

## CABINET

**MONDAY 14 MARCH 2022**  
**10.00 AM**

**Engine Shed – Sand Martin house**  
**Contact – philippa.turvey@peterborough.gov.uk, 01733 452460**

## AGENDA

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**MINUTES OF THE BUDGET CABINET MEETING  
HELD AT 10:00AM, ON  
MONDAY 21 FEBRUARY 2022  
SAND MARTIN HOUSE, PETERBOROUGH**

**Cabinet Members Present:** Councillor Steve Allen (Vice-Chair in the Chair), Councillor Ayres, Councillor Cereste, Councillor Coles, Councillor Hiller, Councillor Simons, Councillor Walsh

**Cabinet Advisor Present:** Councillor Bashir, Councillor Bisby, Councillor Howard

**53. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Fitzgerald and Councillor Gul Nawaz.

**52. DECLARATIONS OF INTEREST**

Councillor Hiller declared an interest in agenda item 8 'Budget Approval for the Construction of Peterborough City Market and for the Disposal of Land at Northminster', as a Board Member of Peterborough Investment Partnership. He would leave the room during the debate of the item and not take part in the vote.

**53. MINUTES OF THE CABINET MEETINGS HELD ON:**

**(a) 10 January 2022**

The minutes of the Cabinet meeting held on 10 January 2022 were agreed as a true and accurate record.

**(b) 31 January 2022 – Budget Meeting**

The minutes of the Budget Cabinet meeting held on 31 January 2022 were agreed as a true and accurate record.

**54. PETITIONS TO CABINET**

There were no petitions presented to Cabinet.

**STRATEGIC DECISIONS**

The Chair agreed to reorder the agenda, to consider agenda item 8 'Budget Approval for the Construction of Peterborough City Market and for the Disposal of Land at Northminster' after agenda item 9 'Budget Control Report December 2021', in order for the meeting to move into exempt session should Members resolve to do so.

**55. MEDIUM TERM FINANCIAL PLAN 2022/23 – PHASE TWO**

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

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

The Cabinet Member for Finance introduced the report and confirmed that proposals remained largely unchanged from those agreed for public consultation. This included the estimates, which was remained reasonable and deliverable. A fundamental review was taking place in relation to asset management in order to develop a coherent strategy. Members were reminded not to underestimate the size of the challenge facing the Council. The Cabinet Member went on to thank all those who had taken part in the public consultation, including the Joint Meeting of Scrutiny Committees, which comprised a good and open debate without any further recommendations to Cabinet.

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

- Members were advised that the Cabinet Member was as confident as possible in the estimates set out within the plan.
- Emphasis was made on the need to reach a sustainable budget, without reliance on reserves.
- It was noted that the number of responses to the consultation was low, but that expectations for responses to any consultation must be realistic. Further engagement would itself attract further cost and this was something that Members would need to consider going forward.
- Clarification was provided on the risk categories set out within the plan, as the plan had used a four-category system, rather than the traditional three. Some 'high' risks would have been considered 'amber' in traditional systems.
- It was considered that avoiding all 'high' or 'very high' risks would have required closing Council-controlled services. The approach taken was felt to be the correct balance.
- It was noted that the risk in question was not risk to residents, or to vulnerable adults or children, but risk in relation to not delivering on savings.

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

1. This proposed budget includes a Council Tax increase of 2.99%, (1.99% general Council Tax and 1% Adult Social Care Precept), as outlined within section 5.2
2. The Phase Two budget proposals as outlined in Appendix B.
3. The updated budget assumptions, to be incorporated within the Medium-Term Financial Plan 2022/23. These are outlined in section 5.
4. The revised capital programme outlined in section 5 and referencing Appendix C.
5. The establishment of a Budget Risk Reserve and the forecast reserve commitments to fund the cost of transformational investment and the implementation of the Improvement Plan. These are outlined in section 6 and Appendix F.
6. The Education budget as outlined in section 5.6 and within Appendix J.
7. The proposed approach to the development of an Asset Management Strategy, in line with that included within the improvement plan. This is outlined in section 5.5.

8. The Medium-Term Financial Plan 2022/23 – Phase Two, as set out in the body of the report and the following appendices:
- Appendix A – 2022/23 MTFP Budget Position Phase Two
  - Appendix B – Phase Two Budget Consultation Document
  - Appendix C – Capital Programme Schemes 2022/23-2024/25
  - Appendix D – Financial Risk Register
  - Appendix E – Fees and Charges
  - Appendix F – Reserves Commitments
  - Appendix G – Equality Impact Assessments
  - Appendix H– Carbon Impact Assessments
  - Appendix J –Dedicated Schools Grant and the Schools Budget 2022-23
  - Appendix K – Treasury Management Strategy
  - Appendix L – Capital Strategy
  - Appendix M – Budget Consultation Feedback

Cabinet **RESOLVED** to note and recommend that Council note:

9. The strategic financial approach taken by the Council outlined in section 4 of this report.
10. The Council's core funding position following the Local Government Final Finance Settlement published on 7 February 2022. This shows a £0.005m favourable change in comparison to the provisional settlement previously reported. This is outlined in section 5.
11. The forecast reserves position, and the statutory advice of the Chief Finance Officer outlined in section 6 'The Robustness (Section 25) Statement'.
12. The Councils Improvement Plan within Appendix I, as agreed at Council on 16 December, from which this plan is outlined as a key deliverable within the financial sustainability theme.
13. The following changes which have been made since the 31 January Cabinet report:
- a. Confirmation of Final Settlement and grant allocations such as Public Health resulting in a £0.005m favourable change in budget position
  - b. Inclusion of the final parish precepts in section 5.2- net nil budget impact
  - c. Confirmation of no changes to the estimates/assumptions included within the budget proposals
  - d. Inclusion of the approach to the asset strategy
  - e. Inclusion of the budget consultation feedback received up to 10 February 2022.

## **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.

## **56. 'SAVE BRETTON OAK TREE' PETITION – ACTION TO BE TAKEN**

The Cabinet received a report in relation a petition received requesting that the Council 'save Bretton Oak Tree', as well as a supplementary report containing the

recommendations of the Growth, Environment and Resources Committee held on 15 February 2022.

The purpose of this report was to determine whether or not to implement the felling consent for an oak tree in Bretton. The consent to fell already lawfully existed, Cabinet was being asked whether to implement the consent, or, if it determined not to implement the consent, indicate what alternative form of action was considered most appropriate.

The Cabinet Member for Waste, Street Scene and Environment introduced the report and advised that he had investigated alternative options with officers and commissioned expert reports. It was considered that evidence in favour of felling the tree was compelling, however, the Cabinet Member was happy to commission a further independent report within the next 14 days and to commit to planting 100 extra trees should the oak tree at Bretton require felling.

Councillor Sandford addressed the Cabinet and endorsed the recommendation of the Scrutiny Committee to seek an independent report. It was requested that the cost effectiveness of root barriers be investigated as an alternative. It was felt that root barriers could be effective in some circumstances. Councillor Sandford further raised that there were a number of floors in the application and that he felt there were discrepancies in estimated costs.

Mr Richard Elmer, on behalf of the Lead Petitioner, addressed the Cabinet and advised that independent legal advice had been sought from 'Tree Law', who had produced a report, which was available to Members. The conclusions of this report suggested that there was key information about the current status of affected properties missing, following the removal of tree 'T1'. It was felt that bold statements had been made in relation to costs, but the situation was not as bad as the Cabinet report suggested. New repair schemes now existed that may not be as expensive, and root barriers were not as costly as the proposals set out in the report.

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

- Members were advised that the use of root barriers was a complicated issue. No specific quote had been source and the reason for not progressing this option was that the effectiveness of root barriers was unproven, with mortgage companies not trusting the procedure.
- Further issues were raised with root barriers, particularly that they would need to be installed on residents' land, not the Council, which would require consent and compensation.
- Members noted the different conclusion drawn by experts in relation to subsidence versus heave being the cause of the property damage, with the Council's commissioned expert advising that subsidence was the contributing factor. Heave, it was advised, was typical in cases of wide-scale vegetation clearance, which had not happened here.
- In relation to the cost of work, Members were advised that the cost of felling or pruning could be factoring into existing budgets. The implementation of root barriers would require additional budget allocation. The failure of any scheme would result in the Council being liable for damage caused.
- Comment was made by Councillor Ayres that, as Ward Councillor, she would not be voting.

- Members established that there were unlikely to be any lasting issues relating to the tree roots should the tree be felled, and that using root barriers would cause roots to grow in alternative directions, not to encircle them entirely.
- It was requested that if the final decision was delegated to the Cabinet Member, any further expert report should be circulated to all members of the Cabinet prior to a decision being taken.

Cabinet considered the report and the recommendation of the Growth, Resources and Environment Scrutiny Committee and **RESOLVED** (unanimously, with the exception of Councillor Lynne Ayres, who abstained from voting) to:

1. Delegate authority to the Cabinet Member for Waste, Street Scene and the Environment to determine whether the consent to fell the tree at 9 Barnard Way, Bretton be implemented or not, subject to:
  - Obtaining a further independent expert assessment (i.e. not from the experts who have already provided assessments) of the issues relating to the mature oak tree and the property of 9 Barnard Way, Bretton, with such an assessment reviewing the existing reports and clarifying any inconsistencies; and
  - Ensuring the effectiveness, cost and implications of providing root barrier treatment have been properly considered.

## **REASONS FOR THE DECISION**

Cabinet needed to decide whether proceeding to fell the tree was the most appropriate course of action, when considering all options and taking account of all harm and costs of such options.

## **ALTERNATIVE OPTIONS CONSIDERED**

1. To install root barriers – high risk of failure, despite considerable cost, and not under the control of the council to implement.
2. To prune the tree (and regularly prune thereafter) - not generally effective, unless extensive and frequent, negating the amenity value of the tree. Even with frequent pruning, risk remains. Relatively low cost, albeit ongoing annual (or so) costs.
3. To do nothing – not legally an available option. We are duty bound to abate the nuisance.
4. To accept liability and costs associated with underpinning properties affected. Effective, but very expensive, and not covered by insurance.
5. To fell the tree – effective at abating the nuisance, and low cost, though the tree is lost in its entirety.

## **57. THE PETERBOROUGH HOUSING ALLOCATIONS POLICY**

The Cabinet received a report in relation to the Allocations Policy for referral to Full Council.

The purpose of this report was to present to Cabinet the final draft of the Common Housing Allocations Policy.

The Cabinet Member for Housing, Culture and Communities introduced the report and explained that the update had been developed alongside registered housing providers and following a 12 week public consultation. The Strategy was designed to make best

use of the resources available to the Council and to work as a homelessness prevention tool, rather than in a reactive manner.

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

- It was advised that the police set out the Council's rules and would work alongside the eligibility criteria of most housing associations, however some will be difference. The policy allowed for discussion on a case by case basis with those partners.
- Those with specific medical needs would be made a priority, with assessments being conducted to determine whether appropriate changes could be made to current accommodation and, if not, how housing stock could be best used to support them.
- Members noted that those leaving care were specifically mentioned in the policy, with processes in place to ensure a smooth transition into independent living.
- The authority was fully subscribed to the Armed Forces Covenant.
- It was noted that stable accommodation was a key contributor in prevent reoffending among those leaving prison and, as such, the policy aided work to ensure smooth transition or provide mitigating if that was not possible.
- In response to a query raised, Members were advised that the preference for those living in the city for 5 years or over had been removed, as this resulted in the majority of clients receiving preference as was, as such, ineffective.
- Members noted that the local connection criteria – that of having lived in the area for 6 of the past 12 months or 3 of the last 6 years – remained in effect.
- Comment was made around the allocation of bedrooms for children, which in the policy aligned to that of the housing benefit assessment.
- Members were advised that applicants themselves determined who would be included on any tenancy.
- The policy took into account, it was highlighted, situations where it would not be safe for individuals to remain in their current accommodation.
- Concern was raised in relation to the limited provision that could be provided to families where custody of children was shared, with bedroom allocation being provided to those in receipt of child benefit.

Cabinet considered the report and **RESOLVED** to recommend the new Allocations Policy to Full Council for approval.

## **REASONS FOR THE DECISION**

Part 6 of the Housing Act 1996 as amended regulated the allocation of social rented housing by local authorities.

Local housing authorities were required by s.166A(1) of the Act to have an allocations policy for determining priorities, and for defining the procedures to be followed in allocating housing accommodation.

Local housing authorities must allocate in accordance with the allocation policy (s.166A(14)).

All aspects of the allocation process must be covered in the policy including the people by whom decisions are taken.



## **ALTERNATIVE OPTIONS CONSIDERED**

Alternative options considered were:

Not to change the policy at all.

This was dismissed as the current policy was outdated and did not meet the needs of the city and demands on homelessness.

As the council was going through both a service re-design and the creation of a new Homeless strategy, it was vital that the allocations policy reflected the direction of the service and the current needs of Peterborough residents.

Other alternative options would be to make amendments to the current policy but not the changes that were proposed in this document. Officers were confident that the proposals suggested meet the council's aims to -

- Assist those in the highest need
- Let properties in a fair and transparent way
- Support vulnerable households
- Ensure there is a clear way of being reconsidered after a non-qualifying decision.

## **MONITORING ITEMS**

### **58. BUDGET CONTROL REPORT DECEMBER 2021**

The Cabinet received a report in relation to the Budget Control Report for December 2021.

The purpose of this report was to provide Cabinet with the forecast outturn for 2021/22 as at the December 2021 budgetary control position.

The Cabinet Member for Coles introduced the report and advised Members that the budget position had improved from the previous month. The level of drawdown from reserves had reduced, although were still being utilised. The Cabinet Member was mindful that the upcoming months included the typically unpredictable winter season, as well as general uncertainty around the economy and inflation levels.

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

- It was noted that the Capital Strategy now formed part of the MTFS report.
- The Cabinet Member was optimistic with regard to the year-end position, and noted that it would be wonderful not to have to use reserves at all.
- Members were aware of the risk of possible inflation increases and noted that assumptions in relation to this had been building into the budget.
- It was advised that council tax support figures had almost returned to pre-pandemic levels, demonstrating the resilience and recovery of the Peterborough economy.
- Business rate collection was 6.6% behind target and was being closely monitored.

- It was further noted that support was still available to business not eligible under the rate relief scheme, who could apply for support until 28 February 2022.

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

1. The budgetary control position for 2021/22 at 31 December 2021 is a forecast break-even, however the use of £2.9m of reserves underpins the corporate financing position of the Council.
2. The key variance analysis and explanations are contained in Appendix A.
3. The Council's reserves position, as outlined within Appendix B.
4. The Council's capital financial performance as outlined in Appendix C.
5. The Council's performance with respect to Business Rates (NNDR) and Council Tax Collection, as outlined within Appendix D.

## **REASONS FOR THE DECISION**

To ensure that Cabinet are up to date on the forecast outturn for 2021/22 as at the December 2021 budgetary control position.

## **ALTERNATIVE OPTIONS CONSIDERED**

No alternative options were considered.

## **STRATEGIC DECISIONS**

### **59. BUDGET APPROVAL FOR THE CONSTRUCTION OF PETERBOROUGH CITY MARKET AND FOR THE DISPOSAL OF LAND AT NORTHMINSTER**

Councillor Hiller left the meeting at this point.

The Cabinet received a report in relation to the capital budget and funding of revenue costs for the construction of Peterborough City Market and decant of Northminster.

The purpose of this report was for Cabinet to consider recommending to Council the transfer of capital budget of up to £450,000 from Strategic Property and the funding of the revenue costs from reserves for the construction of the Peterborough City Market and decant of Northminster, in order to enable the Council to dispose of its land at Northminster to facilitate the development of new homes on this site as part of the Council's ambition for regeneration and growth of Peterborough. The report also sought Cabinet approval to the sale of land at Northminster to Peterborough Investment Partnership (LLP).

The Cabinet Member for Housing, Culture and Communities introduced the report and outlined plans to create a new market site along Bridge Street, as the current location was dated and not beneficial. It was felt that the new site would revitalise the public realm offering in the city and it was important to secure the best value for the land at Northminster, which was owned by the Council. The new Bridge Street market would include stylised stalls, a food court, and would be supplemented by pop-up stalls.

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

- Critical milestones included the 31 March 2022, when the PIP would need to be on site at Northminster in order to secure the grant from the Combined

Authority, and 30 June 2022, which was the absolute backstop to provide vacant possession of the site to develop to plan.

- Members were advised that plans currently located the food hall in the former customer services centre, with stalls immediately opposite. Pop-up stalls would be further along Bridge Street and into Cathedral Square itself.
- Members noted the importance of strong oversight throughout this project, and that schemes such as this one did attract a level of risk.

Cabinet considered the report and **RESOLVED** to recommend that Full Council:

1. Note the indicative costs in relation to the creation of a new city market as set out in exempt Appendix 1 and delegate final approval of those costs to the Director of Resources subject to the Financial Assessment.
2. Approve funding from reserves for the revenue costs to achieve vacant possession of the Northminster site and to meet costs associated with decanting market traders to a temporary location whilst the permanent market is under construction if necessary.
3. Approve the transfer of capital budget from Strategic Property of up to £450,000 for the construction of the Peterborough City Market.
4. Approve the proposed sale of the land at Northminster to the Peterborough Investment Partnership (PIP), as set out in exempt Appendix 3, with phased completion dates of 31 March 2022 and 30 June 2022, subject to final valuation and compliance with best consideration requirements in line with the joint venture agreement with the PIP and with final terms delegated to the Director of Resources and Director of Law and Governance in consultation with the Cabinet Member for Finance.

## **REASONS FOR THE DECISION**

To enable the Council to dispose of its land at Northminster to facilitate the development of new homes on this site as part of the Council's ambition for regeneration and growth of Peterborough.

## **ALTERNATIVE OPTIONS CONSIDERED**

Option 1: Do nothing and retain the market in its current form at Northminster.

Option 2: Proceed with closing the Northminster market and opening a new city market in Bridge Street and agreeing with the PIP to phase the land transaction such that completion of the majority of the disposal takes place by 31 March 2022 with the Food Hall and/or Laxton Square taking place at a later point targeted for 30 June 2022.

Option 3: Agree changes to the land transaction with the PIP to exclude the Food Hall and Laxton Square and reopen the market on this site instead of Bridge Street.

Chairman  
10.00am to 11.31am  
21 February 2022

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<b>CABINET</b>	<b>AGENDA ITEM No. 5</b>
<b>14 MARCH 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Adrian Chapman, Executive Director Place & Economy, Peterborough City Council	
Cabinet Member(s) responsible:	Cllr Nigel Simons, Cabinet Member for Waste, Street Scene and the Environment	
Contact Officer(s):	Hannah Swinburne, Principal Climate Change Officer	Tel. 01733 453479

<b>2022 Council Climate Change Action Plan</b>
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<b>RECOMMENDATIONS</b>	
<b>FROM:</b> Cabinet Member for Waste, Street Scene and the Environment	<b>Deadline date:</b> N/A
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> <li>1. Endorses the Council Climate Change Action Plan and recommends to Council that it adopts the Council Climate Change Action Plan.</li> <li>2. Recommends to Council that delegation be given to the Executive Director for Place and Economy to undertake any presentational, factual or other minor amendments to the documents associated with this report prior to publication, provided such amendments do not materially amend the content of the documents.</li> </ol>	

**1. ORIGIN OF REPORT**

1.1 The report is submitted to Cabinet and presents details of the Council's response to the climate emergency. The Council's climate change action plan follows the commitment to present an annual update on the Council's greenhouse gas emissions and the plans to meet our target of becoming a net-zero Council by 2030.

**2. PURPOSE AND REASON FOR REPORT**

2.1 The purpose of this report is to:

- 1) seek Cabinet endorsement of a Council Climate Change Action Plan and seek Cabinet approval to recommend the Council Climate Change Action Plan to Council for adoption.
- 2) seek approval to delegate authority to the Executive Director for Place and Economy to undertake any presentational, factual or other minor amendments to the documents associated with this report prior to publication, provided such amendments do not materially amend the content of the documents.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.9, '... [To make] recommendations to Council about proposed changes to the Council's major policy and budget framework.'

### 3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	<b>YES</b>	If yes, date for Cabinet meeting	<b>14 March 2022</b>
Date for relevant Council meeting	<b>June 2022</b>	Date for submission to Government Dept. <i>(Please specify which Government Dept.)</i>	<b>N/A</b>

### 4. BACKGROUND AND KEY ISSUES

#### 4.1 Introduction

4.1.1 On 24 July 2019, Full Council declared a climate emergency, the council then approved and adopted the first council carbon management action plan in March 2020. Council agreed to update this action plan annually. This report is the 3<sup>rd</sup> edition of a climate change action plan to reduce emissions across the council.

#### 4.2 ***Council Climate Change Action Plan (Appendix 1)***

4.2.1 The 2022 Climate Change Action Plan is an update to the 2021 Council Carbon Management Action Plan. It details the council's emissions produced in the financial year 2020/21, provides a progress update on commitments made within the previous version of the action plan and makes commitments for the upcoming year.

4.2.2 The council's carbon footprint for the year 2020/21 was 14,789 tonnes CO<sub>2e</sub>. This is a significant increase on the council's carbon footprint from 2019/20. The largest contributor to this increase is the new inclusion of emissions from materials and sub-contractors within the Peterborough Highways Services contract. The increased carbon footprint is due to improved data collection rather than worse environmental impacts. Should the procured emissions be omitted, as was the case in the previous year's carbon footprint, there would have been a 917 tonne CO<sub>2e</sub> decrease in emissions from 2019/20 and a 2,911 tonne CO<sub>2e</sub> decrease in emissions from the baseline year 2018/19. This is partially explained by a decrease in the carbon factor of the national electricity grid. It should also be acknowledged that the 2020/21 year saw disruption to ways of working, closures of buildings and likely increased heating demands from buildings that required increased ventilation. Therefore, observations seen here may not be representative of future emissions.

4.2.3 In April 2020, the council started to purchase electricity using a green electricity tariff for the majority of electricity meters. The green tariff electricity is certified by Ofgem under the Renewable Energy Guarantee of Origin scheme. The electricity purchased under this tariff can be matched to zero carbon renewable sources, and this reduction in emissions can be considered to calculate the net emissions of the council. The council's net carbon footprint is 12,076 tonnes CO<sub>2e</sub>.

4.2.4 This analysis allows the climate change programme to focus on prioritising the decarbonisation of our largest emitting activities.

4.2.5 The action plan features 25 commitments to reduce carbon emissions in 2022: with major activities in embedding climate change consideration into service design, low carbon fuel and setting low carbon materials as default choices within the council's highways contract.

4.2.6 The commitments contained in the action plan require no additional funding and can be completed within existing staffing resource.

4.2.7 Cabinet is asked to consider the attached Council Climate Change Action Plan. If supportive, Cabinet may recommend the document for adoption by Council in June 2022.

## 5. CONSULTATION

- 5.1 The cross-party Climate Change Working Group discussed the recommendations made by the Cambridgeshire and Peterborough Independent Commission on Climate as well as proposals suggested by officers and elected members. These discussions resulted in the development of 25 unanimously supported climate change actions for inclusion in the Council Climate Change Action Plan. A draft of the Council Climate Change Action Plan was shared with the Climate Change Working Group and discussed at its meeting in February.

Members of the Climate Change Working Group made the following recommendations:

- 1) Members of the working group unanimously recommend that Cabinet endorses the council climate change action plan and recommend that Council adopts the action plan.

## 6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 It is anticipated that Cabinet will endorse the attached Council Climate Change Action Plan and recommend it to Council for adoption.

## 7. REASON FOR THE RECOMMENDATION

- 7.1 The Council has previously committed to the actions of preparing an updated Council Climate Change Action Plan.

The document for consideration has been developed by officers, working with the Climate Change Working Group, and has taken account of reasonable and viable options for the council to cut its carbon emissions.

## 8. ALTERNATIVE OPTIONS CONSIDERED

### 8.1 *Council-CMAP*

The option of not preparing a Council Change Action Plan is dismissed, because Council has already committed in principle to its preparation. Alternative content within the Action Plan could have been prepared and recommended, which could have committed more, less or different projects to reduce the council's carbon emissions. However, in order to start to reduce our emissions to net-zero by 2030, yet take account of the resources available, the content of the action plan is deemed a reasonable and practical set of actions for the next 12 months.

## 9. IMPLICATIONS

### **Financial Implications**

- 9.1 The commitments contained in the action plan require no additional funding and can be completed within existing staffing resource.

### **Legal Implications**

- 9.2 There is no legal requirement to produce a Council Climate Change Action Plan and there is no legal requirement for the council to achieve specific carbon saving targets. However, the council is under a general duty to have regard to the environment in all decisions it makes, and national government has set a legally binding target to reduce national carbon emissions to net-zero by 2050.

### **Equalities Implications**

- 9.3 There are no known implications, positive or negative.

## **Carbon Impact Assessment**

- 9.4 The council climate change action plan contains 25 commitments to reduce the council's carbon emissions. The action plan contains no activities which will increase carbon emissions. Activities listed in the plan are expected to reduce carbon emissions from transport, purchases and waste and increase carbon capture through tree planting. There are a number of commitments which aim to empower staff and councillors to develop carbon reduction projects. Additional projects will likely be brought forward which have not yet been identified.

## **10. BACKGROUND DOCUMENTS**

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

- 10.1 Peterborough City Council's declaration of a climate emergency, July 2019  
Council Carbon Management Action Plan, March 2020  
Council Carbon Management Action Plan, March 2021

## **11. APPENDICES**

- 11.1 Appendix 1: Council Climate Change Action Plan 2022



# Council Carbon Management Action Plan

March 2022

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## Executive Summary

Peterborough has the potential to be a truly sustainable city. A city which has a thriving local economy, strong communities and a sustainable way of life. A city where our residents are healthy, happy and prosperous. We are committed to environmental leadership, decision-making and continuous improvement.

To achieve this we will need to do things differently. If everyone on Earth lived as the average Peterborian, British or European citizen does, we would need nearly three planets' worth of resources to sustain us<sup>1</sup>. This means, on average, each of us is using too much of the world's resources to produce the food we eat, treat the waste we produce, generate the energy we use, consume the goods and services we take for granted, and the travel around the area and beyond.

Peterborough City Council has committed to take action to help support Peterborough to become a net zero carbon city, reversing the trend of increasing consumption of natural resources and instead put Peterborough on the road to becoming a truly sustainable city.

Peterborough City Council not only has an important role in placeshaping and in developing a city-wide vision, but also wishes to demonstrate leadership in tackling climate change and has therefore committed to becoming a net zero carbon organisation by 2030. In order to deliver upon this, the council annually measures its carbon footprint and produces an action plan to achieve further reductions in greenhouse gas emissions.

In the financial year 2020/21, Peterborough City Council emitted 14,789 tonnes CO<sub>2</sub>e. Improved data collection from materials and sub-contractor services delivered within the Peterborough Highways Services (Milestone) contract is responsible for the rise in emissions from previous financial years. Excluding this additional data collected, the council delivered a 28% reduction in greenhouse gas emissions relative to the 2018/19 baseline. After reductions due to the purchase of green electricity, net emissions equated to 12,076 tonnes CO<sub>2</sub>e.

Last year, the council committed to 21 actions to reduce its carbon emissions. Key successes have included swapping the use of diesel in the highways services contract to a biodiesel which reduces emissions by 90%; piloting a carbon literacy training course aimed to educate councillors; and developing a new carbon impact assessment to ensure that the impact of council proposals on city-wide emissions is considered by decision makers.

This action plan commits the council to 25 actions to reduce greenhouse gases in 2022. These include developing a business case for Aragon, the council's waste and parks contractor, to adopt low carbon fuel; embedding climate change into service reviews; and setting low carbon materials as default choices within the council's highways contract.

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<sup>1</sup> WWF (2019) EU Overshoot Day. Living beyond nature's limits  
[https://wwfeu.awsassets.panda.org/downloads/wwf\\_eu\\_overshoot\\_day\\_living\\_beyond\\_nature\\_s\\_limits\\_web.pdf](https://wwfeu.awsassets.panda.org/downloads/wwf_eu_overshoot_day_living_beyond_nature_s_limits_web.pdf)

## Climate change

The climate science is undeniable, with the impacts of climate breakdown already causing serious damage around the world. Extreme weather events are likely to occur more severely and more frequently across Peterborough.

### Global climate change commitments

Since the industrial revolution it is estimated that humans have caused global temperatures to increase by 1.07°C, as of 2019<sup>2</sup>. The Paris Agreement, which has been signed by almost all countries across the world, commits each signatory to aim to keep global temperatures to a 2°C rise, aiming for below 1.5°C. The Intergovernmental Panel on Climate Change (IPCC) Special Report on Global Warming of 1.5°C, describes the enormous harm that a 2°C average rise in global temperatures is likely to cause compared with a 1.5°C rise. The United Nations Climate Change Conference of Parties (COP) is held annually to ensure action continues towards the Paris Agreement goals. COP26 was held in Glasgow in November 2021 and whilst several agreements were made at COP26, it has been acknowledged that if a less than 1.5°C temperature increase is to be achieved, then more action is needed<sup>3</sup>.

### Climate impacts

Climate impacts are being seen across the world. Global temperatures have increased faster over the past 50 years than at any other time within the past 2000 years. In the 2010s, Arctic sea ice was at its lowest level since at least 1850 and global sea levels have risen faster since 1900 than any other century in the last 3000 years. Each of these scientific observations has high certainty.<sup>2</sup>

The impact of climate change is also being seen locally today. The highest temperature ever recorded in the UK occurred in 2019, with a temperature of 38.7°C seen in Cambridge Botanic Garden.<sup>4</sup> Intense periods of rainfall have occurred across Peterborough, most recently in July 2021 where several properties were flooded internally for the first time in roughly 20 years, impacting people's lives and livelihoods. These weather events are predicted to become more severe and more frequent as global temperatures rise further. The latest UK climate projections suggest that the UK climate will continue to warm over the rest of this century and on average will result in hotter and drier summers, warmer and wetter winters with more extreme weather events expected.<sup>4</sup>

The Cambridgeshire and Peterborough Independent Commission on Climate was established by the Cambridgeshire and Peterborough Combined Authority in 2020. The Commission identified a number of severe climate risks to people, infrastructure and the natural and built environment across the local area. For example, across the county, one in 10 homes are predicted to face river

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<sup>2</sup> Intergovernmental Panel on Climate Change (IPCC) (2021) Climate Change 2021, The Physical Science Basis, Working Group I contribution to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change

<sup>3</sup> UN Climate Change Conference UK 2021 (2021) COP26 The Glasgow Climate Pact [COP26-Presidency-Outcomes-The-Climate-Pact.pdf \(ukcop26.org\)](https://www.ukcop26.org/COP26-Presidency-Outcomes-The-Climate-Pact.pdf)

<sup>4</sup> Met Office (2021) UK Climate Projections: Headline Findings July 2021

flooding, with higher risk in East Peterborough. Surface water flooding is a risk in paved areas due to intense rainfall over short periods of time. Storm surges may cause the Nene to tidal flood. Temperatures above 36°C are likely to occur every 20 years by 2050; overheating may lead to health risks. Drier summers will stretch water resources and impact farming, industry and the natural environment. Warmer and drier summers will also lead to rapid degradation of peatlands. Peatland degradation will increase carbon emissions and make land less suitable for farming.<sup>5</sup> These observations and scientific predictions evidence the need to act urgently to minimise the impact of climate change.

## Greenhouse gases

Human activity has caused accelerated release of greenhouse gases, which has caused heat to become trapped, resulting in global temperature rises. Solar energy travels from the sun to Earth, some of this energy is reflected back into space, whilst some becomes trapped by greenhouse gases. The greenhouse effect is essential in warming earth to a temperature which can sustain life, however since the industrial revolution, humans have been responsible for releasing unsustainable amounts of greenhouse gases. This has caused more and more energy to become trapped and has led to rising global temperatures.

There are four main gases which have contributed to global temperatures rises, these are carbon dioxide, methane, nitrous oxide and fluorinated gases. Carbon dioxide is responsible for 81% of global warming, methane 11%, nitrous oxide 4% and fluorinated gases 3%. To ensure that global temperatures do not exceed a 2°C rise, it is essential that greenhouse gas emissions are limited and a net zero state is reached as soon as possible. A net zero state is defined as when an equal amount of greenhouse gas emissions are captured, as those emitted.

## Peterborough City Council Commitment

In 2019 Peterborough City Council declared a climate emergency, committing to becoming a net zero carbon organisation by 2030 and to supporting Peterborough to become a net zero carbon city, also by 2030.

In making this declaration the Council committed to a wide range of comprehensive actions, including, in summary:

- Ensure political and chief officer leadership to embed this priority into work, ensuring all decisions are in line with net zero carbon by 2030.
- Undertake public engagement by establishing a Climate Change Partnership group, proactively involving young people and convening a people's assembly.
- Review budget proposals and the ascertain environmental impact.

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<sup>5</sup> Cambridgeshire & Peterborough Independent Commission on Climate (2021) Fairness, nature and communities: addressing climate change in Cambridgeshire and Peterborough October 2021

- Use planning powers to deliver net zero carbon new developments and communities.
- Increase tree planting.
- Achieve 100% green energy across the council's full range of functions by 2030 and explore renewable generation and storage.
- Replace all council vehicles with electric or hybrid vehicles including the mayor's car, provide electric vehicle infrastructure and encourage alternatives to private car use across the city.
- Increase the efficiency of buildings and help to address fuel poverty.
- Coordinate events to raise awareness, share best practice and provide information on council activities.
- Call on the UK Government to provide the powers, resources and help with funding to make this possible and ask local MPs to do likewise.

In 2021, Peterborough City Council signed up to the Peterborough Climate Commitment. The council joined organisations across the city who have committed to improve their environmental impact. Organisations, such as businesses, schools and charities, agreed to measure, monitor and act to reduce carbon emissions, improve the natural environment and reduce consumption of resources. Peterborough based organisations are invited to sign up to the Peterborough Climate Commitment.

# Peterborough City Council's Carbon Footprint

## Methodology

To determine the effectiveness of the council's actions and to prioritise plans for future decarbonisation, organisational emissions need to be calculated. A few key features of the approach to carbon footprinting are highlighted below.

### **1. Emissions are reported in CO<sub>2</sub>e**

There are four main gases which contribute to global temperature rises, these are carbon dioxide, methane, nitrous oxide and fluorinated gases. Each greenhouse gas has a different capacity for trapping heat. The amount produced of each gas is multiplied by its Global Warming Potential to calculate a carbon dioxide equivalent (CO<sub>2</sub>e) value, this allows for easy comparison between emission causing activities. All data within this document is reported using CO<sub>2</sub>e values.

### **2. Greenhouse gas emissions are reported in three scopes**

Scope 1 emissions are those which are released on site. These include emissions from the fuel used in gas boilers and combustion engine vehicles.

Scope 2 emissions are those which are released by purchased energy where the emissions are released offsite. These include emissions from electricity from the national grid.

Scope 3 emissions are those which are released by indirect activities. These can include emissions produced by the goods and services we purchase, by staff travel, by the processing of waste produced, by the energy dissipated through the transmission and distribution of the energy supply system or by a number of other activities.

### **3. Scope 3 emissions are incomplete**

Scope 3 emissions are difficult to measure as they are not controlled by the organisation. There is a data collection challenge, made more difficult by the large number of suppliers the council works with and the immaturity in emission reporting seen across many organisations nationally. For goods and services that are purchased from a non-exclusive supplier, there is the additional difficulty in assigning emissions to each customer and for materials purchased from sub-contractors there are additional layers of emission reporting required. There is an acknowledgement that not all of the council's scope 3 emissions are included in the carbon footprint presented.

Calculating scope 3 emissions remains a challenge for all organisations, including local authorities. Work is being undertaken in some councils to estimate these emissions, early outputs indicate that this activity accounts for the vast majority of council emissions. Local authorities differ significantly



in the activities they have responsibility for and the activities they deliver in house or outsource. As few local authorities have undertaken this work, a comparator organisation has not yet been identified. However, it is likely that Peterborough City Council's emissions from purchases would also account for a significant proportion of total emissions.

Work will continue to increase the scope 3 emissions measured and therefore scope 3 emissions are likely to rise in future years due to improved data collection. This rise in reported emissions would not be reflective of a worse environmental impact. The council's net zero carbon ambitions relate to all scopes, and so work will be undertaken to reduce scope 3 emissions as well in addition to better monitoring.

#### **4. Gross emissions and net emissions are reported**

In April 2020, the council started to purchase electricity using a green electricity tariff offered by Total Power and Gas.

Electricity used on site is drawn from the national grid, which is produced by a variety of renewable and non-renewable sources. Each year a national electricity grid carbon factor is calculated which reflects the carbon intensity of the electricity used that year. As the contribution of renewable sources has already been factored into calculations, to avoid double counting any zero carbon electricity, the national electricity carbon factor should be used to determine the organisation's carbon footprint, this is termed location-based emissions reporting.

The green tariff electricity purchased by the council from Total Power and Gas is certified by Ofgem under the Renewable Energy Guarantee of Origin scheme. The electricity purchased under this tariff can be matched to zero carbon renewable sources and this reduction in emissions can be reflected in market-based reporting. For full transparency of data, both location-based and market-based emissions are reported.

The gross emissions (calculated using the location-based system for electricity reporting) can be offset by reductions owing to purchase of a green electricity tariff. This results in a net emissions value, which has been reported.

Our carbon footprint is calculated in line with the UK Government's Environmental Reporting Guidelines for Voluntary Greenhouse Gas Reporting<sup>6</sup>. A fuller explanation of the methodology used to calculate the council's carbon footprint can be found in appendix A.

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<sup>6</sup> HM Government (2019) Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance March 2019 (Updated Introduction and Chapters 1 and 2)

## Council carbon footprint 2020-21

The council's carbon footprint has been calculated for the year 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021. The total emissions equals 14,789 tonnes CO<sub>2</sub>e.

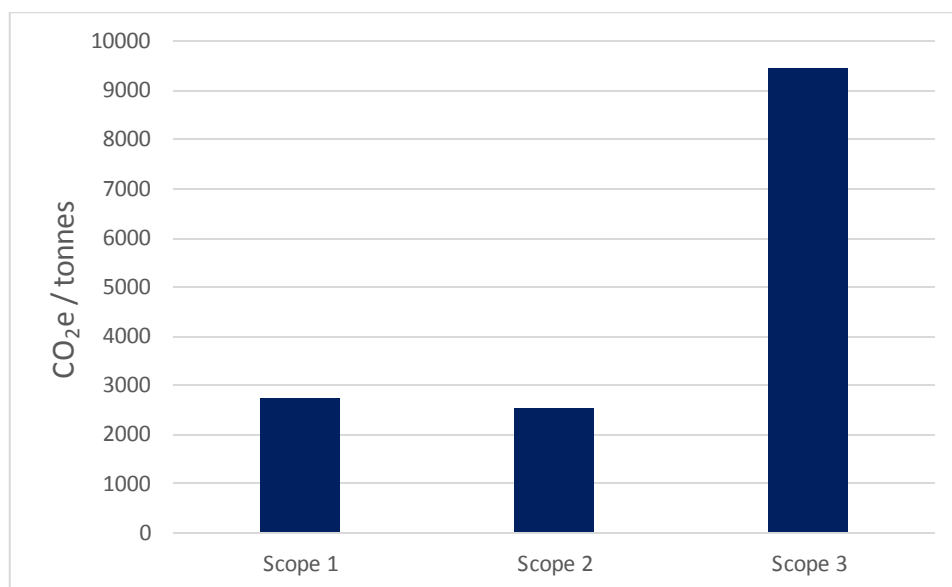


Figure 1: Council carbon footprint 2020/21 (gross emissions)

## Comparison to previous years

Peterborough City Council has reported its carbon emissions in this manner since 2018/19, data is shown for comparison.

	Emissions (tonnes CO <sub>2</sub> e)		
	2018/19	2019/20	2020/21
<b>Scope 1</b>	2,721	2,255	2,763
<b>Scope 2</b>	4,924	3,503	2,551
<b>Scope 3</b>	3,962	3,855	9,476
<b>Total</b>	<b>11,607</b>	<b>9,613</b>	<b>14,789</b>

Table 1: Council carbon footprint comparison of years 2018/19, 2019/20 and 2020/21 (gross emissions)

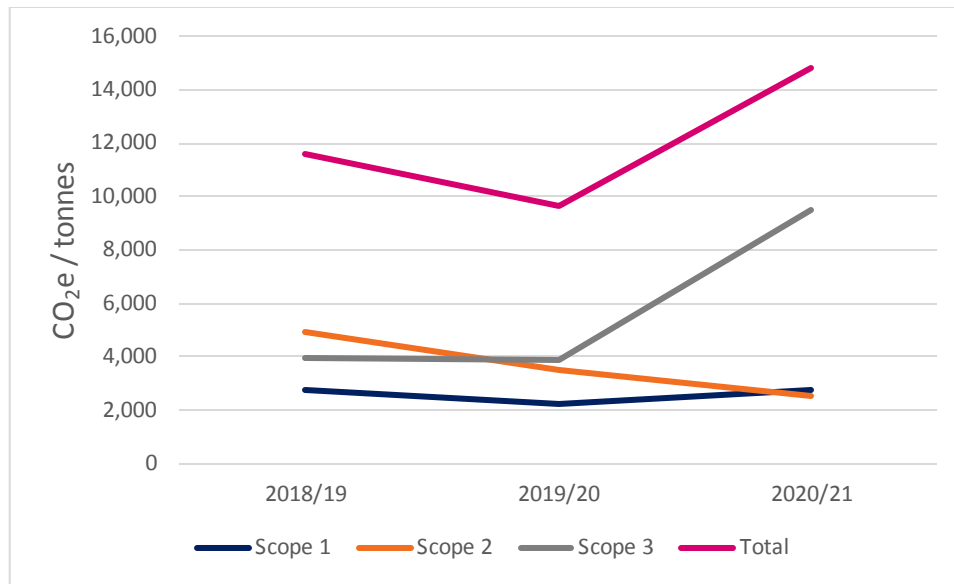


Figure 2: Council carbon footprint comparison of years 2018/19, 2019/20 and 2020/21 (gross emissions)

There are several factors that have contributed to the increase in carbon footprint from 2019/20.

The most significant impact to the carbon footprint is the inclusion of emissions from materials and sub-contractors within the Peterborough Highways Services contract which is operated by Milestone, as reflected in the increased scope 3 emissions. In 2020/21 this equated to 6,093 tonnes CO<sub>2</sub>e, the figure had not been calculated in previous years. If this data were not included in the 2020/21 carbon footprint, the resultant data would show a reduction of 917 tonnes CO<sub>2</sub>e since 2019/20, representing a 9.5% decrease. This is mostly owing to a 27% reduction in scope 2 emissions, i.e. council purchased electricity, which is partially explained by the 9% decarbonisation of national grid from the year 2019 to 2020. If the Peterborough Highways Services materials and sub-contractor data was not included in the 2020/21 carbon footprint, the resultant data would show a reduction of 2,911 tonnes CO<sub>2</sub>e since the baseline year 2018/19, representing a 25% decrease.

It should be noted that the financial year 2020/21, saw disruption to previous ways of working, closures of some buildings and possible increased heating demands from buildings that required increased ventilation due to the Covid-19 pandemic. For this reason, changes seen within this year may not be indicative of future emissions.

The council's carbon footprint can be allocated to different categories to allow fuller understanding of what activities are contributing to emissions.

	2020/21 Greenhouse gas emissions (tonnes CO <sub>2</sub> e)	2020/21 Percentage of total
<b>Buildings &amp; utilities</b>	<b>6367</b>	<b>43.1%</b>
Council buildings* – electricity	1808	12.2%
Council buildings* – gas	2974	20.1%
Street lighting – electricity	1360	9.2%
Car parks – electricity	13	0.1%
Milestone buildings – electricity	34	0.2%
Milestone buildings – gas	23	0.2%
Aragon buildings** – electricity	67	0.5%
Aragon buildings** – gas	88	0.6%
<b>Transport</b>	<b>2307</b>	<b>15.6%</b>
Council transport	68	0.5%
Council staff business travel	148	1.0%
Milestone transport	302	2.0%
Aragon transport	1789	12.1%
<b>Purchased goods and services</b>	<b>6093</b>	<b>41.2%</b>
Milestone purchased goods and services	6093	41.2%
Hotel stays	0.3	0.0%
<b>Waste</b>	<b>22</b>	<b>0.1%</b>
Council waste	7	0.0%
Milestone waste	15	0.1%
<b>Total</b>	<b>14789</b>	<b>100</b>

Table 2: Breakdown of council emissions 2020/21 (gross emissions)

\*Some of the buildings which Peterborough City Council pays the energy bills for are rented to commercial organisations, therefore although the council owns the asset, it is not under full control of its operation.

\*\*Aragon utilities are purchased by the council, however are reported here separately to show organisational boundaries.

	2020/21 Greenhouse gas emissions (tonnes CO <sub>2</sub> e)	2020/21 Percentage of total	Percentage change from baseline 2018/19
<b>Buildings &amp; utilities</b>	6367	43.1%	- 31%
<b>Transport</b>	2307	15.6%	- 2.4%
<b>Purchased goods and services</b>	6093	41.2%	/
<b>Waste</b>	22	0.1%	+ 59%
<b>Total</b>	<b>14789</b>	<b>100</b>	<b>+ 27%</b>

Table 3: Council carbon footprint 2020/21. Data categorisation showing percentage contribution to the total carbon footprint and percentage change since the 2018/19 baseline year (gross emissions)

## Green electricity tariff

The above data reports on gross greenhouse gas emissions. There are a number of items which can be deducted from an organisation's gross emissions to obtain its net emissions. Examples of deductions include emissions offset by purchasing zero carbon energy, by verified carbon capture schemes, by owned renewable energy generation or by verified offsetting schemes.

In April 2020, the council started to purchase electricity using a green electricity tariff offered by Total Power and Gas for the majority of its electricity meters. The green tariff electricity is certified by Ofgem under the Renewable Energy Guarantee of Origin scheme. The electricity purchased under this tariff can be matched to zero carbon renewable sources, and this reduction in emissions is reflected in market-based reporting.

The following graph shows how the reduction in electricity emissions contributes to the overall carbon footprint. It is reflected in reduced scope 2 and scope 3 emissions. After considering the market-based emissions from electricity, the net carbon footprint of the council is reduced from 14,789 tonnes CO<sub>2</sub>e to 12,076 tonnes CO<sub>2</sub>e.

	Emissions (tonnes CO <sub>2</sub> e)		
	2018/19	2019/20	2020/21
<b>Scope 1</b>	2,721	2,255	2,763
<b>Scope 2</b>	4,924	3,503	2,551
<b>Scope 3</b>	3,962	3,855	9,476
<b>Total gross emissions</b>	<b>11,607</b>	<b>9,613</b>	<b>14,789</b>
<b>Green tariff</b>	<b>N/A</b>	<b>N/A</b>	<b>2,713</b>
<b>Total net emissions</b>	<b>11,607</b>	<b>9,613</b>	<b>12,076</b>

Table 4: Council carbon footprint comparison of years 2018/19, 2019/20 and 2020/21 (gross and net emissions)

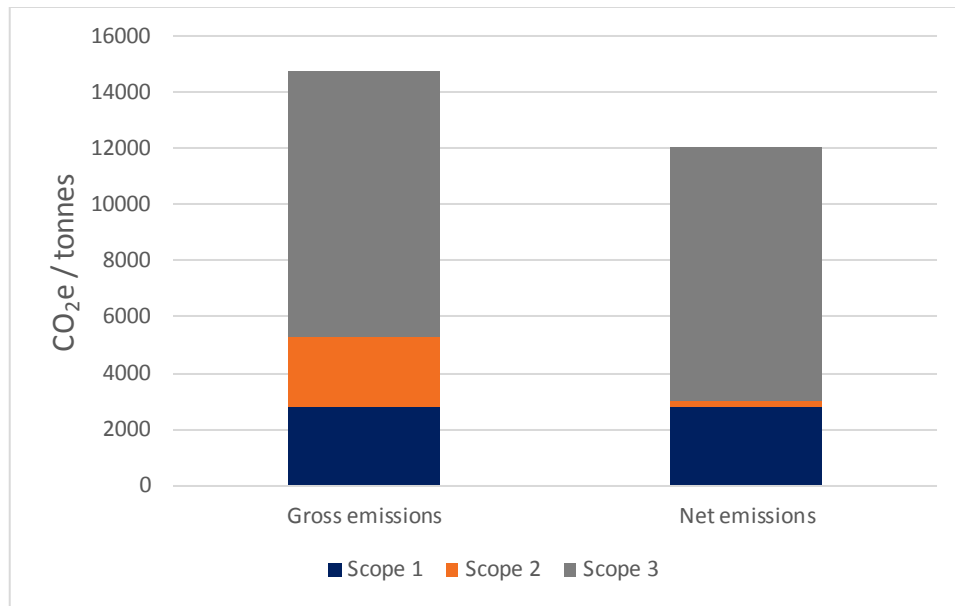


Figure 3: Council carbon footprint comparison of years 2018/19, 2019/20 and 2020/21 (gross and net emissions)

A number of electricity meters transferred across to the green electricity tariff midway through the 2020/21 financial year, therefore net emissions from council-purchased electricity are likely to be reduced within the 2021/22 financial year carbon footprint.

### Renewable energy

895 MWh of renewable energy was generated in 2020/21 from Peterborough City Council owned solar panels. This generation offset 229 tonnes CO<sub>2</sub>e that would have otherwise been produced. There is insufficient data to determine total the amount of electricity used on site and that exported to the national grid, and therefore offsets have not been included in net emission calculations.

### Intensity ratio

Local government responsibilities are often flexible with activities differing over time. These changing activities may affect the amount of greenhouse gas emissions and therefore it can be useful to express carbon emissions as intensity ratios.

Intensity ratios express the greenhouse gas impact per unit of spend or per member of staff. The council employed 1127 full time equivalent (FTE) staff in 2020/21 which equates to an intensity measure of 13.12 tCO<sub>2</sub>e/FTE. There are limitations in this data as there are buildings which are rented to external organisations, for which the staffing count is not considered.

The council spent £494,874,000 in 2020/21<sup>7</sup> (subject to audit), which equates to an intensity measure of 29.88 tCO<sub>2</sub>e per £1m spent.

	2018/19 Gross emissions	2019/20 Gross emissions	2020/21 Gross emissions	2020/21 Net emissions
<b>Intensity ratio – greenhouse gas emissions per staff (tonnes CO<sub>2</sub>e/FTE)</b>	12.17	10.08	13.12	10.43
<b>Intensity ratio – greenhouse gas emissions per spend (tonnes CO<sub>2</sub>e/£1m spent)</b>	19.18	19.01	29.88	23.76

Table 5: Intensity ratio comparison of years 2018/19 (gross), 2019/20 (gross), 2020/21 (gross) and 2020/21 (net)

It should be noted that the council delivers some of its services via 3rd party arrangements and the staff number for these services is not included. The council also delivers a number of services via partnership arrangements with Cambridgeshire County Council; this is reflected in the overall FTE count.

#### Future decarbonisation of the national electricity grid

The national electricity grid is expected to show a decarbonising trend over time. From a 2020 baseline, the carbon emissions factor is expected to reduce by 68% by 2030 and by 96% by 2050<sup>8</sup>. This will mean that future electricity use will become less carbon intensive. If the council's electricity use remained at 2020/21 levels, this would represent a 2,232 tonne decrease in the council's gross carbon emissions by 2030. Additionally, emissions savings would be made as the carbon footprints of suppliers from which the council purchases goods and services would also be reduced. However as these are not currently included in the council's emissions, the reduction cannot be calculated.

<sup>7</sup> Peterborough City Council (2021) Statement of Accounts 2020/21 <https://www.peterborough.gov.uk/asset-library/pcc-statement-of-accounts-2020-21.pdf>

<sup>8</sup> Department for Business, Energy and Industrial Strategy (2021) Green Book supplementary guidance: valuation of energy use and greenhouse gas emissions for appraisal – Data tables - Electricity emissions factors to 2100, kgCO<sub>2</sub>e/kWh

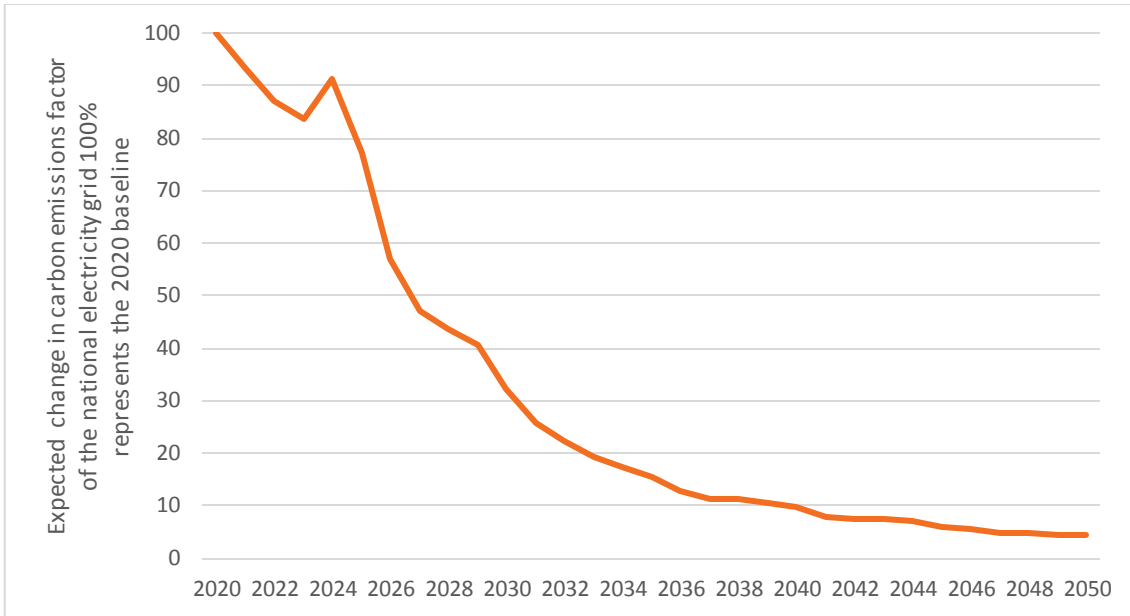


Figure 4: Governmental projections for the carbon emissions factor for the national grid, assuming public sector use, calculated using a consumption based grid-average.

### Project development

Analysis of the carbon footprint data enables identification of high emitting areas to prioritise decarbonisation projects. The most significant area of emissions is purchased goods and services through the highways contract (6,903 tonnes CO<sub>2</sub>e), followed by council purchased gas (3,062 tonnes CO<sub>2</sub>e) and Aragon-owned transport (1,789 tonnes CO<sub>2</sub>e).



## Decarbonisation projects

In order to become a net zero carbon organisation, the council has commenced a programme of climate change projects. Each year the council makes a number of commitments to reduce organisational greenhouse gas emissions.

### 2021 Commitments to address carbon emissions

The council made 21 commitments in the 2021 Council Carbon Management Action Plan. Progress on these commitments is discussed below.

Progress on 2021 commitments			
	Commitment	Area of emissions	Update
1	Develop and trial a proposal for minimum street lighting levels across the city to maximise carbon savings, balancing environmental, social and economic factors.	Buildings/ utilities	Following an initial trial the council introduced a new dimming regime in April 2020. Due to significant reduced traffic levels throughout the pandemic, the council took the opportunity to reduce lighting further and dim all lights across the city by 40%. As traffic levels have increased again following the pandemic it was necessary to revert to the agreed dimming regime with the addition of increased dimming (by 40%) between 00:00 and 05:00 in residential areas. This has been in operation since September 2021.
2	Roll out 'Carbon Literacy' training during 2021, initially focusing on Members of the Climate Change Cross Party Working Group, Change Champions and lead officers from each department across the council.	Overarching	Carbon Literacy Trust training has been delivered to staff and councillors. Peterborough City Council delivered a pilot version of the elected member's training course, helping to optimise the course material and activities.
3	Seek to secure funding from future rounds of the Public Sector Decarbonisation scheme (or an alternative source) to improve the efficiency of the council's estate.	Buildings	Funding was secured from the Public Sector Decarbonisation Scheme to develop a heat decarbonisation plan for Peterborough's maintained schools. This is due for completion in March 2022 and

			will provide information necessary to bid for further rounds of funding to complete heat decarbonisation works.
4	Develop a process for collecting additional emissions data from the council's farm estate and seek funding to undertake research to identify potential opportunities to reduce carbon emissions from peat soils.	Land Use	Due to limitations in staff resource, delivery of this action has not been progressed. The Cambridgeshire and Peterborough Combined Authority has identified mapping of peatlands and supporting the farming industry to adopt sustainable practices as key areas of action.
5	Develop a process for collecting additional emissions data from 3rd party organisations including Medesham Homes and Opportunity Peterborough.	Consumption	Milestone, the highways contractor, has supplied data on their procured emissions including those from purchased materials and sub-contractor operations. This data has been included in the carbon footprint for 2020/21.
6	Develop a process for collecting additional emissions data from purchased materials and work with the council's procurement team to identify mechanisms to improve the sustainability of the council's procurement process.	Consumption	Carbon emissions have been included in a couple of large procurement exercises. Standard climate change questions for tenders are being developed.
7	When normal Mayoral duties resume, a new lease for the Mayoral car will be considered which will include options for an electric or hybrid vehicle.	Transport	An electric car has been leased for Mayoral duties, this ensures the Mayor leads by example when attending local events.
8	To ascertain and review options to enable the council to consider switching to a low carbon gas tariff.	Buildings	The council is currently in a gas supply contract until 2023; this energy supplier does not offer green gas. The supplier does have an offset tariff, where an additional cost is added to bills to fund projects which achieve carbon reductions equivalent to the emissions released by gas usage. Discussions by the climate change working group deemed that any available funds should be directed towards viable internal decarbonisation projects before offsetting was utilised.
9	Begin to implement recommendations from the fleet review undertaken by	Transport	The council has procured a new refuse fleet of 23 vehicles. The bin lifts are operated via

	Aragon which will see the introduction of new electric vehicles.		electricity rather than diesel, which reduces carbon emissions. The council has also procured a further two fully electric refuse collection vehicles to be used on the garden waste service.
10	Develop detailed carbon assessments for two major highway projects and use the information to influence the final design.	Consumption	The Peterborough Highways Services teams from the council and Milestone have run carbon reduction workshops on a major project to design out carbon emissions through alternative materials and low carbon construction practices. This model will be used on future projects.
11	Engage with national government on the resources and legislation necessary to empower local government to deliver our climate ambitions.	Overarching	The council has engaged with national government on a number of occasions. Examples include participation in government consultations on the OxCam Arc, Extended Producer Responsibility, Deposit Return Schemes and consistency of waste collections.
12	Develop a Business Case to establish the viability of switching the local Milestone fleet to an alternative sustainable fuel.	Transport	A business case was developed for the Milestone fleet to operate using hydrotreated vegetable oil (HVO) instead of diesel. In February 2022 this was put into operation. HVO gives a 90% reduction in CO <sub>2</sub> e emissions in comparison to diesel. It is intended that HVO is used as an interim fuel for these large vehicles before alternative fuels are available.
13	Investigate the opportunities to reduce emissions from the Regional Swimming Pool, currently the council's single highest carbon emitting site.	Buildings	The new pool development has been put on hold whilst finance options are explored. Work to ensure carbon emissions are minimised will continue when this is resolved.
14	Continue to rationalise office floorspace thereby reducing energy demands, for example, excess floorspace at the Town Hall will be leased.	Buildings	Discussions were put on hold as it was unclear as to what office space would be required following the Covid-19 pandemic and a potential return to the office. Discussions are re-commencing.

15	Initiate a process to identify adaptation opportunities across the council's operations and potential interventions.	Adaptation	A costed proposal is being developed for a climate change adaptation plan. This will be considered by the Cabinet Member for Waste, Street Scene and the Environment once developed.
16	Roll out further guidance and training for staff in relation to the recently introduced 'Carbon Impact Assessment' procedure – a new assessment which requires all council decisions to be assessed for the carbon implications of the decision being made.	Overarching	A new carbon impact assessment process is in place. Decision makers are now presented with information on how proposals may affect carbon emissions from the council and across the city. There is also a requirement to consider additional aspects that could be undertaken to lower any negative impacts. The updated carbon impact assessment was developed through discussions with staff to ensure that it was simple to complete and easily accessible.
17	Actively participate in a citywide Climate Change Partnership forum, and the annual Climate Change Action day.	Overarching	Peterborough City Council helped to establish a Peterborough Climate Change Partnership. The Partnership is still developing and the full scope of the group may evolve. Early work of the Partnership has included developing the Peterborough Climate Commitment, which local organisations can sign up to assess, monitor and act to reduce environmental impacts.
18	Further develop the cross-party Climate Change Member Working Group, so that each political party of the council can both champion carbon savings, scrutinise decision making and steer further carbon savings initiatives and ideas.	Overarching	The cross-party climate change working group meets monthly to discuss policy direction. The group has held a public information gathering session, where tree planting professionals were invited to give their expertise to help direct Peterborough City Council plans.
19	Work with other local authorities to ensure best practice is shared and opportunities to collaborate are identified and developed.	Overarching	Officers attend regular meetings with climate change officers across Cambridgeshire from local and combined authorities.
20	Hold the second annual Climate Action Day, known as March Forth to engage businesses and residents across the	Overarching	A Climate Action Day was held on 4 <sup>th</sup> March 2021. An online social media campaign was

	city. This day will be a celebration of the work to date, as well an opportunity to share ideas on how to tackle climate change and take a pledge to adopt climate friendly behaviours for the day.		coordinated to encourage residents and businesses to adopt climate friendly actions. Further to this, during COP26, a social media campaign was delivered to promote climate heroes, people in the local community who are taking steps to reduce their environmental impact.
21	Conduct a staff travel survey once Covid-19 restrictions are lifted to understand the change in travel behaviour. Opportunities to support home working where feasible will be explored.	Transport	Covid-19 restrictions have not yet been lifted and so this work has been paused. Home working has been utilised well throughout this year, and although options to return to the workplace may be re-introduced in the future, it is likely that home-working will also remain an option.

Table 6: Progress update of 2021 climate change commitments

## 2022 Commitments to address carbon emissions

To reduce the council's organisational emissions a programme of projects for 2022 has been designed. The recommendations of the Cambridgeshire and Peterborough Independent Commission on Climate were considered during discussions on programme development, as well as local insight from officers and members of the cross-party climate change working group.

In order to make decisions on what projects to take forward, the council has assessed projects based on the following criteria:

- **Project cost.** The current financial position of the council has led to the development of a programme of actions which can be completed within existing resources, requiring no additional finance.
- **Potential impact to emissions.** Projects with the highest potential impact to emissions have been prioritised.
- **Ease of implementation.** Staffing resources must be utilised efficiently to ensure that maximal projects can be delivered.
- **Public demonstration.** The council has an important leadership role in demonstrating how projects which tackle climate change can be completed to other organisations and businesses.

This process has resulted in the following list of 25 commitments to tackle climate change in 2022.

The potential impact to emissions has been assessed assuming the project was in operation. For instance, the potential impact on emissions for the development of a business case for the use of low carbon fuel in the Aragon fleet, has been assessed assuming that low carbon fuel was in use.

2022 Commitments			
	Commitments	Area of emissions	Potential impact to emissions
1	Develop a communications plan to support staff to lower carbon emissions.	Overarching	No direct impact
2	Deliver carbon literacy training to councillors and officers. Aiming to achieve 70% over the next few years.	Overarching	No direct impact
3	Monitor and support councillors and officers to deliver upon carbon reduction pledges made during carbon literacy training.	Overarching	No direct impact
4	Work with officers to conduct a review of each service to determine how the council can reduce carbon emissions.	Overarching	No direct impact
5	Develop a process by which in the council's budget setting process, wherever possible,	Overarching	No direct impact

	spending plans are reprioritised to enable Peterborough City Council to better achieve its corporate objective of achieving net zero carbon by 2030.		
6	Develop a process to consider the financial and environmental value of carbon capture and carbon emission reductions. Financial and environmental costs will result from the impacts of climate change if global carbon reduction is not achieved.	Overarching	No direct impact
7	Collaborate with other local authorities to ensure best practice is shared and opportunities to collaborate are identified and developed.	Overarching	No direct impact
8	Engage with national government on the resources and legislation necessary to empower and fund local government to deliver the council's climate ambitions.	Overarching	No direct impact
9	Seek to utilise section 106 and other external funding to expand the capacity of the climate change core team.	Overarching	No direct impact
10	Develop a business case for Aragon to use low carbon fuel (e.g. HVO) across its fleet.	Transport	High potential impact
11	Work with Milestone to increase the uptake of low carbon fuel across the supply chain.	Transport	High potential impact
12	Develop an air travel policy which seeks to eliminate air travel for journeys within Great Britain and require Director signoff for overseas air travel.	Transport	Low potential impact
13	Conduct a council-wide travel survey to determine post-pandemic travel habits to inform plans which could reduce emissions from business mileage.	Transport	No direct impact
14	Support and promote car sharing, active travel and use of public transport to staff and councillors.	Transport	Medium potential impact
15	Develop a policy to incorporate the transport hierarchy across the council's capital projects. This would ensure that facilities were in place and information available to support staff and visitors to walk, cycle or take public transport over travelling by car.	Transport	Medium potential impact
16	Develop a policy to incorporate the waste hierarchy across the council's capital projects and service delivery. This would ensure that facilities were in place and information available to support staff and visitors to deal with waste in the following order of prioritisation: prevent, reduce, reuse, recycle, recover and dispose.	Waste	Medium potential impact

17	Conduct a sampling exercise of council waste to inform the setting of a council waste target. Deliver targeted communications to improve waste reduction and separation.	Waste	Low potential impact
18	Ensure the council's use of single use plastic is reduced.	Waste	Low potential impact
19	Research and explore options with the ambition of developing a procurement plan which will look to include progressive milestones to 2030 to support the council's supply chain to reduce emissions.	Purchases	High potential impact
20	Set low carbon construction methods and materials as default options within the Milestone highways contract.	Purchases	High potential impact
21	Continue to improve asset management of council owned mobile phones and IT equipment to further reduce unnecessary purchases and wastage.	Purchases	Low potential impact
22	Seek grant funding or sponsorship to support delivery of 125 hectares of tree planting per annum to deliver the council's 25% tree canopy cover target by 2035.	Land Use	High potential impact
23	Investigate the potential of setting up a carbon credit scheme to complement the council's tree planting ambition.	Land Use	Medium potential impact
24	Work with Aragon to optimise climate friendly practices, both to mitigate and adapt to climate change.	Land Use	Medium potential impact
25	Promote licences to cultivate. These allow local residents and community groups to tend to planted areas of council-owned land.	Land Use	Low potential impact

Table 7: 2022 climate change commitments

It should be noted that actions within the climate change programme will not be limited to the above list, additional projects will be developed and pursued as opportunities are presented. External grant funding opportunities will likely influence the development of additional projects.



## Finance

The action plan features commitments which will aid the council to reaching its goal of becoming a net zero carbon organisation by 2030. It is acknowledged that the council is not currently in a financial position to commit to additional expenditure. Commitments listed in this action plan do not require internal funding. Where additional funding is required to progress actions further, approvals will be sought via existing governance structures and the development of business cases to ensure value for money is achieved. It is acknowledged that additional finance is required to address the urgency of climate change and will likely be sought when the council is in a sustainable financial position.

The council will explore various finance options for project development. External funding will always be considered before the use of internal council funds. Finance options include:

- **Grants:** The Climate Change Act and agenda to achieve a green recovery from Covid-19 have given rise to a number of climate change and energy efficiency funds. These will be interrogated to determine if any funding streaming are suitable for projects within Peterborough.
- **Match-Funding:** Grant awarding bodies and other third-party funders may offer part funding for projects with the stipulation that the council funds the remaining costs.
- **Invest to Save:** Projects funded via invest to save budgets will deliver future savings to the council. Business cases for proposals are required to demonstrate how the cost of borrowing will be covered and show how the individual scheme is self-financing and so has no overall negative impact against the council's long-term financial position.
- **Internal Resources:** Schemes may also be considered that require investment through the medium term financial strategy (i.e. carry an additional cost to be factored into the budget, subject to approval) where they contribute towards delivery of service improvements, or to achievement of council priorities. This includes funding for revenue schemes or financing the borrowing for capital schemes. Should any schemes be identified they will undergo business case development and appropriate approvals will be sought.

## Offsetting

For an organisation to become net zero carbon, it must capture or offset as many greenhouse gas emissions as it is responsible for emitting, including the organisation's scope 3 emissions where calculable. Validated offsetting schemes exist in which organisations can financially contribute to to facilitate projects which lower carbon emissions. This allows the organisation to offset its greenhouse gas emissions and achieve a net zero carbon status without eliminating all its carbon emissions.

The council has not participated in any offsetting schemes to date. It is deemed that there are additional projects that could be done to lower the council's gross emissions and any available funds should prioritise this work before offsetting is considered. Should this position change in the future

and all viable projects to reduce emissions were already completed, then the approach to offsetting may be reconsidered.

## Project management

Successful implementation and delivery of the action plan requires a robust, transparent governance structure which will ensure strategic ownership of the council's carbon reduction aims. This governance process will bring together the diverse range of projects undertaken throughout the council which contribute to the organisation's overall environmental impact.

### Identifying Projects

The council is committed to identifying opportunities to reduce carbon emissions across all areas of its operations.

There are a number of routes to identifying carbon reduction projects.

- A core group of officers, representing key service areas, has been identified. These officers will meet on a regular basis in order to discuss ongoing and forthcoming projects. This allows early conversations about opportunities to reduce carbon to take place.
- Carbon literacy training is being delivered to officers and councillors. The training equips attendees to consider climate change in project development and requires delegates to make climate action pledges to reduce organisational emissions. This process will directly create a series of carbon reduction projects and will empower officers and councillors to identify projects in the future.
- Service reviews will be undertaken to determine activities of high emissions and projects to reduce these. Projects will focus on reducing organisational and city-wide emissions.
- Decisions taken by the council are subject to a Carbon Impact Assessment (CIA). Responsible officers are required to undertake a review of their project/decision and consider the impact it will have on the council's target to achieve net-zero carbon emissions for the organisation and the city. A summary of the CIA is included in the accompanying governance report to enable the relevant decision maker to make an informed decision considering the impact of carbon emissions. This process enables officers and councillors to consider the potential impacts on carbon emissions throughout the project design and decision-making process.
- Change Champions are a group of council officers who work across various service areas. A number of change champions have already undertaken carbon literacy training to help ensure climate change is a high priority across service delivery. Change Champions will also help ensure that there is local support to guide project development to reduce carbon emissions.

### Initiating Projects

Before any project is initiated the relevant lead council officer will ensure that all of the necessary procurement and governance steps are undertaken. Consideration will be given to any communication activity that may be required.

### Monitoring Projects

The impact of individual projects will primarily be monitored by analysing emissions data, accompanied by other relevant available data. Data will be used to ensure resources are directed to projects with the most significant impact. Where appropriate, engagement activities will be undertaken to monitor the impact of projects. Programme management will be undertaken centrally to ensure that all projects progress.

### Reporting Progress

Each year the council will produce an annual report detailing the emissions arising from all emissions sources within the organisation's operational boundary as well as reporting progress on previous climate change commitments.

### Climate Change Working Group

The Climate Change Working Group is a cross-party group of elected members, who meet regularly to discuss strategic direction for the climate change programme, including mitigation of council and city-wide carbon emissions and adaptation to climate change. The working group is a vital part of the governance structure of the programme, inputting into project identification, development and monitoring.

### Council adoption / approval

Any new policy which requires Cabinet or Council adoption will be developed in line with the council's governance process.

## City-wide climate action plan

When declaring a climate emergency, Peterborough City Council made two commitments. Alongside becoming a net zero organisation by 2030, the council also committed to helping support the Peterborough to become a net zero carbon city by 2030.

### Update on the development of a city-wide climate action plan

Action on this second commitment will be the focus of a plan due to be released later in 2022. The council previously intended to release the city-wide climate action plan earlier, however it was deemed beneficial to delay this to ensure that several activities could influence strategic direction of the plan. These include:

- A local area energy plan for Peterborough is due to be completed by April 2022. This will evaluate current and future energy demands for the city, considering electricity consumption and heating in buildings, retrofitting of buildings to improve energy efficiency and electricity demands for electric vehicles. The local area energy plan is expected to produce an indication of areas suited to different low carbon heating solutions as well as a pipeline of projects for which the council can seek funding or investment to commission.
- The Cambridgeshire and Peterborough Independent Commission on Climate report “Fairness, nature and communities: addressing climate change in Cambridgeshire and Peterborough” was released in October 2021. This report made a series of recommendations to reduce carbon emissions across the region.
- The Peterborough Climate Change Partnership was established in 2021. Local organisations with an interest in reducing environmental impacts are welcome to join. Early work of the group has led to the development of a Peterborough Climate Commitment, in which organisations agree to measure, monitor and act to improve upon their impact to the environment. Peterborough City Council has signed up to this pledge.
- The Cambridgeshire and Peterborough Combined Authority and the New Anglia Local Enterprise Partnership have commissioned the development of an alternative fuels strategy for the region. This is expected to produce recommendations to achieve carbon reduction across the transport sector.

As well as information and views from these sources, stakeholder engagement will also be essential for the development of the city-wide action plan.

### Stakeholder engagement

Stakeholder engagement is a key aspect to the programme.

- **Public engagement** A programme of public engagement will support the development of the city-wide climate action plan. The aims of which will be to inform residents of climate impacts and carbon reduction choices and gather input into the design of the city-wide plans. Information from related public engagement programmes, such consultations on the Local Transport and Connectivity

Plan and the Local Area Energy Plan, may be used to provide additional insight into the climate change programme

- **Business engagement** The Peterborough Climate Change Partnership group of local organisations has recently been established. Business engagement plans will be developed in discussions with this group.
- **Schools** As well as potentially reducing organisational carbon emissions, schools also play a vital role in education and behavioural change. The council intends to work with all local schools (both maintained and academy schools) to prepare a bespoke action plan for schools. The council is recruiting a schools climate change engagement officer to work closely with pupils to enable them to lead carbon reduction projects across their school.
- **Parish councils** Parish councils have a vital role in helping to meet the city's ambitious targets. Parish councils generally have a relative low organisational carbon impact but can have a significant role championing change within its local area. Peterborough City Council can offer support to parish councils in the development of their own climate action plans.
- **Councillors** Peterborough City Council will work with its elected members to ensure resident input is considered in action planning. Carbon literacy training will be offered to councillors to support members in communicating the impact of climate change and the benefits of carbon reduction projects.
- **Other Local Authorities** The council works closely with Cambridgeshire local authorities and the Cambridgeshire and Peterborough Combined Authority. Resources and expertise are shared across a wide range of topics and there is close collaboration in the development of the combined authority's climate action plan.

## A Just Transition

A just transition is an important concept throughout climate change action. The Cambridgeshire and Peterborough Independent Commission on Climate identified a set of principles to follow to ensure that climate change plans follow a just transition<sup>5</sup>.

Different members of our communities will be impacted differently both by climate change and by the actions to tackle climate change, and so our approach for climate change action must be fair to all. The benefits of addressing climate change should be shared by all and everyone should have equal opportunity to engage with action. The Commission's principles will be embedded into city-wide action plans.

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<sup>3</sup> Cambridgeshire & Peterborough Independent Commission on Climate (2021) Fairness, nature and communities: addressing climate change in Cambridgeshire and Peterborough October 2021

## Appendix A

### Methodology used to calculate the Council's carbon footprint

#### Defining The Scope

The starting point for carbon management is to accurately establish the scope of the emission sources to be used to calculate the emissions baseline and subsequent carbon footprint updates. The scope of the baseline includes the required types and sources of emissions over a defined timescale. The baseline is a fixed point against which a reduction target can be set and future performance monitored.

Emissions-releasing activities are classified into three groups known as scopes. Scopes are defined in the Greenhouse Gas Protocol Corporate Standard as follows.

Scope	Definition / Activity
<b>1 (Direct)</b>	<b>Emissions from sources that are owned or controlled by the organisation</b>
Fuels	Fuel sources combusted at a site or in an asset owned or controlled by the organisation.
Refrigerants	Refrigerants that leak from air-conditioning equipment.
Passenger vehicles	Travel in cars and on motorcycles owned or controlled by the organisation.
Delivery vehicles	Travel in vans and heavy goods vehicles that are owned or controlled by the organisation.
<b>2 (Indirect)</b>	<b>Emissions that are a consequence of the organisation's operations, but occur from sources owned or controlled by another company</b>
Electricity (grid)	Electricity used by an organisation at sites owned or controlled by them.
<b>3 (Other Indirect)</b>	<b>Emissions that are a consequence of the organisation's operations, which occur at sources which they do not own or control</b>
Business travel	Travel for business purposes in assets not owned or directly operated by the organisation.
Hotel stays	Overnight hotel stays for work purposes.
Material use	Process emissions from purchased materials.
Waste disposal	Emissions from end-of-life disposal of different materials using a variety of different disposal methods.
Water supply	Emissions from water delivered through the mains supply network.
Water treatment	Emissions from water returned to the sewage system through mains drains.
Transmission & Distribution	Emissions associated with grid losses (the energy loss that occurs in getting the electricity from the power plant to the organisations that purchase it).
Well-to-Tank (WTT)	Upstream emissions of extraction, refining and transportation of a primary fuel source prior to its point of combustion.

Table 1: Greenhouse gas emission scopes and associated emission releasing activities<sup>10</sup>

<sup>10</sup> Department for Business, Energy and Industrial Strategy (2019). Environmental Reporting Guidelines: Including streamlined energy and carbon reporting requirements <https://www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance>

## The Organisational Boundary

The organisational boundary is defined by establishing what activities and functions are included in scope for the purpose of determining the council's emissions, and what activities and functions are out of scope. This stage of the process involves reviewing the council's operations to determine activities that give rise to carbon emissions.

In most organisations greenhouse gas emissions are reported for every operation which is owned and operated by the organisation or where there is financial control. The council has a complex operational structure, which includes a portfolio of council-owned buildings which are leased to third parties, where the council purchases the energy but does not influence energy use. These buildings have also been included in scope.

In time, the council aims to report upon all emissions arising from its purchased goods and services, however as of yet the only contracts which report into the council's scope 3 emissions are the Aragon and Milestone contracts.

Vivacity was an externally operated organisation, running cultural services within Peterborough. This service is now provided in-house, and so previous Vivacity emissions are now reported in Peterborough City Council totals.



The council's carbon footprint is calculated using the following sources.

Scope	Typical activities for a local authority organisation		Identified Council emission sources
1	Buildings	Production of electricity, heat or steam	• Gas used in buildings which is purchased by the council. The building may be operated by an external organisation.
	Transport	Fleet transportation	• Travel in vans and heavy goods vehicles operated by the council.
	Fugitive	Hydrofluorocarbons (HFC) emissions during use of refrigeration and air-conditioning equipment	• Refrigerant top-ups for air-conditioning units.
2	Buildings	Consumption of purchased electricity, heat or steam	<ul style="list-style-type: none"> <li>• Electricity used in buildings which is purchased by the council. The building may be operated by an external organisation.</li> <li>• Electricity used in streetlighting and car park lighting which also includes road signs and illuminated bollards</li> </ul>
3	Purchases	Production emissions from purchased goods and services	Included where available (see below)
	Transport	Transportation, employee business travel, employee commuting	<ul style="list-style-type: none"> <li>• Staff business travel and accommodation.</li> <li>• Employee commuting – excluded (see below).</li> <li>• Buildings and fleet used to deliver services by Milestone and Aragon.</li> </ul>

Table 2: Identified in scope council emissions<sup>11</sup>

### Excluded Emissions

The council has deemed that the following emission sources remain out of scope for the council's carbon footprint calculation. Reasons are detailed below:

#### Scope 3

- **Water supply and treatment** – Water supply emissions arise from the treatment and pumping from the water source to the tap. It was deemed that the emissions contribution from water consumption is too insignificant to justify the additional reporting burden. Water consumption is not currently calculated at an organisation wide level, and so data is not easily accessed.
- **Waste water treatment** - It was deemed that the emissions contribution from waste water treatment is too insignificant to justify the additional reporting burden. Waste water is not currently calculated at an organisation wide level, and so data is not easily accessed.

<sup>11</sup> World Resources Institute and World Business Council for Sustainable Development (2004) The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). [Corporate Standard | Greenhouse Gas Protocol \(ghgprotocol.org\)](https://www.ghgprotocol.org/)

- **Waste disposal** – This plan excludes emissions arising from city-wide waste treatment. Details on this source of emissions will be included in the city-wide climate change action plan. The rationale for this decision is that this waste is a citywide resource, some of which currently generates enough electricity to power over 16,000 homes through the Energy Recovery Facility, and therefore offsetting of these emissions should be accounted for on a city-wide level.
- **Employee commuting** – Whilst the emissions relating to employees travelling for the purposes of work for which expenses are claimed is included within this report, the emissions arising from employees travelling from home to work are not included. This approach is accepted as part of the Greenhouse Gas Protocol guidance .
- **Peatland** –The council holds a farm estate of approximately 3,000 acres, a proportion of which is comprised of peatland soils. Whilst healthy peatland is able to capture and store carbon emissions, degraded soil emits carbon. At this stage there is no data available for inclusion in this plan. The council is committed to not only understand the emissions arising as a result of its agricultural land but also to seek opportunities to reduce emissions both through revised land management practices and development of energy projects to bring forward local decarbonised heat and power.
- **Purchased goods and services** – The largest exclusion relates to purchased goods and services. Data is not yet available for the majority of the council’s purchases, this data will be added when available and so the calculated carbon footprint of the council is expected to rise over the coming years due to improved reporting.

The council will review the scope on an annual or biennial basis to ensure that data is collected from all relevant sources.

## Data Collection

The emission data used to calculate the carbon footprint was gathered from different sources including: invoices received by the Council, annual energy statements from utility providers, vehicle fuel data, property services and third party providers (i.e. Aragon and Milestone). Work continues to ensure that this data is robust and systems are in place to ensure ongoing timely and accurate collection of data.

Energy Type	Source	Data Quality/Estimation techniques
Gas	Energy invoices and annual energy statements from suppliers.  Collated data from third party providers.	Where estimations have been used, records are held with source data.  <b>Methods include:</b> Annualising consumption or average data calculated using bookended data.
Passenger vehicles	Staff mileage claims, fuel purchased and vehicle log books.	Annualising consumption where required
Fleet vehicles	Fuel purchased and vehicle log books	Annualising consumption where required
Electricity	Energy invoices and annual energy statements from suppliers.  Collated data from third party providers.	Where estimations have been used records are held with source data.  <b>Methods include:</b> Annualising consumption or average data calculated using bookended data.
Renewable energy	Online renewable energy portal	N/A
Business travel	Council data records	N/A

Table 3: Source of data by energy type

## Calculating emissions

To calculate CO<sub>2</sub>e emissions, raw usage data (such as kWh of electricity used) is multiplied by a conversion factor.

### Conversion Factors

The carbon conversion factors used for this action plan are the 2020 UK Government published carbon conversion factors. The council uses the conversion factors which match to the year in which the majority of the relevant financial year sits. For instance for the financial year 2020/21, the 2020 conversion factors are used.

The key conversion factors used are as follows:

Energy Type	Conversion factor
<b>Fuels</b>	
Natural Gas	0.18387 kg CO <sub>2</sub> e / kWh (Gross CV)
Propane	0.21411kg CO <sub>2</sub> e / kWh (Gross CV)
Diesel (average biofuel blend)	2.54603 kg CO <sub>2</sub> e / litre
Petrol (average biofuel blend)	2.16802 kg CO <sub>2</sub> e / litre
<b>Electricity</b>	
UK electricity	0.23314 kg CO <sub>2</sub> e / kWh (Gross CV)
<b>Vehicles (passenger, delivery and business travel)</b>	
Large diesel car	0.32863 kg CO <sub>2</sub> e / mile
Average car (unknown fuel type)	0.27584 kg CO <sub>2</sub> e / mile
Domestic flights	0.2443 kg CO <sub>2</sub> e / km
National rail	0.03694 kg CO <sub>2</sub> e / km
<b>Purchases</b>	
Milestone purchased goods and services	Various. Calculated by Milestone
Hotel stays	15.7 kg CO <sub>2</sub> e / night
<b>Waste</b>	
Residual waste	21.3167 kg CO <sub>2</sub> e / tonne
Recycling	21.3167 kg CO <sub>2</sub> e / tonne
Organic waste	10.2039 kg CO <sub>2</sub> e / tonne
Inert waste	1.009 kg CO <sub>2</sub> e / tonne
Active waste	21.354 kg CO <sub>2</sub> e / tonne
<b>Transmission &amp; Distribution</b>	
UK electricity	0.02005 kg CO <sub>2</sub> e / kWh
<b>Well-To-Tank</b>	
Various	Various, used as appropriate from 2020 Conversion factors

Table 4: Key greenhouse gas conversion factors<sup>12</sup>

<sup>12</sup> Department for Business, Energy and Industrial Strategy (2020) Greenhouse gas reporting: conversion factors 2020 [Greenhouse gas reporting: conversion factors 2020 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/464212/greenhouse_gas_reporting_conversion_factors_2020.pdf)

## Baseline Year Recalculation Policy

There may be circumstances under which it becomes necessary to recalculate the council's baseline year emissions. If significant changes were to occur, either within the council's organisation or to recognised methodologies, it could challenge the validity of comparing to existing data. To ensure comparisons remain valid, the following baseline year recalculation policy has been developed. This ensures that any significant changes are identified, measured for a recalculation threshold and processed accordingly.

Change scenario	Baseline year recalculation?
<b>Mergers, Acquisitions, Divestitures</b>	
Acquisition of (or insourcing) a facility that did not exist in the baseline year.	Potentially recalculate baseline year emissions depending on likely impact, or correct errors
Disposal of (or outsourcing) a facility to another company.	Potentially recalculate baseline year emissions depending on likely impact, or correct errors
Transfer of ownership/ control of emissions sources. This includes changes in lease status.	No base year recalculation required
<b>Organic Growth and Decline</b>	
Organic growth	No base year recalculation required
Organic decline	No base year recalculation required
<b>Changes in Quantification Methodologies / Errors</b>	
Changes in emission factors or methodologies (e.g. change in activity data) that reflect real changes in emissions (i.e. changes in fuel type or technology)	No base year recalculation required
Changes in measurement methodologies, improvements in the accuracy of emission factors, improvements in the accuracy or availability of activity data or discovery of previous errors/ number of cumulative errors	Potentially recalculate baseline year emissions depending on likely impact if data is available for baseline year, or correct errors

Table 5: Baseline year recalculation policy

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<b>CABINET</b>	<b>AGENDA ITEM No. 6</b>
<b>14 MARCH 2022</b>	<b>PUBLIC REPORT</b>

Cabinet Member(s) responsible:	Cllr Andy Coles, Cabinet Member for Finance	
Contact Officer(s):	Cecilie Booth, Interim Corporate Director of Resources Kirsty Nutton, Acting Service Director: Financial Services & DS151	Tel. 452520 Tel. 384590

## BUDGET CONTROL REPORT JANUARY 2022

RECOMMENDATIONS	
<b>FROM:</b> Cecilie Booth, Interim Corporate Director of Resources	<b>Deadline date:</b> N/A
<p>It is recommended that Cabinet notes:</p> <ol style="list-style-type: none"> <li>1. The budgetary control position for 2021/22 at 31 January 2022 is a forecast break-even, however the use of £0.741m of reserves underpins the corporate financing position of the Council.</li> <li>2. The key variance analysis and explanations are contained in Appendix A.</li> <li>3. The Council's reserves position, as outlined within Appendix B.</li> <li>4. The Council's capital financial performance as outlined in Appendix C.</li> <li>5. The Council's performance with respect to Business Rates (NNDR) and Council Tax Collection, as outlined within Appendix D.</li> </ol>	

### 1. ORIGIN OF THE REPORT

1.1. This report is submitted to Cabinet following discussion by the Corporate Leadership Team (CLT).

### 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 the forecast outturn for 2021/22 as at January 2022 budgetary control position.

### 3. TIMESCALE

Is this a Major Policy Item/ Statutory Plan	NO	If yes, date for Cabinet meeting	N/A
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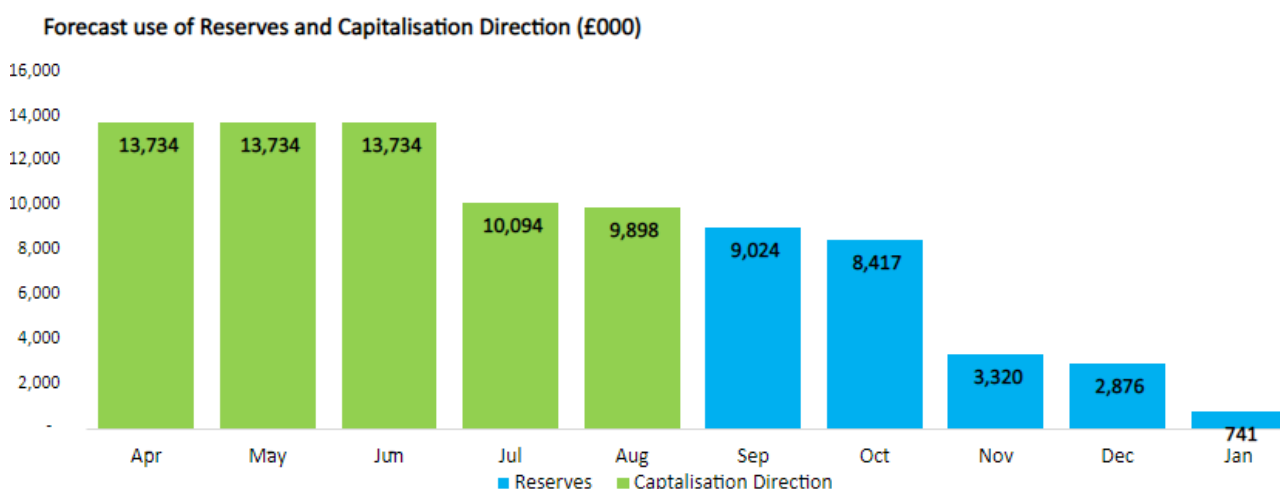
#### 4. JANUARY 2022 BUDGETARY CONTROL REPORT (BCR) - REVENUE

4.1. The revenue budget for 2021/22, agreed at Full Council on 3rd March 2021, was approved at £187.3m. The following table outlines the changes which have been made to the budget to arrive at the revised budget of £189.2m.

Reconciliation of agreed MTFS budget to current budget	£m
Approved Budget 2021/22	187.255
Earmarked Reserves: Place & Economy and People and Community	1.755
Capacity Reserve Contribution: Resources and Place & Economy	0.237
<b>Revised Budget 2021/22</b>	<b>189.247</b>

4.2. As at the end of January, the Council is forecasting a break-even outturn position however it includes the use of reserves to underpin the financing of expenditure. In year savings continue to be sought to reduce the reliance on corporate reserves to fund Council-wide expenditure.

4.3. The Council assumes that it will not use any of the conditional Capitalisation Direction (borrowing to fund revenue costs) during 2021/22. A reduction in the funding required from reserves by £9.8m is also forecast this month, from the original budget of £10.5m, due to the forecast improvement in performance in the current year with further savings and reductions in pressures being forecast. This change in the forecast use of Capitalisation Direction and reserves to underpin the budget is illustrated in the following chart:



4.4. The following table summarises the budgetary control position by directorate:

Directorate	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Chief Executives	1,206	1,106	(100)	(36)	(64)	Underspend
Governance	4,144	3,994	(149)	(201)	52	Underspend
Place & Economy	23,890	21,918	(1,971)	(1,663)	(308)	Underspend



Directorate	Budget £k	Foreca st Spend £k	Variance £k	Previou s Month Varianc e £k	Moveme nt £k	Overall Status
People & Communities	100,941	100,052	(889)	529	(1,418)	Underspen d
Public Health	(188)	(188)	0	(73)	73	Breakeven
Resources	22,732	19,702	(3,030)	(2,802)	(229)	Underspen d
Customer & Digital Services	7,809	7,090	(718)	(611)	(107)	Underspen d
Business Improvement	719	690	(29)	(36)	6	Underspen d
Capital Financing	27,994	25,307	(2,687)	(2,687)	0	Underspen d
<b>Total Expenditure</b>	<b>189,247</b>	<b>179,672</b>	<b>(9,575)</b>	<b>(7,580)</b>	<b>(1,994)</b>	Underspen d
Financing (inc. Reserves)	(186,013)	(179,672)	6,341	4,346	1,994	Reduction in the Use of Reserves
Exceptional Financial Support (Capitalisation Direction)	(3,234)	0	3,234	3,234	0	Reduction in Borrowing
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	Breakeven

#### 4.5. Key variances within the Council's financial position include:

##### Favourable Variances

- **Capital Financing** – Reduced borrowing from 2020/21 financial year contributing to a reduction in interest payments, and additional savings forecast on the timing of new borrowing taken during the current financial year resulting in a forecast saving of £2.7m.
- **Financing overall Position:**
  - The Council is expected to receive £2.3m share of the benefit gained via the Cambridgeshire and Peterborough Business Pool Rates for 2021/22. This forecast has reduced from the £2.5m previously reported as it reflects latest Quarter 2 Pool position. This was not included within budget due to the timing of the receipt of information to inform the budget estimate.
  - The Government Sales Fees and Charges compensation scheme extended to cover April – June resulting in a forecasted grant receipt of £1.1m.
  - These two favourable variances are offset by reducing the use of reserves by £9.8m, as the favourable forecast position means this is not required to fund revenue expenditure.
- **People & Communities** - Adults Commissioning is showing an overall underspend of £1.8m, this is due to Early Help and Transitions investments delayed due to team restructures and additional funding from the annual uplift of the Better Care fund and the Discharge to Assess (DTA), which are being used to support additional Adult Social Care pressures in this area.

- **Place & Economy** – There has been a significant increase in wholesale export price of electricity produced by the Energy Recovery Facility. This is resulting in a favourable variance of £1.6m due to the market showing faster signs than expected of recovery.
- **Resources** – The Pension actuary completed the cessation assessment for Peterborough Culture and Leisure Trust (Vivacity) which resulted in favourable variance of £1.3m. This has enabled a single year reduction to the secondary contributions to the Pension Fund for the year 2021/22 to be made. This variance is the result of the Funding and Management Agreement with Vivacity and the risk agreement for pension contributions.
- **People & Communities** – the expected increased numbers of Looked After Children following Covid Lockdown did not materialise resulting in a £0.8m saving.

### Adverse Variances

- **People & Communities** – Parking services are reporting a loss of £1.5m due to loss of income in relation to Parking Charges continuing to be affected by reduced footfall in the city and Environment Enforcement Services. See 5.1 below on Sale Fees and Charges income for mitigating funding.
- **People & Communities** - Think Communities are reporting a £1.5m loss of income within the Culture and Leisure Services, as a result of the social distancing and lockdown restrictions in place throughout April- June which impacted on incomes streams.
- **Place & Economy** - An additional £0.7m of expenditure within Housing Services is forecast due to the cost of using Hotels and B&B's, and associated security and maintenance costs. This additional expenditure is offset with the Rough Sleeper Initiative grant and the Rapid Rehousing Pathway grant held in the departmental reserve.
- **Place & Economy** – Housing Enforcement is reporting a pressure of £0.5m due the Selective Licensing scheme ending in October 2021 and currently there is a delay in setting up the new scheme.
- **People & Communities** – Education are reporting a pressure of £0.5m on the Home to Schools transport due to cost of re-tendering the contract and reduced parental contributions.

4.6. Further details regarding the service forecast variances are outlined within Appendix A of this report.

## 5. Spending Controls moratorium

- 5.1. At the end of November the Council put a moratorium on all non-essential expenditure (anything other than essential statutory services with immediate affect) across the organisation. This has been put in place in order to protect the Council's reserve position in the current year so that reserve balances can be used to fund transformation, increase the Council's financial resilience and / or strategically support the following financial year budget planning for 2022/23. The Council's reserve balances, as identified within the [CIPFA Financial Assurance Review](#) report, are limited. The Council can only use reserves the once and therefore it makes good business sense to only do so if there is no alternative.
- 5.2. Since the additional moratorium spending controls were put in place the Council has reduced its revenue forecast by £7.7m as outlined within this January BCR position. The revised position is encouraging, However the Council recognises the need to carefully manage the risks associated

with the reduced expenditure forecasts, especially in light of the cases of Covid-19 Omicron strain locally to Peterborough.

5.5. The Council will continue with the moratorium and close monitoring of expenditure for the remaining months of the year. These in year actions have been embedded within the Council's Improvement Plan, as agreed at Council 16 December 2021.

## **6. APPENDICES**

6.1. Further information is provided in the following appendices:

- Appendix A – BCR Variance analysis- January 2022
- Appendix B – Reserves Position - January
- Appendix C– Capital Programme – January 2022
- Appendix D – Council Tax and Business Rates – January 2022

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Appendix A – BCR Variance Analysis

**People & Communities- £0.9m Forecast Underspend**

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
People & Communities	Director	1,602	1,514	(88)	(62)	(26)	Underspend
People & Communities	Education	6,646	6,246	(399)	(261)	(138)	Underspend
People & Communities	Adults - Commissioning	46,962	45,207	(1,755)	(1,484)	(271)	Underspend
People & Communities	Adults - Operations	9,803	8,822	(981)	(892)	(89)	Underspend
People & Communities	Children's - Operations	12,449	12,262	(186)	(67)	(120)	Underspend
People & Communities	Children's Commissioning	18,079	17,205	(874)	(779)	(96)	Underspend
People & Communities	Commissioning Team and Commercial Operations	451	758	307	458	(151)	Overspend
People & Communities	Communities - City Centre Management	347	813	465	324	141	Overspend
People & Communities	Communities - Cohesion and Integration	1,106	1,050	(56)	(50)	(6)	Underspend
People & Communities	Communities - Community Safety	(1,357)	(71)	1,286	1,232	54	Overspend
People & Communities	Communities - Think Communities	3,131	4,441	1,310	1,341	(30)	Overspend
People & Communities	Communities-Regulatory Services	1,723	1,787	64	159	(95)	Overspend
People & Communities	Children's & Safeguarding (DSG)	6,042	6,536	495	495	0	Overspend
People & Communities	Commissioning and Commercial Operations (DSG)	11	10	(1)	(1)	0	Underspend
People & Communities	Education (DSG)	(6,053)	(6,528)	(475)	118	(593)	Underspend
	<b>Total People &amp; Communities</b>	<b>100,941</b>	<b>100,052</b>	<b>(889)</b>	<b>529</b>	<b>(1,418)</b>	Underspend

Directorate Variance Analysis	
Education	<p>£0.138m forecast pressure as a result of lost income within the School Improvement service. This includes:</p> <ul style="list-style-type: none"> <li>* £0.050m - School Improvement traded services as Schools are prioritising Covid-19 recovery.</li> <li>* £0.088m - Attendance Fine Fixed Penalty Notices relates to where parents take children out of school during term time for holidays or other unauthorised absence. Due to historic experience of the level of notices being issued a budget was built into the Medium Term Financial Strategy (MTFS). However there is a forecast pressure recognised as income is unlikely to return to pre-pandemic levels until restrictions on foreign travel are lifted and penalty notices are issued as a deterrent for parents for taking children out of school.</li> </ul>
	£0.237m forecast saving re Schools Direct Revenue Financing (DRF) based on estimated value of Schools funding being transferred into Capital.
	£0.044m forecast saving - using Special Education Needs Disabilities Grant funding to off-set existing costs
	£0.099m forecast saving - Agreed new structure for Schools and Settings Finance Team
	£0.206m forecast saving re PFI Insurance rebate. This represents the minimum rebate due. The final rebate will be agreed by end of January 2022..
	£0.384m forecast pressure Home to School Transport. This pressure represents growth, additional contract costs arising from the re-tendering of contracts, the pressure of Primary School directed places and reduced parental contributions following the introduction of Public Services Vehicle Accessibility Regulations which means the Authority cannot charge for post 16 transport on non-compliant vehicles.
	0.0104m forecast saving - School Improvement and Monitoring grant being used to offset existing costs.
	0.078m forecast saving School Improvement including Governor Services projected trading surplus, employee savings, Attendance Service traded income.
	£0.108m saving - Shared Assistant Director School Improvement post not recruited to in current financial year, release of Service Director Project funding following spend moratorium.
Adults - Commissioning	<p>£0.420m favourable - the annual uplift from the Better Care Fund has been released to support pressures in Adult Social Care from demographic and market conditions</p> <p>£0.494m favourable - release of the following on a one year basis. Early Help and Transitions investment due to delay in restructuring teams, Childrens Centres maintenance costs now not required, inspections fund as a result of covid some inspections have not taken place this financial year.</p> <p>£0.264m favourable further release of budgets around inspections &amp; investments not required in current financial year including Autism Strategy, pressures within 0-25 Service, recruitment investment in Transition Commissioning &amp; Clare Lodge future options costs.</p>
	£0.045m - part year savings on the closure of interim beds and estimated costs relating to 2020/21 not required
	£0.251m saving - the extension of the Discharge to Assess (hospital discharges) from September 2021 to March 2022 has released the first four weeks of care package spend which is paid for by reclaiming through the CCG.
	£0.058m pressure - NESTA have been commissioned to review the health and social care system around Discharge to Assess (hospital discharges) redesign including elements such as timely discharges from hospital, seven day working reducing delayed discharges and reviewing support to patients through the process
	£0.171m saving re Mental Health Section 75 agreement based on Cambridgeshire and Peterborough Foundation Trust (CPFT) forecast underspend predominantly due to staffing vacancies and difficulty in recruitment for social workers and Approved Mental Health Practitioners (AMHPs)
Adults - Operations	<p>£0.101m forecast pressure due to additional spend required as a result of Covid-19, this includes:</p> <ul style="list-style-type: none"> <li>* £0.027m for additional Occupational Therapy capacity to deal with increased demand for services from hospital discharges and disabled facilities grant cases awaiting reviews</li> </ul>

Directorate Variance Analysis	
	<p>* £0.065m for extension of temporary resource in Transfer of Care (Hospital Discharge) Team to continue to support the health and social care system in discharging patients in a timely manner.</p>
	<p>£0.853m forecast favourable on staffing costs, is mainly due to the difficulties in recruiting to vacancies due to availability of appropriately qualified staff, new appointments being at a lower spinal column point or reduced hours in comparison to budget.</p>
	<p>£0.173m forecast favourable on Mental Capacity Act/Deprivation of Liberty Standards services for Best Interest Assessors and section 12 Doctors. Forecasting includes reduced requests and backlog of Court of Protection cases still impacting.</p>
Children's - Operations	<p>£0.110m forecast pressure as a result of additional expenditure required as a result of Covid-19. This includes:</p> <ul style="list-style-type: none"> <li>* £0.065m - Assessment and Family Safeguarding demand, additional resources will be required due to the already increasing numbers of assessments and referrals.</li> <li>* £0.028m - Additional Early Help costs - additional resources are required to respond to a rise in Children's Social Care referrals which will require Early Intervention services.</li> <li>* £0.017m - Additional Youth Family worker to cover a staff member having to shield</li> </ul>
	<p>£0.105m saving released under Targeted Youth Services - £0.032m vacancy savings as posts not being recruited to until April 2022, £0.024m carry forward for Prince Trust released, £0.040m for relief budget travel, other vacancy slippage and financial assistance offered up as part of spending moratorium</p>
Children's Commissioning	<p>£0.874m forecast favourable including:</p> <ul style="list-style-type: none"> <li>* £0.918 Children's Social Care Placements – increased numbers of Looked after Children following covid lockdown have not materialised to the level expected although this has been offset by increased complexity of need and market demands.</li> <li>* £0.050m saving Children's Centres contribution from Tackling Troubled Families Grant</li> <li>* £0.070m Savings on New Ark Contract and High Level Family Support</li> <li>* £0.036m Short Breaks Commissioning with Circles Network</li> <li>* £0.203m pressure relating to Children with Disabilities - Additional Short Breaks and Homecare for periods out of schools</li> </ul>
Commissioning Team and Commercial Operations	<p>£0.460m forecast pressure in relation to Clare Lodge, this is based on average occupancy of between 7 and 8 young people until March 22. The £0.491m forecast overspend represents:</p> <ul style="list-style-type: none"> <li>* A projected shortfall of income of £0.644m based on reduced average occupancy until March 22.</li> <li>* A projected overspend on employee expenditure of £0.163m. Vacancy savings of £0.587m is offset by a pressure of £0.750m Agency staffing.</li> <li>* A projected underspend of £0.347m on non-staffing expenditure budgets</li> </ul>
Communities - City Centre Management	<p>£0.465m forecast pressure includes: £0.112m forecast loss of income at the Market due to non-essential traders having not yet reopened stalls following the Lockdown 3.0 restrictions, £0.256m pressure re costs of Market Relocation, £0.080m pressure loss of Street Trader income and the Government extension to the lower charge rate in relation to outdoor seating and £0.015m as a result of the 2021 Great Eastern Run being cancelled.</p>

Directorate Variance Analysis	
Communities - Community Safety	£1.519m forecast pressure due to loss of income across multiple services including £0.658m from Parking charges, £0.424m from Parking Enforcement and £0.437m from Environmental Enforcement. Actual parking income continues to be significantly less than budget due to the reduction in footfall within the town centre due to Covid-19. Environmental Enforcement staff are still been redeployed to support the Covid-19 response. Parking Enforcement is fully operational but income will be dependent on footfall in the town centre.
Communities- Regulatory Services	£0.231m forecast pressure within the Coroners service as a result of unusually complicated and high profile cases (£0.039m), Covid-19 (£0.078m) and Business as Usual (£0.114m). This is due to the requirement to adhere to strict Covid-19 guideline regarding PPE and a backlog of cases, therefore there is a need to appoint additional area coroners and assistant coroners. There is also a need for additional ICT, due to a shortage of Covid-19 secure premises for remote inquests.
Communities - Think Communities	£1.541m forecast pressure within the Recreation and Culture services. This includes: <ul style="list-style-type: none"> <li>* £0.816m pressure resulting from lost income covering the period April to June 2021. This is due to Covid-19 restrictions in relation to access to Leisure Facilities such as swimming and gyms and also Cultural events such as the Key Theatre, Flag Fen and Exhibitions. Recovery plans are in place for Recreation and Culture but will not mitigate losses already incurred.</li> <li>* £0.300m - Further loss of Leisure income.</li> <li>* £0.400m - Additional running costs of City Culture.</li> </ul>
	£0.247m saving as Think Communities MTFS investment for 2021/22 is not required this financial year as all costs can be charged to the Integrated Area Programme grant



## Public Health- £0.0m Forecast

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Public Health	Children 0-5 Health Visitors	3,974	3,975	1	1	0	Overspend
Public Health	Children 5-19 Health Programmes	987	889	(98)	(98)	0	Underspend
Public Health	Sexual Health	2,052	1,993	(59)	10	(69)	Underspend
Public Health	Substance Misuse	2,308	2,308	0	0	0	On Budget
Public Health	Smoking and Tobacco	286	217	(69)	0	(69)	Underspend
Public Health	Miscellaneous Public Health Services	1,458	1,242	(216)	14	(230)	Underspend
Public Health	Public Health Grant	(11,252)	(10,811)	441	0	441	Overspend
	<b>Total Public Health</b>	<b>(188)</b>	<b>(188)</b>	<b>0</b>	<b>(73)</b>	<b>73</b>	<b>On Budget</b>

Directorate Variance Analysis	
Children 5-19 Health Programmes	£0.115m saving - Contribution to Family Safeguarding not required until financial year 2022/23 as being covered by reserve funds for family safeguarding.
Children 5-19 Health Programmes	£0.017m pressure - A one year only contribution is required to the cost of the CHUMS (Mental Health and Emotional Wellbeing Service) contract which offers support to young people with mental health difficulties, as the contract was re-procured and lead commissioners changed from PCC to CCG from July 2020.
Miscellaneous Public Health Services	£0.016m one off increase in Everyone Health contract £0.088m saving Adults Weight Management & Obesity budget £0.087m staff saving. Reduced cross charge from CCC and charging Public Health staffing costs to other grants. £0.050m saving GP Health checks based on Q1 to Q3 activity
Sexual Health	£0.010m pressure - additional cash contract cost £0.030m saving out of area genitourinary medicine (GUM) based on Q1 to Q3 activity £0.019m saving Emergency Contraception (EHC) based on Q1 to Q3 activity £0.020m saving Long Acting Reversible Contraception (LARC) based on Q1 to Q3 activity
Smoking and Tobacco	£0.054m saving payments to GP's / Pharmacies for Smoking cessation due to reduced activity
Public Health Grant	£0.441m forecast contribution to Public Health Reserve

## Governance- £0.1m Forecast Underspend

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Governance	Director of Governance	129	108	(21)	(15)	(6)	Underspend
Governance	Legal Services	1,811	1,790	(21)	(73)	53	Underspend
Governance	Constitutional Services	2,025	1,899	(127)	(136)	9	Underspend
Governance	Performance & Information	179	198	19	23	(4)	Overspend
	<b>Total Governance</b>	<b>4,144</b>	<b>3,994</b>	<b>(149)</b>	<b>(201)</b>	<b>52</b>	Underspend

Directorate Variance Analysis	
Constitutional Services	£0.127m Favourable - £0.084m saving in Members Services of which £0.054m is a saving in members allowances due to some members carrying out more than one role and only able to claim one Special Responsibility Allowance. Remaining savings due to reduced travel costs, reduced supplies and services including postage, printing, photocopying and IT costs. £0.086m saving in salaries due to two vacancies. £0.043m other misc pressures

## Resources- £3.0m Forecast Underspend

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Resources	Director's Office	268	327	59	46	13	Overspend
Resources	Financial Services	3,953	3,628	(325)	(276)	(49)	Underspend
Resources	Corporate Items	9,441	7,610	(1,830)	(1,820)	(10)	Underspend
Resources	Peterborough Serco Strategic Partnership	8,060	7,129	(932)	(729)	(202)	Underspend
Resources	Corporate Property	2,062	2,079	17	(37)	54	Overspend
Resources	Energy	478	609	130	130	0	Overspend
Resources	Cemeteries, Cremation & Registrars	(1,530)	(1,680)	(149)	(116)	(33)	Underspend
	<b>Total Resources</b>	<b>22,732</b>	<b>19,702</b>	<b>(3,030)</b>	<b>(2,802)</b>	<b>(229)</b>	Underspend

Directorate Variance Analysis	
Financial Services	£0.194m Favourable - Savings are expected within the salary budgets within Financial Services. £0.051m of this underspend is related to a secondment of an Internal Audit member of staff to the Community Hub for the remainder of the financial year. The salary costs will be Covid-19 grant funded. £132k savings are within Finance following a review of the interim management arrangements for the remainder of the financial year.
	£0.131m Favourable - Other savings identified across the service area, including £0.025m expected saving in salary related costs generated from the operation of the corporate car lease salary sacrifice scheme, £0.025m from the Risk Management budget underspend and £0.068m of savings within the Insurance Premium budget.
Corporate Items	£1.337m Favourable - The pension actuary completed the cessation assessment for Peterborough Culture and Leisure Trust (Vivacity) following their admission ceasing on 30/09/2020. This has resulted in the Council receiving a single year reduction to their secondary contributions for the year 2021/22 to the value of 50% of the Vivacity surplus detailed in the assessment report. This variance is the result of the Funding and Management Agreement with Vivacity and the risk agreement for pension contributions.
	£0.191m Favourable - Following a review of the Compensatory Added Years and Unfunded Pension contributions, there is an expected saving against the corporate premature retirement budget. This saving is potentially partially repeatable in future years dependant on the Council's in-year pension strain funding requirements, and will be reviewed as part of the 2022/23 budget setting process. In addition, in-year costs are forecast to be lower than budgeted.
	£0.305m Favourable - This variance is a result of the Value Added Tax (VAT) shelter income received from Cross Keys Homes (CKH). This favourable position has been driven by maintenance work CKH has carried out on its properties to end of December 2021, and the expenditure profile has varied from original budgeted.
	£0.100m Favourable - Final year of growth income received as part of the Peterborough Serco Strategic Partnership contract which has not been budgeted. Not repeatable in future years.

Directorate Variance Analysis	
Peterborough Serco Strategic Partnership	£0.263m Favourable - Business Support contract credits (freezing core vacancies where possible until transformation work takes place), offset by centralised project costs unable to be recharged directly to projects.
	£0.319m Favourable - Following a review of the PSSP contract budget including inflationary elements (£231k) along with grant funding identified (£88k), a total underspend in the current year of £319k has been identified. This will be partly ongoing and a saving has been factored into the proposed 2022/23 Medium Term Financial Strategy (MTFS).
	£0.300m Favourable - The Housing Benefit Subsidy budget is forecasting a £0.200m favourable position against budget. Due to a one off piece of work with historic Housing Benefit payments, the Council has identified a higher level of overpayments than previously forecast which have already been recovered and as a result has received a net £210k overpayment income above budget for this financial year.
	£0.50m Pressure - Court cost income collected is expected to be lower than budgeted. Due to lack of recovery activity which was restricted over the pandemic, the income was adversely affected in 2020/21. A £0.90m pressure is forecast in this year, and although this has improved on last financial year, it is in line with outturn in 2019/20 suggesting an ongoing pressure. There is no corresponding saving in administration costs.
Energy	<p>£0.130m Pressure - On 12 November 2021 administrators were appointed to ECSP1 and on the same day the Council purchased the assets of ECSP1 from the administrators.</p> <p>The income receivable and interest payable on the Empower loan has resulted in a favourable position. The legal costs for insolvency advice plus the expected MRP charge have offset the favourable variance. The adverse movement, from the reported variance last month, is due to a change in the MRP calculation for the 2021/22 financial year. The Council agreed with the auditors EY that a full charge for the assets will be made in this financial year, and as such is higher than forecast last month. In addition, legal costs are higher than anticipated as Pinsent Mason, on behalf of the Council, have negotiated the sub-contracts essential for the safe and efficient operation of the Solar Assets.</p>
Corporate Property	£0.083m Favourable - NPS Peterborough Ltd is a 50/50 joint venture company owned by the Council and the Norse Group (a wholly owned subsidiary of Norfolk County Council). This favourable variance is a result of the profit share being higher than budgeted. This variance is unlikely to continue as savings have been built into the MTFS for the NPS contract.
	£0.073m Pressure - A debtor invoice write off exercise has meant £0.073m has been recoded to Corporate Property from the Bad Debt Provision, creating a pressure against the budget in this financial year.
	£0.027m Pressure - Other overall pressure within the service due to Business rates budgets including credits for prior year charges offset with costs for Interim Management.
Cemeteries, Cremation & Registrars	£0.103k Favourable - Additional income above budget from cremations, internment fees and rights of burial charges, offset by reduction in Registration income (Covid-19 related).
	£0.047k Favourable - Other savings across the service including salaries and other supplies and services.

## Chief Executives- £0.01m Forecast Underspend

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Chief Executives	Chief Executive	200	200	0	29	(29)	Underspend
Chief Executives	HR	1,006	906	(100)	(65)	(35)	Underspend
	<b>Total</b>	<b>1,206</b>	<b>1,106</b>	<b>(100)</b>	<b>(36)</b>	<b>(64)</b>	<b>Underspend</b>

Directorate Analysis	
HR	£0.032m Favourable - Savings within salary budgets are expected due to vacancies being held, maternity savings and grant funding.
	£0.040m Favourable - An underspend has been identified through reduced expenditure within Workforce Development and Corporate training budgets during the year.
	£0.028m Favourable - Additional income has been secured through Practice Learning and additional savings within supplies and services following the spending moratorium implementation.

## Place & Economy- £2.0m Forecast Underspend

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Place & Economy	Development and Construction	(80)	(239)	(160)	(153)	(7)	Underspend
Place & Economy	Director Place & Economy	149	140	(9)	(9)	(0)	Underspend
Place & Economy	Peterborough Highway Services	4,264	3,465	(799)	(718)	(82)	Underspend
Place & Economy	Sustainable Growth Strategy	1,553	1,349	(204)	(199)	(5)	Underspend
Place & Economy	Waste, Cleansing and Open Spaces	15,802	13,683	(2,118)	(1,532)	(586)	Underspend
Place & Economy	Westcombe Engineering	22	478	455	261	195	Overspend
Place & Economy	Director of Housing	1,688	2,546	858	696	162	Overspend
Place & Economy	Growth & Regeneration	491	496	5	(10)	15	Overspend
	<b>Total Place &amp; Economy</b>	<b>23,890</b>	<b>21,918</b>	<b>(1,971)</b>	<b>(1,663)</b>	<b>(308)</b>	Underspend

Directorate Variance Analysis	
Development and Construction	£0.160m Favourable - Various favourable including additional income (Planning fees, Planning Performance Agreement income, S106 Admin fees) and savings on supplies & services. Partly offset by additional consultant fees and reduction in recharges to shared services
Peterborough Highway Services	£0.267m Favourable - Employee cost savings through Highway Services. Further savings due to a delay in recruitment following a restructure.
	£0.253m Favourable - Various cost savings and additional income Network Management (Traffic signal maintenance, bridge maintenance, New Roads Streets Work Act, etc)
	£0.119m Pressure - Highways Schemes - Cost of additional vehicles August 21 to Jan 22 due to Covid-19. Also reduced Street Naming income and reduced Road Map savings
	£0.131m Favourable - Additional Highway Development Sec38 Income and supplies & services savings
	£0.267m Favourable - Savings and additional income including savings on street lighting and highway contractor inflation budgets, and additional fees from other Local authorities for PCC project work
Sustainable Growth Strategy	£0.204m Favourable - Various savings across the service including employee and consultancy costs and supplies & services. Also additional income from commuted sums, S106 income and contributions from Cambs County Council towards plan works
Waste, Cleansing and Open Spaces	£1.631m Favourable - Energy Recovery Facility (ERF) Electricity Income - Continued significant Increase in wholesale export price of electricity produced by the ERF (the Council's Energy from Waste Plant operated by Viridor). A pressure of £0.5m was reflected in the Council's budget for 2021/22 due to reduction in energy prices; however the energy market overall is showing faster signs of recovery than anticipated and the Council is able to achieve an improvement in the sale price. This has been factored into the budget proposals for 2022/23

Directorate Variance Analysis	
	£0.035m Pressure - Additional cost at Household Recycling Centre due to Covid-19, such as staffing, traffic management, cleansing and signage.
	£0.063m Pressure - Vehicle hire and additional staffing costs on waste collection rounds due to Covid-19
	£0.695m Favourable - Aragon Direct Services. As the financial pressures from Covid-19 start to reduce, and the replacement vehicle programme gets underway, Aragon Direct Services are projecting an improvement in their financial position for 2021/22, and the increase in costs to the Council that were set out in the budget are now forecast to be lower than anticipated.
	£0.230m Favourable - Materials Recycling Facility - Significant increase in Cardboard and Paper recycling prices, forecast under constant review and prices continue to remain high
	£0.329m Pressure - Brown Bin Service - Due to national driver shortages the annual garden waste bin collection service which commenced in August 2021 has been Suspended. Customers to the service will receive a refund from the council, for the 11 months of service which has not been provided. The new annual service is currently forecast to resume from April 2022. This means a loss of income of £741k in the current financial year, but there is a saving of £412k due to the non-delivery of the service.
Westcombe Engineering	£0.323m Pressure - Loss of income - Significant arrears in raw casting supply due to Covid and Brexit. This lack of castings is not allowing Westcombe Engineering to satisfy Caterpillar schedules and is therefore affecting the ability to maximise income generation through global sales into Caterpillar and Caterpillar Aftermarket, where profit margins are significantly higher. Caterpillar have now made significant capital spend on new tooling to enable dual sourcing and eventually switching to a new supplier. Also raw material prices continue to rise.
	£0.132m Pressure - £0.038m cost of backfilling a post seconded to the Covid Hub, £0.040m cost of machine repairs, and £0.054m warranty claim
Director of Housing	£0.675m Pressure - Housing Services - additional costs arising from housing rough sleepers in hotels and B&B's. The pressure is made up of £0.875m expenditure, which is being partially offset by £0.200m of Rough Sleeper initiative grant income and £0.065m Rapid Rehousing Programme Reserve. The council's R.S.A.P (Rough Sleeper Accommodation Programme) bid has been approved by DLUHC (The Department for Levelling Up, Housing and Communities, formerly MHCLG). Although this is capital funding this will directly reduce the Council's expenditure on hotel and B&B accommodation as more places will become available to house rough sleepers.
	£0.111m Pressure - Unachievable savings plan relating to income associated with Temporary Accommodation. The baseline budget requirement has been re-assessed and this element of saving has not been realised.
	£0.171m Favourable - Net savings on temporary accommodation schemes - Bushfield Court will not now be leased for temporary accommodation, and a scheme at Walton Road has been delayed until 2022/23. The rent PCC would have paid for these properties is higher than the rental income that would be received, so these changes result in a saving. This saving has been offset by additional rent costs at Redpoll Place, additional costs from Cross Keys Homes relating to Hostel under occupation charges from 2020/21 and costs of surveying properties at Wittering to consider whether they were suitable for temporary accommodation.
	£0.136m Favourable - relating to employee costs for Housing Needs, however vacancy savings are offset by temporary staff costs
	£0.057m Pressure - Increased repair and maintenance costs of Norwood and Oxney Traveller sites
	£0.039m Pressure - Other misc pressures, mostly landlord incentive payments
	Please note that the Housing Enforcement function, which includes Selective Licensing, recently moved from the People & Communities Directorate to the Place & Economy Directorate and is therefore now reporting on the Place & Economy Budgetary Control reports.
	£0.045m Favourable - Employee costs Housing Enforcement Team

Directorate Variance Analysis	
	£0.053m Favourable - Housing Enforcement License income and supplies & services savings
	£0.141m Favourable - Employee costs Selective Licensing Team. 2 full time vacant posts and another saving due to a full time team member being seconded to another area for most of 21/22.
	£0.502m Pressure - Selective Licensing Scheme Income. The Selective Licensing Scheme ended October 2021 and there has been a delay in setting up the new scheme. A proposed replacement scheme will very soon be out for consultation. It will then be reviewed by central Govt and requires their approval, and it is unclear how long this process will take. An estimate has been made regarding how this will impact future years budgets



## Business Improvement- £0.0m Forecast Underspend

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Business Improvement	Programme Management Office	719	690	(29)	(36)	6	Underspend
	<b>Total Business Improvement</b>	<b>719</b>	<b>690</b>	<b>(29)</b>	<b>(36)</b>	<b>6</b>	<b>Underspend</b>
<b>Directorate Overview</b>							
The BID Directorate is currently reporting a small favourable variance within the service of £0.036m							

## Customer & Digital Services- £0.7m Forecast Underspend

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Customer & Digital Services	IT & Digital Services	7,012	6,254	(758)	(655)	(103)	Underspend
Customer & Digital Services	Marketing & Communications	448	485	37	43	(6)	Overspend
Customer & Digital Services	Resilience & Health & Safety	263	266	3	(0)	3	Overspend
Customer & Digital Services	Director of Customer & Digital Services	85	85	0	0	0	On Budget
	<b>Total Customer &amp; Digital Services</b>	<b>7,809</b>	<b>7,090</b>	<b>(718)</b>	<b>(611)</b>	<b>(107)</b>	Underspend

### Directorate Overview

The Customer & Digital Directorate is currently reporting an overall favourable variance of £0.611m against budget. The main variances are within IT & Digital service area, primarily through identification of additional external income above budget.

### Directorate Variance Analysis

IT & Digital Services	£0.197m Favourable - Additional income expected to be generated through external sources including Service Level Agreements with partner organisations and East of England Broadband Network (E2BN). This is likely to be an ongoing income stream and has been included in the 2022/23 MTFS budget process.
	£0.217m Favourable - Staffing budgets are predicting an underspend due to additional salary capitalisation, vacant posts in year and grant funding being identified. The restructure of the service is in progress but now not expected to be completed in this financial year.
	£0.101m Favourable - continued rationalisation of the IT revenue budget has meant that the remaining contingency held following the exit from the Serco contract, is not currently expected to be required in this financial year. It has been reviewed as part of the 22/23 budget proposals.
	£0.149m Favourable - In-year savings within Software and Hardware, Telephony and Microsoft contracts. Part of the saving relates to repeatable savings which have been built into the 22/23 MTFS.
	£0.040m Favourable - Other minor variances within the service area.

## Capital Financing- £2.7m forecast Underspend

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Status
Resources	Capital Financing	27,994	25,307	(2,687)	(2,687)	0	Underspend
	<b>Total Capital Financing</b>	<b>27,994</b>	<b>25,307</b>	<b>(2,687)</b>	<b>(2,687)</b>	<b>0</b>	<b>Underspend</b>

### Variance Analysis

Less borrowing of £24.3m was undertaken for the capital programme in 2020/21 compared to that estimated to be required in the MTFS at £50.5m. This result, along with a reduction in the overall borrowed amount, means that payments of interest are forecast to be less than the budget by £1.98m.

As part of the drive to find additional savings for the current and future year, the capital programme is being reviewed by Directors for 2021/22 and future years to ensure that a realistic profile of scheme delivery is being costed to enable forecast for borrowing and timings to be more realistically estimated and mitigate some of the budget pressures resulting from the interest rate rise. Following the initial review of the capital programme savings are now forecast against the new borrowing budget of £0.5m.

The minimum revenue provision detailed calculation is anticipated to be completed over the autumn months and given that the performance of the capital programme was £55m for 2020/21 compared to the budget of £83m a forecast underspend is estimated to be £0.7m.

These forecast underspends are offset by a shortfall in interest receipts which reflects the late treatment of the Empower loan which was due to transition into a long-term financing facility at the end of 2020/21. Aragon Direct Services, the Council's Teckal company, were also able to repay an element of their loan earlier than expected due to a better operating position at the end of 2020/21. The forecast reduction in interest receipts is £0.5m, and latest forecast from ESPO with regards to a dividend receipt would help offset this shortfall.

Capital Receipts are used as part of a contribution to repay debt. Close monitoring of the Capital Receipts is maintained as any change has a direct impact on the revenue position. Capital Receipts are monitored on a monthly basis and each sale given a status of Red, Amber, or Green to identify the likelihood of receipt before March 2022. As per the MTFS policy Capital Receipts will be used to repay debt and forms part of the calculation of reducing the overall debt through MRP. If capital receipts are not received, the debt will need to be repaid via revenue resources.

The Council has identified over £4.5m of asset sales in order to achieve the MTFS budget of £2.4m and is undergoing further examination for potential additional asset sales following the results of the both DLUHC reviews which recommend that asset sales are used to stabilise the Council's financial position.

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## Appendix B- Reserves Jan-22

### Overview

The Council's reserves balances at 31 March 2021 were £66.1m, of which £6m is the Council's general fund, £4.3m ringfenced and £55.7m for use on transformation or in the event of a major incident, this included:

\* £20.2m related to NNDR Section 31 grants, which is being used within the budget to mitigate the financial implications from the Business rates Collection Fund loss, and £2.3m which has been committed to mitigate the impact of potential future Business rates and Council Tax deficits following the pressures from C-19.

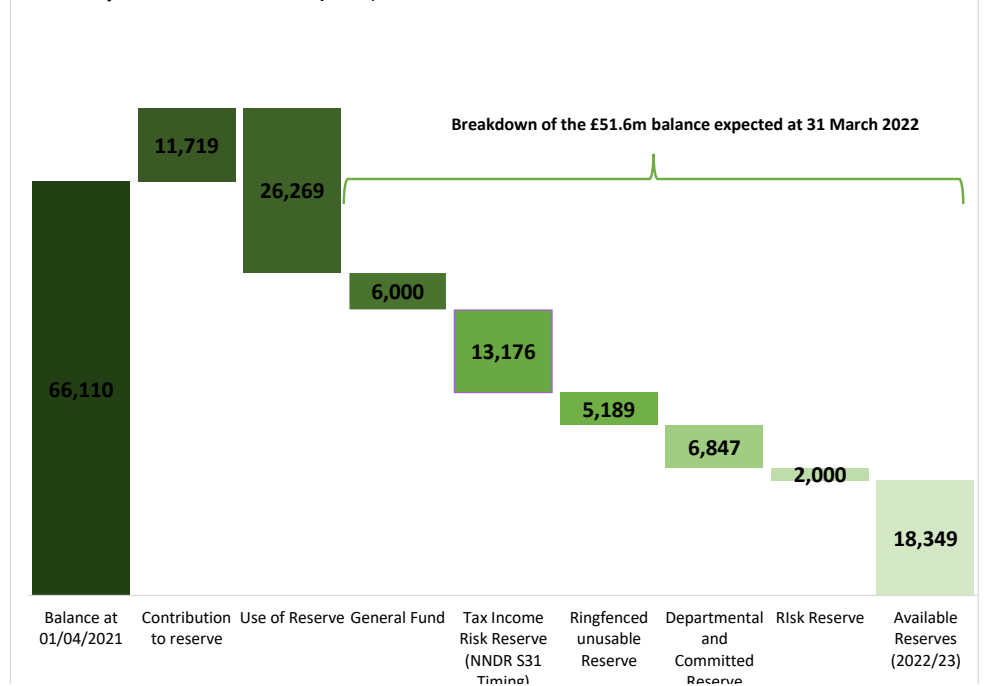
\* £12.8m set aside at the end on 2020/21, in a specific C-19 Funding reserve to mitigate future service demand and cost pressures arising as a result of C-19. As highlighted in the regular BCR reporting to Cabinet over the course of the year the scale of the additional demand and budgetary pressures, have been lower than the Council originally anticipated. This has meant that the Council is now able to redirect the use of this reserve. This has been used to establish a £2m Budget Risk Reserve, with the remaining balance of £10.8m being transferred into the Capacity Building Reserve. This results in a nil balance to carry forward on this reserve.

At the end of the financial year (31 March 2022) the Council expects to have £51.6m in reserves balances which £6m is General Fund only to be used as a result of a severe emergency and £5.2m is ringfenced, this then leaves just £40.4m. The following chart breaks down this balance demonstrating that of this only £18.4m is uncommitted, un-ringfenced and available use on transformation or in the event of a major incident, where the other balances are committed or being held to mitigate specific risks such as the Budget (delivery of savings or NNDR in respect of the reforms and income collection. Also included within the Tax Income risk reserve, similar to last year is £8.5m which reflect the timing difference between the collection fund and accounting for Section 31 grants.

The following table provides a breakdown of reserves balances:

	2021/22	2021/22	2021/22	2021/22	2021/22	2022/23	2023/24
	Balance C/Fwd	Forecast Cont	Forecast Cont	Movement	Balance at	Balance at	Balance at
Summary of Reserves	£000	from Reserve	to Reserve	between	31.03.22	31.03.23	31.03.24
		£000	£000	Reserves	£000	£000	£000
<b>General Fund Balance</b>	<b>6,000</b>	-	-	-	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>
<b>Usable Reserves</b>							
Capacity Building Reserve	15,035	(3,274)	-	10,841	22,602	18,746	18,349
Departmental Reserve	5,380	(2,787)	-	-	2,593	805	805
Tax Income Risk Reserve	22,521	(20,205)	10,860	-	13,176	8,504	8,504
Covid-19 Funding Reserve	12,841	-	-	(12,841)	0	-	-
Budget Risk Reserve	-	-	-	2,000	2,000	2,000	2,000
	<b>55,778</b>	<b>(26,266)</b>	<b>10,860</b>	-	<b>40,372</b>	<b>30,055</b>	<b>29,658</b>
<b>Ring-Fenced Reserves</b>							
Insurance Reserve	3,315	-	416	-	3,730	3,730	3,730
Schools Capital Expenditure Reserve	658	-	-	-	658	658	658
Parish Council Burial Ground Reserve	57	(3)	2	-	56	56	56
Hackney Carriage Reserve	173	-	-	-	173	173	173
Public Health Reserve	131	-	441	-	572	131	131
	<b>4,333</b>	<b>(3)</b>	<b>859</b>	-	<b>5,189</b>	<b>4,747</b>	<b>4,747</b>
<b>Total Usable and Ring-Fenced Reserves and General Fund Balance</b>	<b>66,110</b>	<b>(26,269)</b>	<b>11,719</b>	-	<b>51,560</b>	<b>40,802</b>	<b>40,405</b>

### Summary of Reserve Balances (£000)



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# Appendix C- Capital Programme

January 2022

## Overview

The revised Capital Programme budget as at January 2022 is £81.5m, which includes £8.9m for Invest to Save (IS) Schemes.

The agreed investment as per the Medium Term Financial Plan (MTFS) was £146.8m. The movement between the MTFS position and the £164.9m as at April 2021 was a result of slippages mainly due to delays completing projects from 2020/21.

The actual investment expenditure as at January 2022 is £57.6m. The latest forecast provided by project managers predicts an overall spend of £81.5m, therefore the Council is expecting to spend a further £23.9m before March 2022.

However following the report published by The Chartered Institute of Public Finance and Accountancy (CIPFA) into the Council's financial position, a moratorium on Capital spending has been implemented and Council approved a report on the 16 December 2021 on schemes that are not legally committed and are to be funded from borrowing, with the intention of reducing the capital programme further.

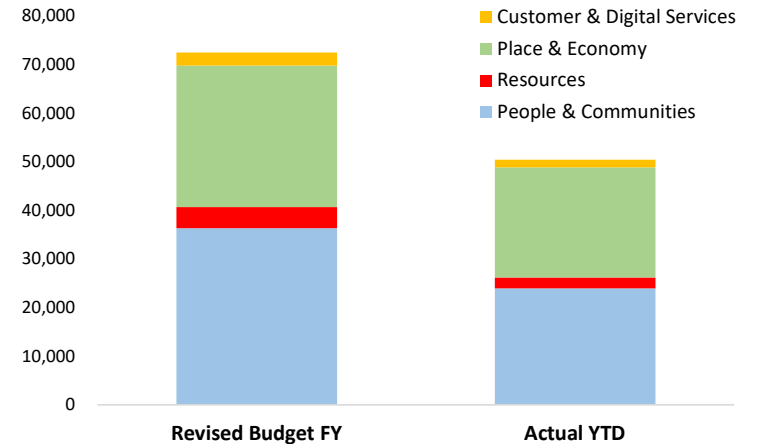
The Invest 2 Save budget is for schemes that must cover the cost of borrowing and minimum revenue provision (MRP) from either income generation or from generated savings.

The Asset Investment Plan can be funded via three core elements, external third party income (including grants), capital receipts generated from the sale of Council assets, and borrowing from the external market. For the 2016/17 MTFS onwards the approved strategy is to use Capital Receipts as part of a contribution to the Minimum Revenue Provision (MRP) therefore they are no longer used primarily for the funding of the Asset Investment. However the council has amended its approach from the 2023/24 financial year where capital receipts received will be used to either fund capital expenditure or fund the revenue costs of transformation projects under the Capital Receipts Flexibility programme.

The following table shows the breakdown of the Council's Asset Investment over the directorates and how this investment is to be financed:

Directorate	MTFS Budget £000	1st April Budget £000	Revised Budget FY £000	Actual YTD £000	Total Spend Against Budget %
People & Communities	46,129	50,981	36,341	23,956	65.9%
Resources	38,112	37,306	4,419	2,311	52.3%
Place & Economy	46,644	59,089	29,059	22,631	77.9%
Customer & Digital Services	2,500	4,028	2,756	1,619	58.7%
<b>TOTAL</b>	<b>133,384</b>	<b>151,403</b>	<b>72,575</b>	<b>50,517</b>	<b>69.6%</b>
Grants & Third Party Contributions	67,763	71,669	45,377	26,473	58.3%
Borrowing	65,621	79,734	27,198	24,044	88.4%
<b>TOTAL</b>	<b>133,384</b>	<b>151,403</b>	<b>72,575</b>	<b>50,517</b>	<b>69.6%</b>
Invest to Save	13,500	13,540	8,943	7,073	9.7%

Revised Budget Compared to Actual Expenditure to Date



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## Appendix D – Business Rates and Council Tax

### Business Rates (NDR)

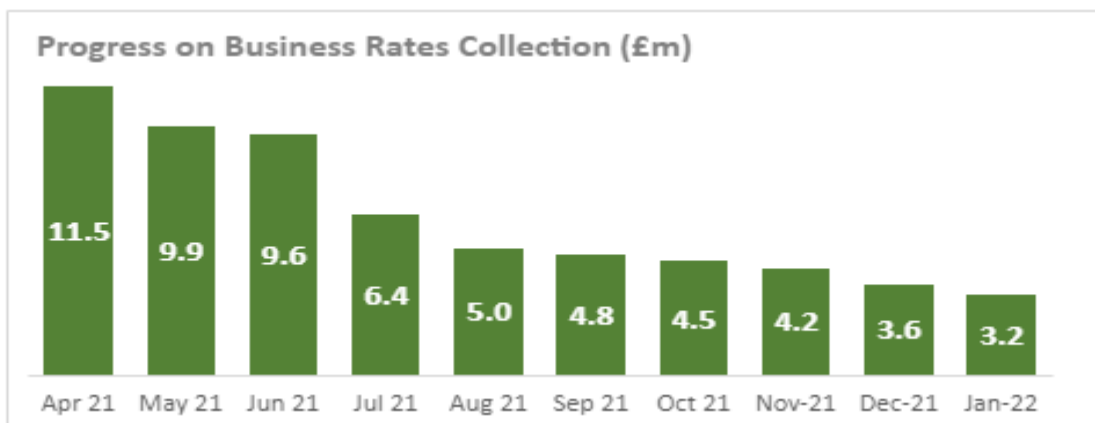
During 2020/21 many 'Material Change in Circumstance' (MCC) appeals were raised by businesses due to the impact C-19 restrictions. The government announced that it would legislate "to rule-out C-19 related MCC appeals". Instead, Local Authorities would be allocated a share of a new £1.5bn grant that can be used to provide business rates relief to support those local businesses most affected by the pandemic. The [£1.5bn additional relief fund 'CARF'](#) was announced as part of the Local Government Finance Settlement on 16 December, from which the Council expects to receive £5.9m of grant funding.

This scheme is live and accepting applications during the period 2 February to 28 February 2022. Once this application window has closed the Council will determine all applications and notify applicants of the outcome. No awards can be made before the application window closes as distribution of the funds will be prioritised to the businesses most impacted by COVID-19.

The government required Councils to provide the initial Extended Retail, Hospitality and Leisure relief at 100% for the first three months of 2021/22, which meant the Council had to apply this to the whole year in the first instance, creating the net collectable debit (NCD) of c£72m. As per the government policy the Extended Retail Relief was then altered to 66% from 1 July, for the remaining 9 months with the introduction of a cash cap. Applying these changes to the Business Rates system then increased the NCD to c£86m.

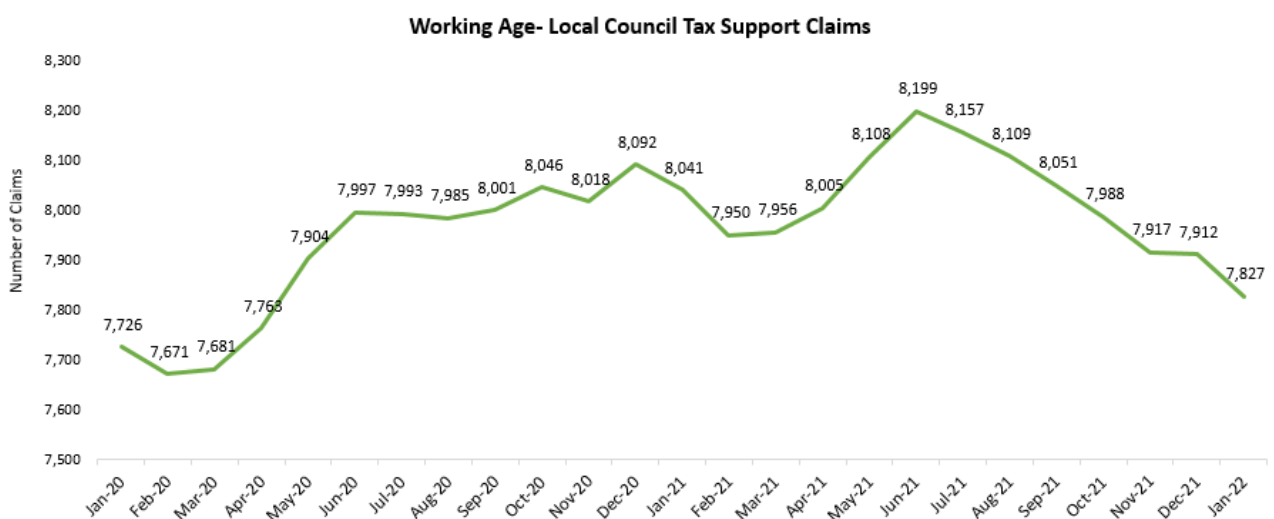
The Council's collection rate for Business Rates income is now **4.7%** (*11.3% September*) behind target for 2021/22. The collection rate declined in July as a result of billing the changing rates of the extended retail relief as previously explained. This meant that even though the amount of business rates collected had continued to increase throughout, it presents as a lower percentage against the total amount now due, resulting in a sharp drop in the collection rate. The affected ratepayers were required by law to be given until 1 September before paying their first instalment and as such, there will be a in delay in business rates collection, resulting in a change of collection profile. It is expected over the course of the year the collection rate will gradually improve.

The Council reported within the 2020/21 Outturn Report that it had £11.5m of uncollected Business Rates income at the end of the financial year which equated to an annual collection rate of 81.83%, much lower than the average collection rate of 97.86%. The Council had put recovery action for these debts on hold in 2020/21 as a result of government guidance and to support local businesses. However, active recovery commenced in February 2021, with an action plan put in place to collect the outstanding balances. This includes the use of additional temporary resource, regular monitoring and more frequent reminder/recovery letters which is in addition to the standard recovery procedures. Since the 1 April 2021 these actions have reduced the outstanding balance by **72% to £3.2m**, as shown in the following chart:



### Council Tax

Local Council Tax Support (LCTS) working age caseloads have continued to rise throughout the pandemic, with the most recent monthly position reducing and showing month on month improvement. Since the start of the pandemic there has been a net increase of **84 households receiving support, a 1% rise**. Prior to the C-19 pandemic the working age caseloads were steadily reducing however the pandemic has created significant economic uncertainty. The impact of three periods of Lockdown has seen residents lose sources of income, jobs and placed on furlough. The following chart illustrates the monthly trend:



Despite the increase in LCTS caseloads the collection rate for **Council Tax income collection is 0.03% ahead of target (0.12% ahead of the target in August) for 2021/22**. This performance will remain under close observation throughout 2021/22 especially as the economy recovers and government road map progresses.

On the 3<sup>rd</sup> of February the Chancellor announced a [new support package](#) to help households with the rising energy bills, part of this support package is a Council Tax rebate. Households living in properties in Band A-D will be eligible for a £150 rebate in their council tax bills in April 2022. Government will refund local authorities for the cost of the rebate, as well as extra funding to help with the increased administrative costs. Local authorities will also receive £144m (nationally) discretionary funding to help people with their energy bills who are not eligible for the £150 rebate. The Council's Revenue and Benefits team ensure everything is in place for this



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<b>CABINET</b>	<b>AGENDA ITEM No. 7</b>
<b>14 MARCH 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Fiona McMillan, Director of Law and Governance	
Cabinet Member(s) responsible:	Councillor Cereste, Cabinet Member for Digital Services and Transformation	
Contact Officer(s):	Pippa Turvey, Democratic and Constitutional Services Manager	Tel. 452460

## OUTCOME OF PETITIONS

RECOMMENDATIONS	
<b>FROM:</b> <i>Directors</i>	<b>Deadline date:</b> <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?	<b>NO</b>	If yes, date for Cabinet meeting	<b>N/A</b>
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### 4. BACKGROUND AND KEY ISSUES

#### **Petitions Received by the Council**

##### Save Peterborough Embankment

The petition was submitted by Martin Ferguson on 11 October. The petition contained 787 valid signatures and called for the Council to 'Retain the Peterborough Embankment as public parkland.'

The Assistant Director; Growth and Regeneration responded:

"Thank you for your petition demonstrating your concern about development on Peterborough Embankment.

As you may know, the council appointed an independent consultancy - Barton Wilmore - to run a public consultation at the end of last year, to find out what the public want to see on the Embankment.

This consultation was a two-step approach, starting with a survey which was held in October to find out how members of the public currently used the Embankment and what they would like to see in future. Over 1,400 completed surveys were received, with over 20,000 individual responses and numerous emails from the community offering their thoughts along with meetings with key stakeholder groups, such as the Civic Society.

This feedback was then fed into the development of four 'options' for the Embankment, which were the subject of a public consultation held in November, comprising of two face-to-face exhibitions and one virtual event. Members of the public were asked for their preferred design for the Embankment out of four options. A total of 731 feedback forms were completed online, 49 were submitted at the exhibitions, 8 were returned by post and 30 received by email.

Barton Wilmore are now using this feedback to pull together a preferred Masterplan for the Embankment, based on public opinion received. We expect to receive this in February.

While the petition was received after the public consultation deadline we will consider these observations carefully as we develop the masterplan further.”

As per the Petition Scheme, as the petition contained more than 500 valid signatures, the option was available to refer the petition to Full Council for debate. This option was taken by the Lead Petitioner, with the petition debated at the Full Council meeting on 2 March 2022. The resolution of Full Council was as follows:

“Council **RESOLVED** to note the petition and take no further action.”

## **5. REASON FOR THE RECOMMENDATION**

- 5.1 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.

## **6. ALTERNATIVE OPTIONS CONSIDERED**

- 6.1 There have been no alternative options considered.

## **7. IMPLICATIONS**

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

## **8. BACKGROUND DOCUMENTS**

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

- 8.1 Petitions presented to the Council and responses from officers.

## **9. APPENDICES**

- 9.1 None.