

# **Medium Term Financial Strategy Phase 1 Budget Proposals Document from Cabinet**

**November 2014**

**STRICTLY EMBARGOED UNTIL  
5pm on 14 November 2014**

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## 1. INTRODUCTION

This document sets out the first of two sets of budget proposals that will be considered by Cabinet to ensure Peterborough City Council has a balanced budget for 2015/16.

These proposals have been set in the context of the incredibly challenging financial position that all councils face. Peterborough is no exception to this. Since the financial crash of 2008, the public sector has seen unprecedented reductions in funding. In the five years to 2015/16, the council has seen its government funding cut by £44m, which equates to nearly 40 per cent of its government grant.

For next year (2015/16) the council will see its government grant reduced by £12.3m. In addition, it faces financial pressures of £12.5million as a result of an increasing demand for services and legal changes. This means we face an enormous challenge of finding nearly £25million of savings and efficiencies to balance our books, while continuing to invest in the city to ensure Peterborough is a great place to live, work, visit and stay.

In doing so, the council maintains its unerring focus on three big issues for the people of Peterborough – prosperity, education and quality of life. These issues are at the heart of everything the council does and in particular how we make increasingly difficult decisions about where to spend the money we have available to provide services.

The first set of budget proposals, published on Friday 14 November, look to make savings of £16.8m. A second set of proposals, which will need to close the remaining £8m gap in the budget, will be published in the New Year. This second set will also include proposals for council tax. To be clear, many difficult decisions remain.

On Friday 14 November the council launches a city-wide Budget Conversation. This will be in two parts. Firstly, we want to know what local residents and business people think about the initial proposals presented in this document. Secondly, we want people's help to identify how to close the remaining gap. More information on the Budget Conversation is available on page 5.

**This document does not seek to outline all of the services we provide or how our total budget is spent. Rather it outlines the financial challenges we face and how we intend to respond to these challenges. A chart on page 8 (appendix 1) outlines our total budget for 2014/15 of £149.9m and how much is spent in each department. All items included in this document are changes, amounting to £16.8m, to that total net budget.**

We have also included the investments we are intending to make in the coming year to ensure we have enough school places for all the children that need them, can meet new requirements for adult social care services set out in national changes and to ensure children and families are supported and safe from harm.

We aim to be open and transparent about our proposed spending plans and publish the first round of proposals at this time to give residents, partner organisations, businesses and other interested parties the chance to give their comments.

## 2. PRIORITIES

The Cabinet remains firm in its priorities this year against the funding challenges it faces. It is worth reiterating those priorities against those challenges and they are as follows:

- Growth, regeneration and economic development of the city to bring new investment and jobs. Supporting people into work and off benefits is vital to the city's economy and to the wellbeing of the people concerned;

- Improving educational attainment and skills for all children and young people, allowing them to seize the opportunities offered by new jobs and our university provision, thereby keeping their talent and skills in the city;
- Safeguarding vulnerable children and adults;
- Pursuing the Environment Capital agenda to position Peterborough as a leading city in environmental matters, including reducing the city's carbon footprint.
- Supporting Peterborough's culture and leisure trust, Vivacity, to continue to deliver arts and culture;
- Keeping our communities safe, cohesive and healthy.

As part of our Budget Conversation, we are keen to seek views from residents on the services that are most important to them. Further details can be found on page 5.

### **3. COST INCREASES AND PRESSURES**

At the same time as unprecedented reductions in funding, we are also experiencing significant financial pressures. We have a range of statutory services that we are required by law to provide, and with demand for these services increasing, we have a legal duty to meet these extra demands. Whilst there are considerable pressures in the budget, nevertheless there is still a strong commitment by the Cabinet to invest in priority areas.

This paper, therefore, also outlines the financial pressures we are facing which we need to fund. Some of the most significant are also outlined below:

- An increasing elderly population, with people living longer and other adults developing more complex needs;
- From April 2015 the statutory delivery of adult social care will be covered by the Care Act 2014. This act represents the greatest change to adult social care legislation since the National Assistance Act 1948 and brings with it a general duty for the council to promote and protect the wellbeing of residents;
- Increased numbers of children in care including those with increasingly complex needs resulting in higher cost placements;
- Investing £32m in schools over the next two years to provide more primary and secondary places.

We remain fully committed to the growth, regeneration and economic development of the city to bring new investment and jobs. We want to build upon the progress we have made in the past year in bringing new companies into the city by continuing to position Peterborough as the destination of choice, not only for our own residents, but for visitors and investors in the future.

### **4. APPROACH TO TACKLING THE FINANCIAL GAP**

The majority of this document outlines the Cabinet's first phase proposals for how we will tackle the financial gap. These proposals demonstrate the Cabinet's commitment to the priorities set out in Section 2 which are to protect, as far as possible, the services you care about the most and our vision for the city.

Our approach now is focused on the following:

- Reducing the demand residents have for our services and enabling them to live independent and healthy lives;
- Providing services that prevent residents needing critical and more expensive services and where there is a need to provide specialist services, ensuring that those services properly meet residents' needs or allow them to choose the care they want to purchase;
- Building a strong and healthy economy which provides jobs for our residents, helps to reduce dependency on welfare benefits, and enabling the council to benefit financially from business rates and New Homes Bonus and reinvesting this to support the needs of our residents;
- Focusing on educational attainment in schools and developing university provision to give our young people and residents the skills to take up the new job opportunities;
- Income generating in new ways to make the council less dependent on taxing its residents and on government funding and giving us the independence to support our residents and their needs.

With a lot less money to go around there are going to have to be very significant changes. We are looking to see how some services can be delivered differently in order to save money but it is now clear that some services will be reduced and others may have to stop altogether.

It is also clear that councils can expect further grant reductions in the next parliament, and as a result we are expecting a significant budget gap to close in 2016/17. Decisions made now must also consider the future financial position of the council.

## **5. BUDGET CONVERSATION**

The Cabinet wants to hear the opinions of all residents, partner organisations, businesses and other interested parties as part of the budget setting process in the form of a Budget Conversation.

As has been outlined in this document, the city council has seen its government grant cut by nearly 40 per cent in the five years up to the end of 2015/16 – that's £44million.

In the next financial year we face an enormous challenge of finding savings of nearly £25million to balance our books, while continuing to invest in the city to ensure it is a great place to live, work, visit and stay.

### **Therefore we need your help.**

Inevitably, less money means very significant changes, not just to the way services are delivered, but the removal of some services altogether.

We want to understand your views on the first round of budget proposals contained within this document. In addition, there are some services where we have more flexibility over the level of service we provide. We want to understand which of these services matter to you the most, so that we can consider this when drafting our second round of proposals to identify further savings.

It is important to add that with so many savings to find, our room for manoeuvre is very limited and it is unlikely that everyone will get the exact outcome they would like.

It really is important that we have the views of as many people as possible before making final decisions.

The Budget Conversation will ask the following questions:

1. Do you have any comments to make about the first round budget proposals?

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2. Having read the first round proposals document, how much do you now feel you understand about why the council must make savings of £25million in 2015/16? Tick the answer you agree with.

- A great deal
- A fair amount
- Not very much
- Nothing at all

3. There are some services that the council has very little flexibility in providing. These include care for the elderly and vulnerable, services that protect vulnerable children and families and municipal waste collection. However, there are services that the council has more flexibility over and these include maintenance of our parks and open spaces, helping people to lead healthier lives and community work with young people, to name just a few. In order to help us, please indicate which of the following services you value the most. We need to understand your priorities so please list from one to five in order of your preference. (Please list only five)

- Combatting flytipping, graffiti and anti-social behaviour
- Libraries
- Cultural services, including the key theatre and museum
- Maintenance of parks and open spaces
- Street cleansing
- Meals on wheels service for elderly and vulnerable residents who cannot cook for themselves
- Support to enable vulnerable people to access employment
- Providing financial support to subsidise public transport
- Supporting investment into the city from across the country and creating new jobs
- Bringing communities together to make Peterborough a safer and more cohesive place to live
- Helping people who have drink and drug problems, including children and young people and those with mental health problems
- Helping people who have experienced or perpetrated domestic abuse, including children and young people
- Healthy living support services such as healthy eating and exercise programmes, stop smoking support, sexual health services
- Outreach services in the community to support young people
- Support for the mayoral role and responsibilities
- City centre events programme

Please state your priorities here in order of preference (1 being the service most important to you):

- 1.....
- 2.....
- 3.....
- 4.....
- 5.....

4. If you have any specific ideas about how the council can save money and protect services, please state these here:

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**So that we can check this survey is representative of Peterborough overall, please complete the following questions.**

5. Are you?

- Male
- Female

6. Please tick which of the following best describes who you are:

- Resident
- Business person
- Member of council staff
- City councillor
- Work, but don't live in Peterborough
- Member of community or voluntary organisation
- Regular visitor
- Other (please state).....

7. Which of these age groups do you fall into?

- Under 16
- 16 to 24 years
- 25 to 34 years
- 35 to 44 years
- 45 to 54 years
- 55 to 64 years
- 65 to 74 years
- 75 years or over
- Prefer not to say

8. What is your ethnic group?

- A White**
- 1. English/ Welsh/ Scottish/ Northern Irish/ British

2. Gypsy or Irish Traveller
3. Any other white background

**B Mixed/ multiple ethnic groups**

4. White and Black Caribbean
5. White and Black African
6. White and Asian
7. Any other mixed/ multiple ethnic background

**C Asian / Asian British**

8. Indian
9. Pakistani
10. Bangladeshi
11. Chinese
12. Any other Asian background, write in

**D Black/ African/ Caribbean/ Black British**

13. African
14. Caribbean
15. Any other Black/ African/ Caribbean background

**E Other ethnic group**

16. Any other ethnic group

**9. Do you consider yourself to have a disability?**

Yes.....

No .....

To get involved in the Budget Conversation, visit our website at [www.peterborough.gov.uk](http://www.peterborough.gov.uk) and read and complete the questionnaire online.

Alternatively, hard copies of the Budget Consultation document and the first phase proposals document are available from the reception desks of the Town Hall and Bayard Place and in all council libraries. These can be returned in person, by emailing [budget@peterborough.gov.uk](mailto:budget@peterborough.gov.uk) or by post to: Financial Services Manager, Peterborough City Council, Town Hall, Bridge Street, Peterborough, PE1 1HG.

Comments received up to 5pm on Thursday 11 December 2014 will be considered by Cabinet on Monday 15 December 2014. Council will consider the phase one proposals on Wednesday 17 December 2014.

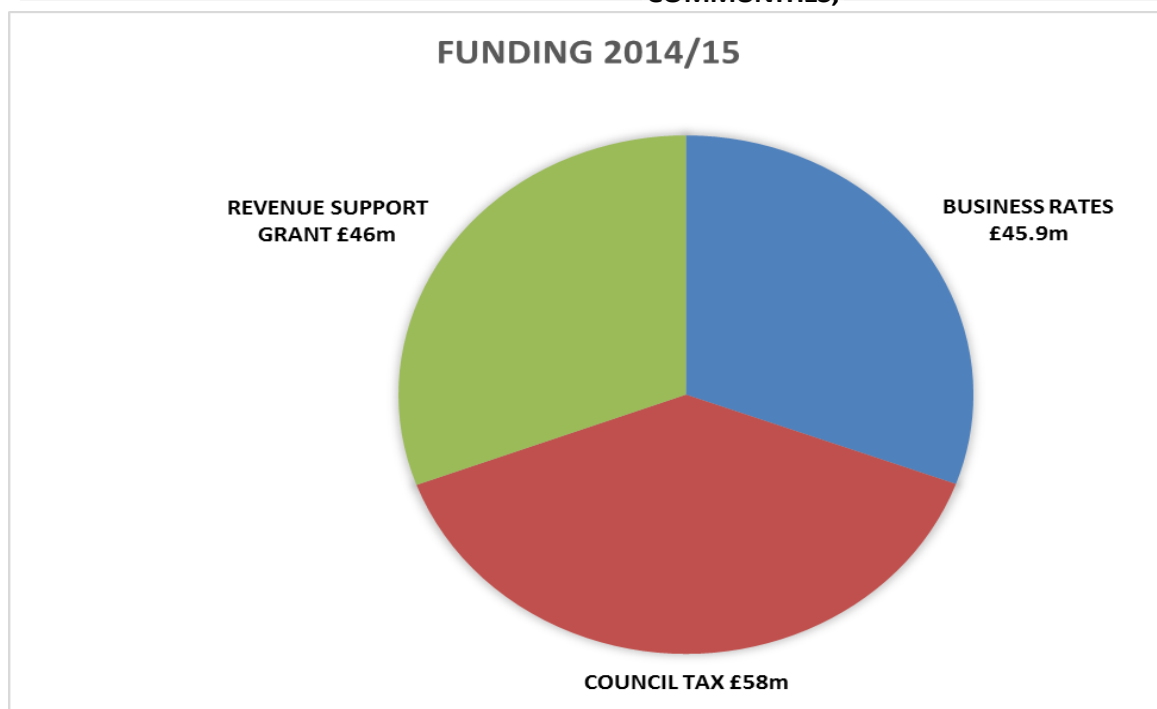
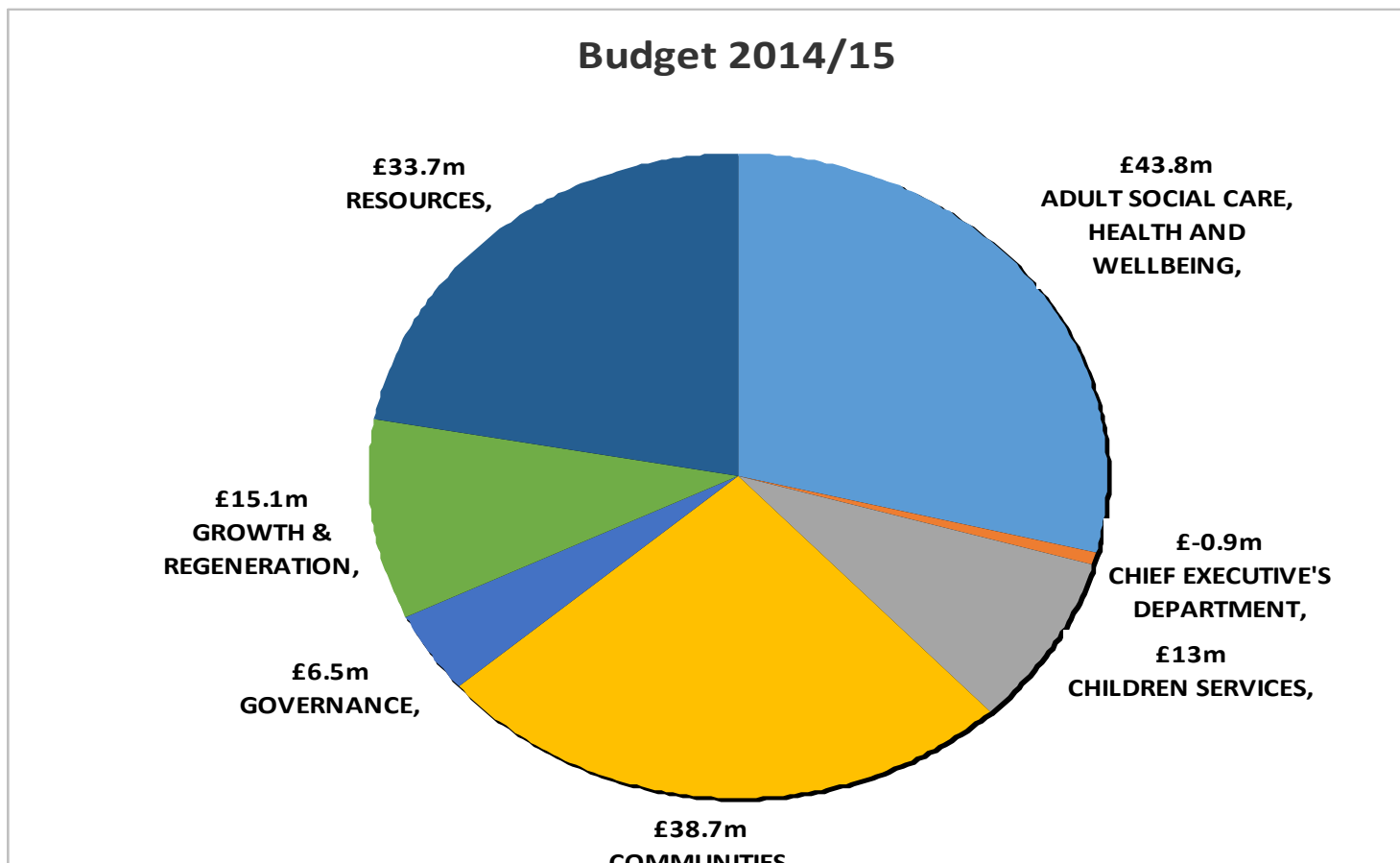
Cabinet will then use the feedback received on priorities to develop the phase two proposals that will be published in January for consultation. Council will consider these phase two proposals, along with the level of council tax, at its meeting on 4 March 2015.



## APPENDIX 1 – Overall council budget and funding

The council's annual net budget in 2014/15 is £149.9m (this excludes school budgets and monies we receive from government to distribute for benefits).

The current department net spend on services is as follows:



## APPENDIX 2

### **ADULT SOCIAL CARE, HEALTH AND WELLBEING - SERVICE IMPLICATIONS (SAVINGS/INVESTMENTS)**

The Adult Social Care, Health and Wellbeing directorate oversees all those services responsible for helping people stay healthy and independent for as long as possible.

Adult Social Care is responsible for providing council-run services and buying in and overseeing services from a range of organisations for the people of Peterborough. Those services include assessing and reviewing people's needs and managing their care, safeguarding adults who could be at risk of abuse, and providing intensive support to help people get over a fall or an illness to reduce their need for long-term care, known as re-ablement. We provide ongoing long-term support for those with complex needs and enablement for people who can be supported to reach their potential for independence over a longer period.

Private, independent and voluntary organisations also support people to maintain their independence and stay living in their own homes through a range of residential, home-based and community support services.

Our assessment and care delivery services for people with mental health needs are provided by Cambridgeshire and Peterborough NHS Foundation Trust (CPFT).

#### **Care Act 2014**

From April 2015 the statutory delivery of adult social care will be covered by the Care Act 2014. This act represents the greatest change to adult social care legislation since the National Assistance Act 1948 and brings with it a general duty for the council to promote and protect the wellbeing of residents.

From April 2015, Adult Social Care services will include:

**Provision of information and advice and universal services** - This includes providing accessible information, advice, guidance and advocacy services via community and voluntary sector organisations or the council itself, including online. There is also the requirement to ensure availability of universal services to prevent and reduce future care and support needs and to seek out local people with unidentified social care needs. This will include a much larger population than before.

**Assessment, eligibility and person-centred care and support planning** – The council is the first point of contact for anyone needing adult social care services. We assess care needs and support people to complete self-assessments. The overall aim is to support people to be as independent as possible for as long as possible. Where people are receiving social care services we carry out regular reviews of their needs to ensure their plan continues to meet their needs. The Care Act 2014 introduces a national eligibility test for access to these services to replace the previous locally set threshold. There is a new duty to provide independent advocacy for anyone who might have substantial difficulty in being fully engaged in any aspect of adult social care, including understanding how adult social care operates and the assessment, care planning and review processes work.

**Support for carers** - The Care Act recognises the essential role which carers provide and strengthens the council's responsibilities in supporting carers, such as family members or friends, to continue in their caring role. This provision is a new and extended responsibility for the council.

**Assessing and making arrangements for support for self-funders** - The Care Act increases the council's responsibility to support self-funders, ensuring the same rights to information, advocacy and support services are available to all. This might include access to universal services, or the council commissioning services, to ensure the rights of self-funders are promoted and respected. From April 2016, a maximum threshold will be set, which, when reached, passes responsibility to funding care and support costs to the council.

**Safeguarding** - We take a statutory local lead on adult safeguarding including making enquires if an adult is at risk of abuse or neglect, and putting in place a protection plan. The role of the safeguarding adults board will be strengthened to co-ordinate the activity of partners and the changing duties and responsibilities under the act.

**Working with partners** - We do not deliver our Care Act duties working alone, we must also work in an integrated way with partner organisations. We have new duties to maintain a diverse, high-quality and sustainable market of providers of adult social care services. We have duties to assess the needs of prisoners and others in secure accommodation, and to provide services to meet care and support needs. We must also support young people with social care needs in transition to adulthood. The Care Act also brings enhanced duties, powers and expectations to co-operate with local agencies and to integrate with the NHS.

### **Who do we support?**

We support anyone with social care needs that can be seen to have a significant impact on their wellbeing. This support will range from information and advice, to a short period of focussed support to get someone back on their feet, to long-term support services such as direct payments, home care or residential care. People might require support because of a long-term condition such as frailty, dementia, physical disability or a learning disability or because of an episode of illness or mental illness.

### **Social care transformation**

It is clear that with the increasing demands on adult social care services, coupled with the continued reduction in government funding, that councils need to look again at how they support people to help them stay healthy for as long as possible and maintain their independence, while supporting them to stay living in their own homes, avoiding the need for them to move into residential or nursing homes. In preparation for the Care Act we have been transforming our services during 2014/15 to invest more in enablement services to help people who have a fall or an illness to regain control of their lives as soon as possible and reduce their need for long-term care.

We are also increasing our investment in preventative services, information and advice to help reduce the number of people who need statutory support. Our new front-door information and advice and see and solve services will be operational this winter. We are also working on integrated plans with health partners to prevent unnecessary hospital admissions and to support health and wellbeing in the community wherever possible.

For those people who do need ongoing social care services, for example some people with learning disabilities who may require life-time care, we will ensure that we provide funding in a fair and clear way by allocating them personal budgets to give them choice and control over the services they receive – a personalised approach. Because people who continue to live in their own homes tend to do better, we will only fund residential care when absolutely necessary.

### **Public Health**

The Health and Social Care Act 2012 transferred public health responsibilities to all councils from 1 April 2013. We now receive a specific sum of money from the government that can only be spent on activities that improve public health. We received a grant of £9.3m for 2014/15 and will receive £9.3m for 2015/16. We will have to account to the Department of Health on how the grant is being spent. This new grant will focus on the following objectives:

- To help people live healthy lifestyles and make healthy choices
- To reduce health inequalities between different social groups in the city and amongst hard to reach groups
- To carry out health protection functions delegated from the secretary of state
- To ensure that healthcare advice is available to all residents

Examples of these objectives will include providing health checks, sexual health services, drug and alcohol services, school nursing, tackling child and adult obesity and carrying out vaccination programmes. Some of our other services already support these objectives, and it is therefore appropriate to use some of the Public Health grant to fund these.

### National and local context

As people live longer, all councils across the country are facing increasing demand for adult social care services as many of their elderly residents develop more complex needs. This is placing significant pressure on adult social care services nationally. Peterborough is no exception to this.

Peterborough is the fastest growing city in the country by population and, after children, the fastest growing sector of the population are those aged 65 to 74 and those aged 85 plus. According to the Office for National Statistics (2011 Census), Peterborough's estimated population was 184,500 and will increase to an estimated 192,400 by 2021. This represents an 11 per cent growth in population between 2010 and 2021. The number of people aged 85 and over is set to increase by 52 per cent during this period. In 2014 there are approximately 27,300 older people living in Peterborough, 3,700 of whom are aged 85 and over.

As life expectancy increases older people are living with multiple long-term conditions associated with ageing. The table below shows the Department of Health forecast for Peterborough of increasing trends for a number of conditions associated with ageing.

Condition	2014	2020	% Growth
Dementia	1,935	2,226	15%
Heart Attack	1,335	1,512	13%
Stroke	629	714	14%
Bronchitis and Emphysema	460	521	13%
Falls	7251	8314	15%
Bladder Continence	4,461	5,097	14%
Diabetes	3,402	3,851	13%

There are approximately 3,400 people aged 18 to 85 living in the city with a learning disability, of these around 730 (21%) have a moderate or severe learning disability. Around 1,200 people aged 18 to 64 in the city have autistic spectrum disorders.

There are almost 11,300 people aged under 65 with a moderate or serious disability living in the city. Of these 8,800 have a moderate disability and 2,500 have a serious physical disability. About 5,150 people are thought to have a disability that means they require some sort of help with personal care.

During the coming year about 28,000 people aged 18 to 64 and 5,000 people aged 65 and over are expected to suffer from some kind of mental health disorder. This will include 1,900 older people who live with dementia. Many of these people may need to access our mental health support services.

Supporting people with dementia is a growing pressure on adult social care budgets in the UK. Responding to the Census in 2011, around 17,500 Peterborough residents declared that they provided some level of non-paid care to a family member, friend or neighbour. The council currently undertakes around 500 assessments of carers per year. With the Care Act we expect the number of carers contacting us for assessment and support to double in the first year.

### Summary position

The current budget for Adult Social Care, Health and Wellbeing is £43.8million. There have been pressures on the budget in the current year, arising primarily from increased demand for services. The proposals presented on the next page would save £7million in 2015/16.

The proposals as presented also include additional investment through the Care Act, the Better Care Fund and other initiatives totalling £1.7million in 2015/16.

## **SAVINGS – REVENUE**

### **Better Care Fund – protecting social care**

The Better Care Fund, announced by the government in June 2013, transfers funding from health providers to local authorities to enable both sectors to jointly agree how money is spent. The funding is to encourage more joined-up health and social care services and to reduce admissions to hospital, which will benefit individuals and reduce costs to the council and health providers. An element of the funding has been provided to enable the council to protect social care services at a time when the population is growing and there are more people with long-term conditions. This proposal is expected to deliver a saving of £1.207million in 2015/16.

<b>Issue</b>	<b>2015/16 £k</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Better Care Fund – protecting social care	-1.207	0	0	0	0

### **Continuing Health Care**

In the 2013/14 budget, a review was agreed to ensure that all those people entitled to fully-funded NHS care were receiving it. That work will continue in 2015/16 and is expected to identify further people who should be funded through the NHS Continuing Health Care programme as opposed to Adult Social Care. The anticipated saving for 2015/16 is £625,000.

<b>Issue</b>	<b>2015/16 £k</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Continuing Health Care	-625	-625	-625	-625	-625

### **Assistive technology**

Assistive technology is the use of devices which enable people to live independently and carry out everyday tasks for themselves that may not otherwise be possible because of disability or mobility issues. It enables alerts and alarm systems to be installed in people's homes which are particularly useful for people with dementia. They alert the Lifeline call centre if a person tried to open their front door in the middle of the night or pressure pads that alert the call centre if they get out of bed.

In certain situations assistive technology provides a useful and cost effective solution to more traditional means of support. The use of assistive technology has begun to be developed in Peterborough in the past year. This proposal is to expand the service further as one of the prevention services to enable people to live in their own homes for longer and reduce the need for residential and nursing care.

<b>Issue</b>	<b>2015/16 £k</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Assistive technology	-250	-500	-500	-500	-500

### **Re-ablement**

Re-ablement services offer intensive support to meet an individual's specific needs for a period of time to enable those who have suffered an illness or injury to return to independent living. There is good evidence that these services are effective and reduce the need for ongoing specialist social care support, helping the council to make savings. We made significant changes to our re-ablement services during 2013/14 and 2014/15 to the benefit of individuals, and will further develop the services to deliver additional savings in 2015/16.

<b>Issue</b>	<b>2015/16 £k</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Re-ablement	-350	-350	-350	-350	-350

### **Joint funding protocol review**

The council and the NHS provide a range of care and support services for adults. The joint funding protocol determines how a person's care and support costs should be split between the NHS and Adult Social Care, based on an individual's needs. A review of the joint funding protocol is being undertaken to ensure there is an appropriate share of care and support costs between Adult Social Care and the NHS. This review is expected to generate a saving of £250,000 in 2015/16.

<b>Issue</b>	<b>2015/16 £k</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Joint funding protocol review	-250	-250	-250	-250	-250

### **High cost placements review**

A review of high cost care packages will be undertaken to identify whether the care that people are receiving is the most appropriate for meeting their needs and the most cost effective for the council. The review will look at whether the council is paying appropriate rates for the care provided by external agencies and whether there are more appropriate and cost effective ways of meeting people's care and support needs and giving opportunities to be more independent.

<b>Issue</b>	<b>2015/16 £k</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
High cost placements review	-800	-800	-800	-800	-800

### **Low cost care packages review**

A review of low cost care packages will be undertaken to identify whether the care that people are receiving is the most appropriate for meeting their needs and the most cost effective for the council. Low cost care packages are those that are less than £250 per week. This review is part of Adult Social Care's transformation and personalisation programme which looks to ensure the council can continue to meet the needs of residents when there are increasing demands for services and an ageing population. One aspect of the programme is providing people with accurate information to enable them to live independently for as long as possible. This could include befriending services and information about places they can get advice, guidance and support in the community. These initiatives encourage people to engage in activities within their communities and are intended to reduce dependence and isolation.

<b>Issue</b>	<b>2015/16 £k</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Low cost care packages review	-400	-400	-400	-400	-400

## Electronic call monitoring

Providers of care to people in their own homes are required to use electronic call monitoring equipment which records the time they spend with people on each visit. All providers will be asked to use this equipment to ensure that the time home care workers spend with people is accurately recorded and monitored. This is to ensure people are receiving the care which has been put in place to meet their needs, and that the council is paying for the actual care provided. In addition, the council will work with providers of domiciliary care to change the way they arrange and deliver services to ensure they are as efficient and effective as possible; an example being making sure that visits to people are co-ordinated in such a way that it makes best use of workers' time.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Electronic call monitoring	-500	-500	-500	-500	-500

## Transformation of Adult Social Care services

The Adult Social Care transformation programme was launched in 2013/14 and changed the focus of services to ensure we can continue to meet the needs of residents in the face of increasing demand and an ageing population and adults with long-term health conditions. There are three strands to the programme:

- Firstly, there is an emphasis on prevention and ensuring people have access to accurate advice and information about the support that is available to them, therefore helping people to make decisions and resolving the enquiry at the earliest opportunity. Accurate advice and information supports people to make informed choices and helps them to live independently for as long as possible without needing direct services provided by the council. This includes improving our customer services support to ensure people know about community support including befriending services, information sources or places to get advice. This approach will align with the council-wide work to develop customer and digital strategies.
- Secondly, we are putting more resources into enablement services for those people who could benefit from support to live more independently. This can range from supporting people with disabilities into employment and more independent forms of living. For others it may be acquiring skills in daily living and aspects of personal care. The support is tailored to meet the needs of the person and may require input from sensory rehabilitation, speech and language therapists and occupational therapists.
- Thirdly, it is about supporting those people who do need long-term care to maintain their independence and help them stay living in their own homes for as long as they can by tailoring support to meet their individual needs, rather than providing residential care or other one-size-fits-all services.

As a result of this programme, there is expected to be a reduction in demand for Adult Social Care services which will continue in the coming years as the programme continues.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Transformation of Adult Social Care services	-363	-363	-363	-363	-363

## Interim beds

This proposal looks to reduce the amount of money the council spends on providing interim beds in residential homes for people who are discharged from hospital. Better use of re-ablement services and

assistive technologies will be used to assist people to regain their independence as quickly as possible and to live independently, therefore reducing the cost of the care and the amount of support that they receive.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Interim beds	-100	-100	-100	-100	-100

### Adult Social Care demography changes

Adult Social Care undertakes regular assessments of the city's population to determine future demands for its services, taking into account contributing factors such as population growth and those living with long term conditions. Recent assessments have indicated a change in the previously held assumptions of the numbers of people requiring Adult Social Care services now and in the future, and the levels of care required. In addition, a greater focus on the transformation of services and promoting independence should mean that fewer people are accessing services than previously expected. As a result there can be a part-release of previously assigned budget generating a saving for 2015/16.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Adult Social Care demography changes	-1,072	-1,514	-2,033	-2,561	-3,019

### Day opportunities for under 65s

In the 2014/15 budget the council agreed that greater emphasis should be placed on supporting people to maintain their independence for as long as possible, to stay living in their own homes, and to play a bigger part in the community in which they live. A review of day opportunities for people with learning and physical disabilities was commissioned to see if services provided by the council were meeting the needs of the people using them or if they could be offered differently and improved.

The council currently runs two traditional day centres that operate principally around leisure based activities. In addition, there are three other locations that provide support around employment opportunities and eight independent sector providers (learning disabilities and physical disabilities) which offer a variety of other traditional type day opportunities for approximately 210 people.

In March 2014, Cabinet concluded that this model no longer met the needs of local people and asked for a proposal that invested time in supporting people to maintain their independence in the community through greater use of personal assistants and enablement and re-ablement services which look to make people more independent and less reliant on Adult Social Care. This could include supporting people to gain skills which will help them to find a job, or skills that will support them to live independently.

The new model being proposed includes:

- Investment in up to four new community satellite sites located across Peterborough, near to where current service users reside
- Investment in a centre for people with complex needs
- Investment in employment development services
- Investment in supported employment services in micro enterprises
- Reshaping the independent sector provision to be able to provide a wider range of services.

This proposal is to redesign the day opportunities offered to under 65s and how they are delivered. The expected saving in 2015/16 is £600,000.



Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Day opportunities for under 65s	-600	-600	-600	-600	-600

### Development of extra care housing schemes

Extra care housing schemes offer housing with care provided. Most people who require this form of care are older people who find it attractive because it offers them independent living in a home of their own with other services on hand if they need or want them. Extra care housing is able to accommodate people who would otherwise be frequent users of residential care services. The council wants to develop the use of extra care housing schemes by encouraging more people to consider it as an option. In addition, it will work with extra care housing schemes to encourage them to take residents with a higher dependency, thereby reducing the number of people who have to live in a residential care home which may not be the best option to meet their needs and will often be more expensive.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Development of extra care housing schemes	-100	-100	-100	-100	-100

### Community-based care

The council's general preference is for people to receive care in their own homes wherever possible. However, in certain cases this is not the best option for the individual nor cost effective for the council. In such situations alternative care and support arrangements need to be considered, though this will always be on a case by case basis. This initiative will review practice to ensure consistency across social work teams and that all factors are taken into account when making decisions about care options. At all times the care needs of the individual will be paramount.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
<b>Community-based care</b>	-400	-400	-400	-400	-400

## INVESTMENTS – REVENUE

### Better Care Fund

The Better Care Fund has been introduced by the government to promote more joined up services between health and social care to improve the care and support people receive. One of the mandatory requirements under the Better Care Fund is to implement seven-day working for joined up teams. This will require additional investment in staffing and additional payments for providers for weekend working.

Issue	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k
Better Care Fund	250	250	250	250	250

## Care Act

The Care Act is a major piece of new social care legislation which is placing additional responsibilities on all councils to provide support for self-funders, carers and people in prisons and a number of other changes. The changes highlighted will come into effect from April 2015. Other changes, relating to a limit on the care costs which an individual has to pay for residential care, will come into effect in April 2016. The Care Act comes with additional funding from government. This investment proposal is the additional money needed to meet the main requirements of the act for the changes arising in April 2015.

Issue	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k
Care Act	800	800	800	800	800

## Fees and charges

In recent years a number of changes have been made to the council's charging policy which have generated additional income for the council. Before the change in eligibility criteria, it was estimated there would be scope to generate additional income of £180,000. However, this is no longer realistic due to the change in eligibility and the fact that scope for additional charges is now very limited. This investment is required to account for the previous assumption on charging policy income.

Issue	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k
Fees and charges	180	180	180	180	180

## Deprivation of Liberty Safeguarding (DOLS)

A recent legal case around Deprivation of Liberty Safeguarding (DOLS), which is known as the West Cheshire judgement, meant that all councils had to significantly increase the number of DOLS assessments undertaken. The assessments were previously undertaken in residential care settings, though have now been extended to other forms of care. This has increased the number of assessments which need to be undertaken, alongside legal and other costs associated with the assessment. This investment is to reflect the need to meet the increased spend associated with this national change.

Issue	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k
Deprivation of liberty Safeguarding (DOLS)	250	250	250	250	250

## Transport savings

Assumptions were made in previous years' budget proposals around savings which could be made with regards to transport relating to day service provision. A reassessment of the position has identified that although some savings should be able to be achieved in conjunction with the review of day services, the level of saving previously anticipated is no longer achievable. This investment is required to meet the costs of providing transport relating to day service provision.

Issue	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k
Transport savings	240	240	240	240	240

## **APPENDIX 3**

### **CHILDREN'S SERVICES - SERVICE IMPLICATIONS (SAVINGS/INVESTMENTS)**

Children's Services provides school places and ensures children in Peterborough have access to a high quality education. The department also provides early help and safeguarding services to the most vulnerable children and their families. The budget proposals protect funding for education and children's social care services as they both remain key priorities for the council. There is a continued focus on recruitment, both with social workers and foster carers, to reduce the number of children placed out of Peterborough in expensive, independent, fostering and residential placements.

Children's Services is responsible for overseeing and providing services for families and children in Peterborough. Our vision is 'Helping Children to be their Best' through:

- Providing children and families with early support
- Helping families with problems and keeping children safe
- Giving the best opportunities to children and young people in care
- Working with schools and others to make sure that children succeed
- Supporting our staff to be outstanding

The department is supported by other services across the council for areas such as school place planning, finance, programme management, commissioning, performance management and workforce development. The responsibility for buying in services from other organisations for children and families sits within the Communities directorate. Savings made in these areas directly impact upon Children's Services despite being located elsewhere in this document.

#### **Education**

This service is responsible for ensuring schools in Peterborough provide the best possible education for children and young people. This includes providing a range of support for pupils with special educational needs and ensuring schools are providing the best educational opportunities for children and young people to help them reach their full potential.

There have also been significant pressures arising from the increase in the population of Peterborough. This has particularly impacted upon education, both in terms of school places and also the need to provide services to a greater number of children and young people. On the whole, these pressures have been managed within existing resources.

#### **Safeguarding - families and communities**

This department is responsible for protecting Peterborough's most vulnerable children and families, including those who need protection from significant harm and children in care. It also recruits and supports foster carers and adoptive parents.

The pressures on social care have been, and continue to be, significant –

- Recruitment of social care staff - the challenge of recruiting social work professionals remains acute with a national shortfall in the profession. The challenge has been exacerbated in Peterborough by neighbouring local authorities also experiencing a shortfall. This has meant increased costs in terms of agency fees, advertising and recruitment campaigns and a review of salaries to ensure we are competitive in the market. We are developing a number of different proposals to aid retention of social work staff, including a new social work academy providing training and support to newly qualified staff to retain them in the service. We will also explore a

bursary funded scheme with the Department for Education to enable us to develop trainees. Invest to save proposals are also being developed.

- Child sexual exploitation – the council has played a leading role in a high profile police investigation to uncover incidents of child sexual exploitation in the city. So far this has involved more than 100 victims and a number of successful prosecutions amounting to over 100 years of imprisonment for the perpetrators. This has resulted in additional costs for a dedicated team which includes four additional social workers plus victim support and high-need placement costs.
- Supporting children in need - we are looking at different models of service delivery for social care in 2015/16 following the next Ofsted inspection. These proposals will look at a family based multi-disciplinary approach which will be delivered in schools and the community. We will also look at employing more experienced unqualified staff who can support the work of qualified staff so that they can focus on direct work with families. This will not affect the current budget proposals but will be taken into consideration the following year.

The current budget for the Children’s Services department is £13million. The following proposal would save £150,000 in 2015/16.

The proposals as presented also include investments totalling £2.3million in 2015/16.

## SAVINGS – REVENUE

### Meeting the needs of challenging behaviour in schools

In response to an increased numbers of behaviour related issues in schools, funding was allocated in 2014/15 to support the costs of providing direct support to children and young people and to provide schools with the skills to better manage behaviour. This was to ensure children and young people could remain in mainstream education and not go into specialist and more expensive placements.

It is proposed that in 2015/16 this support will come from the council’s pupil referral service which provides full-time education for children who have been, or are at risk of being excluded from school, or who cannot go to mainstream school for other reasons. As a result, the additional funding provided in the 2014/15 budget is no longer needed which provides a saving of £150,000 in 2015/16 and beyond.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Meeting the needs of challenging behaviour in schools	-150	-150	-150	-150	-150

## INVESTMENT – REVENUE

### Social care workforce

In order to support the growing demands on the service whilst ensuring a high quality service, further investment needs to be made into social care of £2.3million. This investment is needed for the following reasons:

- Savings included in previous year’s budgets have not been delivered in full due to an increase in demand for services. In addition, it has proved impossible to reduce management costs and re-organise services with increasing demands and pressures. Further savings proposals are being considered and will feature as part of the 2016/17 budget round.
- Recruitment and retention of staff – the need to attract and retain high quality social workers and team managers is a significant challenge. In order to attract experienced team managers we have had to introduce market supplements. We have also had to recognise experience in social

workers roles through introducing a career progression scheme which sees opportunity for those who remain in post to continue up the pay scales as they take on further responsibilities.

- More children coming into the social care system has meant that we need to increase our number of social workers from 82 to 87. This number is based upon ensuring that social workers hold, on average, a caseload of 23 which we considered to be appropriate and safe.
- The challenge to recruit permanent social workers is significant. In order to maintain current staffing levels we are having to recruit more agency social workers, however we continue to run recruitment campaigns for permanent staff. Currently around 25 per cent of our social workers are from agencies. There are also challenges in finding experienced team managers and we currently employ a number through agencies at additional costs.
- In order to support the important work around identifying child sexual exploitation and supporting victims, a temporary dedicated team was created in 2014/15 which will remain in place for 2015/16. The team will be reviewed in terms of emerging cases in this area. This team includes four social work posts and a team manager.

<b>Issue</b>	<b>2015/16 £k</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Social Care Workforce	2,296	1,893	1,893	1,893	1,893

## **APPENDIX 4**

### **COMMUNITIES - SERVICE IMPLICATIONS (SAVINGS/INVESTMENTS)**

Communities is responsible for assessing the needs of all the city's residents and deciding on the right services to meet those needs. It undertakes all the people services commissioning for the council to ensure the services we provide or buy-in are the right services, delivered at the right time, for the right people and in the right place and at the right price to ensure we are giving real value for money. It also delivers a wide range of community and targeted services including housing and health improvement and community and safety services.

Communities is split into three areas:

#### **Communities and targeted services**

This division delivers services that build confidence, capacity and resilience within our communities, by ensuring residents are involved in the development and delivery of both preventative and targeted support. This includes housing, community development and cohesion, healthy lives and improvement, 0 to 19 children services, short break services for children with disabilities and the work of the SaferPeterborough partnership; including community safety, youth work and youth offending services. The focus of the team is to identify difficulties early and provide services whilst ensuring they don't escalate.

#### **Strategic commissioning and prevention**

This division identifies the needs of residents and the best services to meet those needs. It ensures there is a sufficient quantity of good quality providers in the city and that services commissioned represent value for money. These include services for children on the edge of and in care, independent school placements, services for vulnerable adults including older people and adults with learning and mental health difficulties, sexual health services, school nursing and substance misuse services, as well as emotional health and well-being services and services addressing domestic abuse. This division also includes the integrated processes team which supports children and their families who, without effective multi-agency support, would be likely to develop increasingly complex difficulties. It also includes the access to resources team which commissions placements for children in care.

#### **Adult Social Care commissioning**

This division leads the transformation of commissioning in Adult Social Care to ensure that services provided correlate with the council's ambition to support people to live independently and to learn the skills they need to gain employment and to go about their daily lives. This includes an increased focus on prevention, information and advice, re-ablement and transitional support to maximize opportunities for people to remain active and independent. Essential to this is ensuring there is a good range of commissioned support available to offer choice and options tailored to individual need.

The current budget for the Communities department is £38.7million. The following proposals would save £0.9million in 2015/16.

The proposals as presented also include investments totalling £2.2million in 2015/16.

### **SAVINGS – REVENUE**

#### **Redesign of direct intervention, supervised contact and family group meeting services**

This proposal looks to redesign the services which provide support to children's social care. This support includes direct work with children and families, supervised contact and family group meetings. This will include a reduction in one management post, resulting in a saving of £50,000 in 2015/16.

<b>Issue</b>	<b>2015/16 £k</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Redesign of direct	-50	-50	-50	-50	-50

intervention, supervised contact and family group meeting services					
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### Foster Care Agency

Currently the city council has a bank of 154 foster carers who provide temporary homes for children and young people who cannot live with their parents for a variety of reasons. However, the demand for foster homes is greater than the number of foster carers we have available. In addition, the carers we have available don't always match the children that need a foster home, for example when a home is needed for teenagers or children from different backgrounds. Therefore the council uses external fostering agencies, which are costly because they need to make a profit. The cost of placing a child in a foster home provided by an external fostering agency is at least double compared to when a child is placed with one of the city council's own foster carers.

As a result the council is constantly striving to recruit additional foster carers. Since March 2013 it has bolstered the number from 114 to 154 and aims to increase this number to 175 by April 2015. This work will continue in earnest, to reduce the amount the council spends annually on placing children in homes provided by private fostering agencies. This is expected to save £375,000 in 2015/16.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Foster Care Agency	-375	-750	-750	-750	-750

### Increase income generated by early years support team

The council's early years team works with childcare providers to support them to improve the service they provide to children and families. The team charges for this support which generates an income for the council. This proposal looks to increase the income this team makes, which in turn generates a saving for the council to help it manage with reducing budgets and to protect other council services.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Increase income generated by early years support team	-100	-100	-100	-100	-100

### Improving public health awareness

The council is responsible for ensuring residents are able to live healthy lives by, for example, helping them to stop smoking, reducing their weight or increasing their physical fitness. Currently these services are provided by a small central team. However, the council has many other officers who work directly with residents who could be supporting people to live healthier lives as part of their role. For example, our housing officers who visit people in their homes to identify and remedy hazards could also be looking for signs of unhealthy lifestyles and then support that resident to bring about a healthy change, whether it's quitting smoking or doing more exercise. Therefore, this proposal is to reduce the size of the central public health team, retaining a smaller, core specialist team. Its main role will be to ensure that as many officers as possible across the council and other agencies are equipped with the information and knowledge they need to help our residents improve their health and their life expectancy.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Improving public health awareness	-50	-50	-50	-50	-50

### Adolescent intervention service

The adolescent intervention service is part of the council's young people's service which supports young people aged 8 to 19. It is responsible for delivering direct support to young people and their families. There are other teams in the council providing support to young people and families and it is the intention to integrate some of the adolescent intervention service workers into these teams, for example the youth offending service, youth in localities and housing needs, to reduce management costs and the number of staff needed. This will mean that housing, youth in localities and youth offending services will be able to pick up some of the cases that would ordinarily have been supported by the adolescent intervention service, particularly the complex or higher risk cases. We are also investing more into our community and voluntary sectors through programmes such as Connecting Families, and so other lower risk cases will be referred to these programmes.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Adolescent intervention service	-323	-323	-323	-323	-323

## INVESTMENT – REVENUE

### Support for looked after children

In 2014/15, the budget was set to fund 360 children in care based on the predicted numbers for 1 April 2014. The number of children in care has increased to 385, a trend we are seeing nationally. This investment is needed to pay for the additional costs associated with looking after these children in our care. As the Communities department is responsible for providing and buying in those services for children in care this investment is being proposed in this department.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Support for looked after children	1,837	2,179	2,773	3,106	3,589

### Mental health employment services

Mental health employment services provide personalised support to people with mental health needs. They aim to increase confidence, independence and resilience to enable people to better manage their mental health and achieve their personal goals. The cost of providing these services was more than we expected in 2014/15 and therefore investment is needed to secure the services that people need.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Mental health employment services	80	80	80	80	80



## Neighbourhood investment - care and repair and community centres

The council runs a Care and Repair Home Improvement Agency to assist disabled, elderly and vulnerable people to access and pay for handy person skills in order to fix things that go wrong in their home or to install new equipment. The service had an ambitious income target that it has been unable to achieve and therefore investment is needed to continue to deliver the service.

In addition, we have been working to transfer council-owned community centres to others, such as community groups and the private, voluntary and independent sectors. We have managed to do this with some centres, but not all. This means that for those we have not been able to transfer we still have to pay service costs for the buildings and this has caused a budget pressure.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Neighbourhood investment - care and repair and community centres	200	200	200	200	200

## Older people services

There has been a delay in the delivery of changes to the way the council provides day services for older people, due to the need to consider this in the broader context of its strategy for delivering services for older people. Savings will be made in day service costs by making better use of the Dementia Resource Centre facilities, though there will still be a budget pressure in 2015/16 of £75,000 which will require additional investment. Going forward we will look to implement the strategy for delivering services for older people, therefore creating savings which will negate the need for further investment.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Older people services	75	75	75	75	75

## **APPENDIX 5**

### **GOVERNANCE - SERVICE IMPLICATIONS (SAVINGS/INVESTMENTS)**

The Governance department consists of:

#### **Commercial operations**

This team works with local businesses and other organisations to build a stronger local economy by attracting visitors to Peterborough and helping to build its reputation as a leading tourist destination. The team supports city centre retailers and oversees everything to do with the city centre from CCTV cameras and car parks to events such as the Perkins Great Eastern Run, cultural festivals and the Christmas light switch-on. It also oversees the City Market and a number of street markets.

#### **Legal services**

This team provides legal services to all council departments and to Rutland Council.

#### **Governance**

This team supports Full Council, Cabinet and committee meetings, civic services to the Mayor and support services to councillors as well as a range of other related services. It also manages elections and the electoral register.

#### **Regulatory services**

This team provides regulatory and licensing services such as trading standards, environmental health, health and safety, and enforcement teams who deal with issues such as noise nuisance and air quality.

#### **Communications**

The communications team supports all council departments by advising how best to explain their services to residents. It promotes the council through the media, produces staff communications for up to 2,000 people, writes communications strategies for major initiatives, produces press releases, marketing campaigns and manages the council's website and social media.

#### **Performance management**

This team provides a central performance management function.

#### **Human resources**

This team provides human resource services to all departments such as support on recruitment, advice on disciplinary matters, redundancy and professional development.

The current budget for the Governance department is £6.5million. The proposals presented below would save £0.8m in 2015/16.

### **SAVINGS – REVENUE**

#### **Restructuring within regulatory services**

Regulatory services control food safety, noise nuisance, licensing of venues and taxis, public health and illegal trading. This proposal looks to move regulatory services into the commercial operations division. As a result there will be a restructure of the teams.

<b>Issue</b>	<b>2015/16 £k</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Restructuring within regulatory services	-200	-200	-200	-200	-200

#### **Elections**

The council carries out the voting and counting process for local, parish, general, European and police and crime commissioner elections. These elections happen in different years in differing combinations. The budget allowed for the elections is therefore generous to allow for all possible combinations. This proposal reduces the budget to an amount which reflects the actual spend on the elections based on prior expenditure. An exceptional year exists in 2016 when the council elects all of its councillors. The budget is increased in that year alone to reflect the additional cost.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Elections	-100	150	-100	-100	-100

## Communications

The communications team supports all council departments and councillors by advising them how best to explain the council's services to residents. This is to ensure residents are fully aware of the services provided on their behalf. This proposal looks to save £200,000 in the communications budget by carrying out a restructure of the team.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Communications	-200	-200	-200	-200	-200

## Coroner's office

The coroner service is an independent office supported by the council. As part of government reforms, councils were expected to employ a medical examiner to support the work of the coroner. Those reforms have not been brought forward and so the budget is being reduced.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Coroner's office	-150	-150	-150	-150	-150

## Parking revenue

This proposal looks to increase charges in three council car parks, including a ten per cent increase in Bishop's Road and Riverside car parks and 12 per cent in Car Haven. It also looks to introduce a flat rate weekend parking fee to encourage more people to use the multi-storey car park on Northminster.

It is also proposed to charge blue badge holders to park in council car parks. This would bring council car parks in line with privately run car parks in the city. This proposal will be subject to separate consultation. On-street parking for blue badge holders, including St Peter's Road in the city centre, will remain free. If this proposal was approved, blue badge holders would be allocated additional time free of charge, on top of the time they have paid for, to enable them to get to their location, go about their business and return to their vehicle. In addition, in recent years parking machines have been upgraded so they are accessible by disabled people and the council also operates cashless parking, Ringo, so that people can purchase additional parking time without returning to their vehicles.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Parking revenue	-112	-112	-112	-112	-112

## APPENDIX 6

### **GROWTH AND REGENERATION - SERVICE IMPLICATIONS (SAVINGS/INVESTMENTS)**

The Growth and Regeneration directorate consists of the following:

#### **Peterborough highway services**

This partnership with Skanska, the council's highway contractor, is responsible for maintaining and improving our roads and street lights, gritting roads in the winter, planning the future of transport in Peterborough and its surrounding villages, and for public transport.

#### **Planning services**

This service includes surveyors, planners and other technical teams who work with residents and businesses to ensure new development fits with the city's growth plans. The service also works with schools and local communities to help make our city greener and is responsible for our environment capital aspiration, to reduce Peterborough's carbon footprint, improve recycling rates and encourage less car travel.

#### **Opportunity Peterborough**

The council's wholly-owned company Opportunity Peterborough supports our agenda to grow the city by 20,000 jobs and 25,500 houses by 2026, by attracting inward investment, marketing the city and supporting skills.

#### **Growth joint venture company**

This new partnership is supporting the regeneration of city centre sites in the council's ownership including Fletton Quays (also known as South Bank/Riverside Opportunity Area).

#### **Emergency planning and resilience**

This team is responsible for ensuring the council and the city have contingency plans in place for any major emergency.

The current budget for the Growth and Regeneration department is £15.1million. The proposals presented below would save £1.2million in 2015/16.

### **SAVINGS - REVENUE**

#### **Increase in traded or shared planning services and reduction in staffing**

We already generate income from other councils by supporting their planning services. For example, we are currently producing a Local Plan for the three central Lincolnshire authorities. In the coming financial year, we will expand this further to generate more income. Some vacant posts in the planning service will also be deleted meaning there will be a slower turnaround when dealing with householder and small scale planning applications. It will take two to three weeks longer for the council to decide these types of application.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Increase in traded or shared planning services and reduction in staffing	-175	-175	-175	-175	-175

#### **Planning service - reduction in legal and consultant budget**

There can sometimes be a need to employ specialist legal and consultant advice when deciding complex planning applications or when the council has a major public inquiry. More closely reflecting what we currently spend, a saving of £40,000 can be made.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Planning service - reduction in legal and consultant budget	-40	-40	-40	-40	-40

### Reduction in Local Plan budget

The council's Local Plan is now largely adopted. As a result, savings can be made in this area as there will be no costs associated with the public examination of documents in the next few years.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Reduction in Local Plan budget	-63	-63	-63	-63	-63

### Reduction in tree management

In the past three years good progress has been made with surveying of council-owned trees in streets and public open spaces. To-date, a total of 12 urban wards have been surveyed and now surveying has commenced in rural villages. The saving identified will slow the progress of these surveys, but the number of trees and the amount of work needed in remaining wards should be less significant, minimising any impact. Work in lower risk shelter belts and woodland zones will be limited, in the short term, to that necessary for the safety of the public and the health of trees.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Reduction in tree management	-127	-127	-127	-127	-127

### Concessionary fares

Older residents, or those with specific disabilities, can access free travel on buses. The council has to reimburse bus companies for these concessionary fares. Analysis of the number of concessionary fare journeys taking place each year has taken place and this saving reflects the actual level of demand for concessionary bus travel. This saving will not impact on people's ability to travel for free.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Concessionary fares	-450	-250	-250	-250	-250

### Street lighting maintenance

The council is responsible for 24,000 street lights across the city and adopts new ones each year as the city grows. In the past few years the council has begun to replace lantern bulbs with new LED energy efficient bulbs which have a far greater lifespan. So far about 7,500 LED bulbs have been installed. As a result there is a reduced maintenance cost for the council as bulbs do not need to be replaced as often. Future maintenance will also be prioritised on the basis of public safety.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Street lighting maintenance budget	-55	-55	-30	0	0

### **Peterborough highway services – staffing reduction**

Four vacant posts will be deleted in the service. This can in part be achieved through efficiency of the council's new highway services partnership with Skanska and a review of the highway capital investment programme over the next few years. There will also be a reduction in the level of support the council can provide to local communities about transport schemes and issues, in sustainable transport, and in support to partner organisations.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Peterborough highway services – staffing reduction	-130	-130	-130	-130	-130

### **Climate change – staffing reduction**

One vacant post will be deleted in the climate change team. This will reduce the amount of educational support that the council can provide to schools, businesses and communities about the environment and climate change.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Climate change – staffing reduction	-28	-28	-28	-28	-28

### **Climate change – removal of Powerdown budget**

The Powerdown initiative was launched in 2011 to teach school children about the effects of climate change and to get them actively thinking about how they can reduce their impact on the environment. Sponsorship will be sought to pay for future events which take place as part of the Powerdown initiative, therefore creating a saving of £12,000 in 2015/16.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Climate change – removal of Powerdown budget	-12	-12	-12	-12	-12

### **Growth capital programme**

A detailed review of the highway capital programme for 2015/16 onwards has been undertaken and the programming of schemes reviewed in order to help meet budget pressures. In addition, the council has successfully secured government funding for a number of schemes included in the capital programme, thereby reducing the amount it will need to invest, including junction 20 of the A47 and the second phase of the Bourges Boulevard improvement works. Revenue savings arise from these changes, through reducing the council's borrowing requirement.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Growth capital programme	-720	-1,345	-1,165	-865	-823

### Highways contract inflation

There is an annual contractual review of inflation levels which is built into all council contracts. This proposal relates to the Peterborough Highway Services contract with Skanska. An estimate of the inflation level for this contract in 2015/16 has been reviewed and is lower than anticipated, therefore generating a saving.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Highways contract inflation	-144	-144	-144	-144	-144

## **APPENDIX 7**

### **RESOURCES - SERVICE IMPLICATIONS (SAVINGS/INVESTMENTS)**

The Resources department consists of the following:

#### **Strategic finance**

- Finance
- Internal audit

#### **Strategic commissioning/transformation**

- Serco Strategic Partnership (business support, shared transactional services, business transformation, procurement, customer services, finance systems, strategic property) and ICT partnership
- Waste management and waste disposal including the energy from waste plant
- Amey Strategic Partnership (formerly Enterprise Peterborough) which includes refuse collection, street cleaning, parks, trees and open spaces, traveller site management, building cleaning, and passenger services
- Vivacity (culture, recreation and libraries)
- Registration and bereavement services
- Westcombe Engineering
- City Fibre – broadband partnership

#### **Corporate property and children's resources**

- School place planning including admissions, schools building programmes and transport
- Financial management for Children's Services and schools (including the Schools Forum)
- Programme and project management for Children's Services
- Corporate property including asset disposals
- City College Peterborough

#### **Energy and the Energy Services Company (ESCo)**

- Renewable energy and energy efficiency schemes
- The council's wholly-owned Energy Services Company (ESCO) - Blue Sky Peterborough

The current budget for the Resources department is £33.7million. This includes the capital financing budget and certain corporate budgets, including the contingency for a potential pay award.

The following proposals would save £6.7million in 2015/16. The proposals as presented also include investments totalling £0.9million in 2015/16.

### **SAVINGS – REVENUE**

#### **External audit – reduced fees**

The fees the council pays to external auditors has reduced in recent years. On occasions members require external auditors to scrutinise additional work. For example, in 2013/14 Audit Committee



requested a review of the council's invest to save budget, costing £20,000. The saving identified would depend on no such requests arising. Any requests that do arise would be charged to the relevant department or project, or managed as a corporate risk.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
External audit – reduced fees	-30	-40	-40	-40	-40

### Reorganisation of finance team

A reorganisation of the finance team will be undertaken following a review of the council's senior management. The finance teams supporting Adult Social Care and Health and Wellbeing, Children's Services and Communities will be merged.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Reorganisation of finance team	-100	-100	-100	-100	-100

### Insurance and risk management

The council uses two forms of insurance. It has external policies with insurance companies for areas where there are the most claims against the council or where there is a legal requirement to have an insurance policy in place. For lower risk areas, the council self-insures by holding a reserve budget which it uses to cover claims against the council not covered by external policies. The external insurance policies incur annual premium payments of £800,000. The self-insuring reserve totals £4.7 million, of which £900,000 was used in 2013/14.

The external policies were retendered in 2013/14 generating a small saving. Further savings are proposed by removing the council's terrorism insurance which costs £59,000 per year. Nationally councils are reviewing the level of risk posed by terrorism and amending their insurance policies accordingly. Areas of the country deemed at lower risk of a terrorism incident, such as Peterborough, have removed their terrorism insurance. In addition, a reduction in the self-insuring reserve is proposed following an expert review of the council's insurance policies in parallel with commercial risks and probabilities.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Insurance and risk management	-100	-100	-100	-100	-100

### Strategic client team review

The strategic client team manages our partnerships with Serco, Amey and Vivacity. We propose to continue to reduce costs by looking for further efficiencies across our internal team.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Strategic client team review	-100	-100	-100	-100	-100

## Property review

We continue our drive to reduce costs by ensuring we are making the best use of all the buildings we own and use. This proposal is to review the offices, shops and other business accommodation we own to assess whether we should look to sell any premises or invest in them to enable us to increase the rental income we receive. We may also look to buy more properties that could potentially increase the income received.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Property review	-100	-100	-100	-100	-100

## Serco Strategic Partnership

The Serco Strategic Partnership manages many of our back office functions including our business support staff, the council tax and benefits teams known as shared transactional services, customer services and finance systems. Under the terms of the contract the council is due payments from Serco for growth during the length of the contract. This payment was originally due in 2016/17 however it will now be paid in 2015/16.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Serco Strategic Partnership	-266	266	0	0	0

## Repairs and maintenance

This proposal is to reduce the amount of money the council spends on repairing and maintaining all its buildings including offices and community centres. Each request for work will be considered to determine whether it is essential.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Repairs and maintenance	-130	-130	-130	-130	-130

## Schools capital programme

A thorough review has been undertaken to establish where funding in 2014/15 can be saved to offset pressures in future years. In order to support the current budgetary pressure, the following are proposed:

- Reduce 2014/15 schools capital programme by £5.1million. As a result of attracting further government funding for school places in the rebuilds of West Town and Orton St Johns primary schools, the council has been able to redirect funding so that council borrowing is no longer required to support the 2014/15 schools capital programme.
- A number of projects have been delayed as a result of issues outside of our control. Other schemes are waiting for updated profiles on spend to determine costs for this year. Current estimates suggest that we can slip £2million worth of spend into 2015/16 and therefore reduce our borrowing requirements in year.

The revenue savings of this borrowing are shown in the table below.

<b>Issue</b>	<b>2015/16 £k</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Schools capital programme	-411	-324	-324	-324	-324

### **Resources capital programme**

We have reviewed the Resources capital programme for 2015/16 and beyond to ensure that only essential schemes are undertaken. For example, within the capital budget for work to council buildings, only those works relating to essential building maintenance, necessary health and safety works or to meet requirements of the Disability Discrimination Act will continue as planned.

One of the schemes which it is proposed will be delayed by two years is the building of a new Household Recycling Centre at Fengate. In the meantime it is proposed the council continues to use the current Household Recycling Centre on Welland Road.

<b>Issue</b>	<b>2015/16 £k</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Resources capital programme	-430	-276	-36	-38	-39

### **Capital project financing**

The cost of borrowing has been reviewed based on the latest version of the council's capital programme for 2014/15 and 2015/16. Taken into consideration has been the projects included and the impact of interest rate forecasts, therefore generating a saving of £900,000 in 2015/16.

<b>Issue</b>	<b>2015/16 £k</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Capital project financing	-900	0	0	0	0

### **Waste management – energy from waste plant**

An energy from waste plant is currently being constructed at Fengate. Once completed, the plant will enable Peterborough to deal with its own waste locally and save money in the process. It will process up to 85,000 tonnes of waste per year, which includes additional capacity to cope with Peterborough's predicted growth. It will also produce renewable electricity equivalent to the amount required to power around 15 per cent of Peterborough homes. The plant is on schedule to be completed in August 2015, at which stage Viridor will be testing the facility before it becomes fully operational. Waste that would have been landfilled will be used for this testing phase, therefore reducing the amount of landfill tax owed by the council. This will generate a previously unexpected saving for the council of £750,000 in 2015/16 as a result of the plant being completed earlier than planned.

<b>Issue</b>	<b>2015/16 £k</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Waste management – energy from waste plant	-750	-100	-100	-100	-100

## Amey contract

Every area of council business has been reviewed to make savings to help us to balance our books in 2015/16 and beyond, including those organisations that run services on our behalf.

Amey provides refuse collection, street cleaning, building cleaning, passenger services and services relating to parks, trees and open spaces. The following proposals are part of a package of measures that would achieve a saving of £543,000 in the Amey contract and waste management.

### Street scene services

A number of changes are proposed to the way street scene services are provided. This proposal, which will generate savings of £165,000 in 2015/16, includes the following:

- Overall capital investment of around £814,000 in a number of areas to move to a more efficient and cost effective service this includes:
  - 4 small mechanical sweepers - £457,500
  - 2 precinct sweepers - £174,750
  - 1 pedestrian waste collection machine - £18,375
  - 600 floor mounted bins - £163,500
- We will invest and increase the mechanical equipment available to keep our city centre clean. This will include two mechanical sweepers and a motorised waste collection machine. As a result, we will look to reduce staffing costs in the city centre. This reduction will impact mainly on the outlying streets of the city centre. This proposal makes a saving of £33,000.
- Around 600 lamp post bins will be replaced with new floor mounted bins, therefore tripling litter bin capacity across the city. This should lead to less litter on the streets, which will generate a saving as fewer litter collections will be needed. This proposal makes a saving of £17,000.
- We will seek sponsorship for the new litter bins and other areas of environmental services to generate an income of £40,000.
- A 30 per cent reduction in the staffing currently allocated to cleansing and litter picking in 1,886 streets. This reduction in staff will be supported by an investment in four new small sweepers enabling the smaller team to be more efficient. This proposal makes a saving of £75,000.

In addition, the council has launched a Cleaner Greener campaign which encourages residents and visitors to take pride in the city. The campaign aims to reduce levels of flytipping and littering, which will support the above proposals to generate a saving for the council.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Street scene services	-165	-165	-165	-165	-165

### Parks, trees and open spaces

A number of changes are being proposed to the way services relating to the city's parks, trees and open spaces are provided.

This proposal, which will generate savings of £278,000 in 2015/16, includes the following:

- Fewer litter collections in the city's parks and open spaces. The proposal is to reduce the frequency of these collections by around 20 per cent. This proposal makes a saving of £10,500.

- Reduce maintenance in cemeteries and parks by around 25 per cent. This includes the frequency of grass cutting, flower bed maintenance including weeding and pruning and footpaths not being swept as frequently.
- Seek commercial and community partners to take on the running of specific services (such as the central park aviary and other water features). Taken together, these two proposals will generate a saving of £100,000.
- Cutting of parkway verges will be reduced by around 20 per cent, however visibility for traffic will be maintained at all times. This proposal makes a saving of £10,000.
- Grass cutting will be reduced from ten cuts a year to eight. This proposal makes a saving of £38,500.
- Shrubs which are ageing or have reached the end of their life will be removed. This proposal makes a saving of £83,000.
- Four of the city's seven bowling greens will be closed. Currently there are bowling greens at Bushfield in Orton, Central Park (2), East Community Centre, Itter Park, Ringwood in Bretton, Stanground and Werrington. In addition, six grass tennis courts at Central Park and five at Itter Park will be closed. Clay tennis courts at both parks will remain open. This proposal makes a saving of £36,000.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Parks, trees and open spaces	-278	-278	-278	-278	-278

#### Waste management – removal of bring bank sites

A wide variety of items can now be recycled in household recycling bins including aerosols, all plastic bottles, paper and card, cardboard and packaging card, glass bottles and jars, jam jar lids and large metal sweet/biscuit tins. The new Recycle for Cambridgeshire and Peterborough (RECAP) contract allows residents to include new materials in their recycling bins including plastic tubs, trays, punnets, carrier bags, foil and aluminium trays. Currently residents can also dispose of these items in 23 bring bank sites across the city. This proposal is to remove these facilities, on the basis that each household can dispose of items in their household recycling bin.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Waste management – removal of bring bank sites	-45	-45	-45	-45	-45

#### Waste management – reduce treatment costs

This proposal is about generating a saving in the council's budget by encouraging higher recycling rates across the city. Currently 52 per cent of waste is recycled in Peterborough, which includes food waste. This proposal looks to increase the amount of waste the city recycles, thereby reducing the amount of waste sent to landfill and the associated costs of doing so. The council is charged per tonne for waste that is landfilled and these costs will rise in the future.

The new Clean and Green campaign will encourage residents to recycle as much as possible in their household bins, including food waste. This will remind people of what they can do to support a reduction in landfill costs and the benefits this will generate in terms of cost savings and the impact on the environment. The campaign may also include community incentives which have been proven to deliver

results elsewhere. In addition, the new Recycle for Cambridgeshire and Peterborough (RECAP) contract allows residents to include new materials in their recycling bins including plastic tubs, trays, punnets, carrier bags, foil and aluminium trays. This will further help to increase the amount of waste recycled.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Waste management – reduce treatment costs	-55	-55	-55	-55	-55

### Pre-paid payment cards

Pre-paid payment cards are used by people who receive personal budgets but don't have a bank account. A personal budget is an agreed amount of council money that a person can use to arrange and pay for their care and support, following an assessment of their needs. Payment cards better enable the council to manage direct payment funds to ensure that they are not misused, overspends can be clawed back from the account instantly, and they also help tackle fraud by identifying potential inappropriate use earlier. They can also be better for individuals as it promotes money management and budgeting skills, reduces bureaucracy, is much quicker and easier than opening a bank account and allows quicker access to funds and greater flexibility of operation. This proposal looks to make greater use of pre-paid payment cards which will lead to reduced administration costs for the council.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Pre-paid payment cards	-50	-50	-50	-50	-50

### Business support

The council spends £3.5million each year with Serco on business support. The proposal is to reduce this spend by £1million in 2015/16. All council departments will be asked to review the number of hours of business support they currently receive to deliver the savings.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Business support	-1,000	-1,000	-1,000	-1,000	-1,000

### Inflation

Each year the council makes assumptions on the level of inflation that is required across the council. A detailed review of expenditure against inflation assumptions has identified a reduced need for inflation in 2015/16, most of which can be permanently removed from the council's baseline budget.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Inflation	-1,107	-1,107	-1,107	-1,107	-1,107

### Council tax support scheme – option 1

The government changed council tax benefit as part of its welfare and localism reforms so that councils set and administer the benefit under a local scheme, known as council tax support. The government also reduced the amount of money councils have available to provide council tax support, which in

Peterborough in 2013/14 meant a shortfall in funding of £2.4million. As a result the council introduced a new council tax support scheme, which meant a 30 per cent reduction in council tax benefit received by every working age claimant. This ensured the scheme was cost-neutral to the council. Pensioners were excluded from the changes.

In reducing the council's overall grant, the government has reduced the funding it gives to the council to provide the scheme by around a further £1million in 2015/16. As a result, this proposal looks to reduce the amount of council tax support the council provides working-age claimants to 35 per cent, to ensure the scheme can remain cost neutral.

Council members need to consider this issue at a specific meeting in late January. As such this proposal will not form part of the decisions to be made at Council in December, and there will be dedicated consultation on this proposal, which can be found on the council's website. It is included here as the proposal would generate a saving. If the proposals were rejected, then further savings across the council's budget would need to be found.

<b>Issue</b>	<b>2015/16 £k</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Council tax benefit scheme – option 1	-250	-250	-250	-250	-250

### **Council tax support scheme – option 2**

Further to the above option, a second option is to increase the reduction in council tax support provided to working-age claimants to 40 per cent. This would generate an additional saving for the council of £250,000. This money could then be used to help the council make the savings it needs in order to balance its budget and to protect other council services.

This will also follow the consultation route outlined above.

<b>Issue</b>	<b>2015/16 £k</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Council tax benefit scheme – option 2	-250	-250	-250	-250	-250

## **INVESTMENT – CAPITAL**

### **Schools capital programme**

We are responsible for ensuring there are sufficient school places to meet people's needs. We are also responsible for providing transport where children have to access schools which are some distance from their home, often as a result of a shortage of school places.

We have some clear objectives in terms of school place planning:

- Offering local places for local children, with the aim to meet parental preference for catchment schools.
- Offering a range of different schools for all parts of the city including community schools, foundation schools, trust schools, faith schools and academies.
- Offering high quality places for children to learn that encourage high levels of achievement.
- Avoiding significant changes to catchment areas.
- Limiting the use of mobile classrooms to areas where demand is temporary.

The school organisation plan outlines the pressure on school places and the requirement to build more capacity within the city. Peterborough has a rapidly growing school population – it has the second highest birth rate in the country and also the second highest rate of inward migration into schools outside normal points of admission (reception and year 7) such as the start of the school year in September.

The pressures in Peterborough are so variable that in the space of a year pressures on wards within the city change. Whilst planning can take place where growth is known, the capital programme is largely changeable as pressures change and our spend is under constant review. We hold an annual budget for capital maintenance and also for mobiles (both purchasing and relocating).

The agreed five year capital programme for new school places is as follows:

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
New school places capital programme	19,000	13,100	7,100	2,800	TBC

The funding of this capital programme for schools is made up of three elements –

1. Direct grant from governments – the council receives a Department for Education (DfE) grant for capital maintenance of schools. We also receive an allocation for basic need (growth) but the DfE has indicated that for 2015/16 and 2016/17, our growth is not sufficient to warrant further funding.
2. Developer contributions through section 106 and community infrastructure levy/planning obligations implementation scheme
3. Council borrowing

Peterborough has been allocated no government funding for growth in its pupil numbers for 2015/16 and 2016/17. Our budget had been built assuming the following –

	2015/16 £k	2016/17	2017/18	2018/19
Budgeted grant	6,458	6,458	4,958	458
Expected grant as at July 2014	-2,000	-2,000	-2,000	-2,000
Shortfall	4,458	4,458	2,958	-1,542

We have submitted new estimates for our pupil number pressures to the Education Funding Agency (EFA - an executive agency, sponsored by the DfE) and we remain hopeful that we will continue to receive the level of grant funding we expected. Dialogue is currently underway with the EFA around the shortfall in funding and we continue to monitor changes in pupil numbers. If the funding is not forthcoming, additional borrowing will be required to meet the needs of our growing population. We will also make further representations on the shortfall in funding direct to government ministers. Priority projects for the next three years include:

	Details of scheme	Anticipated completion
Mobile classrooms	Purchase, re-siting and rental (where applicable) of mobile classrooms to support increased numbers.	Ongoing
Phoenix	Expansion planned for children with physical disability and severe learning difficulties. A proposal is being developed to replace existing temporary mobiles with an expansion using the Tunnel Playcentre site. Will create an additional 54 places.	September 2015
St Michael's	In line with the expansion of the housing	September



	development, negotiations are currently underway with Persimmon over the land needed for the expansion. It is proposed to increase the size of the school from 210 to 420 places.	2016.
City College	In light of increased learners with learning difficulties aged 14 plus, the council secured a grant of £660,000 to increase provision for this important group.	April 2015
Southfields	In light of rising pupil numbers in Stanground and following two years of bulges in pupil numbers (single class increases), we are working with Kier to deliver an additional 210 places (1 form entry).	July 2016
Nenegate	Pressure on meeting high level behaviour needs are significant. We are proposing a 2 classroom extension with minor refurbishment works so the school can take children from age 10 rather than 11.	June 2015
Hampton Gardens	New secondary school proposed for Hampton. This is a joint scheme with Cambridgeshire County Council to create 1,500 new secondary school places.	September 2017
Discovery	Following an expansion two years ago, it is now necessary to expand all year groups across the school. A three classroom extension with minor refurbishment works is proposed.	August 2015
Thorpe	One form entry expansion (210 children) to support the growing needs for school places in the city.	September 2015
Heltwate	There appears to be a greater number of children with severe learning difficulties at a younger age than in previous years. We are proposing to provide reception places at the school for the first time (age 4).	September 2015
Orton St John's	The school rebuilding is part of the Priority School Building Programme and funded direct by the government. The council will have to pay for the rebuilding of the nursery at a cost of around £300,000.	June 2015
West Town	This scheme moves the school to a new site on Midland Road, currently occupied by the former hospital. We have been successful in a bid to the Priority School Building Programme. The proposal is for a new build which doubles the size of the existing school. We intend to retain the existing school site for education provision.	September 2016
Pupil referral unit	Our pupil referral unit is currently split over three sites – two of which are in poor condition. We are looking to consolidate two sites and improve the condition of the other.	September 2015

The key challenges and risks around delivering school places is the following –

- Hampton Leys secondary – although assumed in the current programme we only have a maximum of £13million to fund the cost although these costs may be higher.
- Great Haddon (three primary schools and a secondary) and Norwood/Paston Reserve (two primary schools and a secondary) currently have no funding allocated but could come on line in the next five to ten years.

- The programme assumes no further growth in pupil numbers either through migration or further increases in birth rates.
- The cost of construction and steel are rising. We have reduced costs by more than £500 a square meter during the recession but prices are rising. No assumption is made in the capital programme for this. We are constantly looking for ways to reduce costs including refurbishing older buildings rather than building new schools.
- Bids have already been submitted for three new priority school building programme schemes. These may create additional capacity but are principally aimed at modernising the lowest quality accommodation we have in schools. The schools involved are Marshfields, Norwood and Southfields.

## Schools funding 2015/16

Funding for schools and elements of the education service is received in a specific pot of money from the government called the Dedicated Schools Grant (DSG). This is allocated annually based upon the number of pupils in the city in October the previous year (based this year upon October 2014). We are responsible for proposing use of this funding to support schools in agreement with the statutory body known as the Schools Forum. This forum consists of headteachers, early years' providers, church representatives and council officers.

Since 2011 the government has been working to improve the schools funding system with the aim of making it simpler, fairer and more transparent. Significant changes were made in 2013/14 to reduce the number of factors local authorities could use in their funding formula and bring consistency across local authorities in the way funding is allocated.

These changes only affected the way funding was allocated to schools and not the allocations to local authorities. Local authorities are funded on a historic funding system called 'spend plus methodology' which locks in old historic funding decisions and levels from 2005. The government has announced that in 2015/16 it is determined to address the inconsistencies in the level of funding between local authorities. This will be achieved by introducing minimum levels of funding using a formula based on each local authority's characteristics. If a local authority already attracts at least these minimum funding levels, then there will be no change to the amount of funding per pupil that it receives. If a local authority attracts less than these minimum funding levels for the pupils and schools in its area, the budget will be increased so that it meets those levels.

The DfE has allocated in 2015/16 an additional £350million to meet this requirement of minimum levels of funding and it has been announced that Peterborough's funding share will increase (along with 45 other authorities funding) by £600,000. The Schools Forum has considered these changes and agreed to allocate this funding out to schools by two factors:

1. Basic entitlement – a per pupil allocation
2. Deprivation – allocated based upon two need factors, free school meals entitlement and the postcode profile of where children live

The dedicated schools grant can be broken down as follows:

<b>Dedicated schools grant</b>	<b>Explanation</b>	<b>£m</b>
Schools block	Funding allocated direct to schools via the funding formula	140
High needs block	To support children with additional education needs in schools and specialist placements. It also funds key support services to schools and individual young people.	27
Early years block	Funding to support placements in early years settings for 2, 3 and 4 year-olds.	16
<b>Total</b>		<b>183</b>

The funding for schools is driven by a rate per child of funding for Peterborough which is set at £4,490 for children in primary and secondary schools and £4,541 for children in early years education. Our pupil number has increased by 4.1 per cent in the space of a year – an increase of 1,246 children. Our funding has increased from last year as the funding for the Thomas Deacon Academy, City of Peterborough Academy Secondary and Special School are being added to the dedicated schools grant which had previously been funded directly. This adds around £11million.

## INVESTMENT – REVENUE

### Adoption reform grant

In 2013/14, the government set up a specific funding stream to support local authorities in attracting more adoptive placements for looked after children. It was expected this grant would continue beyond 2013/14 but the government has announced that it will be reduced in 2014/15 and removed from 2015/16 onwards. We continue to invest in the adoption services to find high quality places for the most vulnerable children in the city and therefore an investment in the council's budget is needed in this area.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Adoption reform grant	617	617	617	617	617

### Private finance initiative (PFI)

Under the requirements of the schools PFI contract (for the redevelopment of Jack Hunt, Ken Stimpson and the new build of The Voyager), the cost of utilities falls to the council. The cost of providing energy – both in terms of volume and cost - has been under pressure and has created an ongoing budget pressure of £164,000. We are working hard with the facilities management provider to reduce the costs and have commissioned CIPFA to work with us to review our PFI contract with a view to further savings.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Private finance initiative	164	164	164	164	164

### Support services to Communities and Children's Services

There has been an increasing demand for services in both Communities and Children's Services. As a result, we have had to increase the support we provide for projects, the investment in our management information databases and business support. In addition, we are having to fund additional costs for providing insurance for our buildings.

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Support services to Communities and Children's Services	150	150	150	150	150

## **APPENDIX 8**

### **STAFF IMPLICATIONS**

#### **Vacancy and redundancy**

In order to deliver the phase one changes outlined in this document we are proposing to restructure a number of teams and departments which may result in a number of posts being affected. The table below explains the staffing implications.

Our approach to minimising any compulsory redundancies will be the same as in other years, including deleting vacant posts, redeployment of affected staff and seeking voluntary redundancies where we are able to do so.

This information relates to council staff only. The phase one proposals may also impact on our partners. We will outline the impact of the phase two proposals when they are published in January.

<b>Staff implications</b>	<b>Total</b>
Total number of affected posts	55
Minus 12 vacant posts to be deleted	= 43
Minus 13 voluntary redundancy acceptances	= 30
<b>Compulsory redundancy total</b>	<b>30</b>

In addition to the figures in the table above, the council has accepted a further five voluntary redundancies for various reasons.