by its organisational structure.

Our Policies on Slavery and Human Trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. We will publish within the financial year 2018/19 an Anti-Slavery Policy reflecting our commitment to:-

- acting ethically and with integrity in all our business relationships;
- implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains; and
- Identifying and meeting any training needs within Peterborough City Council and/or its partners.

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Supplier Adherence to Our Values

We have zero tolerance to slavery and human trafficking. To ensure all those in our supply chain and contractors comply with our values we are implementing a comprehensive supply chain compliance programme. This begins with ensuring that the elimination of any risk of modern day slavery features in our supplier on-boarding processes and strategic sourcing practices (including sourcing plans and invitations to tender). Where there is deemed to be a potentially significant risk of modern day slavery practices within our supply chain, we will work with partners to conduct supply chain mapping, to enable us to determine, where the risk exists and determine an appropriate course of action.

In addition, the compliance programme consists of updating contractual templates for new procurements to include warranties of compliance with the MSA in agreements for works and services regardless of the contract value. It also includes working with partners to identify and map any high risk supply chains and raising awareness through procurement training for officers. The council has a procurement working group that oversees all procurement related matters from across the council including legal, finance and commissioners.

Due Diligence Processes for Slavery and Human Trafficking

In addition to including clauses in our service contracts which require all our suppliers to warrant their compliance with the MSA, we encourage the contractor to include equivalent clauses in their own contracts with suppliers and sub-contractors, with the aim of enabling enforcement higher up the supply chain.

Whistleblowing

As part of its commitment to ensuring integrity in relation to all aspects of its own working practices, the Council has a clear and comprehensive policy offering protection and support to individuals reporting on any malpractice which may be affecting human rights or otherwise unlawful acts within its own organization or among its service users.

Community and Partnership Working

The Council has and will continue to work with its partners and other public and private organisations to raise awareness of and eradicate modern slavery within the community.

Further Steps

We are committed to improving our practices to combat slavery and human trafficking and will review and continue to keep under review the effectiveness of the steps that we are taking to ensure that there is no slavery or human trafficking in our supply chains or our community. As part of this we intend to take the following further steps to combat slavery and human trafficking:

- Continue to identify and meet any training needs within Peterborough City Council and/or its partners;
- Continue to identify ways in which we can work with our partners and other organisations to tackle modern slavery both in our supply chains and the community;
- Develop close rapport with the community to enhance prevention of slavery and human trafficking;
- Raising awareness within the community and providing information about how to report concerns and/or seek help;
- Consolidating and mapping the support services that the Council is able to provide to persons who have been affected by slavery and/or human trafficking.
- Ensuring our approach is kept under regular review and updated to take account of changes in the law.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 2016.

Draft Modern Day Slavery Policy



MODERN SLAVERY POLICY STATEMENT

1. Purpose & Scope

- 1.1. Modern slavery is a crime and a violation of fundamental human rights which Peterborough City Council is committed to preventing in the community, corporate activities and supply chains.
- 1.2. Peterborough City Council recognises its responsibilities under the Modern Slavery Act 2015 and the commitments made in this Policy are underpinned by our annual Modern Slavery Act Transparency Statement [[insert link](#)].
- 1.3. This Policy applies to all persons working for or on behalf of Peterborough City Council in any capacity including employees at all levels, agency workers, seconded workers, volunteers, agents, contractors, external consultants and third-party representatives and business partners.

2. Forms of Modern Slavery

- 2.1. The Modern Slavery Act categorises modern slavery as offences of slavery, servitude and forced or compulsory labour.
- 2.2. Anti-Slavery international gives the following examples of exploitation:
 - a) **Forced labour** – any work or services which people are forced to do against their will under the threat of some form of punishment.
 - b) **Debt bondage or bonded labour** – the world's most widespread form of slavery, when people borrow money they cannot repay and are required to work to pay off the debt, then losing control over the conditions of both their employment and the debt.
 - c) **Human trafficking**– involves transporting, recruiting or harbouring people for the purpose of exploitation, using violence, threats or coercion.
 - d) **Descent-based slavery** – where people are born into slavery because their ancestors were captured and enslaved; they remain in slavery by descent.
 - e) **Child slavery** – child slavery is often confused with child labour, but is much worse. Whilst child labour is harmful for children and hinders their education and development, child slavery occurs when a child's labour is exploited for someone else's gain. It can include child trafficking, child soldiers, child marriage and child domestic slavery.
 - f) **Forced and early marriage** – when someone is married against their will and cannot leave the marriage. Most child marriages can be considered slavery.

2.3. Slavery can affect people of any age, gender or race and the key signs, are generally accepted to include:

a) **Freedom of Movement:** victims of modern slavery might have their movement restricted. It is not normal never to be able to leave the house on your own or always having to follow strict instructions on where you are allowed to go and who you can talk to. People living like this may:

- not be in possession of their passport or other identification documents which could instead be with someone else;
- have a lack of knowledge of the area in which they live and work;
- be collected and dropped off to work at very unusual times to avoid being seen by members of the public;
- have been threatened with harm either directly or through family members against attempting to escape;
- be under the impression that they are bonded by a debt or in a situation of dependence;
- have been forced to engage in work or sexual acts which they have not consented to and which they may have been led to believe is necessary to repay a debt such as for facilitated transport to the UK.

b) **Health and Wellbeing:** some victims are physically abused as a means of control and can often have a lack of possessions. People living like this may:

- display signs of physical harm such as bruising and other injuries;
- look poorly cared for wearing the same clothes every day and/or clothing which is unsuitable to the weather or work;
- live in overcrowded, dirty accommodation;
- be given very little food which can lead to them appearing malnourished and unwell.
- have been deprived of sleep, medical care or other life necessities;
- receive little or no payment for their work and/or someone else may have control of their earnings.

c) **Integration:** Victims may have been told lies about who they can trust and be unsure about who they should believe. A reluctance to seek help doesn't mean they don't want to, they might fear deportation or violence to themselves or their families. People living like this **may**:

- have been threatened by the people who are controlling them, resulting in them being unsure about who they should believe;
- be reluctant to make eye contact or talk to strangers;
- act as if they have been instructed or coached by someone else and/or allow others to speak for them when spoken to directly.
- have limited social interaction outside their immediate environment;
- have limited contact with friends and/or family.

3. Tackling Modern Slavery in our Supply Chains

3.1. Our zero-tolerance approach to modern slavery must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and reinforced as appropriate thereafter.

- 3.2. The prevention, detection and reporting of modern slavery in any part of our business or supply chains is the responsibility of all those working for us or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 3.3. You must notify your manager as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.
- 3.4. You are encouraged to raise concerns about any issue or suspicion of modern slavery in any parts of our business or supply chains of any supplier tier at the earliest possible stage.
- 3.5. If you believe or suspect a breach of this policy has occurred or that it may occur you must notify your manager as soon as possible.
- 3.6. If you are unsure about whether a particular act, the treatment of workers more generally, or their working conditions within any tier of our supply chains constitutes any of the various forms of modern slavery, raise it with your manager.
- 3.7. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. We are committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicion that modern slavery of whatever form is or may be taking place in any part of our own business or in any of our supply chains.
- 3.8. We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.

4. Tackling Modern Slavery in our Communities

- 4.1. Training in Modern Slavery, and on the risk our business faces from modern slavery in its supply chains, will be provided to staff.
- 4.2. Community education/engagement; linking with community groups to enhance understanding of the subject and developing confidence in seeking help where needed.

5. Reporting Crimes of Modern Slavery

5.1. Concerns Identified in Supply Chains

Any supply chain related concerns can be reported in confidence following the below procedure:

- where an immediate response is required by dialling 999;
- in a less urgent situation but as soon as reasonable:
 - complete the form at [\[link to be inserted\]](#)
 - email buyingsupport@peterborough.gov.uk
 - call buying support on 01733 384588/384620/384593

5.2. Concerns Identified in the Community

Avenues for community concerns identified to be reported in confidence need to be established so that such matters can be dealt with with necessary sensitivity.

- where an immediate response is required by dialling 999;
- in a less urgent situation but as soon as reasonably practicable after the concern arises:
 - to their local police force;
 - via the Modern Slavery Helpline **08000 121 700**;
 - via Crimestoppers on 0800 555 111.

5.3. In all Other Cases

Where staff or our partners identify possible examples of modern slavery in a personal capacity they should report their concerns as follows on the referral pathway at Appendix A. (A list of current MDS champions can be found on the Insite web-page **insert link**)

Modern Day Slavery Referral Pathway

Appendix A



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| | |
|---------------------|--------------------------|
| CABINET | AGENDA ITEM No. 9 |
| 11 JUNE 2018 | PUBLIC REPORT |

| | | |
|--------------------------------|--|-------------|
| Report of: | Peter Carpenter, Service Director - Financial Services | |
| Cabinet Member(s) responsible: | Cllr David Seaton, Cabinet Member for Resources | |
| Contact Officer(s): | Natalie Moulton, Assistant Lawyer Project Delivery Team – Contracts and Procurement | Tel. 452527 |

CONSULTANT, INTERIM AND AGENCY WORKER POLICY

| R E C O M M E N D A T I O N S | |
|--|---------------------------|
| FROM: Audit Committee | Deadline date: N/A |
| <p>It is recommended that Cabinet approve the revised Consultant, Interim and Agency Worker Policy, which has been drafted in consultation with key stakeholders and officers to reflect compliance with procurement and HMRC regulations.</p> | |

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Cabinet following a recommendation by officers as part of an overall review of the Council's compliance with changes to tax legislation (IR35); and referral by Audit Committee.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to recommend for approval the revised Consultant, Interim and Agency Worker Policy. The revised policy makes clear the process that officers must follow to ensure all non-payrolled workers are engaged compliantly, in accordance with procurement regulations and Contract Rules and that due consideration is given to IR35 status and HMRC regulations.
- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.4, 'To promote the Council's corporate and key strategies and Peterborough's Community Strategy and approve strategies and cross-cutting programmes not included within the Council's major policy and budget framework.'

3. TIMESCALES

| | | | |
|---|-----------|----------------------------------|------------|
| Is this a Major Policy Item/Statutory Plan? | NO | If yes, date for Cabinet meeting | N/A |
|---|-----------|----------------------------------|------------|

4. BACKGROUND AND KEY ISSUES

- 4.1 The purpose of the Consultant, Interim and Agency Worker Policy is to provide officers with clear instructions in respect of the engagement and management of non-payrolled workers where it is not possible to fill posts with a permanent or temporary employee.
- 4.2 Throughout the council, interims and agency workers are engaged to work temporarily for and

under the supervision of the council, usually to cover business-as-usual activities/providing cover for a role and are ideally engaged on a short term basis. Consultants are generally engaged for a limited period or for short-term projects to provide professional advice or services.

4.3 The council aims to ensure that value for money is received from all non-payrolled workers and has competitively tendered Corporate Framework Agreements for the provision of all social care and non-social care roles. Under no circumstances must an interim or agency worker be engaged without attempting to utilise these frameworks in the first instance. Engaging a consultant is a procurement activity, therefore it is important that any expenditure in relation to engaging a consultant must be in accordance with the council's Contract Rules.

4.4 The revised policy sets out the process of engagement to ensure compliance with the Contract Rules and applicable legislation. This ensures a consistent application in the use of non-payrolled workers across the council and that correct procedures are followed to engage them. The revision of the policy also establishes a process for ensuring that IR35 status is correctly applied and recorded for all engagements, hence that the council is compliant with HMRC regulations. IR35 is the reference used to describe a piece of tax legislation which aims to differentiate between genuine businesses and workers who are for all intents and purposes a temporary employee.

4.5 As a result of these revisions there will be clearly defined processes for all officers to follow when engaging either a consultant, interim or agency worker and greater transparency. Once the policy has been approved, it will be widely publicised via the Council's established staff communication tools (weekly briefing, manager briefings etc.) and a dedicated webpage will be set up on Insight to host the policy with appropriate links and contact details incorporated as appropriate.

5. CONSULTATION

5.1 Feedback from officers over a period of time has indicated the process for engaging non-payrolled workers within the current policy is confusing and unclear. Central to revision to the policy has been that officers have clear steps to follow when engaging an agency worker/interim/consultant to ensure compliance at all times.

5.2 CMT, all DMTs, the Unions and Audit Committee were consulted upon the final draft of the policy:

- Resources DMT – 31st January 2018
- Growth and Regeneration DMT – 22nd January 2018
- Governance DMT – 6th February 2018
- P&C DMT - 5th March 2018
- Unions - 12th March 2018
- CMT - 14th March 2018.
- Audit Committee – 26th March 2018

5.3 The general feedback from each of the DMTs was that a clear, step by step process is welcomed in relation to engaging a non-payrolled worker. Officers in general are unaware of the current policy's location on Insite and many have found the policy difficult to understand and unnecessarily lengthy. Officers require (i) clear definitions; (ii) user friendly processes to follow; and (iii) signposts to relevant points of contact and forms.

5.4 These recommendations have been incorporated both in the policy and the proposals for its publication once approved.

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 The revised policy has been developed in order to clarify and update the process that officers should follow to ensure all non-payrolled workers are engaged compliantly, in accordance with

procurement regulations and Contract Rules and that due consideration is given to IR35 status and HMRC regulations.

7. REASON FOR THE RECOMMENDATION

7.1 To ensure all agency workers, interims and consultants are engaged compliantly, in accordance with procurement regulations and Contract Rules and that due consideration is given to IR35 status and HMRC regulations.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 To not update the existing policy. This option was dismissed as this would not ensure compliance with procurement regulations, the Contract Rules nor HMRC regulations.

9. IMPLICATIONS

Financial Implications

9.1 The financial implications of not following this process in respect of IR35 status recording is fines/costs from HMRC.

Legal Implications

9.2 The policy reflects the requirements for compliance with procurement regulations, the Constitution's Contract Rules and that consideration is given by all officers to IR35 status and HMRC regulations.

Equalities Implications

9.3 There are none.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10.1 There are none.

11. APPENDICES

- 11.1
- *Appendix 1 - Key changes between the original and revised policy*
 - *Appendix 2 - Consultant, Interim and Agency Worker Policy plus Appendices A and B*

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Key changes within the revised Consultant, Interim and Agency Worker Policy

Central to revision of the policy has been that officers have clear steps to follow when engaging an agency worker, interim or consultant in order to ensure compliance at all times. The revised policy makes clear the process that officers should follow to ensure all engagements are compliant, in accordance with procurement regulations and Contract Rules and that due consideration is given to IR35 status and HMRC regulations.

The key changes are:

1. Clear definitions of an agency worker/interim and consultant are provided within section 2 of the revised policy and the procurement implications of engaging each are summarised underneath each definition. It was paramount that all officers engaging a non-payrolled worker understood what category the worker fell into and the procurement implications of engaging each.
2. The process that must be followed when engaging all non-payrolled workers is clearly summarised within section 3 and a detailed step by step flowchart has been included at Appendix A - Consultants and Appendix B - Agency Workers/Interims. These flowcharts provide a user friendly guide to assist officers through each stage of the engagement process to ensure all procurement, governance and HMRC regulations are complied with.
3. In order to ensure compliance with changes to tax legislation (IR35), section 4 outlines the process to be adopted in respect of IR35 status when engaging a non-payrolled worker. Officers are signposted should they require further assistance and links are provided for this purpose also. Senior managers will be expected to confirm that they have complied with IR35 requirements in respect of engaging consultants and office holders, as part of the annual statement of accounts assurance process.
4. Officers who choose not to follow the policy and/or processes will face disciplinary action. The revised policy clearly outlines the procurement, governance and HMRC implications of engaging a non-payrolled worker. This will be communicated on Insite, a dedicated web area outlining the requirements is being created and signposts provided to all relevant support contacts and forms.
5. The engagement of all non-payrolled workers must be recorded with the council's Recruitment and Retention Manager. This allows for greater transparency, ensuring a current and accurate record of all engagements is kept centrally.
6. Section 7 provides further governance on the use of consultants including that audit committee will receive regular reports on consultant usage.

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Consultant, Interim & Agency Worker Policy

1. Introduction and purpose

- 1.1 The overall objectives of this policy are to:
- Ensure consistent application in the use of Consultants, Interims and Agency Workers across the council;
 - Ensure correct procedures are followed when sourcing a Consultant, Interim or Agency Worker, and as a result ensuring there is appropriate transparency;
 - Minimise the use of non-payrolled workers to reduce overall spend; and
 - Ensure the council complies with all HMRC regulations.
- 1.2 Officers should, wherever possible, seek to fill senior management posts with a permanent employee where it is beneficial for the council and consider all other available options (e.g. internal employees acting up) before seeking to recruit an interim to a managerial position.
- 1.3 Where it is not possible to fill posts with a permanent or temporary employee this policy provides Peterborough City Council managers with clear instructions in respect of the engagement and management of Consultants, Interims & Agency Workers (referred to throughout this policy as 'non-payrolled workers').
- 1.4 The council aims to ensure that value for money is received from all non-payrolled workers. Internal resources should always be used where they are available.
- 1.5 This policy does not apply to interim employees where that interim is employed under a fixed term employment contract, and paid via the payroll to carry out work which is "business as usual".

2. Definitions

2.1 Non-payrolled workers

The council defines non-payrolled workers as either:-

Consultant

Consultants are any party, whether an individual or a firm, with expertise that is typically not available internally. A Consultant is engaged for a limited period or for short-term projects to provide professional advice or services and will usually specify an endpoint to their involvement in a project. A Consultant transfers skills and/or expertise to the council which, it either does not possess in-house, or which require an independent evaluation/assessment to be made.

Consultants are not held against an existing post on the establishment.

Engaging a Consultant is a procurement activity, therefore Serco Procurement must be contacted in the first instance. It is important that any expenditure in relation to engaging Consultants must be in accordance with the Council's Contract Rules.

Interim/Agency Worker

An Interim and/or Agency Worker is an individual supplied by a temporary work agency to work temporarily for and under the supervision of the council.

Interims are further defined as senior grade managers covering a substantive post within the council and are concerned with the fulfilment of a particular professional function or senior management position within the organisational structure. They usually cover business-as-usual activities/providing cover for a role and are ideally engaged on a short term basis.

Interims/Agency Workers are usually fulfilling a substantive post on the establishment or undertaking a temporary increase in workload.

Under no circumstances must a Council Officer engage an Interim/Agency Worker without going through either of the Council’s Corporate Framework Agreements for all Agency Workers (social care AND non-social care). The council’s Recruitment and Retention Manager must be contacted in respect of all Interim/Agency Worker engagements.

3. Process that must be followed when engaging non-payrolled workers

- 3.1 The council has Corporate Framework Agreements in place for the provision of all (i) Social Care and (ii) Non-Social care roles. Under no circumstances must an Interim/Agency Worker be engaged without attempting to utilise these frameworks in the first instance. Alternatively, Manor Drive Solutions may be utilised.
- 3.2 Engaging a Consultant is a procurement activity. It is important that any expenditure in relation to engaging a Consultant must be in accordance with the council’s Contract Rules.
- 3.3 The following table will assist managers to understand the correct process for engaging a non-payrolled worker, and clearly differentiates between consultants, interims and agency workers.

| Description | Payment Method | Engagement Process |
|-------------|---|--|
| Consultant | Paid through invoice. Fixed piece of work. | <ol style="list-style-type: none"> 1. A business case must be written and approved on Verto 2. Serco Procurement must be contacted in order to determine the most appropriate solution: <ol style="list-style-type: none"> (i) Tendering process to invite bids, in accordance with the Contract Rules: http://democracy.peterborough.gov.uk/documents/s33018/Part%204%20Section%2010%20Contract%20Rules%20Version%20006.pdf OR (ii) Call off from partnership contracts where the appointment falls within the scope of these contracts, OR (iii) Call off from public frameworks or other frameworks where the council is permitted to |

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| | | |
|---------------------------|--|---|
| | | <p>call off</p> <p>3. Determine IR35 status</p> <p>4. Governance approve award.</p> <p>Full details are provided in the flowchart at Appendix A.</p> |
| Interims & Agency Workers | Paid through invoice to Agency. Short-term or fixed length employment. | <p>1. Appointed through the council's framework arrangements for agency staff, or</p> <p>2. Use of Manor Drive Solutions / Business Support work requests.</p> <p>Full details are provided in the flowchart at Appendix B.</p> |

3.4 Exemption from the engagement process - only in consultation with Legal and Serco Procurement

Where it is not possible to engage a Consultant/Interim/Agency Worker in accordance with the engagement process stipulated above, a Council Officer may request an exemption from the process. The fundamental principles of exemptions are that they should be used only in exceptional circumstances and are granted entirely at the discretion of the Corporate Director of Resources, in consultation with the Director Law & Governance. Legal and Serco Procurement must be consulted in all instances where an exemption from the above process is sought.

3.5 Before any consultant begins an assignment a business case must be approved on Verto.

4. IR35 Status (HMRC regulations) Consultants/Interims/Agency Workers

4.1 IR35 is the reference used to describe a piece of tax legislation which aims to differentiate between genuine businesses and workers who are *for all intents and purposes* a temporary employee.

4.2 **IR35 Status (HMRC regulations) Interims/Agency Workers**

The council will adopt a blanket approach in respect of the tax status of each interim/agency worker. All interims/agency workers will be classed as within the IR35 regulations. IR35 status need not be considered further unless the status is disputed by the interim/agency worker.

4.3 **IR35 Status (HMRC regulations) Consultants**

A decision will be required for each consultant engaged. HMRC provide an Employment Status (ESS) tool that enables employers to check what the employment status of each consultant should be (that is whether they are employed or self-employed for tax, National Insurance contributions (NICs) or VAT purposes). This must be used to determine the exact status for each individual. (This tool was previously known as the Employment Status Indicator tool).

4.4 Before starting to use the ESS tool, HMRC recommends that their guidance on employment status has been read. This explains the factors that determine whether a worker is considered employed or self-employed. (These tools cannot be used to check the employment status of agency workers or anyone providing services through an intermediary).

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[Read more guidance about employment status](#)

Click [here](#) to access the ESS tool. For further advice and guidance contact your HR Business Partner or the Senior Reward Advisor.

Following the test it is essential to keep an electronic copy of the result.

- 4.5 Officers who choose not to follow this policy and/or process will face disciplinary action which could result in dismissal for a first offence.

5. Skills Transfer

- 5.1 'Skills transfer' must be a written contractual requirement for appropriate professional skills contracts for Consultants, to enable officers to develop expertise which will directly benefit the council.

5.2 The Consultant shall where required identify the required knowledge and skill set to carry out the services and impart the necessary skills and knowledge to the council's employees with whom the Consultant has contact in the performance of their duties. **This should be undertaken with a view to increasing and consolidating the skills base within the council.**

5.3 In addition the Consultant shall deliver training including a Question and Answer Session to those workers and employees with whom the Consultant has had contact together with such others as are nominated by the council. The training shall be of such duration and timing as specified by the council and shall focus on those areas identified by the council that arise from the delivery of the Consultancy Services to the council.

6. Conflicts of Interest

- 6.1 Officers must ensure that any contract with the consultant contains a requirement that any conflicts of interest which arise during the course of the contract (including those of any sub-contractor engaged) will be notified to an officer of the council. Standard conditions of contract in respect of Conflicts of Interest are included within the Council's Consultancy Agreement.
- 6.2 The principles of the Code of Conduct for Officers applies to those engaged as Consultants, Interims/Agency Workers.

Examples of potential conflicts of interest

- 6.3 The following are matters which could potentially give rise to a conflict between the Consultant and the council's interest. This list is not exhaustive but it might assist in identifying whether any potential conflict of interest arises:
- The Consultant's financial interests are affected by the outcome of the contract (but this does not include the salary paid to the Consultant).
 - The Consultant is a member of a body or holds a position of responsibility in a body whose interests may conflict with those of the council.

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- The Consultant is personally known to the officer or member awarding the contract (this is not necessarily fatal to the contract if the contract has been obtained through fair competition but should be declared in any event).
- The Consultant owns shares or has an interest in any company which is affected by the outcome of the contract.
- The Consultant has another contract which conflicts with the council's interests.

7. Reporting and Monitoring

7.1 The Line Manager responsible for engaging a Consultant will be required to complete progress reports on Verto to demonstrate that the objectives of the original business case are being achieved.

7.2 Any known breaches of this process will be reported to Corporate Management Team on a monthly basis by the Recruitment & Retention Manager. A monthly report on Consultant usage will be submitted to the Corporate Director Resources and the Cabinet Member for Resources for their information and scrutiny.

7.3 The ongoing monitoring role at Member level is undertaken by Audit Committee. Quarterly reports will be produced for the Audit Committee.

7.4 Senior managers will be expected to confirm that they have complied with IR35 requirements in respect of engaging consultants and office holders, as part of the annual statement of accounts assurance process.

8. Further support for Managers

8.1 Managers will be encouraged to source internal skills, expertise and resources before preparing a business case for consultancy resources (including Consultants in interim positions). This will include checking the council's 'at risk' register of redundant and re-deployed staff.

8.2 HR will provide the necessary advice and support to ensure appointments are made via the payroll in the first instance.

8.3 Where appropriate, HR should be involved in the recruitment process for Interims occupying managerial positions to ensure that advice can be given on suitable candidates from amongst existing employees and in-house expertise, skills or knowledge utilised in accordance with the council's equality policies.

8.4 Legal Services will provide a standard form of Consultant Agreement for use by the council.

8.5 Further guidance and support can be obtained from the contacts below:

| Area | Contact |
|------|---------|
|------|---------|

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| | |
|--------------------------|--|
| Business cases and Verto | Susan Baxter Portfolio Governance Officer (01733) 452569 pmo@peterborough.gov.uk |
| Procurement | Darren Ford Senior Contracts & Partnerships Manager (01733) 452465 commercialandprocurement unit@peterborough.gov.uk |
| Legal advice | Israr Ahmed Contracts and Procurement Lawyer (01733) 452326 israr.ahmed@peterborough.gov.uk Natalie Moulton Contracts and Procurement Assistant Lawyer (01733) 452527 natalie.moulton@peterborough.gov.uk |
| Finance | Nick Hutchins / Fiona Chapman Head of Finance (01733) 863823 / (01733) 863917 nick.hutchins@peterborough.gov.uk fiona.chapman@peterborough.gov.uk |
| Human Resources | Mandy Pullen / Karen Craig AD Human Resources (01733) 863628 / 01733 384514 mandy.pullen@peterborough.gov.uk karen.craig@peterborough.gov.uk |
| Corporate | James Fordham Recruitment and Retention Manager (01733) 864581 james.fordham@peterborough.gov.uk |

9. Review of policy

This policy will be reviewed by Legal and HR on an annual basis.

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Appendix A
Process flow chart for Consultants

Appendix B
Process flow chart for Interims/Agency Workers

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Appendix A: Engagement of a Consultant

Engaging a consultant is a procurement activity and Serco Procurement must be involved in the process. It is important that any expenditure in relation to engaging consultants must be in accordance with the council's Contract Rules.

A summary of the process for engagement of a consultant is outlined below.

STEP 1: The requirement for a consultant is identified.

Consultants are not held against an existing post on the establishment.

STEP 2: A business case must be written and approved on Verto.

STEP 3: Please consult with Legal and Serco Procurement to ensure your engagement of a consultant is completed in accordance with the Contract Rules and Consultant, Interim and Agency Worker Policy.

STEP 4: There are three options available in order to engage a consultant:

Option 1: Where the contract value is between £5k and £50k three quotations are required; or for a value between £50k and £164k (EU threshold) a tender with four bids. For consultant engagements over £25,000 to also place advert on Contracts Finder;

Option 2: Utilise one of the council's partnership contracts via a call-off arrangement where the consultant engagement falls within the scope of the partnership contract;

Option 3: Utilise a public framework or other framework for the provision of consultants where the council is permitted to call-off from that framework.

STEP 5: In accordance with HMRC Regulations, the consultant's IR35 status must be determined. A decision will be required for each consultant engaged. HMRC provide an Employment Status (ESS) tool that assists in determining IR35 status. Please contact Legal.

STEP 6: Governance approval is required before the consultant is engaged. You must not engage a consultant without the relevant governance in place. Depending on value this will be either:

Director's Contract Award Report under £50k, which requires approval from your Director.

Director's Contract Award Report over £50k, which requires approval from Legal, Finance, Procurement and your Director

STEP 7: You MUST notify the council's Recruitment & Retention Manager, James Fordham, once you have completed the above process. The consultant's engagement and IR35 status MUST be recorded by the Recruitment & Retention Manager.

STEP 8: Contact Legal to discuss contract formalities.

STEP 9: Consultant's engagement may formally commence.

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Appendix B: Engagement of an Interim/Agency Worker

Under no circumstances must a Council Officer engage an Interim/Agency Worker without going through either of the council's corporate framework agreements for Agency Workers (social care and non-social care).

The council's Recruitment & Retention Manager must be contacted in respect of ALL Interim/Agency Worker engagements. The only exception to this is through the use of Manor Drive Solutions or Business Support work requests.

A summary of the process for engagement of an Interim/Agency Worker is outlined below.

STEP 1: The requirement for an Interim/Agency Worker is identified. Interims/Agency Workers will usually be fulfilling a substantive post on the establishment list or undertaking a temporary increase in workload.

STEP 2: All Interims/Agency Workers MUST be appointed through either of the council's framework agreements, unless engaged through the use of Manor Drive Solutions for Business Support work requests.

STEP 3: In order to use either of the council's framework agreements for the provision of temporary staff (social and non-social care), contact the council's Recruitment & Retention Manager, James Fordham, with the following information:

(i) job description/personal specification

(ii) approval to recruit from relevant Head of Service or equivalent;

STEP 4: The Recruitment & Retention Manager will advise on the most appropriate route of engagement, for example, via (i) the framework agreement with Reed for all non-social care engagements; or (ii) the council's framework agreement with listed providers for all social care requirements.

STEP 5: Once an appropriate Interim/Agency Worker has been selected, they may commence engagement in accordance with the framework agreement's terms and conditions;

STEP 6: All Interims/Agency Workers engaged via either of the council's framework agreements will be classed as within the IR35 regulations.

STEP 7: You MUST notify the council's Recruitment & Retention Manager, James Fordham, once you have completed the above process.

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| | |
|---------------------|---------------------------|
| CABINET | AGENDA ITEM No. 10 |
| 11 JUNE 2018 | PUBLIC REPORT |

| | | |
|--------------------------------|---|----------------------------|
| Cabinet Member(s) responsible: | Cllr David Seaton, Cabinet Member for Resources | |
| Contact Officer(s): | Peter Carpenter, Acting Director of Corporate Resources Kirsty Nutton, Head of Corporate Finance | Tel. 452520 Tel. 384590 |

BUDGET CONTROL REPORT APRIL 2018

| | |
|---|---------------------------|
| RECOMMENDATIONS | |
| FROM: Corporate Director: Resources | Deadline date: N/A |
| <p>It is recommended that Cabinet notes:</p> <ol style="list-style-type: none"> 1. The Budgetary Control position for 2018/19 at April 2018 includes an early indication of a breakeven position. 2. The Key variances and Budget risks, highlighted in Appendix A. 3. The estimated reserves position for 2018/19 outlined in Appendix B 4. The ten tips for building financial resilience when putting together budget proposals and making decisions to recommend proposals to Council, and for Cabinet to keep under review during each Budgetary Control cycle, highlighted in Appendix C. | |

1. ORIGIN OF THE REPORT

- 1.1. This report is submitted to Cabinet following discussion by the Corporate Management Team (CMT).

2. PURPOSE AND REASON FOR REPORT

- 2.1. This report is for Cabinet to consider under its Terms of Reference No. 3.2.7 'To be responsible for the Council's overall budget and determine action required to ensure that the overall budget remains within the total cash limit'.
- 2.2. This report provides Cabinet with an early indication of the forecast for 2018/19 at April 2018 budgetary control position.

3. TIMESCALE

| | | | |
|---|-----------|----------------------------------|------------|
| Is this a Major Policy Item/ Statutory Plan | NO | If yes, date for Cabinet meeting | N/A |
|---|-----------|----------------------------------|------------|

4. APRIL 2018 BUDGETARY CONTROL- REVENUE

- 4.1. The revenue budget for 2018/19, agreed at Full Council on 7 March 2018, was approved at £147.456m.

| | £m |
|-------------------------------------|----------------|
| Approved Budget 2018/19 | 147.456 |
| Use of reserves per MTFS | 4.231 |
| Revised Budget 2018/19 | 151.687 |
| Drawdown of reserves during 2018/19 | 0.198 |
| Revised Budget 2018/19 | 151.885 |

- 4.2. The 2018/19 year-end outturn position, is currently forecast to be a breakeven position. This is based on reported departmental information as at the end of April 2018. It should be noted that this is an early forecast for 2018/19, and where risks are highlighted within this report, CMT are putting plans in place to mitigate these as far as possible.
- 4.3. At the beginning of 2018/19 there were some key reporting changes for services, to reflect the recent changes within the Corporate Management Team structure. Therefore these directorate budgets will have different totals in comparison to the Medium Term Financial Strategy (MTFS) agreed at Council on 7th March 2018. These changes are summarised in the following table:

| Service Area | Directorate Previously reported within | New Directorate for 2018/19 |
|---------------|--|-----------------------------|
| Vivacity | Resources | People and Communities |
| City Services | Resources | Growth and Regeneration |

4.4 The summary budgetary control position is outlined in the following table:

| Directorate | Budget 2018/19 | Cont. from reserve | Revised Budget 2018/19 | Forecast Spend 2018/19 | Cont. to reserve | Forecast Variance 2018/19 | Forecast Variance 2018/19 |
|--------------------------|----------------|--------------------|------------------------|------------------------|------------------|---------------------------|---------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | % |
| Chief Executives | 1,597 | 0 | 1,597 | 1,597 | 0 | 0 | 0 |
| Governance | 4,702 | 0 | 4,702 | 4,718 | 0 | 16 | 0.8 |
| Growth & Regeneration | 23,910 | 0 | 23,910 | 23,816 | 0 | (94) | 0.4 |
| People & Communities | 84,815 | 0 | 84,815 | 84,815 | 0 | 0 | 0 |
| Public Health | (125) | 198 | 73 | 73 | 0 | 0 | 0 |
| Resources | 36,788 | 0 | 36,788 | 36,788 | 0 | 0 | 0 |
| Total Expenditure | 151,687 | 198 | 151,885 | 151,807 | 0 | (78) | 0 |
| Financing | (151,687) | (198) | (151,885) | (151,885) | 0 | 0 | 0 |
| Net | 0 | 0 | 0 | (78) | 0 | (78) | 0 |

4.5 There has been heightened focus on Councils to ensure they put in place measures to demonstrate that they are financially resilient. A decade after the 2008 financial crisis public sector austerity is likely to continue until at least the middle of the next decade and, with Brexit, possibly beyond.

Financial resilience describes the ability of local authorities to remain viable, stable and effective in the medium term in the face of pressures from growing demand, tightening funding and an increasingly complex and unpredictable financial environment.

Appendix C - Ten Tips for building financial resilience, summarises the top ten tips based on CIPFA's review of local authorities' and are intended to help chief financial officers (CFO) and their authorities build financial resilience into all aspects of their planning and operations. They also help identify warning signs of financial stress.

Generally authorities at risk of 'falling over' have not felt able to take the same tough decisions as their peers, sometimes claiming there are statutory reasons why they cannot implement the level of cuts required. Symptoms of stress exhibited by authorities include:

- Running down reserves or a rapid decline in reserves; by definition, using up reserves to avoid cuts can only provide temporary relief.
- A failure to plan and deliver savings to ensure the council lives within its resources.
- Shortening medium-term financial planning horizons – perhaps from three or four years to two or even one. A failure to plan could indicate a lack of strategic thinking and an unwillingness to confront tough decisions.
- Greater “still to be found” gaps in saving plans – in the early days of austerity, councils might have agreed a four-year financial strategy with reasonably robust plans for the first three years. Now, they are specifying how savings will be made only in the next financial year and, even then, these might be targets rather than firm plans.
- A growing tendency for unplanned overspends and/or carrying forward undelivered savings into the following year. As well as creating a need for greater cuts in the future, unplanned overspends are a sign an authority is struggling to translate its policy decisions into actions.

Appendix C contains the top ten tips and an initial assessment by the Council's CFO as to the current position of the Council against the tips. This assessment is consistent with the Robustness Statement contained in the 2018/19 MTFS document. The Council has amended its approach to budget setting, see Tranche One documents considered at this same Cabinet meeting, and the Corporate Management Team have made a commitment to monitor against these ten tips when considering future budget saving proposals and regular budgetary control reporting.

4.6 Further information is provided in the following appendices:

- Appendix A - Detailed revenue budgetary control position and explanation of Key variances and risks
- Appendix B - Reserves position
- Appendix C - Ten tips for building financial resilience

Detailed Revenue Budgetary Control position and explanation of Key Variances and Risks

Chief Executives

| | Budget 2018/19 | Cont. from reserve | Revised Budget 2018/19 | Forecast Spend 2018/19 | Cont. to reserve | Forecast Variance 2018/19 | Forecast Variance 2018/19 |
|-------------------------------|-------------------|-----------------------|------------------------------|------------------------------|---------------------|---------------------------------|---------------------------------|
| Budget Group | £000 | £000 | £000 | £000 | £000 | £000 | % |
| Chief Executive | 244 | 0 | 244 | 244 | 0 | 0 | 0 |
| HR | 1,353 | 0 | 1,353 | 1,353 | 0 | 0 | 0 |
| Total Chief Executives | 1,597 | 0 | 1,597 | 1,597 | 0 | 0 | 0 |

There are currently no variances forecast in the Chief Executive's area.

Governance

| | Budget 2018/19 | Cont. from reserve | Revised Budget 2018/19 | Forecast Spend 2018/19 | Cont. to reserve | Forecast Variance 2018/19 | Forecast Variance 2018/19 |
|---------------------------|-------------------|-----------------------|------------------------------|------------------------------|---------------------|---------------------------------|---------------------------------|
| Budget Group | £000 | £000 | £000 | £000 | £000 | £000 | % |
| Director of Governance | 377 | 0 | 377 | 377 | 0 | 0 | 0 |
| Legal Services | 1,616 | 0 | 1,616 | 1,616 | 0 | 0 | 0 |
| Constitutional Services | 2,053 | 0 | 2,053 | 2,069 | 0 | 16 | 0.8 |
| Performance & Information | 656 | 0 | 656 | 656 | 0 | 0 | 0 |
| Total Governance | 4,702 | 0 | 4,702 | 4,718 | 0 | 16 | 0.8 |

The Governance department currently has no significant variances.

Growth & Regeneration

| | Budget 2018/19 | Cont. from reserve | Revised Budget 2018/19 | Forecast Spend 2018/19 | Cont. to reserve | Forecast Variance 2018/19 | Forecast Variance 2018/19 |
|--|-------------------|-----------------------|------------------------------|------------------------------|---------------------|---------------------------------|---------------------------------|
| Budget Group | £000 | £000 | £000 | £000 | £000 | £000 | % |
| Development and Construction | 190 | 0 | 190 | 190 | 0 | 0 | 0 |
| Director, OP & JV | 12 | 0 | 12 | 40 | 0 | 28 | 233.3 |
| Peterborough Highway Services | 9,124 | 0 | 9,124 | 9,159 | 0 | 35 | 0.4 |
| Sustainable Growth Strategy | 1,469 | 0 | 1,469 | 1,469 | 0 | 0 | 0 |
| Corporate Property | 1,506 | 0 | 1,506 | 1,506 | 0 | 0 | 0 |
| Service Director Environment & Economy | 154 | 0 | 154 | 154 | 0 | 0 | 0 |
| Regulatory Services | 676 | 0 | 676 | 676 | 0 | 0 | 0 |
| Parking Services | (2,405) | 0 | (2,405) | (2,405) | 0 | 0 | 0 |
| Marketing & Communications | 254 | 0 | 254 | 254 | 0 | 0 | 0 |
| City Centre Management | 318 | 0 | 318 | 318 | 0 | 0 | 0 |
| Resilience & Health & Safety | 250 | 0 | 250 | 250 | 0 | 0 | 0 |
| Waste, Cleansing and Open Spaces | 12,269 | 0 | 12,269 | 12,112 | 0 | (157) | (1.3) |

| | | | | | | | |
|--------------------------------------|--------|---|--------|--------|---|------|--------|
| Westcombe Engineering | 93 | 0 | 93 | 93 | 0 | 0 | 0 |
| Total Growth and Regeneration | 23,910 | 0 | 23,910 | 23,816 | 0 | (94) | (0.12) |

Currently the Growth and Regeneration department is forecasting £0.094m underspend.

Income from electricity sales at the Energy from Waste facility is currently higher than budgeted leading to a favourable forecast of £0.157m. This is due to the performance of the plant and the escalating energy prices which offsets the pressure that the council is seeing on the electricity that it buys.

It is anticipated that there could be financial pressures arising from the termination of the Amey contract, across Waste, Cleansing and Open Spaces, and Property services. However this will not be fully evaluated until proposals for the replacement arrangements are further developed. There are also likely to be additional costs pressures in recycling across the RECAP partnership due to changes in the market for recycled material, which is reflected in a reduction in the sale value and may lead to increased processing costs

There is a risk that the level of income from Market stalls will be lower than budgeted as, although this brings a net income to the council, the target for this is set high. A promotional discount to bring in new stall-holders has resulted in 5 new traders, and the income position will be monitored throughout the year.

The budget includes income targets for letting space at Sand Martin House, and for the proposed car parking facilities there. As the council is not yet in possession of the leasehold for these facilities, arrangements for securing this income are not yet confirmed. The council is progressing well with its plans for the letting of its existing office accommodation space.

People & Communities

| | Budget 2018/19 | Cont. from reserve | Revised Budget 2018/19 | Forecast Spend 2018/19 | Cont. to reserve | Forecast Variance 2018/19 | Forecast Variance 2018/19 |
|--|-------------------|-----------------------|------------------------------|------------------------------|---------------------|---------------------------------|---------------------------------|
| Budget Group | £000 | £000 | £000 | £000 | £000 | £000 | % |
| Adults | 44,724 | | 44,724 | 44,724 | | 0 | 0 |
| Commissioning and Commercial Operations | 13,787 | | 13,787 | 13,787 | | 0 | 0 |
| Children's & Safeguarding | 11,075 | | 11,075 | 11,075 | | 0 | 0 |
| Director | 257 | | 257 | 257 | | 0 | 0 |
| Education | 5,973 | | 5,973 | 5,973 | | 0 | 0 |
| Communities | 8,999 | | 8,999 | 8,999 | | 0 | 0 |
| Total People and Communities | 84,815 | | 84,815 | 84,815 | | 0 | 0 |

Budget pressures and mitigating savings will be fully quantified and reported in the May budgetary control summary. MTFs savings are on track to be delivered. Work continues to identify further in year savings to mitigate emerging pressures.

The following risks have been identified in People and Communities, and work is ongoing to mitigate the financial impact if these risks materialise on the 2018/19 budget position:

Adult Social Care

A year round pressure exists on Independent Sector Placements as a result of Delayed Transfer of Care (DToC) from Hospitals. At present early indications show that this pressure could rise to £1m in 2018/19

Homelessness

The homelessness forecast is based on a number of assumptions as follows: -

- i The number of families presenting as Homeless.
- ii Preventative work.
- iii The profile of new units coming on stream.
- iv Staffing of Housing Needs team including the restructure.

It is currently indicated that there could be an in year underspend of £0.150m, if current assumptions (above) are realised. However a financial risk exists if any of these are not realised.

Looked After Children (LAC)

Within this area the Council is estimating a pressure of around £1.5-£2m in 2018/19. This is thought to be a short term pressure, which the Council will look to fully mitigate within 18 months. Work is being done to confirm a more accurate analysis of the estimated pressure in regarding rising LAC numbers and the Placement mix. A further update report will be presented to CMT and Cabinet in the near future.

Home to School Transport

A reliable forecast cannot be produced until all School places have been allocated and then transport has been put in place. Work is underway to determine the impact of Homelessness on Home to School Transport costs.

Clare Lodge

There is a significant risk around achieving the additional £0.250m net income. Negotiation is taking place between the Department for Education and the Department of Health regarding funding of the Mental Health elements for the new High Dependency Unit.

Recruitment and Retention of Social Workers

A financial risk exists where Agency Social workers are used to cover substantive Social Worker posts in both Adult and Children Social Care (CSC). There is a budget of £0.355m in CSC to cover the Agency Premium.

Public Health

| | Budget 2018/19 | Cont. from reserve | Revised Budget 2018/19 | Forecast Spend 2018/19 | Cont. to reserve | Forecast Variance 2018/19 | Forecast Variance 2018/19 |
|--------------------------------------|-------------------|-----------------------|------------------------------|------------------------------|---------------------|---------------------------------|---------------------------------|
| Budget Group | £000 | £000 | £000 | £000 | £000 | £000 | % |
| Children 0-5 Health Visitors | 2,769 | 198 | 2,967 | 2,967 | | 0 | 0 |
| Children 5-19 Health Programmes | 1,849 | 0 | 1,849 | 1,849 | | 0 | 0 |
| Sexual Health | 1,831 | 0 | 1,831 | 1,831 | | 0 | 0 |
| Substance Misuse | 2,299 | 0 | 2,299 | 2,299 | | 0 | 0 |
| Smoking and Tobacco | 315 | 0 | 315 | 315 | | 0 | 0 |
| Miscellaneous Public Health Services | 1717 | 0 | 1717 | 1717 | | 0 | 0 |
| Public Health Grant | -10,905 | 0 | -10,905 | -10,905 | | 0 | 0 |
| Total Public Health | -125 | 198 | 73 | 73 | | 0 | 0 |

Public Health savings are on track to be delivered.

Resources

| Budget Group | Budget 2018/19 | Cont. from reserve | Revised Budget 2018/19 | Forecast Spend 2018/19 | Cont. to reserve | Forecast Variance 2018/19 | Forecast Variance 2018/19 |
|--|----------------|--------------------|------------------------|------------------------|------------------|---------------------------|---------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | % |
| Director's Office | 112 | 0 | 112 | 112 | 0 | 0 | 0 |
| Financial Services | 3,299 | 0 | 3,299 | 3,299 | 0 | 0 | 0 |
| Programme Management Office | 139 | 0 | 139 | 139 | 0 | 0 | 0 |
| Capital Financing and Capital Receipts | 18,321 | 0 | 18,321 | 18,321 | 0 | 0 | 0 |
| Corporate Items | 4,763 | 0 | 4,763 | 4,763 | 0 | 0 | 0 |
| Peterborough Serco Strategic Partnership | 5,681 | 0 | 5,681 | 5,681 | 0 | 0 | 0 |
| ICT | 5,083 | 0 | 5,083 | 5,083 | 0 | 0 | 0 |
| Energy | 780 | 0 | 780 | 780 | 0 | 0 | 0 |
| Cemeteries, Cremation & Registrars | -1,390 | 0 | -1,390 | -1,390 | 0 | 0 | 0 |
| Total Resources | 36,788 | 0 | 36,788 | 36,788 | 0 | 0 | 0 |

There are currently no variances being forecast in the Resources department. However a number of savings proposals were agreed in the 2018/19 budget which have not yet been secured. These relate to planned reductions in Council-wide spending, so individual service areas will have budgets reduced once it is ascertained how these savings will be delivered. There remains a risk as to whether spending will reduce in line with these proposals in the following areas:

- £1m Serco variable spend reduction
- £0.100m Business support saving

Shared service savings:

- £0.055m Terms and conditions changes - no terms and conditions changes have yet been proposed, meaning this saving is currently un-met.
- £0.100m Back office savings - the budget included £0.400m of savings in financial services and £0.100m in other back office functions - this £0.100m has yet to be secured.
- Detailed plans for changes in operational activity in specific services are needed before the delivery of these savings can be assured.

There is a Full review taking place of ICT budgets given the joint work that is being undertaken with Cambridgeshire County Council on the client side. This includes re-evaluation of Digital Roadmap programme and the Council's Front Door approach.

Capital Financing and Capital Receipts

It is recognised from past experience that the current capital programme of £185m is aspirational in terms of the timing of delivery of schemes. As a result of historical analysis the financing budget required to fund the capital programme will be based on a working assumption of smoothing the capital programme to be £100m per year for the next three years. This revised position for the Capital Programme will be reported in due course following the agreement of a revised prioritisation of the timing of schemes.

Financing

The following table show how the Council's expenditure is funded via council tax, business rates, non-specific grants and use of reserves.

| Budget Group | Budget 2018/19 £000 | Cont. from reserves £000 | Revised Budget 2018/19 £000 | Forecast Spend 2018/19 £000 | Cont. to reserves £000 | Forecast Variance 2018/19 £000 | Forecast Variance 2018/19 % |
|--|------------------------------------|---|--|--|---------------------------------------|---|--|
| Council Tax | (68,110) | | (68,110) | (68,110) | | 0 | 0.00% |
| Council Tax - Adult Social Care precept | (5,328) | | (5,328) | (5,328) | | 0 | 0.00% |
| NDR Income | (45,465) | | (45,465) | (45,465) | | 0 | 0.00% |
| NDR Levy | 216 | | 216 | 216 | | 0 | 0.00% |
| NDR S31 grants | (3,128) | | (3,128) | (3,128) | | 0 | 0.00% |
| NDR Tarriff | 2,370 | | 2,370 | 2,370 | | 0 | 0.00% |
| Revenue Support Grant | (15,056) | | (15,056) | (15,056) | | 0 | 0.00% |
| Parish Precept | (586) | | (586) | (586) | | 0 | 0.00% |
| New Homes Bonus | (5,152) | | (5,152) | (5,152) | | 0 | 0.00% |
| Section 31 Grant | (5,742) | | (5,742) | (5,742) | | 0 | 0.00% |
| Contribution from/to Grant Equalisation Reserve | (4,231) | | (4,231) | (4,231) | | 0 | 0.00% |
| Contribution from/to Reserves | 0 | (198) | (198) | (198) | | 0 | 0.00% |
| Contribution to Capacity Reserve (bottom line underspend) | 0 | | 0 | 0 | | 0 | 0.00% |
| Collection Fund - Council Tax | (1,188) | | (1,188) | (1,188) | | 0 | 0.00% |
| Collection Fund - NDR | (287) | | (287) | (287) | | 0 | 0.00% |
| Total Financing | (151,687) | (198) | (151,885) | (151,885) | 0 | 0 | 0.00% |

Reserves

The Council's departmental reserves and the capacity building reserve are monitored throughout the year and feed into the budget setting process accordingly. The next table summarises the expected balance for all reserves for 2018/19 to 2021/22

Out of the total reserves balance only £16.7m is deemed available or uncommitted, due to restrictions placed on the remaining reserves.

| Summary of Reserves | Balance Brought Forward 1.4.18 | Cont. from reserves | Cont. to reserves | Movement between reserves | Forecast Balance 31.03.19 | Forecast Balance 31.03.20 | Forecast Balance 31.03.21 |
|--|--------------------------------|---------------------|-------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| General Fund Balance | | | | | | | |
| Available Reserves | | | | | | | |
| Capacity Building Reserve** | 12,714 | (1,390) | 250 | 0 | 11,574 | 11,539 | 11,539 |
| Grant Equalisation Reserve* | 8,445 | (4,231) | 0 | 0 | 4,214 | 4,214 | 4,214 |
| Development Equalisation Reserve | 1,233 | (1,233) | 0 | 0 | 0 | 0 | 0 |
| Departmental Reserve | 5,197 | (4,295) | 0 | 0 | 902 | 902 | 902 |
| Subtotal | 27,589 | (11,149) | 250 | 0 | 16,690 | 16,655 | 16,655 |
| Ring-Fenced Reserves | | | | | | | |
| Insurance Reserve | 4,936 | 0 | 0 | 0 | 4,936 | 4,936 | 4,936 |
| Schools Capital Expenditure Reserve | 1,208 | 0 | 0 | 0 | 1,208 | 1,208 | 1,208 |
| Parish Council Burial Ground Reserve | 51 | 0 | 0 | 0 | 51 | 51 | 51 |
| Hackney Carriage Reserve | 203 | 0 | 0 | 0 | 203 | 203 | 203 |
| School Leases Reserve | 243 | (15) | 0 | 0 | 228 | 178 | 178 |
| Future Cities Reserve | 240 | (240) | 0 | 0 | 0 | 0 | 0 |
| Public Health Reserve | 428 | (198) | 0 | 0 | 230 | 230 | 230 |
| Subtotal | 7,310 | (453) | 0 | 0 | 6,856 | 6,806 | 6,806 |
| | | | | | | | |
| Total Available and Ring-Fenced reserves and General Fund Balance | 40,899 | (11,602) | 250 | 0 | 29,546 | 29,461 | 29,461 |

* £4.2m drawn down per approved 2018/19 MTFS

** Capacity Building Reserve may be used to finance transformational costs associated with delivery of savings plans outlined in Tranche 1 of the 2019/20 – 2021/22 MTFS

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Financial Resilience

The following table provides CIPFAs ten tips for building financial resilience, and an assessment by the Council's S151 officer for PCC position:

| No. | Tip | Description | S151 RAG |
|-----|---|---|----------|
| 1. | Build a culture of constructive challenge | The section 151 officer is legally responsible for signing off a deliverable budget; setting targets doesn't meet that test. A culture of constructive challenge in each part of the organisation is essential. Departmental managers and the political leadership need to question constantly not just what is being proposed but also how it will be delivered. | Amber |
| 2. | Make medium-term savings plans | Savings should be planned over at least three years to allow any policy changes to be agreed and delivered. This is far more likely to result in financial objectives being met than trying to plan and implement savings in a single year. | Red |
| 3. | Decide on a longer-term plan, not a target | While longer-term savings plans will inevitably include more detail in the first two or three years, councils need a good understanding of where they will find the savings in later years. Simply quoting a future savings target that is not based on the realities of the authority's operations is storing up serious risk. | Red |
| 4. | Don't deny the details | Well-managed councils will produce high-quality plans and these need enough detail to be credible. There is a tendency to provide plenty of information on small savings while discussing the big ones in broad terms that lack precision about what needs to be done. Relentless focus on the detail is essential to turning policy goals into savings. | Amber |
| 5. | Watch for warning signs | Authorities need to look out for warning signs that savings plans may not be deliverable, such as a department with a history of in-year overspends. If a unit has missed its savings target one year, it is highly unlikely to deliver a more ambitious savings plan the following year without significant changes to its management, operations and culture. | Green |
| 6. | Be realistic rather than optimistic | A repeated failure to deliver financial plans may be a sign that optimism bias is creeping into the calculations. This could include making unrealistic assumptions about the size and speed of savings. This builds up problems for the future. A culture of constructive challenge excludes optimism bias in favour of realism bias, built on rigorous examination of goals, underlying assumptions and implementation plans. | Green |
| 7. | Get financial team feedback | For chief finance officers, the quality of financial challenge in departmental forecasts regarding pressures and savings is crucial. The finance team needs to constructively challenge departments on their behalf – a key warning sign that plans could fail is a lack of feedback to the CFO on such challenges. | Amber |
| 8. | Have the right skills | Being more commercial needs to happen in step with robust due diligence, knowing about the pitfalls and risks, having effective governance, managing it tightly and acting proportionately. This means having the right skills in place | Amber |

| | | | |
|-----|-------------------------------------|--|----------------------|
| 9. | Make realistic assumptions | When considering a commercial scheme, it is crucial to have balanced assumptions about the likelihood of success, how much income will be generated and how quickly it will flow. | Amber / Green |
| 10. | Don't bank on business rates | Councils are well aware that they are likely to receive additional income from business rates retention. However, they need to be prudent rather than optimistic in the anticipation of receiving extra revenue from this source over the medium term. | Amber / Green |

| | |
|---------------------|----------------------|
| CABINET | AGENDA ITEM No. 11 |
| 11 JUNE 2018 | PUBLIC REPORT |

| | | |
|--------------------------------|--|-------------|
| Report of: | Fiona McMillan, Interim Director of Law and Governance | |
| Cabinet Member(s) responsible: | Councillor Seaton, Cabinet Member for Resources | |
| Contact Officer(s): | Pippa Turvey, Democratic and Constitutional Services Manager | Tel. 452460 |

OUTCOME OF PETITIONS

| RECOMMENDATIONS | |
|---|---------------------------|
| FROM: <i>Directors</i> | Deadline date: <i>N/A</i> |
| It is recommended that Cabinet notes the actions taken in respect of petitions. | |

1. ORIGIN OF REPORT

- 1.1 This report is submitted following the submission of E-Petitions, the presentation of petitions to Council officers, and the presentation of petitions at Council meetings.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to update Cabinet on the progress being made in response to petitions submitted to the Council.
- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.3, '*To take a leading role in promoting the economic, environmental and social well-being of the area*'.

3. TIMESCALES

| | | | |
|---|-----------|----------------------------------|------------|
| Is this a Major Policy Item/Statutory Plan? | NO | If yes, date for Cabinet meeting | N/A |
|---|-----------|----------------------------------|------------|

4. BACKGROUND AND KEY ISSUES

Petitions Presented at the Council or Cabinet Meetings

Bretton Water Park

This petition was submitted by Mr Warren at the Cabinet Meeting on 26 February 2018. The petition contained 245 valid signatures and called on the Council to not cut the £18,000 funding for Bretton Water Park.

Three further petitions were received by the Council on the same matter and have been combined into one petition. The combined number of valid signatures was 481.

The Culture and Leisure Development Manager responded and confirmed that various options had been looked into to keep this facility open. It was advised that Vivacity Culture and Leisure

who operated Peterborough City Councils Culture and Leisure provision across the City had agreed to take over the operations and liability of the park moving forward.

Vivacity were currently in communication with Peterborough City Council officers to understand the current practices and operations ready for the summer opening as usual. The Culture and Leisure Development Manager advised that he was sure Vivacity would be promoting the water park through spring ready for a busy summer season.

John Clare Recreation

This petition was submitted by Councillor Rush on behalf of Ms Lilley at the Council meeting on 7 March 2018. The petition contained 67 valid signatures and called on the Council to improve facilities at the John Clare Rec.

The Head of Environmental Partnerships responded and confirmed that work to improve John Clare Rec was already proposed, once agreement from the Ward Councillors was received the Council would place the order with Amey for the new play equipment. This included a new seesaw, roundabout, refurbishment of the existing bench and the addition of a new bench, plus more.

The Council would not be providing shading at plays areas and it was advised that playhouses were not something the Council normally installed.

Grass Verge Parking - Southfields

This petition was submitted by Councillor Rush at the Council meeting on 7 March 2018. The petition contained 24 valid signatures and called on the Council to take action to eliminate the problem of grass verge parking in Southfields.

The Network and Traffic Manager responded and advised that the Council had recently introduced a Verge and Footway Parking Policy, and requests to prohibit such parking that result in damage to the verges were being dealt with through Adam Payton of the Prevention and Enforcement Service. A copy of the petition had been provided to him for his attention in accordance with the new policy, for which the necessary legal order was being drafted and advertised at present.

It was advised that a request had been made that the area Highway Inspector review the damage caused and ensured that any works to restore the verge to a safe condition were undertaken.

E-petitions

Change Your Mind Mr Mayor Re: Public Gallery

The e-petition was submitted by Councillor Fower on 7 March 2018. This same petition was also presented at the Council meeting on 7 March 2018 by Councillor Davidson on behalf of Councillor Fower. The petition contained 27 valid signatures and called on the Council to 'get the Mayor of Peterborough to repeal his decision to not allow members of the public to sit in the gallery in the chamber, during meetings of Full Council'.

The Interim Director of Law and Governance responded and explained that the decision to close the public gallery was made following a council meeting on 19 July 2017 because of a significant disturbance which made it impossible for the council to conduct important business, including the approval of a plan to tackle crime and disorder in the city. Before the meeting was adjourned, an attempt to clear the public gallery was made by council officers, assisted by the police. This was unsuccessful due to the disturbances taking place.

Following the adjournment, the police voiced concerns about the safety of the public gallery. Specifically, that if any further disturbances were to take place, the current layout and design of

the public gallery made it unsafe to attempt to clear the area. Having received this advice, the public gallery was temporarily closed.

Since then, a full survey has been undertaken and we have commissioned a structural engineer to make improvements. It is expected that the public gallery will reopen in the next few months. Public attendance is welcomed at council meetings, whether to support, protest or simply to observe proceedings. However, when a protest of other actions leads to the disturbance of a meeting to the extent where business cannot be conducted, our rules of procedure require us to remove any individual(s) causing that disturbance. It is vital that this can be done, while ensuring the safety of all.

In the meantime, we have made arrangements for the public to view the proceedings live via a video link to the Bourges Room in the Town Hall or to view the discussions and debate via Facebook Live. This has proved incredibly popular and has made Full Council accessible to a far greater number of residents who would otherwise be unable to attend each meeting and each video is available to watch again and again, rather than just at a set time and day. The average number of views for each meeting is over 5,000, far more than we could actually fit in the public gallery. Due to the success of the live recordings we will be proposing to keep this service once the public gallery is open again.

Petitioning Peterborough City Council to Implement New Strategies to Reduce the Number of Discarded Needles Being Found in Public Places

The e-petition was submitted by Bernadette Gibbons on 4 April 2018. An additional paper petition was submitted on the same day and was combined with the e-petition and called on the Council to discuss and implement better, safer practices to reduce the amount of discarded used needles and other drug paraphernalia across the city. We want to find a solution which works for all, including those who are battling with addiction, in order to make Peterborough's streets safer for everyone. The combined petitions contained 550 valid signatures.

The Assistant Director for Community Safety responded and advised that the Council fully supported this proposal and were already commencing activities to address this problem. The progress made in recent weeks was outlined as follows:

- 22nd February 2018 - A public meeting was held in Woodston with lead officers to hear concerns.
- 27th February 2018 - A presentation was put before our Council Cabinet to report on the extent of the problem.
- 7th March 2018 - A cross party meeting was held with councillors / lead council officers to gain support for a multi agency response.
- 7th March 2018 - A formal motion presented to full council by Cllr Andy Coles. This was supported by members, and as a result officers were asked to examine the issue in detail and seek a resolution.
- 7th March - Present. A multi-agency Taskforce was formed - bringing together partners to deliver problem solving solutions

It was explained that the Taskforce had met twice since 7th March and was overseeing the delivery of an action plan aimed at really getting to the root of this problem. Membership of this Taskforce included Council Community Safety Officers, Public Health, Environmental teams (Amey), ASPIRE drug misuse treatment service, Police crime prevention officers, Pharmacies and the Homeless Outreach team.

The group were overseeing actions that were intended to balance enforcement with prevention and support. Some example activities:

- Improving our abilities to monitor, analyse and respond to this issue.
- Setting up return schemes for pharmacies.
- Communications campaign for drug users / surgeries / pharmacies to promote safe needle use.
- Improve collection / clean up ability. To include focus on private land.
- Prevention measures - Needle bins / increase sharp collection points.

- Design out solutions. Target hardening hotspot areas.

The petitioner was invited to become a member of the Taskforce, as their knowledge of this issue was considered to prove invaluable to help grip the challenge.

Stop the Close of the Manor, Respite Home for Children and Young People with Disabilities

This combined e-petition paper petitions was submitted by Helen Habour on 26 February 2018 and was also submitted by Councillor Davison at the Council meeting on 7 March 2018. The petition contained 930 valid signatures and called on the Council to stop and reconsider the proposed closure of the Manor Children's and young people's home with special needs and disabilities.

The Executive Director of People and Communities for Peterborough and Cambridgeshire Councils responded. This responses is provided in full at **Appendix 1**.

Stop Speeding in Park Ward

The e-petition was submitted by Councillor Peach on 16 April 2018 and called on the Council to put measure in place to reduce speeding in Park Ward. The petition contained 72 valid signatures.

The Principal Sustainable Transport Planning Officer responded and advised that the Council had analysed 3 months of speed data for all of the major roads within Park ward. The data showed that the average speed for all major routes was within the speed limit. The Council also analysed accidents throughout the city and investigated areas that had a cluster of accidents to see if speed or the construction of the road was a factor at all and what solutions could be implemented. Although there were a number of accident cluster sites within Park ward these had already been identified and various schemes and junction improvements had been implemented to tackle this problem. Officers were confident that the improvements which had been made would reduce the number of accidents moving forward.

As the average speed for the major roads within Park ward was within the speed limit a reduction measures could not be justified, as the Council had to have a consistent approach across the whole Peterborough area.

Petitions Presented to Councillor Officers

Introduce a 20mh Zone in Hawksbill Road and Beluga Close

The petition was submitted by Christian Hogg on 12 March 2018. The petition contained 180 valid signatures and called on the Council to introduce a 20mph zone in Hawksbill Way and Beluga Close.

The Network and Traffic Manager responded and advised that the Council had undertaken an initial covert speed survey of vehicles from 8am to 9am on the stretch of Hawksbill Way near nrs 160-176. This showed average vehicle speeds of approx. 22mph heading towards Beluga Drive and 24mph heading towards London Road. This showed excellent compliance with the existing 30mph speed limit and of the eight vehicles exceeding 30mph only two were recorded as being in at or in excess of 34mph, which is the ACPO (Association of Chief Police Officers) threshold.

It was considered that the traffic using the roads would be residents of the area, rather than through traffic, and the results suggested that the majority of residents were driving at appropriate speeds in line with the existing road geometry. The reduction of a speed limit independently of other measures to reduce speeds had been shown to have little additional reduction on vehicle speeds and any reduction achieved would not be noticeable to non-motorised road users using the road.

Given the low and compliant speeds that had been recorded, reducing the speed limit to 20mph would likely raise unrealistic expectations that action would be taken to achieve further reductions either through engineering measures or enforcement action, which could not be justified or sustained from within existing resources.

Partially Convert Local Green Spaces on Avon Court to Car Parking Spaces

The petition was submitted by Councillor Bond on 26 April 2018. The petition contained 28 valid signatures and called on the Council to partially convert local green spaces on Avon Court to car parking spaces.

The Head of Environmental Partnerships responded and advised that he fully appreciated the concerns raised and was aware of similar issues in other areas of the City. Unfortunately with limited budget for Grounds Maintenance across the City the Council did not have sufficient funds to turn current green spaces in to parking spaces that would be to highways standard.

It had also been noted that there were a number of trees growing on the green spaces, under Peterborough City Council Trees and Woodlands Strategy the Council did not look to fell a healthy tree without good reason.

Closure of Northminster Multi Storey Car Park Conveniences

The petition was submitted by Mrs Woolfenden on 10 April 2018. The petition contained 264 valid signatures and called on the Council to reverse the decision to close Northminster Multi Storey Car Park Conveniences.

The Leader of the Council responded and advised that, taking into consideration the concerns raised and having looked at the matter further, he had ordered the public convenience to be reopened during the opening hours of the Market.

The toilets were closed mainly due to concerns and issues raised around anti-social behaviour and the Leader would be monitoring this situation closely over the next few months.

7. REASON FOR THE RECOMMENDATION

7.1 As the petitions presented in this report have been dealt with by Cabinet Members or officers, it is appropriate that the action taken is reported to Cabinet.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 There have been no alternative options considered.

9. IMPLICATIONS

9.1 There are no legal, financial, or equalities implications arising from the issues considered.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10.1 Petitions presented to the Council and responses from officers.

11. APPENDICES

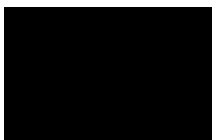
11.1 **Appendix 1** - Response to Petition 'Stop the Close of the Manor, Respite Home for Children and Young People with Disabilities'

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Our Ref: WOW/AG
Your Ref:



Helen Harbour



PEOPLE & COMMUNITIES
 DIRECTORATE
 Peterborough City Council
 Bayard Place, 3rd Floor
 Broadway
 Peterborough
 PE1 1FB

Tuesday 10th April 2018

Dear Helen,

Thank you for all the correspondence you have sent to the Council and meeting with Cllr Smith and me.

I have looked at the Petition and your original letter to Gillian Beasley, I hope Cllr Smith and I responded to the concerns you raised when we met.

Below I have responded to all the concerns and questions you have raised in your correspondence to us.

We know this is a difficult time for families and we are committed to doing everything we can to support them. We will ensure that the needs of families are met and they will not be left without appropriate provision.

It has been a difficult decision to take this action; however for the last two years the Council has not been able to achieve the income from health and other local authorities that it had done in the past and is not able to continue to supplement this income anymore. You will know that the Councils grants from government have been reducing year on year and we are facing very challenging financial times.

There are more services available for short breaks than there were previously and more families are able to access these; Link Foster Care, Outreach, Clubs and Activities, Direct Payments. These can be matched against individual children, young people and family's needs and are able to be provided at a more affordable cost. This is why health and other local authorities are not using the residential respite provision in Peterborough as they used to.

We do accept that families may want overnight residential respite; however if Councils, or others such as Health, are able to provide other services to meet need that are more affordable they will

do so. Many families have benefited and continue to benefit from Link Foster Care and we are growing this service. Link Foster Care can provide flexibility as needs increase or decrease. Another benefit of Link Foster Care, unlike residential care, is that matching of children or young people is not an issue - this is often a prohibiter in residential care to fuller occupancy.

As background to the Councils decision:

The Manor (in Dogsthorpe) and Cherry Lodge (between Orton Waterville & Orton Malborne) provide short breaks in the form of overnight care, as well as day care and outreach. Cherry Lodge is open for respite 7 nights a week; for residential care and works with those children who have the most complex needs. The Manor takes young people with less complex needs and is open for respite care for 4 nights per week. All children that access both homes attend local schools.

There is one joint budget for both homes with a £500k income target based on health and other local authorities in the past purchasing placements. In the last few years the requests for placements from health and other local authorities has decreased as they are purchasing other sorts of support. This has resulted in a level of income that has decreased to about £250k, giving us a £250k budget pressure.

The average occupancy over the last six months at both homes is:

- The Manor 22.6%
- Cherry Lodge 60.2%

To clarify we are looking to cease The Manor overnight stays, but retain the building for non-residential work, this will achieve the reduction in expenditure we need to offset the shortfall in income.

Training

As our current Outreach Workers are also Residential Workers they complete the CWDC induction in their first six months. They move on to the National Diploma 3, which replaced NVQ's, after their first year, this qualification takes about a year to complete. In addition they have to attend the following mandatory training;

Medication administration
 Understanding epilepsy
 Fire safety
 First aid
 Infection control
 Safe moving and handling
 Behaviour management and physical intervention techniques
 Safeguarding
 Understanding autism

They have to complete the following PCC e-learning modules;

Prevent strategy
 Equality Act/Equality in the Workplace
 Disability and Discrimination
 Learning Disability Awareness
 Fire safety
 Safeguarding
 Infection control
 Data protection

Introduction to risk assessment
Introduction to freedom of information

We organise other training which the majority of the permanent staff will attend such as sensory integration, restorative practice and postural awareness, workers will also attend specialist training specific to children they are working with such as administering gastro feeds, oxygen, suction etc. and periodically we arrange good practice/further development events with national organisations such as NYAS. I can give you examples of these if you want them.

As we further develop the outreach service and have workers who are not necessarily residential workers as well we will continue with the same training programme apart from possibly the CWDC induction as we will develop an induction specific to outreach.

Some of the current Manor staff are likely to secure jobs at Cherry Lodge as part of the residential offer and Outreach, so we will retain their skills.

We already have five Link Carers, regarding new Link Carers, in addition to the skills to foster and other training they attend via the foster carer's programme they will also access the training we organise and specialist training specific to the children placed such as oxygen, moving and handling, medication administration and gastro feeds.

Choice

We have recently re-specified and re-tendered for short break provision, as part of this process Family Voice sent out a survey asking parents what they wanted. (I sent this to you) the survey clearly showed families wanted more community based services. We have had requests for Link Foster Care and Direct Payments from families who have used residential overnight care.

We do accept that families may want overnight residential respite; however if Councils, or others such as Health, are able to provide other services to meet need that are more affordable they will do so. Many families have benefited and continue to benefit from Link Foster Care and we are growing this service. Link Foster Care can provide flexibility as needs increase or decrease. Another benefit of Link Foster Care, unlike residential care, is that matching of children or young people is not an issue - this is often a prohibiter in residential care to fuller occupancy.

Use of The Manor

We will use the Manor for non-residential services. This is likely to include group and individual work; the specialist bathrooms and equipment will enable a range of needs to be met whilst children and their families access this provision.

Other Commissioners of places at Cherry Lodge and The Manor

Cambridgeshire and Lincolnshire Councils and the Cambridgeshire and Peterborough Clinical Commissioning Group purchase places at The Manor and Cherry Lodge; however the number of places they are purchasing has decreased over the last couple of years; They are now only purchasing places for the children and young people with the more complex needs, choosing other forms of support such as community activities and outreach.

The income target we have is 500k, we are only achieving 250k, and this is despite offering more places to other authorities and health. By closing the residential provision at The Manor we will achieve the 250k shortfall in income and be able to invest 250k into Outreach and other services to support children and young people with disabilities.

Managers

The Manor and Cherry Lodge have individual Registered Managers. Claire Young who is the Registered Manager for Cherry Lodge is the overall service manager with responsibility for the budget that funds both homes.

Equality Impact Assessment

We consider the impact of our actions will have a neutral impact as children, young people and families will be provided with alternative provision to meet assessed needs.

We do accept that families may want overnight residential respite; however if Councils, or others such as Health, are able to provide other services to meet need that are more affordable they will do so. Many families have benefited and continue to benefit from Link Foster Care and we are growing this service. Link Foster Care can provide flexibility as needs increase or decrease. Another benefit of Link Foster Care, unlike residential care, is that matching of children or young people is not an issue - this is often a prohibiter in residential care to fuller occupancy.

Work with Families who use the Manor

The Social Workers for all the children and young people who access The Manor have had contact with them, in person and in writing. Families were made aware of the proposal to cease the overnight short breaks at the Manor prior to publication of the proposal in the budget. They were able to respond to the proposal and there were a number of responses in the budget consultation in respect of the Manor. We will continue to work with individual families to secure appropriate alternative provision.

Visits to The Manor

Both Cllr Smith and I have visited the Manor. I have visited on a number of occasions and spent time with the children and young people who were there.

Please be assured that Cllr Smith and I are committed to ensuring the needs of all the families who use the Manor are met appropriately and we will not close the overnight provision at the Manor until we have done this. We envisage this will take between three and six months.

Yours sincerely



Wendi Ogle-Welbourn
Executive Director People & Communities for both Peterborough & Cambridgeshire Councils

Here is a link to TACT who are delivering all our fostering and adoption services, including Link Foster Care.

<https://www.tactcare.org.uk/>

<https://www.tactcare.org.uk/foster-with-us/types-of-fostering/children-with-disabilities/>

<https://www.tactcare.org.uk/foster-with-us/types-of-fostering/respite/>

TACT, who are the UK's largest fostering charity, are delivering all fostering and adoption services on behalf of Peterborough City Council.

TACT and Peterborough City Council entered into an innovative and ground breaking partnership that will improve outcomes for children and young people in care and on the edge of care. The service aims to reduce the council's reliance on higher cost independent fostering and residential placements as well as offering high quality training and support to all foster carers in Peterborough.

As a foster carer for TACT Peterborough will benefit from:

- Local support and advice, 24 hours a day, seven days a week
- A comprehensive training and development programme
- Competitive fostering fees and allowances

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