

INDEX PAGE

	Page No's
Budget Report	1
Appendix A Council Tax Resolution	5
Appendix B Cabinet Recommendations to Council	12
 Appendices to Cabinet Report (Appendix B)	
1. LGA Briefing on Pre Budget Report	30
2. LGA Briefing on Provisional Local Government Settlement	33
2a. Schedule of Grants	38
3. Key Figures	41
4. Budget Monitoring report Pd 7	43
5. MTFP in context of Community Strategy	57
6. Guide to understanding the As-Is Budget	62
7. Control Totals	64
8. Fees and Charges	65
9. Capacity Bids	71
10. Savings and Efficiencies	74
11. Service Policy Variations	76
12. Capital Strategy	78

13.	Capital Programme	93
14.	Capital Disposals Summary	96
15.	Prudential Code, Treasury management Strategy & Minimum Revenue Provision Strategy	97
16.	Asset Management Plan	115
17.	Reserves	201
18.	PCT – Annual Accountability Agreement – working draft	202
19i.	Summary of comments received during consultation process	220
19ii	Summary of additional comments received during consultation process and circulated prior to the 2 nd February 2009 cabinet meeting	225

COUNCIL	AGENDA ITEM No.
25 FEBRUARY 2009	PUBLIC REPORT

Cabinet Member(s) responsible:	Cllr Peach, Leader of the Council	
Contact Officer(s):	John Harrison, Executive Director of Strategic Resources John Blair, Head of Strategic Finance and Performance Improvement	Tel: 452398 Tel: 384564

**MEDIUM TERM FINANCIAL PLAN –
BUDGET 2009/10 AND MEDIUM TERM FINANCIAL PLAN TO 2011/12**

R E C O M M E N D A T I O N S	
FROM : Executive Director of Strategic Resources (Section 151 Officer) and Corporate Management Team (CMT)	Deadline date : Council Meeting – 25 February 2009
The Council is recommended to approve:	
<ul style="list-style-type: none"> a. The draft revenue budget for 2009/10 and the draft medium term financial plan for 2009/10 to 2011/12, set in the context of the community strategy; b. The draft capital programme for 2009/10 to 2011/12 and related strategies and indicators; c. The proposed council tax increase of 2.5% for 2009/10 (and indicative increases of 2.5% in each of 2010/11 and 2011/12); and d. The council tax setting resolution for consideration as set out in Appendix A. 	

1. ORIGIN OF REPORT

1.1 This report is submitted to Council as a referral from the Cabinet Meeting of the 2nd February 2009.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to present a revenue budget for 2009/10 in the context of a three year medium term financial plan and corporate priorities running to 2011/12.

2.2 Full Council are required to set the council tax for 2009/10 which includes not only its own requirements but that of the relevant precepting bodies i.e. Police, Fire and Parishes (where applicable).

2.3 The decisions contained in the report are a matter reserved for Full Council.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	YES	If Yes, date for relevant Cabinet Meeting	N/A
Date for relevant Council meeting	25 February 2009	Date for submission to Government Dept <i>(please specify which Government Dept)</i>	DCLG March 2009

4. BACKGROUND AND ISSUES

4.1 OVERVIEW

4.1.1 Cabinet, at its' meeting on the 2nd February 2009, considered a report entitled "Medium Term Financial Plan – Budget 2009/10 and Medium Term Financial Plan to 2011/12".

4.1.2 The recommendations from Cabinet are attached at Appendix B.

4.2 CHANGES TO THE BUDGET SINCE CABINET MEETING

4.2.1 Since the Cabinet meeting the following changes have taken place:

- i) The final notifications of parish precepts have been received and require an increase of £38k to the amount shown in the Cabinet report. A list of parish precepts is attached;
- ii) Official notification has been received of the Fire Authority Council Tax – an increase of 3.5%; and
- iii) Official notification has been received of the Police Authority Council Tax – an increase of 4.99%.

4.2.2 Increases to the Council Tax, excluding Parishes, can be summarised as follows:

	Band D 2008/09 £	Band D 2008/09 £	Percentage Increase
Peterborough City Council	1,042.92	1,068.99	2.50%
Cambridgeshire Police Authority	156.87	164.70	4.99%
Cambridgeshire & Peterborough Fire Authority	54.45	56.34	3.47%
Total	1,254.24	1,290.03	2.85%

The average increase in Parish Precept is 8.2%. Some parishes have increased and some decreased their precepts.

4.3 STATUTORY ADVICE – LOCAL GOVERNMENT ACT 2003

4.3.1 As part of the annual budget setting process the Council's Statutory S151 officer (Finance Director) is required under section 25 of the Local Government Act 2003 to provide an opinion on the adequacy of reserves and balances

4.3.2 My opinion is based on the forecast of reserves and having regard to the commentary set out in the report in respect of robustness of estimates and risk analysis set out in section 4.16.4 of the Cabinet report.

4.3.3 I conclude that the levels of reserves, balances and contingencies are sufficient for the authority in setting the budget and resultant council tax for 2009/10.

4.3.4 In terms of their adequacy over the life of the MTFP to 2011/12 the position will need to be reviewed in due course but at this stage the overall proposals are reasonable.

5. CONSULTATION

Details of consultation with the Scrutiny Committees, scrutiny panels, business rate payers and the Youth Council are contained within the report to Cabinet. An online consultation with the public was also carried out, and details of this will be circulated prior to the Council meeting. Just over one hundred responses were received to this from members of the public and council staff and respondents were generally supportive of the priorities and proposals for the coming year.

6. ANTICIPATED OUTCOMES

The Sustainable Community Strategy can only be achieved by ensuring that resources are aligned with the priorities it lays out. The Medium Term Financial Plan delivers this and also ensures that a balanced budget will be set.

7. REASONS FOR RECOMMENDATIONS

7.1 The Council must set a lawful and balanced budget.

7.2 The Council is required to set a council tax for 2009/10 within prescribed statutory timescales.

7.3 Before setting the level of council tax, the Council must have agreed a balanced budget.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 The Council has discretion in setting its budget and striking a balance between spending (and between areas of spending) and the amount of council tax it decides to raise. That discretion is limited by:

- The requirement to set a balanced budget
- The need to ensure estimates of spending and savings are arrived at on a reasonable basis
- The impact on the medium term forecast
- The potential of the budget to be capped by Central Government

8.2 Alternative levels of council tax increase and areas for growth/savings can be considered but this must be seen in the context of the Corporate Plan. Each 0.1% change (increase or decrease) in council tax is equivalent to £59,000, or £1.07 on a band D council tax.

9. IMPLICATIONS

9.1 Elected Members

9.1.1 Members must have regard to the advice of the Section 151 Officer. The Council may take decisions which are at variance with this advice, providing there are reasonable grounds to do so.

9.1.2 It is an offence for any Members with arrears of council tax which have been outstanding for two months or more to attend any meeting of the Council or its committees at which a decision affecting the budget is made, unless the Members concerned declare at the outset of the meeting that they are in arrears and will not be voting on the decision for that reason.

9.2. Human Resources

9.2.1 The budget will require reductions in staffing (set out in the Cabinet report, section 9.2). Where savings are proposed which involve restructuring or improved new means of delivery, changes, which may include staffing reductions, will be subject to formal consultation with the trade unions and employees concerned. The process will comply with the Council's policies and procedures and employment legislation.

9.3 Service Delivery

9.3.1 The existing strategy remains where the Council will consider alternative forms of service delivery that can be done at less cost with the same or improved service.

- (a) Shared Services – exploring partnership working with a range of councils for corporate services and revenues and benefits. This would include the Primary Care Trust (PCT).
- (b) Mixed economy – ensuring that the Council only does in house what it can do better than the private sector expertise available e.g. Information Communication Technology (ICT) reducing services to a core level and buying support for peak workload/specialist pieces of work e.g. legal.
- (c) Arms Length Management Organisation (ALMO) – to be explored around waste but also including a range of existing City Services functions.
- (d) Externalisation – potential sale of the crematorium to generate the external investment required and create a revenue stream
- (e) Voluntary Sector / Social Enterprise – service delivery options.
- (f) Professional Services Partnership (PSP) to secure the transformation

9.4 Legal Implications

9.4.1 These are considered within the main body of the report to Cabinet.

10. **BACKGROUND DOCUMENTS**

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

Grant Settlement (21st January 2009)

CIPFA – Role of finance Director in Local Government

LAAP Bulletin – Reserves and Balances

COUNCIL TAX 2009/10

Following consideration of the report to this Council on 25th February 2009 and the setting of the Revenue Budget for 2009/10, the Council is requested to pass the resolution below.

RESOLVED

1. THAT the Revenue Budget in the sum of £133,636,330 (being £247,903,330 less the Dedicated Schools Grant of £114,267,000) now presented be approved.

2. THAT it be noted that at its meeting on 15th December 2008 the Cabinet calculated the following amounts for the year 2009/10 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992: -

- (a) 54,835 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its council tax base for the year.

(b) Part of the Council's Area

Ailsworth	220.17
Bainton	143.70
Barnack	361.22
Borough Fen	36.58
Bretton	3,540.45
Castor	334.81
City (non-parished)	36,825.59
Etton	51.99
Eye	1,311.43
Glington	604.68
Helpston	369.71
Marholm	74.18
Maxey	292.61
Newborough	544.14
Northborough	523.12
Orton Longueville	3,450.01
Orton Waterville	3,457.62
Peakirk	166.19
Southorpe	71.85
Sutton	69.66
Thorney	808.52
Thornhaugh	92.64
Ufford	119.98
Wansford	242.66
Wittering	737.58
SUB TOTAL	<u>54,451.09</u>
The Council tax base total for areas to which no special items relate	384.56
TOTAL	<u><u>54,835.65</u></u>

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

3. THAT the following amounts be now calculated by the Council for the year 2009/10 in accordance with Sections 32 to 36 of the Local Government and Finance Act 1992: -
- (a) £405,206,330 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act. (Gross expenditure including Parish Precepts and Special Expenses)
 - (b) (£271,570,000) being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) a) to c) of the Act. (Revenue Income)
 - (c) £133,636,330 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with section 32(4) of the act as its budget requirement for the year. (Peterborough City Council Net Budget Requirement including Parish Precepts)
 - (d) £74,708,224 being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates and revenue support grant increased by the amount of the sums which the Council estimates will be transferred in the year from its collection fund to its general fund in accordance with Section 97(3) of the Local Government Finance Act 1988
 - (e) £1,074.63 being the amount at 3(c) above less the amount at 3(d) above, all divided by the amount at 2(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its council tax for the year.
 - (f) £310,330 being the aggregate amount of all special items referred to in Section 34(1) of the Act. (Parish Precepts)
 - (g) £1,068.99 being the amount at 3(e) above less the result given by dividing the amount at 3(f) above by the amount at 2(a) above, calculated by the Council in accordance with section 34(2) of the Act, as the basic amount of its Council tax for the year for dwellings in those parts of its area to which no special item relates.

(h) Parts of Council's Area

Parish Of:	Band D
Ailsworth	£1,097.79
Bainton	£1,087.80
Barnack	£1,085.01
Borough Fen	£1,077.99
Bretton	£1,093.83
Castor	£1,094.28
Deeping Gate	£1,068.99
Etton	£1,099.86
Eye	£1,103.10
Glington	£1,077.27
Helpston	£1,091.58
Marholm	£1,069.53
Maxey	£1,071.87
Newborough	£1,077.36
Northborough	£1,076.28
Orton Longueville	£1,077.36
Orton Waterville	£1,072.41
Peakirk	£1,097.88
Southorpe	£1,074.48
St Martins Without	£1,068.99
Sutton	£1,093.83
Thorney	£1,106.88
Thornhaugh	£1,119.30
Ufford	£1,102.74
Upton	£1,068.99
Wansford	£1,099.05
Wittering	£1,116.06
Wothorpe	£1,068.99

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

3. (i) Part of the Council's Area

	Valuation Bands							
	A £ . p	B £ . p	C £ . p	D £ . p	E £ . p	F £ . p	G £ . p	H £ . p
Ailsworth	731.86	853.84	975.81	1,097.79	1,341.74	1,585.70	1,829.65	2,195.58
Bainton	725.20	846.07	966.93	1,087.80	1,329.53	1,571.27	1,813.00	2,175.60
Barnack	723.34	843.90	964.45	1,085.01	1,326.12	1,567.24	1,808.35	2,170.02
Borough Fen	718.66	838.44	958.21	1,077.99	1,317.54	1,557.10	1,796.65	2,155.98
Bretton	729.22	850.76	972.29	1,093.83	1,336.90	1,579.98	1,823.05	2,187.66
Castor	729.52	851.11	972.69	1,094.28	1,337.45	1,580.63	1,823.80	2,188.56
Deeping Gate	712.66	831.44	950.21	1,068.99	1,306.54	1,544.10	1,781.65	2,137.98
Etton	733.24	855.45	977.65	1,099.86	1,344.27	1,588.69	1,833.10	2,199.72
Eye	735.40	857.97	980.53	1,103.10	1,348.23	1,593.37	1,838.50	2,206.20
Glington	718.18	837.88	957.57	1,077.27	1,316.66	1,556.06	1,795.45	2,154.54
Helpston	727.72	849.01	970.29	1,091.58	1,334.15	1,576.73	1,819.30	2,183.16
Marholm	713.02	831.86	950.69	1,069.53	1,307.20	1,544.88	1,782.55	2,139.06
Maxey	714.58	833.68	952.77	1,071.87	1,310.06	1,548.26	1,786.45	2,143.74
Newborough	718.24	837.95	957.65	1,077.36	1,316.77	1,556.19	1,795.60	2,154.72
Northborough	717.52	837.11	956.69	1,076.28	1,315.45	1,554.63	1,793.80	2,152.56
Orton Longueville	718.24	837.95	957.65	1,077.36	1,316.77	1,556.19	1,795.60	2,154.72
Orton Waterville	714.94	834.10	953.25	1,072.41	1,310.72	1,549.04	1,787.35	2,144.82
Peakirk	731.92	853.91	975.89	1,097.88	1,341.85	1,585.83	1,829.80	2,195.76
Southorpe	716.32	835.71	955.09	1,074.48	1,313.25	1,552.03	1,790.80	2,148.96
St Martins Without	712.66	831.44	950.21	1,068.99	1,306.54	1,544.10	1,781.65	2,137.98
Sutton	729.22	850.76	972.29	1,093.83	1,336.90	1,579.98	1,823.05	2,187.66
Thorney	737.92	860.91	983.89	1,106.88	1,352.85	1,598.83	1,844.80	2,213.76
Thornhaugh	746.20	870.57	994.93	1,119.30	1,368.03	1,616.77	1,865.50	2,238.60
Ufford	735.16	857.69	980.21	1,102.74	1,347.79	1,592.85	1,837.90	2,205.48
Upton	712.66	831.44	950.21	1,068.99	1,306.54	1,544.10	1,781.65	2,137.98
Wansford	732.70	854.82	976.93	1,099.05	1,343.28	1,587.52	1,831.75	2,198.10
Wittering	744.04	868.05	992.05	1,116.06	1,364.07	1,612.09	1,860.10	2,232.12
Wothorpe	712.66	831.44	950.21	1,068.99	1,306.54	1,544.10	1,781.65	2,137.98
Total Non-Parished Areas	712.66	831.44	950.21	1,068.99	1,306.54	1,544.10	1,781.65	2,137.98

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

4. That it be noted that for the year 2009/10 the Cambridgeshire Police Authority and Cambridgeshire & Peterborough Fire Authority have stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below :-

	Valuation Bands							
	A	B	C	D	E	F	G	H
	£ . p	£ . p	£ . p	£ . p	£ . p	£ . p	£ . p	£ . p
Cambridgeshire Police Authority	109.80	128.10	146.40	164.70	201.30	237.90	274.50	329.40
Cambridgeshire & Peterborough Fire Authority	37.56	43.82	50.08	56.34	68.86	81.38	93.90	112.68
TOTAL	147.36	171.92	196.48	221.04	270.16	319.28	368.40	442.08

5. That having calculated the aggregate in each case of the amounts at 3(i) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2009/10 for each of the categories of dwellings shown below :-

	Valuation Bands							
	A £ . p	B £ . p	C £ . p	D £ . p	E £ . p	F £ . p	G £ . p	H £ . p
Ailsworth	879.22	1,025.76	1,172.29	1,318.83	1,611.90	1,904.98	2,198.05	2,637.66
Bainton	872.56	1,017.99	1,163.41	1,308.84	1,599.69	1,890.55	2,181.40	2,617.68
Barnack	870.70	1,015.82	1,160.93	1,306.05	1,596.28	1,886.52	2,176.75	2,612.10
Borough Fen	866.02	1,010.36	1,154.69	1,299.03	1,587.70	1,876.38	2,165.05	2,598.06
Bretton	876.58	1,022.68	1,168.77	1,314.87	1,607.06	1,899.26	2,191.45	2,629.74
Castor	876.88	1,023.03	1,169.17	1,315.32	1,607.61	1,899.91	2,192.20	2,630.64
Deeping Gate	860.02	1,003.36	1,146.69	1,290.03	1,576.70	1,863.38	2,150.05	2,580.06
Etton	880.60	1,027.37	1,174.13	1,320.90	1,614.43	1,907.97	2,201.50	2,641.80
Eye	882.76	1,029.89	1,177.01	1,324.14	1,618.39	1,912.65	2,206.90	2,648.28
Gilnton	865.54	1,009.80	1,154.05	1,298.31	1,586.82	1,875.34	2,163.85	2,596.62
Helpston	875.08	1,020.93	1,166.77	1,312.62	1,604.31	1,896.01	2,187.70	2,625.24
Marholm	860.38	1,003.78	1,147.17	1,290.57	1,577.36	1,864.16	2,150.95	2,581.14
Maxey	861.94	1,005.60	1,149.25	1,292.91	1,580.22	1,867.54	2,154.85	2,585.82
Newborough	865.60	1,009.87	1,154.13	1,298.40	1,586.93	1,875.47	2,164.00	2,596.80
Northborough	864.88	1,009.03	1,153.17	1,297.32	1,585.61	1,873.91	2,162.20	2,594.64
Orton Longueville	865.60	1,009.87	1,154.13	1,298.40	1,586.93	1,875.47	2,164.00	2,596.80
Orton Waterville	862.30	1,006.02	1,149.73	1,293.45	1,580.88	1,868.32	2,155.75	2,586.90
Peakirk	879.28	1,025.83	1,172.37	1,318.92	1,612.01	1,905.11	2,198.20	2,637.84
Southorpe	863.68	1,007.63	1,151.57	1,295.52	1,583.41	1,871.31	2,159.20	2,591.04
St Martins Without	860.02	1,003.36	1,146.69	1,290.03	1,576.70	1,863.38	2,150.05	2,580.06
Sutton	876.58	1,022.68	1,168.77	1,314.87	1,607.06	1,899.26	2,191.45	2,629.74
Thorney	885.28	1,032.83	1,180.37	1,327.92	1,623.01	1,918.11	2,213.20	2,655.84
Thornhaugh	893.56	1,042.49	1,191.41	1,340.34	1,638.19	1,936.05	2,233.90	2,680.68
Ufford	882.52	1,029.61	1,176.69	1,323.78	1,617.95	1,912.13	2,206.30	2,647.56
Upton	860.02	1,003.36	1,146.69	1,290.03	1,576.70	1,863.38	2,150.05	2,580.06
Wansford	880.06	1,026.74	1,173.41	1,320.09	1,613.44	1,906.80	2,200.15	2,640.18
Wittering	891.40	1,039.97	1,188.53	1,337.10	1,634.23	1,931.37	2,228.50	2,674.20
Wothorpe	860.02	1,003.36	1,146.69	1,290.03	1,576.70	1,863.38	2,150.05	2,580.06
Total Non-Parished Areas	860.02	1,003.36	1,146.69	1,290.03	1,576.70	1,863.38	2,150.05	2,580.06

PARISH PRECEPTS 2009/10

The following precepts have been levied on Peterborough City Council (comparable figures are shown for 2008/09) :-

	2008/09	2009/10	2009/10 Council Tax @ Band D Equivalent
	£	£	£
Ailsworth	6,586	6,355	28.80
Bainton	2,718	2,707	18.81
Barnack	5,770	5,792	16.02
Borough Fen	341	331	9.00
Bretton	89,334	88,142	24.84
Castor	7,912	8,477	25.29
Deeping Gate	-	-	-
Etton	711	1,608	30.87
Eye	40,764	44,764	34.11
Glington	4,367	5,041	8.28
Helpston	10,405	8,358	22.59
Marholm	30	40	0.54
Maxey	800	850	2.88
Newborough	4,696	4,571	8.37
Northborough	5,827	3,835	7.29
Orton Longueville	19,566	29,101	8.37
Orton Waterville	9,000	12,000	3.42
Peakirk	4,319	4,803	28.89
Southorpe	413	398	5.49
St Martins Without	-	-	-
Sutton	1,689	1,735	24.84
Thorney	32,386	30,644	37.89
Thornhaugh	4,684	4,667	50.31
Ufford	4,077	4,059	33.75
Upton	-	-	-
Wansford	5,300	7,300	30.06
Wittering	25,172	34,752	47.07
Wothorpe	-	-	-
Total	286,867	310,330	

**MEDIUM TERM FINANCIAL PLAN
BUDGET 2009/10 AND MEDIUM TERM FINANCIAL PLAN (MTFP) TO 2011/12**

R E C O M M E N D A T I O N S	
FROM : The Leader of the Council	Deadline date: Council Meeting 25 th February 2009
<p>Cabinet agreed:</p> <ol style="list-style-type: none"> 1. To have regard to the consultation comments and the statutory advice detailed in the report when determining the following budget recommendations; 2. That the following be approved and referred to full Council on the 25th February 2009: <ol style="list-style-type: none"> (a) That the MTFP is set in the context of the community strategy (appendix 5) (b) The budget monitoring report for Period 9 as the probable outturn position for 2008/09 (c) The revenue budget for 2009/10, indicative figures for 2010/11 and 2011/12 (including capacity and savings proposals) (d) The capital programme for 2009/10 to 2011/12, associated capital strategy and asset management plan (e) The medium term financial plan for 2009/10 to 2011/12 (f) The council tax increase of 2.5% for 2009/10 and indicative increases of 2.5% in 2010/11 and 2011/12 (g) To spend at the level of the Dedicated Schools Grant for 2009/10 to 2011/12 (h) The proposals for reserves and balances (i) The Prudential Code, Treasury Management Strategy and Minimum Revenue Provision Policy (i) The proposed extent of delegation, (within the 'budget and policy framework procedures rules'), to be requested from council to ensure that the financial targets in the MTFP are delivered. (k) the draft Annual Accountability Agreement with the Peterborough Primary Care Trust, with the authority to finalise the agreement following Council being delegated to the Director of Adult Social Care. 	

1. ORIGIN OF REPORT

- 1.1 The report lays out the budget proposals considered by Cabinet at its meeting on the 2nd February 2009.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to present a draft budget for 2009/10 in the context of a three year medium term financial plan and corporate priorities running to 2011/12
- 2.2 The proposals set out in this report are to enable final recommendations to be made to the meeting of Full Council on 25th February 2009
- 2.3 The report is for Cabinet to consider under its Terms of Reference no.3.2.7 *To be responsible for the Council's overall budget and determine action required to ensure that the overall budget remains within the total cash limit.*

3. **TIMESCALE**

Is this a Major Policy Item/Statutory Plan?	YES	If Yes, date for relevant Cabinet Meeting	15 th December 2008
Date for relevant Council Meeting	25 th February 2009	Date for submission to Government department	Department for Community and Local Government (DCLG) March 2009

4. **BACKGROUND AND ISSUES**

4.1 **Overview**

A GRANT

4.1.1 On 26th November the Secretary of State for DCLG outlined the provisional Local Government settlement for 2009/10, which confirmed the figures from last year. The final settlement, confirming the provisional figures was announced on the 21st January 2009

The business rate in the pound for 2009/10 has been set at 48.5p, up from 46.2p in 2008/09.

B CONSULTATION

4.1.2 The draft Budget and Medium Term Financial Plan has so far been subject to consultation and the comments are set out in section 5. Comments from those panels that had not met as this report went to print will be tabled at the cabinet meeting, together with a summary of the public consultation results.

4.1.3 Members are asked to note the particular recommendation from the scrutiny panels that the proposal to reduce the level of support to scrutiny be reconsidered by Cabinet.

C CHANGES SINCE DECEMBER 2008 CABINET

4.1.4 **Budgetary Control Report**

The Budgetary Control Report included at appendix 4 has been updated to reflect the position at the end of December 2008, (period 9). Since December the anticipated outturn position has improved by £275k.

4.1.5 **MTFP in the context of the Community Strategy**

The MTFP in context of Community Strategy, appendix 5, has been updated to include a paragraph on community cohesion.

4.1.6 **Revenue Budget**

The text has been updated in appendix 10, Savings and Efficiencies, to provide a better explanation of what is planned. No figures have been amended. Similarly, the text relating to the cash office in appendix 11, Service Policy Variations, has been amended to remove the reference to closing the cash office and replace this with a review of cash collection facilities.

Changes to capital schemes, capital receipts and interest rates have resulted in a net reduction in the cost of capital in 2011/12 of £96k.

4.1.7 **Revenue Grants**

In addition to the Dedicated Schools Grant, the Council has been awarded an Exceptional Circumstances Grant to assist with the increase in the number of pupils in schools with English as an additional language. This will be £47k in 2009/10 and how it is used to support those pupils will be determined by the Schools Forum.

4.1.8 Capital Budget

This has been updated by departments and the financing costs of the capital programme have been changed accordingly and updated to reflect the latest information on interest rates.

These changes have led to consequential amendments to the capital strategy and Asset Management Plan.

The Capital Programme for the three years 2009/10 to 2011/12 can now be summarised as follows:

	Schemes	Movement Since December Report
	£k	£k
2009/10	78,864	+1,650
2010/11	74,261	+1,400
2011/12	68,532	-1,500

4.1.9 Prudential Code, Treasury Management Strategy and MRP Policy

The Prudential Code has been updated to reflect changes to prudential indicators resulting from changes to the capital programme.

The Treasury Management Strategy has been updated for changes in interest rates and interest rate forecasts, updating of the treasury portfolio position to reflect the position as at 20th January 2009 and the addition of the tables detailing investment approvals.

4.1.10 Asset Management Plan

Minor changes to wording and figures to reflect the changes to the capital programme.

4.1.11 Annual Accountability Agreement

The draft Annual Accountability Agreement between the PCT and Peterborough City Council is now included with this report, at appendix 18

D COUNCIL TAX

After consideration of the results of consultation, the Council Tax implications from the proposals in this report remain at:

- For 2009/10 an increase of 2.5%
- For 2010/11 an indicative increase of 2.5%
- For 2011/12 an indicative increase of 2.5%

These exclude the impact of the other precepting bodies i.e Police (to be set 13th February), Fire (to be set 12th February) and Parish Councils (details received by the end of January 2009).

4.2 EXECUTIVE SUMMARY

4.2.1 Purpose

This report sets out the context for and approach taken in the Leader's budget proposals for 2009/10 through to 2011/12.

4.2.2 Headlines

- The new medium-term financial plan proposes council tax increases of 2.5% each year for the next three years; the previous medium-term financial plan assumed 1.4% annual increases.
- The medium-term financial plan builds on our successful business transformation programme, the recent senior management review and the council's improved financial management capability to provide a balanced budget across a three-year period in spite of the demanding financial climate.
- Some variations to service policy are proposed alongside a large number of efficiencies.

4.2.3 Context

4.2.3i The council, along with all other local authorities and businesses, is negatively affected by the credit crunch and its consequences. In 2009/10 income is projected to reduce by £2.6m whereas increased input costs and new government legislation have added £13.8m of pressure.

4.2.2ii The strength of the business transformation programme, however, significantly mitigates the negative impact of this combination of increased costs and reduced income. By the end of 2008/09, £10m cash savings have been achieved which have been re-invested in front-line services, and the capability the council has built will drive further savings of £4.8m during 2009/10.

4.2.4 Approach

4.2.4i The medium-term financial plan proposes the following efficiencies and savings for the year 2009/10:

Business Transformation	£4.8m
Further efficiencies	£1.4m
Service Policy variations	£1.2m

The budget provides the resources to continue a programme of investment in service improvement and in the facilities and infrastructure needed to enhance Peterborough as a place to live, work, do business and enjoy leisure.

4.2.5 Workforce implications

Significant progress has been made in reducing the amount of spending within the council on temporary and agency staff, and the short-term deployment of consultants and interim managers is now co-ordinated through fewer, more coherent contracts that deliver improved value-for-money for the council.

These controls, together with the ability to release vacancies instead of recruiting new employees, will help the council continue to minimise the use of compulsory redundancies to achieve the reductions in the size of the workforce implied by the scale of efficiencies to be achieved. Nonetheless, the budget proposals will reduce the FTE workforce by approximately 220 posts, and some compulsory redundancies cannot be ruled out.

4.2.6 Risk management

Because the financial climate is so much harsher than has been the case in the previous two years, it is inevitable that setting a budget that balances community needs, future investment, an employer's obligations and the council's duty towards taxpayers involves some risks. It is simply not possible, nor would it be right, to hold large contingencies at such a time.

The Cabinet has taken a number of measures to mitigate such risks:

- The Chief Executive's recent management review has introduced a strengthened senior management team, which provides more assurance of budget delivery.
- Projected capital receipts from asset disposals, which are used by local authorities to reduce the amount of borrowing needed to fund capital projects, have been significantly diluted in this budget, eliminating any dependence on asset sales to achieve the budget.
- The council's utilisation of the Oracle Financials accounting information system is exceptionally well-advanced, and this provides fine-grained controls over spending that assist in the day-to-day management of spending.
- Management changes are bringing to an end the "It's my budget and I'll spend it if I want to" culture. Budgets are no longer seen as spending targets to be achieved.
- A more frequent cycle of budgetary control is being prepared for 2009/10 to facilitate immediate management action should it be needed.

4.2.7 Investing in the city's future

The real story of this budget is to be found in the commitment it makes to the city's future. The budget sets out proposals to invest in:

- New secondary schools in the south of the city
- A sixth-form extension to Hampton College
- Facilities for waste recycling and the retrieval of energy from waste
- Better management of capital projects
- Better and less expensive facilities management across the council's buildings estate
- A Leisure Trust to operate the council's leisure facilities in a more tax-efficient manner
- Significant operations improvements within City Services
- The migration of City Services to an arms-length management organisation (ALMO) to deliver better value-for-money for local taxpayers by growing income streams through winning more business
- The introduction of a managed service through a commercial partner for the council's information and communications technology platforms
- An extension of the flagship co-location, flexible and agile working scheme successfully implemented at Bayard Place with our children's social care teams, reducing the costs of accommodation and providing better customer services and employee experiences
- Efficient, integrated, customer-focused team-working in localities through a new joint approach from the Children's Services and Operations directorates
- Better deployment of front-line staff through multi-skilling within Operations

4.2.8 Conclusion

This budget has required the Cabinet to take some difficult decisions. However, the momentum that has been developed with the business transformation programme and the sound financial management that has grown over the last two years mean that service reductions on the scale being envisaged by many neighbouring authorities are not needed in Peterborough. In a difficult financial climate this is a responsible, measured budget that delivers investment in the city's future, demonstrating a commitment to Peterborough's residents, taxpayers, visitors and businesses.

4.3 MTFP 2009/10 ONWARDS

4.3.1 Introduction

- 4.3.1i The purpose of this report is to put in context the Cabinets budget proposals for 2009/10, and their MTFP to 2011/12.
- 4.3.1ii The existing MTFP is based upon indicative Council tax increases of 1.4%. The proposals included in the new MTFP propose a Council Tax increase of 2.5% for each of the next 3 years.
- 4.3.1iii The budget report that was presented to Cabinet in September outlined the robust process that would be undertaken in preparing the Councils medium term financial plan. This process has been followed and draft Departmental Delivery Contracts have been drawn up to record what each department has agreed with the Chief Executive that it will deliver in the coming year.
- 4.3.1iv We are in the second year of the 3 year grant settlement, aimed at allowing stable financial planning however, the situation in the economy this year has been unprecedented and historically stable sources of income (planning, land charges, car parking) have dramatically reduced. The budget reflects our best information on the impact on the finances of the Council of these pressures as well as the normal inflationary and demand led pressures that the Council faces.

4.3.2 Background and Issues

- 4.3.2i The Council is like any other business and is not immune from the downturn in the economy. During 2008/09 the “credit crunch” and related recession have had a significant impact on the revenue and capital income of the Council. When the core income of an organisation is being reduced assessments must be made on how that is handled in the short term, via the corporate budgetary control process, and in the longer term through a planned approach to the MTFP. The object of this approach is to join up short term measures with longer term solutions and to avoid knee jerk reactions and stop – go policies to the financial planning process. This will help provide stability for the longer term delivery of outcomes in accordance with the LAA.
- 4.3.2ii The Council finances have been directly impacted by the problems in the Icelandic economy and resultant failure of the banking sector. This put £3m of the Councils investment monies at risk and resulted in a loss of income from interest receipts. The medium term impact is further amplified because the returns from the safe deposits with the UK government through its debt management agency will be at lower rates of interest than those generally available.
- 4.3.2iii The Chancellors pre-budget report on 24th November re-affirmed the national picture and outlined the Government’s approach to dealing with the situation. In terms of local government there is a likelihood of government funded capital programmes being brought forward to stimulate the economy. This could result in the revenue impact of those schemes being brought forward as well and it is not yet clear how these impacts would be funded. The Chancellor also outlined that local government is targeted to find further efficiency savings at the start of the next comprehensive spending review in 2010. The L.G.A. briefing on the pre-budget report is attached at Appendix 1.
- 4.3.2iv On 26th November the Secretary of State for DCLG outlined the provisional Local Government settlement for 2009/10, which confirmed the figures from last year. There were no additional resources to cover the loss from traditional income sources. An announcement was made to change regulations and allow councils not to budget in 2009/10 for the impact of potential loss of Icelandic funds. The final settlement, confirming the provisional figures was announced on the 21st January 2009.

4.3.3. The Approach

- 4.3.3i The Council is well placed to deal with many aspects of the downturn and is determined to continue to invest in high quality services to underpin the growth of the City. The MTFP still provides investment in those services that need it.
- 4.3.3ii The current MTFP is underpinned by a business transformation programme delivering efficient business operations. This change is being owned by Directors and Heads of Service and must be delivered upon. The MTFP that is being consulted upon extends and accelerates the transformation process further.
- 4.3.3iii In preparing the budget, the Council must balance the needs of services with the impact on the taxpayer through Council Tax and fees and charges. The business transformation programme has helped to ensure that there have been no cuts in services to date, but the pressures faced by the Council at this time mean that there will be a need for service policy variations in some areas over the term of the proposed MTFP. Directors have carried out assessments of their areas and proposed how savings can be made. These have been aimed at ensuring the minimum impact on outcomes.
- 4.3.3iv It would be easy to simply do nothing and wait for the economy to naturally pick up in the fullness of time. This MTFP proposes a positive approach to investment in order that the Council is in a position to rapidly respond to and influence the turnaround. By considering new ways of delivering services, such as establishing special purpose vehicles for delivery of infrastructure projects and other innovative methods, the Council will be able to manage the finances available to it over the long term in a more efficient and effective manner.
- 4.3.3v As a result of the efficiencies, service variations and new ways of working outlined above, there will be an impact upon the number of employees employed by the Council. It will be the CMT intention to minimise the direct impact by instigating immediate vacancy management measures, ensuring skill matches to vacancies and avoiding external recruitment unless absolutely necessary.
- 4.3.3vi In order to manage the transition from “here and now” budgetary control issues to the medium term a small group of Directors has been tasked by the Chief Executive to oversee the process, and report back to Cabinet on progress.
- 4.3.3vii The main body of the report covers the detailed analysis of the MTFP. The table below summarises the impact of the credit crunch on the Councils MTFP.

	Estimated Revenue Impact		
	2009/10 £'000s	2010/11 £'000s	2011/12 £'000s
Reduction in Land Charges income	333	333	333
Reduction in rental income and increase in vacant property charges relating to the investment property portfolio	780	810	580
Reduction in planning fee income	600	600	600
Reduction in car parking income	519	519	519
Impact of further changes to the capital programme	302	583	3,066
Impact of reduction in interest rates	933	755	353
Replenishment of reserves following collapse of Icelandic banks	-	-	750
Impact on Council Tax income	633	1,199	1,229
Total Estimated Revenue Impacts	4,100	4,799	7,430

- 4.3.3viii In addition to the revenue impacts detailed, capital receipts in 2008/09 are expected to be some £25m lower than anticipated at the start of the year. This necessitates additional borrowing with annual revenue costs to service the debt of £2.5 m p.a.

4.3.4 Overview

4.3.4i The Council Tax implications from the proposals in this report are:

For 2009/10 an increase of 2.5%
 For 2010/11 an indicative increase of 2.5%
 For 2011/12 an indicative increase of 2.5%

These exclude the impact of the other precepting bodies i.e. Police, Fire and Parish Councils

4.3.4ii The summary figures (Appendix 3) underpinning the council tax proposals are:

	2009/10	2010/11	2011/12
	£m	£m	£m
Budget Requirement	<u>247.865</u>	<u>258.824</u>	<u>267.444</u>
Formula Grant and NNDR	74.408	77.014	78.384
Council Tax Yield	58.618	60.692	62.826
Parish Precepts	0.272	0.276	0.280
Dedicated Schools Grant	114.267	120.806	123.222
Collection Fund Surplus	<u>0.300</u>	<u>-</u>	<u>-</u>
	<u>247.865</u>	<u>258.788</u>	<u>264.712</u>

4.3.4iii In reaching the budget requirement set out above the following savings to reduce expenditure (in addition to the strict adherence of control totals) have been necessary:

	2009/10	2010/11	2011/12
	£m	£m	£m
Initial Budget Requirement	<u>257.165</u>	<u>270.142</u>	<u>282.174</u>
ACTIONS:			
To mitigate impact of Credit Crunch	1.893	3.728	5.813
Transformation and other Efficiency savings	6.226	5.815	7.238
Service Policy Variations	<u>1.181</u>	<u>1.775</u>	<u>1.775</u>
Budget Requirement	<u>247.865</u>	<u>258.824</u>	<u>267.348</u>

4.3.4iv The preliminary grant settlement as announced on 26th November was that as declared last year. This was confirmed on the 21st January 2009. For 2011/12 an estimate has been made locally as no figures have been announced as they are subject to a future comprehensive spending review.

4.3.4v The approach to the Budget process makes a significant contribution to the Use of Resources (UoR) element of the Comprehensive Area Assessment (CAA).

4.4 2008/09 BUDGET AND PROBABLE OUTTURN

4.4.1 The Council approved the 2008/09 budget on 27th February 2008.

4.4.2 The budget monitoring report for Period 9 is attached at Appendix 4 and indicates in summary that the forecast for the year is over the agreed approved budget.

4.4.3 The probable outturn of £141,564k is £564k more than the budget of £141,000k. It is assumed that the management action being led by the Chief Executive and CMT will improve on this position by the end of the year. The aim is to bring the cost within the





overall budget. In particular efficiencies of £400k are being brought forward by March 2009.

4.4.4 The budget for the medium term has had to have regard for any key issues arising from the Budgetary Control Report. But by far the major driver is that of the impact of the credit crunch, and this has been factored into the MTFP.

4.5 MEDIUM TERM FINANCIAL PLAN IN CONTEXT OF COMMUNITY STRATEGY

4.5.1 To ensure that resources for the medium term are allocated in accordance with the Council's priorities it is essential that the priorities have a medium term focus.

4.5.2 The Medium term financial plan is set in the context of the Sustainable Community Strategy (SCS). This is shown at Appendix 5 and the priorities outlined in the current MTFP can be seen to map across to the SCS priorities as shown in the table below:

Previous PCC Priorities	SCS & new PCC Priorities
Plan and deliver a safe, attractive and environmentally friendly city 	Creating the UK's environment capital
Achieve the best possible health and wellbeing 	Creating strong and supportive communities
Make Peterborough a better place in which to live and work 	Delivering substantial and truly sustainable growth
Provide high quality opportunities for learning and ensure children are healthy and safe 	Creating opportunities - tackling inequalities

4.5.3 These priorities are underpinned by the overall need for the Council to be accessible, effective and efficient.

4.6. FORMULA GRANT

4.6.1 The Peterborough City Council settlement is the second in a three year settlement and is summarised below:

	2009/10	2010/11	Estimated 2011/12
	£m	£m	£m
Formula Grant Entitlement	78.9	80.8	81.6
Less clawback (*)	4.5	3.8	3.2
Amount to be paid	74.4	77.0	78.4
% increase	4.1%	3.5%	1.8%

* Held back by the Government to protect authorities who have 'lost out' in the settlement.

4.6.2 The business rate in the pound for 2009/10 is 48.5p, up from 46.2p in 2008/09.

4.7 THE AS-IS BUDGET

- 4.7.1 Appendix 6 provides a guide to understanding the preparation of the Budget.
- 4.7.2 Departments have built detailed budgets, based on the 2008/09 budget as adjusted for inflation and efficiency savings, and with regard to the 2008/09 Budgetary Control Reports. These detailed budgets are in line with the control totals issued to each department, as set out in the Cabinet report dated 15th September 2008. The inflation and savings included within these control totals are as follows:
- a) Pay awards have been provided for at 2.5%
 - b) General inflation has been included at 2% together with specific increases for significant issues e.g. energy
 - c) Income is expected to increase by 5% per annum. This can either be through increased charges or increased volumes
 - d) Annual 2% efficiency savings are included for 2009/10.
- 4.7.3 No Gershon savings have been included in departmental control totals (except ASC) for 2010/11 or 2011/12. These will be considered corporately. A summary of control totals are included in Appendix 7.
- 4.7.4 Attached at Appendix 8 are the proposed average movements on Fees and Charges.

4.8 CAPACITY BIDS

- 4.8.1 In preparing a Medium Term Financial forecast it is important to ensure unavoidable spending pressures are accurately reflected in future budgets. The key areas that have led to significant extra spending pressures are:
- (a) Concessionary fares – impact of national scheme
 - (b) Credit Crunch – recession led pressures.
- 4.8.2 The capacity bids put forward for funding are set out in Appendix 9. In summary they are:

Capacity Bids:	2009/10 £k	2010/11 £k	2011/12 £k
<u>Analysis By Category</u>			
Credit Crunch	3,467	3,600	6,201
Less: Action taken to mitigate	<u>-1,893</u>	<u>-3,728</u>	<u>-5,813</u>
	1,574	-128	388
Inescapable	1,103	1,375	5,008
Essential	<u>1,421</u>	<u>2,689</u>	<u>1,374</u>
	<u>4,098</u>	<u>3,936</u>	<u>6,770</u>

4.9 SAVINGS-Efficiencies

- 4.9.1 The Council's Corporate Plan is still founded on the basis of the council being efficient, effective and accessible. The draft medium term plan is once again based around the philosophy of:

“Minimising overheads, reducing bureaucracy and improving value for money to ensure that resources are available to improve front line service outcomes to the community whilst ensuring the impact on council tax levels is as low as possible”

- 4.9.2 This has become even more important as a result of the CSR 07 which is based on 3% annual cashable efficiencies. The establishment of the Business Transformation team sees the council excellently placed to deal with this agenda.
- 4.9.3 Peterborough City Council represents local government on DCLG, CBI and LGA transformation panels.
- 4.9.4 Efficiency programmes in key Council service areas improves performance, and major areas of Council spend, such as Children’s Services, have their own transformation team.
- 4.9.5 The above has guided the preparation of the savings proposals for the MTFP. None of the proposals are seeking to cut services to the public. They are based around more efficient delivery which will result in the same or improved outcomes to the community. Corporate business process re-engineering delivers us sustainable savings and gives us choice.
- 4.9.6 The savings proposals are set out at Appendix 10 and can be summarised as follows:

	2009/10 £k	2010/11 £k	2011/12 £k
Business Transformation (New) Phase 3	4,791	290	1,382
General	1,435	5,525	5,856
Total	6,226	5,815	7,238

- 4.9.7 In the current year the team has made significant progress in delivering the £3.5m target savings and their progress has been monitored by the Business Efficiency Scrutiny Panel.
- 4.9.8 The work of the team is crucial to the delivery of cashable efficiencies in support of the council’s priorities and over the new few months we will seek to consolidate the work of the team and key service providers within a Professional Service Partnership.
- 4.9.9 The 3rd phase of the transformation programme is as follows:

Phase 3 programme definition and framework

Phase 3 of the programme will deliver the deeper and enduring organisational transformation that causes the Council to acquire the characteristics of an agile, efficient commercial organisation.

The six key programmes that form phase 3 are :

“Manor Drive plc”: the unified back office based initially around the strategic resources department and traded services.

Target: £1.225m

Customer Services Transformation:

This project will aim to simplify processes; provide access to an organisation-wide base to improve working practices between Council departments; offer improved customer access to services through new channels; and reduce the administrative burden on Council staff enabling them to provide better front line services.

Target: £0.425 m

Service delivery and improvement:

Review of all services provided across the Council by using business process re-engineering to challenge the existing processes.

Target: £1.45m

Efficiency:

Further savings on the major contracts as the Council continues to spend over £100m on goods and services in areas such as temporary staff, room hire.

Additionally the ICT managed service seeks to reduce the operating cost of the ICT service through the transfer of operational ICT to a third party supplier during in the new financial year.

Target: £1.22m

Asset Management

Managing the Council's asset base in a more pro-active manner will enable us to plan more effectively the Council's longer term revenue and capital commitment to accommodation.

Target: £0.4m

Adult Social Care

More effective commissioning of integrated domiciliary care, support and health services and of residential provision will lead to significant efficiencies. Agency and temporary staff costs will be further scrutinised and alternative, most cost effective arrangements will be sought.

Target: £0.75m

- 4.9.10 In setting the budget there is an associated element of risk in relying heavily on the financial outcomes of these projects. The plan needs to be robust in terms of the timings of the financial benefits.

4.10 SAVINGS – SERVICE POLICY VARIATIONS

- 4.10.1 As explained in the explanatory forward the MTFP cannot be achieved solely through service efficiencies. Service policy variations are proposed and attached at Appendix 11 The Cabinet is seeking to consult on these proposals to achieve a fair balance between taxpayers, service recipients and stakeholders. The categories are changes to fees and charges, changes to service eligibility, and service deletions, reductions and reconfigurations.

4.11 EDUCATION FUNDING

- 4.11.1 The estimated Dedicated Schools Grant for 2009/10 is £114,267, which is a 5.1% cash increase over 2008/09 on a like for like basis.
- 4.11.2 The final figure for 2009/10 will not be known until May/June 2009, when pupil numbers are finalised.
- 4.11.3 The Minimum Funding Guarantee per pupil is an increase of 2.1% for each of the first two years of the plan.
- 4.11.4 In addition to the Dedicated Schools Grant, the Council has been awarded an Exceptional Circumstances Grant to assist with the increase in the number of pupils in schools with English as an additional language. This will be £47k in 2009/10 and how it is used to support those pupils will be determined by the Schools Forum.

4.12 COUNCIL TAX 2009/10 – 2011/12

- 4.12.1 The Council Tax base, for collection and estimate of surplus purposes, is set out in a report considered separately by the Cabinet at its meeting on the 15th December 2008.
- 4.12.2 The budget projections in the previous MTFP were based on 1.4% per annum for 2008/09, 2009/10 and 2010/11. These are no longer robust.
- 4.12.3 The levels of Council Tax increases must have regard to the levels of general and earmarked balances considered necessary to address the risks and liabilities the Council may face in future years.
- 4.12.4 The proposals for Council Tax for the next three years to 2011/12 are:

	2009/10	2010/11	2011/12
Council Tax increase	2.5%	2.5%	2.5%
Council Tax – amount raised	£58,618k	£60,692k	£62,826k
Council Tax – band D	£1,068.99	£1,095.71	£1,123.10
Increase in band D	£26.07	£26.72	£27.40

The equivalent Band D Council Tax figure for 2008/09 is £1,042.92 for the Council, not including the precepts from the Fire and Police Authorities and Parishes.

- 4.12.5 Members will be aware that at the lowest band (A) the Council Tax is a third less than band D. In addition, single person discount (SPD) of 25% is available and if a council tax payer is already in receipt of council tax benefit then this will cover any increase. Some 51% of properties are subject to the full impact of Council Tax increases, while 24.1% are exempt or in receipt of full or partial benefits and 24.9% receive single persons or other discounts.
- 4.12.6 The key figures identify a balanced position for 2009/10 with a Council Tax increase of 2.5%. For 2010/11 there is a small deficit of £37k and for 2011/12 there is a deficit of £2.6m identified.
- 4.12.7 As we look to the 3rd year of the MTFP if the “credit crunch” has eased off/disappeared then we could reasonably assume that this deficit would be eliminated.

4.13 CAPITAL PROGRAMME 2009/10 TO 2011/12

- 4.13.1 The Local Government Act 2003 introduced the prudential capital system. The key objectives of the prudential system are to ensure, within a clear framework, that local authority capital investment plans are affordable, prudent and sustainable and have regard to the Chartered Institute of Public Finance and Accountancy’s Prudential Code.
- 4.13.2 The capital programme is driven by the Council’s Corporate Plan. In addition, it is based around the Capital Strategy attached at Appendix 12, that is integrated with the Council’s Asset Management Plan. The Government has also announced plans for a Local Government Asset Management Strategy, and we will ensure the Council’s Asset Management Plan is in line with it.

4.13.3 The Capital Programme is shown at Appendix 13. In summary, the programme is as below.

	2009/10	2010/11	2011/12
	£k	£k	£k
Proposed Programme	<u>78,864</u>	<u>74,261</u>	<u>68,532</u>
Sources of financing:			
Capital Financing Requirement	49,320	27,608	41,795
Capital Receipts (net of amount set aside to repay debt)	2,106	5,189	6,720
Additional External Funding	27,438	41,464	20,017
Total Resources	<u>78,864</u>	<u>74,261</u>	<u>68,532</u>

4.13.4 Members should also be aware that the programme is reliant on capital receipts generated through asset disposal. Hence some capital schemes will only be initiated if resources are actually achieved. The whole programme has been re-assessed as part of the credit crunch analysis and schemes re-profiled based upon expectations of likely levels of capital financing available. Strategic Property will evaluate further options for asset disposal, in order to reduce the burden of borrowing needed to support the programme. Anticipated capital receipts (Appendix 14) from the asset disposal programme, with 2011/12 still to be developed further, are as follows:

	2009/10	2010/11	2011/12
	£k	£k	£k
TOTAL ASSET SALES	6,840	5,189	6,720

4.13.5 The revenue impact of borrowing has been factored into the budget.

4.13.6 The Prudential Code, Treasury Management Strategy and MRP Policy 2009/10 are included at Appendix 15 to this report.

4.14 ASSET MANAGEMENT PLAN

4.14.1 Attached at Appendix 16 is the Corporate Asset Management Plan (AMP). This document sets out how the Council will manage Council Property Assets in the future and builds upon the AMP prepared last year.

4.14.2 The AMP sets out how we will address future challenges including:

- A property portfolio that is ageing with excessive liabilities
- A portfolio that is not suited to Council needs

4.14.3 In addition, it sets out how we will get the most from our property portfolio. This will include:

- The options appraisal and delivery of in excess of £55m of Capital Receipts over the next 4 years in a falling market
- Revenue savings of £2m over the next 4 years
- Using property to support the Growth Agenda
- Minimising the impact of property assets on the environment

4.14.4 To meet the challenges faced the AMP:

- Clarifies and reinforces the role of the Corporate Property Officer
- Establishes Property as a Strategic Resource to be managed corporately

Establishes targets for Capital Receipts and Revenue Savings

4.15 RESERVES AND BALANCES

- 4.15.1 For the Chief Finance Officer to recommend the level of reserves and provisions the council should hold, consideration is given to the general economic conditions facing the authority, the internal control framework in operation, and the probability and financial impact of service risks, including specific budget risks identified within the budget process.
- 4.15.2 Projected movements on reserves for this MTFP are shown in Appendix 17.
- 4.15.3 In line with the Council's reserves policy, reviews of the Council's reserves and balances have been undertaken, as part of the financial planning exercise and in the completion of the Statement of Accounts 2007/08. Final proposals for reserve usage are approved by members as part of the budget and final accounts approval process. Reserves are reviewed and monitored during the year to ensure that the adequacy and application of reserve are valid and appropriate.
- 4.15.4 The Director has reviewed the financial risks identified and the expected level of reserves at 1st April 2009. The government has been consulting on new legislation which will enable authorities to postpone the impact of potential Icelandic investment losses until 2010/11. In line with this proposed legislation, the Director is therefore planning to restore the level of general reserves to £6m.

4.16 ROBUSTNESS OF ESTIMATES

- 4.16.1 In setting a budget for 2009/10 including a medium term financial plan to 2011/12 it is important that Members consider the risks inherent in the financial figures presented and the potential for there to be variances and events that may occur that may significantly impact on them. It should be noted that individual Directors have undertaken a risk assessment of their budgets.
- 4.16.2 There are two areas that are yet to be finalised/agreed
- Dedicated Schools Grant with the schools forum including finalisation of pupil numbers.
 - Annual Accountability Agreement with the PCT, due to be finalised in March 2009.
- 4.16.3 The constitutions 'budget and policy framework procedures rules' allows Council to delegate to the executive the extent of in year changes and virement. The Cabinet's 3 year budget proposals set out a tight financial framework. In the circumstances the Cabinet will seek approval as part of the final budget to council in February for a delegation to take whatever action on an ongoing basis is necessary to ensure that the financial targets set out in the medium term financial plan are achieved.
- 4.16.4 The following is a summary of other matters that Members should take into account when considering the budget:

Area	Risk	Action to Mitigate Risk
Overall Budget	The achievement of a balanced budget is reliant on an ambitious savings programme and organisational capacity to deal with speed of change. There is a risk that both savings already extracted from budgets and the new savings programme will not be achieved.	The Business Transformation team will continue to work closely with managers across the organisation, with progress being monitored via the BCR process.
Overall Budget	The pay award for 2008/09 is not yet finalised. There is a risk that	Provision is in line with latest available estimates. The position will

	the award for this and for future years will exceed the 2.5% allowed for in the budget/MTFP	continue to be monitored through the budgetary control process.
Overall Budget	Increase in employer's contribution rate to the pension scheme in 2011/12, possibly by 2%	Allowed for in 2011/12 budget proposals (£1.6m)
Overall Budget	The Council had money invested in Icelandic banks. It is not yet known whether this money will be recovered or the level of recovery.	Reserves are held at an amount that would cover the amount lost.
Overall Budget	Reserves would need replenishing if either the funds invested in Icelandic banks was not recovered or there was a significant overspend in 2008/09	Monitoring of spend in year and action implemented as a result to mitigate against the risk of overspends
Overall Budget	The current grant settlement finishes in 2010/11. Changes to the economic and political environment may impact the amount received.	Continue to lobby and work with other agencies.
Investment Income	Interest rates decrease further to 0%	A prudent approach has been taken to budgeting for interest receipts and charges. This situation will be monitored via the budgetary control process.
Capital Expenditure	The proposed Capital Programme is reliant on asset disposals being achieved. Any slippage will impact on capital financing requirements	The estimates used are based on the latest information available in terms of both timing and capital receipt. Schemes will be carefully managed and regular reporting will continue
Overall Budget	That there are equal pay claims arising from employees	Review of reserves
Overall Budget	Redundancy and related costs greater than anticipated	Review of Reserves and close working with HR department through the voluntary redundancy process.
Overall Budget	Demand led service pressures, e.g. looked after children, adult social care, concessionary fares.	Reviewed through BCR
Department Budgets	Departments failing to meet savings targets and to hit control totals	To take corrective action and report actions through BCR. E.g. Operations zero based budgeting exercise.
Human Resources	Human Resource reductions required to deliver the MTFP do not occur as planned.	Take corrective actions and report action through BCR

4.16.5 In considering the above it is also important to bear in mind the level of reserves.

4.17 STATUTORY ADVICE – LOCAL GOVERNMENT ACT 2003

4.17.1 As part of the annual budget setting process the Council's Statutory S151 officer (Finance Director) is required under section 25 of the Local Government Act 2003 to provide an opinion on the adequacy of reserves and balances and the robustness of the estimates.

4.17.2 My opinion is based on the forecast of reserves and having regard to the commentary set out in the report in respect of robustness of estimates.

4.17.3 I conclude that the levels of reserves, balances and contingencies to be sufficient for the authority in setting the budget and resultant council tax for 2009/10.

4.17.4 In terms of their adequacy over the life of the MTFP to 2011/12 the position will need to be reviewed in due course as but at this stage the overall proposals are reasonable.

5. CONSULTATION

5.1 This report has been subject to review by the Scrutiny Committee, scrutiny panels and the Parish Liaison Committee, as well as business rates payers, unions, the Youth Council and the general public. The results of this consultation are set out at Appendix 19. An update will be tabled at cabinet.

5.2 Members are asked to note the particular recommendation from the scrutiny panels that the proposal to reduce the level of support to scrutiny be reconsidered by Cabinet.

6. ANTICIPATED OUTCOMES

6.1 The Council's Corporate Strategy can only be achieved by ensuring that resources are aligned with these priorities. The MTFP delivers this and also ensures that a balanced budget will be set.

7. REASONS FOR RECOMMENDATIONS

7.1 The Council must set a lawful and balanced budget.

7.2 The Council is required to set a Council Tax for 2009/10 within statutory prescribed timescales.

7.3 Before setting the level of Council Tax, the Council must have agreed a balanced budget.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 Alternative levels of Council Tax increase and areas for growth/savings can be considered but this must be seen in the context of the Corporate Plan and other constraints. Each 0.1% change (increase or decrease) is equivalent to approximately £54,000.

9. IMPLICATIONS

9.1 Elected Members

9.1.1 Members must have regard to the advice of the Section 151 Officer. The Council may take decisions which are at variance with this advice, providing there are reasonable grounds to do so.

9.1.2 It is an offence for any Members with arrears of Council Tax which have been outstanding for two months or more to attend any meeting of the Council or its committees at which a decision affecting the budget is made, unless the Members concerned declare at the outset of the meeting they are in arrears and will not be voting on the decision for that reason.

9.2 Human Resources

9.2.1 The budget will require reductions in staffing. Where savings are proposed which involve restructuring or improved new means of delivery, changes, which may include staffing reductions, will be subject to formal consultation with the trade unions and employees concerned. The process will comply with the Council's policies and procedures and employment legislation.

- 9.2.2 The budget is efficiency driven and as a result the reduction in posts will largely be in business support roles, apart from the City Services posts detailed below.
- 9.2.3 In 2009/10 there is an anticipated reduction in posts of 220 fte.
- 9.2.4 Further years will see additional reductions.

9.3 Service Delivery Options

- 9.3.1 The existing strategy remains where the Council will consider alternative forms of service delivery that can be done at less cost with the same or improved service.
- (a) Shared Services – exploring partnership working with a range of councils for corporate services and revenues and benefits (Luton). This would include the Primary Care Trust (PCT).
 - (b) Mixed economy – ensuring that the Council only does in house what it can do better than the private sector expertise available e.g. Information Communication Technology (ICT) reducing services to a core level and buying support for peak workload/specialist pieces of work e.g. legal.
 - (c) Arms Length Management Organisation (ALMO) – to be explored around waste but also including a range of existing City Services functions.
 - (d) Externalisation – potential sale of the crematorium to generate the external investment required and create a revenue stream
 - (e) Voluntary Sector / Social Enterprise – service delivery options.
 - (f) Special Purpose Vehicles – see separate report on agenda.
 - (g) Transfer of services to a Trust in Leisure and Cultural Services

9.4 Legal Implications

- 9.4.1 The Local Government Act 2003 requires the Chief Finance officer to report on the adequacy of reserves and provisions and the robustness of budget estimates as part of the annual budget setting process, see Section 4.15 and 4.16 for the statement.
- 9.4.2 The government has been consulting on new legislation which will enable authorities to postpone the impact of potential Icelandic investment losses until 2010/11. The legislation is expected to be finalised before the end of the financial year.

10. BACKGROUND DOCUMENTS

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

Pre-Budget Report 2008 – LGA Briefing

25 November 2008

LGA Key Messages

Local authorities are taking a lead in the effort to help people and businesses at a local level. It is vital that councils are given the tools they need to support local people and businesses through tough economic times.

- **Devolution of powers over economic issues** - Different parts of the country will be affected by the downturn in very different ways.¹ A national, blanket policy to deal with the recession cannot target help effectively to specific areas. As many economic decisions as possible need to be taken at a local level to ensure that local solutions can be found to local problems.
- **Creating affordable housing-** With repossessions having risen by 70% and predictions of five million people waiting for a council house by 2010, social housing must be a top priority. Allowing councils to keep the £200m surplus raised from council house rents and greater freedom to borrow would free them up to build more homes. The Government should support councils to guarantee mortgages and housing schemes and allow authorities to keep all capital receipts from the sale of housing.

Headlines from PBR for Local Government

- An additional £5 billion public sector value for money target for 2010-11.
- The bringing forward of £3 billion of capital spending from 2010-11 to 2008/09 and 2009/10 for housing, transport and other construction projects including:
 - £775 million of housing and regeneration investment;
 - £800 million in the priority schools capital programmes;
 - £535 million on energy efficiency, rail transport, and adaptation measures;
 - £50 million of investment brought forward, and £100 million of additional funding, for the Warm Front programme; and
 - £20 million of investment on flood defences.
- An increase in the employee, employer and self-employed rates of national insurance contributions by 0.5 per cent from April 2011.
- A set of devolutionary proposals, to be agreed with local authorities in city-regions on a voluntary basis, to increase their ability to drive sustainable economic growth.
- From April 2009 the maximum amount of Local Housing Allowance that will be received will be the five bedroom rate.
- A new taskforce of experts from local authorities and the third sector will report in spring 2009 on how best to assist local authorities in further improving take-up of tax credits and benefits.

Further Information

For further information please contact Nathan Stower, LGA Public Affairs on 0207 644 3226, Nathan.stower@lga.gov.uk

¹ See LGA Report, *From Recession to Recovery*, <http://www.lga.gov.uk/lga/aio/1215871>

Summary of Key Proposals Affecting Local Government

Efficiency Savings

- The Government reports that departments are making good progress towards the 2007 Comprehensive Spending Review value for money target of £30 billion of savings by 2010-11 and announces an additional £5 billion value for money target for 2010-11.

LGA View

Whilst no part of government can be exempt from efficiency savings, we understand there is a recognition of the pressures on local authorities and the importance of not destabilising council tax. Further details of how the £5bn will be distributed will be published in the Spring Budget.

The LGA will argue vigorously with government that councils, as the most efficient part of the public sector, are already contributing more than their fare share to savings and that the new targets should be weighted towards other parts of the public sector to minimise the effect on council tax or service levels.

Bringing Forward of Capital Spending

- In total the Government will bring forward £3 billion of capital spending from 2010-11 to 2008-09 and 2009-10 across a range of areas including for schools, social housing and energy efficiency.
- £800 million is to be brought forward in the schools capital programme. Although no breakdown has yet been given, the Chancellor's statement referred to additional spending in 2009-10 being put into primary schools and boosting local authority funds for modernising school infrastructure.
- Other capital spending programmes brought forward include £20m for flood defences, but it is not clear how this will be directed.

LGA View

The LGA welcomes additional resources to boost the economy but notes that this in itself is not an addition to the figures already announced in CSR2007.

Housing

- As part of the bringing forward of capital spending, the Government is to bring forward £775 million of housing and regeneration investment. £575 million will provide additional support for social rented homes of which £150 million will support the delivery of new social housing, £250 million to sustain and accelerate the Decent Homes programme and £175 million on major repairs.
- £50 million of investment has been brought forward and £100 million of additional funding introduced for the Warm Front programme. The government estimate this will enable 60,000 homes to benefit more quickly from energy efficiency and heating measures.
- There is no expansion of the £200m mortgage rescue scheme announced in September but £15m extra provided for debt advice.

LGA View

Extra debt advice funding is welcome but it is disappointing that there is no additional funding for mortgage to rent schemes. The funding available will only help a quarter of the households facing repossession over the next year. CLG need to clarify the timescale and operation of the scheme.

The LGA welcomes extra funding for building and improving housing and energy efficiency. There is lots of potential for councils to help tailor spending for local conditions and get the most out of it.

The Government's plans for further home insulation are a step in the right direction but our proposals for insulating every home and providing homeowners with interest free loans for micro-generation would allow even more jobs to be created. Area based approaches to insulation, led by councils who know the housing stock and the households that would benefit most, would deliver scale economies and integrate the different funding streams now available for this activity.

National Insurance Contributions

- There will be a 0.5 per cent increase in the employee, employer and self-employed rates of National Insurance Contributions from April 2011.

LGA View

As with all employers, an increase in National Insurance Contributions will add to local government wages bills. The change is not due to take place until after the next general election.

City-Regions

- The Government is to agree, on a voluntary and tailored basis, a set of devolutionary proposals with local authorities in city-regions, to increase further their ability to drive economic growth and contribute to sustainable development. The Government intends to announce new agreements with at least two forerunner city-regions at Budget 2009.
- The proposals will be underpinned by new statutory arrangements for sub-regional cooperation between local authorities, supporting strong local capacity, governance and accountability at the city-region level.

LGA View

The LGA has argued for a substantial devolution of powers and funding to councils working in partnership to reflect the real level at which local economies work - the level of the city or sub-region. We support the proposals for devolving greater responsibility for planning, housing, transport, regeneration, employment and skills and economic development to city regions. These have the potential to make more rapid progress on the government's commitment to economic devolution. However, we will want to look in more detail at the 'package' of measures being offered to the areas participating to make sure that the extent of the offer genuinely matches the level of ambition for greater devolution sought by the partnerships chosen as 'forerunner city regions'.

Local Government Finance Settlement 2009-10

26th November 2008

Today's Local Government Finance Settlement confirmed that there will be no changes to the formula grant for 2009/10.

LGA Key Messages

- **Three Year Settlement** - Local authorities understand that the economy is experiencing unprecedented challenges and will note that last year's tight settlement has not been cut back any further. However, last year's three year spending settlement was the worst in a decade and councils have since been hit hard by the economic downturn. Councils will continue to work hard for the people they serve but they face very tough choices.
- **Efficiency Savings** - Local government is the most efficient part of the public sector. Councils have already made a significant contribution to the Government's efficiency programme. They achieved well in excess of the sector's £3bn 2004 Spending Review target and more than £1bn this year. Finding further efficiency savings given the tight settlement and difficult economic climate that is placing pressure on income and demand for services will be very challenging, but we are sure, achievable.
- **Icelandic banks** - The decision to allow councils to exclude possible losses from their investments in Icelandic banks from their 2009/10 budgets is very welcome. It will give councils much needed breathing space and help to shield council taxpayers next year. We will continue to work closely with town halls, the Government, the administrators and the Icelandic authorities to ensure that as much money as possible can be retrieved.
- **Efficiency Information on Council Tax Bills** - This is an unnecessary step and additional burden on local authorities. The LGA agrees that people should be able to find out where their council tax money is spent and how their authority is delivering value for money. Councils already provide a lot of basic, straightforward and clear information. Instead of centrally dictated council tax forms, it should be down to councils to decide how they communicate with their own residents.

Headlines

- The formula grant for 2009/10 will be as announced in January 2008.
- The proposed increase in total aggregate external finance (all grants plus redistributed business rates) is 4.2%.
- Councils are called on to find more than £1.5 billion new savings every year.
- The Government will make a regulation which will allow local authorities with funds invested in Icelandic banks to postpone the impact of the impairments required by accounting practice, from 2008-09 to 2010-11.
- Councils will have to put statements on efficiency savings on the face of the Council Tax bill from April.

Further detail available at www.local.communities.gov.uk/0910/grant.htm

Further Information

Please contact Mike Heiser, LGA Local Government Finance (020 7664 3265) mike.heiser@lga.gov.uk.

briefing

Overall grant increases

- 2009-10 is the second year of the three year settlement announced in November 2007 and confirms that formula grant for 2009/10 will be as announced in January 2008.
- The proposed increase in total aggregate external finance (all grants plus redistributed business rates) is 4.2%. This is a 4% increase on 2008/09 increase (4%) due to increases in specific grants rather than a change to the formula grant.
- The increase in net AEF (redistributed business rates and RSG) is down from the 2008/09 figure, from 3.7% to 2.8%.
- No change in damping arrangements which remain as follows; floors of 1.75% for authorities with education and social services responsibilities, 2.5% for police authorities and 0.5% for shire districts and fire and rescue authorities. These are paid for by scaling down the grant increases to authorities within the same class above the floor.

Summary of government funding 2009/10 (£m)

		2008/09 Settlement	2008/09 Adjusted	2009/10	Change Adjusted
	TOTAL AEF	70,313	70,157	73,120	4.2%
of which	Special Grants	46,227	46,097	48,220	4.6%
	NET AEF (CSR07)	24,081	24,086	24,920	3.5%
plus	Total post-CSR transfers	5	-26	-20	
equals	NET AEF	24,086	24,060	24,900	3.5%
minus	PFI	677	677	853	
		23,409			
equals	NET AEF (excl PFI)	23,383	23,383	24,047	2.8%
minus	NNDR Distributable Amount	20,500	20,500	19,500	-4.9%
minus	RSG for specified bodies	56	45	46	
equals	TOTAL RSG FOR RECEIVING AUTHORITIES	2,909	2,883	4,547	57.7%
plus	Police Grant (incl. Met. Special Payment)	4,136	4,136	4,253	2.8%
equals	FORMULA GRANT	27,490	27,474	28,254	2.8%

Summary of government funding 2010/11 (£m)

		2009/10 Settlement	2009/10 Adjusted	2010/11	Change Adjusted
	TOTAL AEF	73,120	73,143	76,357	4.4%
of which	Special Grants	48,220	48,249	50,627	4.9%
	NET AEF (CSR07)	24,920	24,900	25,763	3.5%
plus	Total post-CSR transfers	-20	-6	-33	
equals	NET AEF	24,900	24,894	25,730	3.4%
minus	PFI	853	853	1,069	
		24,047			
equals	NET AEF (excl PFI)	24,041	24,041	24,661	2.6%
minus	RSG for specified bodies	46	46	39	2.6%
		24,001			
equals	TOTAL RSG and NNDR FOR RECEIVING AUTHORITIES	23,995	23,995	24,622	2.6%
plus	Police Grant (incl. Met. Special Payment)	4,253	4,253	4,374	2.8%
equals	FORMULA GRANT	28,254	28,248	28,996	2.6%

- The NNDR distributable amount for 2009-10 is going down to £19.5bn, a decrease of 4.9%. This reflects the worse economic situation and the increase in relief on empty property relief announced in the Pre-Budget Report. We are still awaiting an announcement on the multiplier for 2009-10.
- Average Band D council tax in 2008-09 was £1373. Actual council taxes in

2009-10 and subsequent years will depend upon decisions by authorities, however the government has made it clear that they expect council tax increases to increase by substantially less than 5% overall.

Efficiency Savings

John Healey has published figures on the new efficiency savings councils expect make during 2008-09. His statement says that, at just over £1 billion it is similar to what councils have achieved in the past. He says that councils need to be finding more than £1.5 billion new savings every year.

The Government have confirmed that councils will have to put statements on efficiency savings on the face of the Council Tax bill.

The LGA thinks that the form in which the government consulted on this was unduly complicated. The overwhelming response to the government's consultation was that centrally dictated council tax forms wouldn't be a good idea. However, the government has chosen to go ahead with the plans, despite the fact that it will be very difficult for councils to make the necessary changes in time.

Iceland

John Healey announced that the Government would make a regulation which would, exceptionally, allow local authorities with funds invested in Icelandic banks to postpone the impact of the impairments required by accounting practice, from 2008-09 to 2010-11.

The decision to allow councils to exclude possible losses from their investments in Icelandic banks from their 2009/10 budgets is welcome. It will give councils much needed breathing space and help to shield council taxpayers next year. We look forward to studying the detail of the regulation when it is published.

This provision does not solve the wider problem. The Government should guarantee any money that is at risk against any eventual loss and treat council tax payers as it has treated individual depositors. The LGA will continue to work closely with town halls, the Government, the administrators and the Icelandic authorities to ensure that as much money as possible can be retrieved.

Capping

The government have announced that three police authorities, Cheshire, Leicestershire and Warwickshire will be designated for 2009-10. This means they will be capped if they increase their budget by over 3%.

The LGA is opposed to capping authorities. Local people should be able to take decisions on council tax increases.

Specific grants (£m)

	2008-09	2008-09 adj	2009-10	2008-09 adjusted to 2009-10 Change	2010-11
Children's and education	34,901	34,595	36,227	4.7%	38,443
Adults PSS	116	131	259	98.6%	328
Fire	20	20	23	11.3%	14
Police	5,470	5,470	5,624	2.8%	5,792
EPCS	786	786	842	7.1%	926
Capital (PFI)	677	677	853	26.0%	1,069

Cross Service Grants	1993	1953	1978	1.3%	280
Area Based Grant	2994	3059	3221	4.2%	4,795
GLA General Grant	48	48	48	0.1%	48
TOTAL	47,007	46,904	49,073	4.9%	51,696

Area Based Grant

The totals for Area Based Grant have been updated.

Children's Services Grants

Provisional Dedicated Schools Grant and other school-based allocations for 2009-10 and 2010-11 have been updated. The totals for Dedicated Schools Grant (DSG), Schools Standards Grant (SSG) and School Development Grant (SDG) have reduced over those announced at the time of the 2008-09 settlement to reflect the latest estimate of pupil numbers and transfers for new academies which have now been agreed. The government say that the difference between the previous totals and those announced now will be invested in supporting schools and other children's services, through initiatives such as the National Challenge which will provide £400m for schools over the CSR07 period.

Adult Social Care

As previously announced, the ring-fenced grant for social care reform will rise to £192m from a 2008-09 total of £82m. It is due to rise to £237m in 2010-11.

Supporting People

The Supporting People allocation for 2009-10 has been confirmed at £1.666bn. Supporting People will be paid as a non- ring-fenced but separately identified grant in 2009-10 and become part of area based grant in 2010-11.

Concessionary Fares

As previously announced the Special Grant for implementing the England-wide concession scheme will rise to £217m in 2009-10.

Police

An APA press release will be available at <http://www.apa.police.uk>

Damping Arrangements

Damping arrangements will continue to operate so that every authority will get at least the grant floor for that class of authority. This will be paid for by scaling back the grant increase above the floor for other authorities in that class.

The table below summarises the position compared with 2008-09. Authorities are at 1 April 2008.

Floors and scaling

	Education/ Social Services	Shire Districts	Police	Fire
2008/09				
Floor	2.00%	1.00%	2.50%	1.00%
Number	60	94	16	10
Scaling down	-67.02%	-72.63%	-87.97%	-63.88%
Number	89	144	22	21
2009-10				
Floor	1.75%	0.50%	2.50%	0.50%
Number	51	93	16	9
Scaling down	-72.92%	-62.44%	-87.35%	-66.76%
Number	98	145	22	22

2010-11				
Floor	1.50%	0.50%	2.50%	0.50%
Number	49	76	16	8
Scaling down	-71.72%	-57.88%	-86.24%	-59.14%
Number	100	162	22	23

The base used for 2008-09 has been adjusted so that these increases are on a like for like basis.

Changes in formula grant by class of authority and by region

The table overleaf shows changes in formula grant (revenue support grant plus non-domestic rates) by type of authority and by region.

Local Authority type	2008/09 (%)	2009/10 (%)	2010/11 (%)
London area	2.3%	2.1%	2.0%
Metropolitan areas	3.7%	2.9%	2.6%
Shire areas	3.9%	3.2%	3.0%
Isles of Scilly	12.5%	3.1%	2.8%
Inner London boroughs incl. City	2.0%	1.8%	1.6%
Outer London boroughs	2.8%	2.3%	2.1%
London boroughs	2.4%	2.0%	1.8%
GLA - all functions	2.3%	2.3%	2.3%
Metropolitan districts	3.9%	2.9%	2.5%
Metropolitan fire authorities	2.3%	1.3%	1.3%
Metropolitan police authorities	3.2%	3.1%	3.1%
Shire unitaries with fire	5.9%	4.2%	3.9%
Shire unitaries without fire	4.8%	3.3%	3.0%
Shire counties with fire	5.4%	4.0%	3.6%
Shire counties without fire	5.2%	4.4%	4.2%
Shire districts	1.7%	1.4%	1.4%
Combined fire authorities	3.2%	2.0%	2.0%
Shire police authorities	2.7%	2.7%	2.8%
GO REGIONAL SUMMARY			
South West GOR	4.1%	3.4%	3.3%
South East GOR	2.5%	2.2%	2.2%
London GOR	2.3%	2.1%	2.0%
Eastern GOR	3.5%	3.0%	2.9%
East Midlands GOR	5.2%	3.9%	3.6%
West Midlands GOR	4.2%	3.3%	3.0%
Yorkshire and Humber GOR	4.2%	3.2%	2.9%
North East GOR	3.2%	2.6%	2.3%
North West GOR	3.8%	3.0%	2.7%
FLOOR DAMPING GROUPS			
Education Authorities	4.1%	3.1%	2.8%
Police Authorities	2.8%	2.8%	2.8%
Fire Authorities	2.4%	1.4%	1.4%
Shire Districts	1.7%	1.4%	1.4%

Specific Grants - Revenue	Managing Directorate	Capital or Revenue	Body	Status for 2009/10 (TBC = To Be Confirmed)	2008/09 £k	2009/10 £k	2010/11 £k	2011/12 £k
AIDS Support	ASC	R	DoH	TBC		53	53	TBC
Book Ahead	ECS	R	MLA	Announced	3	0	0	0
Bus Service Operators Grant (including Section 19)	City	R	DfT	TBC	65	65	TBC	TBC
Concessionary Fares	ECS	R	DfT	Announced	717	734	754	TBC
Dedicated Schools Grant	CS	R	DCSF	Announced	108,678	114,267	120,806	TBC
Exceptional Circumstances Grant (ECG) 2008-2009	CS	R	DCSF	Announced	66	47	0	0
Examining How to Deliver Stroke Care for Adults in the Community	ASC	R	DoH	Announced	87	87	87	TBC
Discretionary Housing Payments	SR	R	DWP	TBC	50	50	TBC	TBC
Drug Intervention Programme Grant	ACE	R	HO	TBC	786	786	786	TBC
Every Child Matters - Contact Point	CS	R	DCSF	TBC	144	TBC	TBC	TBC
Fairplay Playbuilder	ECS	R	DCSF	Announced	13	16	16	TBC
Free Swimming Programme - Pot 1 (over 60)	ECS	R	DCMS	TBC	0	42	42	TBC
Free Swimming Programme - Pot 2 (under 16)	ECS	R	DCMS	TBC	106	106	106	TBC
Growth Area Fund III - Revenue	ACE	R	DCLG	Announced	311	TBC	TBC	TBC
Growth Fund Revenue Grant - Opportunity Peterborough	ACE	R	DCLG	Announced	350	350	350	TBC
Homelessness Revenue Grant	ACE	R	DCLG	Announced	90	90	90	TBC
Housing Benefit - Administration Costs	SR	R	DWP	TBC	1,750	1,732	TBC	TBC
Independent Domestic Violence Advisors	ACE	R	HO	TBC	20	0	0	0
Integrated Working Grant	R	R	CWDC	Announced	41	45	45	TBC
Kickstart Grant	ECS	Both	DfT	Announced	118	0	0	0
Learning Disabilities - Closure of Campuses	ASC	R	DoH	Announced	249	551	906	TBC
Local Authority Business Growth Incentive	ACE/SR	Both	DCLG	TBC	146	293	TBC	TBC
Multisystemic Therapy Pilot	CS	R	DoH	TBC	325	TBC	TBC	TBC
NRM National Road Maintenance Condition Survey (Chart Survey Claim)	ECS	R	DCLG	Announced	1	1	1	1
Parenting Support Strategy Grant	CS	R	DCSF	Announced	40	50	50	TBC
Housing and Planning Delivery Grant	ACE	R	DTI	TBC	508	750	1,000	TBC
Regional Planning Grant	ACE	R	DCLG	TBC	8	8	8	TBC
Respect Parenting Practitioner Grant	CS	R	DCSF	Announced	50	50	50	TBC
School Standards Grant	CS	R	DCSF	Announced	4,318	4,408	4,500	TBC
School Standards Grant (Personalisation)	CS	R	DCSF	Announced	1,485	1,516	1,549	TBC
Sixth Form Funding	CS	R	LSC	TBC	9,896	TBC	TBC	TBC
Social Care Reform Grant	ASC	R	DoH	Announced	261	612	757	TBC
Standards Fund - Revenue	CS	R	DCSF	TBC	12,451	11,707	11,707	TBC
Supporting People (ABG from 2010/11)	ACE	R	DCLG	Announced	4,930	5,021	0	0
Surestart, Extended Schools and Childcare - 2 Year Old Early Learning Pilot	CS	R	DCSF	Announced	588	725	328	TBC
Surestart, Extended Schools and Childcare - Aiming High for Disabled Children (Short Break Services)	CS	R	DCSF	Announced	40	187	603	TBC
Surestart, Extended Schools and Childcare - Local Programmes	CS	R	DCSF	Announced	1,804	1,675	1,469	TBC
Surestart, Extended Schools and Childcare - Main Revenue Block	CS	R	DCSF	Announced	3,879	4,705	5,402	TBC
Sustainable Travel Demonstration Town Grant	ECS	R	DfT	Announced	454	0	0	0
Teacher Recruitment Incentive (Golden Hello)	CS	R	TDA	TBC	68	TBC	TBC	TBC
Welfare Foods	CS	R	DoH	TBC	69	69	69	TBC
Young People Diversion and Criminal Liaison Pilot	CS	R	DoH	TBC	160	TBC	TBC	TBC
Substance Misuse Treatment for Under 18's	CS	R	DH	TBC	0	177	TBC	TBC
Youth Opportunity Fund	CS	R	DCSF	Announced	124	124	124	TBC
Area Based Grant	Various	R	DCLG	Announced	9,449	10,278	15,148	TBC
Total Specific Grants - Revenue					164,488	161,230	167,099	1

Other Grant Support - Revenue	Managing Directorate	Capital or Revenue	Body	Status for 2009/10 (TBC = To Be Confirmed)	2008/09 £k	2009/10 £k	2010/11 £k	2011/12 £k
Access to Employment & Learning Project	CS	R	LSC	TBC	23	TBC	TBC	TBC
Adult & Community Learning	CS	R	LSC	TBC	712	TBC	TBC	TBC
Beacons - Improving Accessibility	ECS	R	DCLG	Announced	43	0	0	0
Communities for Health	ECS	R	DoH	Announced	50	0	0	0
Co-ordinated Online Register of Electors (Data Standards)	GE	R	MoJ	Announced	4	TBC	0	0
Drug and Alcohol Rehabilitation Treatment	CS	R	DoH	TBC	187	TBC	TBC	TBC
Effective Practice	CS	R	YJB	TBC	191	TBC	TBC	TBC
Family Intervention	ACE	R	DCSF	TBC	4	0	0	0
Further Education	CS	R	LSC	TBC	860	TBC	TBC	TBC
Formula Grant	SR	Both	DCLG	Announced	71,671	74,408	77,014	TBC
Higher Level Teaching Assistant Scheme	CS	R	TDA	Announced	7	0	0	0
Higher Level Teaching Assistant Scheme - Maths & Science	CS	R	TDA	Announced	9	0	0	0
Housing Benefit - Council Tax Benefits	SR	R	DWP	TBC	11,455	10,418	TBC	TBC
Housing Benefit - Rent Allowances	SR	R	DWP	TBC	46,730	47,393	TBC	TBC
Housing Benefit - Rent Rebates	SR	R	DWP	TBC	60	151	TBC	TBC
Information System for Parents & Providers	CS	R	DCSF	TBC	11	TBC	TBC	TBC
Intensive Supervision & Surveillance Programme	CS	R	YJB	TBC	290	TBC	TBC	TBC
Investing in Communities	ACE	R	EEDA	Announced	1,212	TBC	TBC	TBC
Learner Support Funds	CS	R	LSC	TBC	28	TBC	TBC	TBC
Multi Agency Risk Assessment Conference (MARAC)	ACE	R	HO	TBC	15	0	0	0
Neighbourhood Learning Deprived Community	CS	R	LSC	TBC	66	TBC	TBC	TBC
New Link - New Arrivals Project	ACE	R	EEDA	TBC	138	TBC	TBC	TBC
NHS Lifecheck/Communities for Health	ECS	R	DoH	Announced	70	0	0	0
Perception Peterborough	ECS	R	AC	Announced	60	0	0	0
Perception Peterborough	ECS	R	OP	Announced	10	0	0	0
Perception Peterborough	ECS	R	EEDA	Announced	50	0	0	0
Perception Peterborough	ECS	R	SE	Announced	10	0	0	0
Perception Peterborough	ECS	R	HLF	Announced	2	0	0	0
Peterborough Regional Economic Partnership	ACE	R	EEDA	TBC	160	160	160	TBC
Prevention Grant	CS	R	YJB	TBC	133	TBC	TBC	TBC
Private Finance Initiative Fund	CS	R	CWDC	TBC	4,731	4,731	4,731	TBC
Renaissance Museum Development Fund	ECS	R	MLA	TBC	2	TBC	TBC	TBC
Resettlement and Aftercare Provision	CS	R	YJB	TBC	191	TBC	TBC	TBC
Safer Journeys Project	ECS & CS	R	GPPCP	TBC	7	7	TBC	TBC
School Workforce Modernisation and Development Grant	CS	R	TDA	TBC	115	TBC	TBC	TBC
Substance Misuse	ACE	R	NTA	TBC	1,384	1,384	1,384	TBC
Substance Misuse Worker	CS	R	YJB	TBC	36	TBC	TBC	TBC
Supported Employment (Westcombe Industries)	ASC	R	DWP	TBC	600	TBC	TBC	TBC
Support Workers in Schools Training Grant	CS	R	TDA	TBC	68	TBC	TBC	TBC
Train 2 Gain	CS	R	LSC	TBC	30	TBC	TBC	TBC
Unaccompanied Asylum-Seeking Children	CS/ACE	R	HO/NASS	TBC	109	TBC	TBC	TBC
Urban 2 - Technical Assistance	ACE	R	DCLG	Announced	750	0	0	0
Work Based Learning	CS	R	LSC	TBC	1,228	TBC	TBC	TBC
Youth Inclusion Programme	CS	R	YJB	TBC	84	TBC	TBC	TBC
Total Other Grant Support - Revenue					143,596	138,652	83,289	0

Capital Grants	Managing Directorate	Capital or Revenue	Body	Status for 2009/10 (TBC = To Be Confirmed)	2008/09 £k	2009/10 £k	2010/11 £k	2011/12 £k
Access Initiative Grant	CS	C	DCSF	TBC	394	394	TBC	TBC
Aids & Adaptations	ASC	C	DoH	TBC	85	85	85	TBC
Beacon Award Grant - Improving Accessibility	ECS	C	DCLG	Announced	30	0	0	0
Capital for Voluntary Aided Schools	CS	C	DCSF	TBC	616	616	616	TBC
Clare Lodge Capital	CS	C	DCSF	Announced	3,830	652	35	0
Disabled Facilities Grant	ACE	C	DCLG	TBC	679	679	679	TBC
English Partnership - Padholme Road Drainage (Flood Defence)	ECS	C	EP	Announced	586	0	0	0
Fairplay Playbuilder	CS	C	DCSF	Announced	298	410	410	TBC
Free Swimming Programme - Pot 3	ECS	C	DCMS	TBC	49	TBC	TBC	TBC
Growth Area Fund III - Capital	ACE	C	DCLG	Announced	7,509	4,612	4,611	TBC
ICT Capital Grant for Mobile Technology to Support Children's Social Workers	CS	C	DCSF	Announced	30	0	0	0
Information System for Parents & Providers	CS	C	DCSF	TBC	22	TBC	TBC	TBC
Investing in Communities	ACE	C	EEDA	Announced	1694	TBC	TBC	TBC
Local Transport Plan - Bridge Strengthening	ECS	C	DCLG	Announced	1,860	6,310	6,310	TBC
Local Transport Plan - Integrated Transport Block Allocations	ECS	C	DCLG	Announced	2,154	2,289	2,423	TBC
Mental Health Grant - Social Exclusion Unit (Mental Health)	ASC	C	DoH	TBC	101	102	102	TBC
Neighbourhood Learning Deprived Community	CS	C	LSC	TBC	20	TBC	TBC	TBC
Peterborough Innovation Centre	ACE	C	EEDA	Announced	283	0	0	0
Regional Housing Pot	ACE	C	DCLG	TBC	348	TBC	TBC	TBC
Road Safety	ECS	C	DfT	TBC	65	73	72	TBC
Safer Stronger Communities Capital Grant	ACE	C	HO	Announced	79	79	79	TBC
Standards Fund - Devalued Formula Capital	CS	C	DCSF	TBC	3,208	3,634	3,634	TBC
Standards Fund - Extended Schools	CS	C	DCSF	TBC	317	336	173	TBC
Standards Fund - Harnessing Technology	CS	C	DCSF	TBC	722	733	747	TBC
Standards Fund - Modernisation	CS	C	DCSF	TBC	1,865	1,979	1,979	TBC
Standards Fund - Primary Capital Programme	CS	C	DCSF	TBC	0	3,000	5,378	TBC
Standards Fund - Reallocation of Computers for Pupils	CS	C	DCSF	TBC	246	TBC	TBC	TBC
Standards Fund - School Travel Plans	CS	C	DCSF	TBC	38	TBC	TBC	TBC
Standards Fund - Specialist Schools	CS	C	DCSF	TBC	100	TBC	TBC	TBC
Standards Fund - Targeted Capital Fund (Main)	CS	C	DCSF	TBC	1,686	TBC	TBC	TBC
Standards Fund - Targeted Capital Fund (OSP)	CS	C	DCSF	TBC	614	TBC	TBC	TBC
Standards Fund - Targeted Capital Fund (Standards and Diversity)	CS	C	DCSF	TBC	790	TBC	TBC	TBC
Standards Fund - Targeted Capital Fund (14-19 Diplomas, SEN & Disabilities)	CS	C	DCSF	Announced	0	2,000	6,000	TBC
Supported Capital Expenditure (Capital Grant) for IT Infrastructure	ASC	C	DoH	Announced	48	51	54	TBC
Suresstart, Extended Schools and Childcare - Aiming High for Disabled Children	CS	C	DCSF	Announced	0	92	215	TBC
Suresstart, Extended Schools and Childcare - Main Capital Block	CS	C	DCSF	Announced	1,209	1,589	1,292	TBC
Urban 2 - Technical Assistance	ACE	C	DCLG	TBC	984	0	0	0
Waste Infrastructure 08/09	SR	C	DEFRA	TBC	314	315	116	TBC
Youth Capital Fund - Central Library Refurbishment	ECS	C	DCSF	Announced	10	0	0	0
Youth Capital Fund	CS	C	DCSF	Announced	107	97	107	TBC
Total Capital Grants					32,950	30,127	35,117	0
TOTAL SPECIFIC & OTHER GRANT SUPPORT					341,043	330,009	285,505	1

Analysis of Grants by Status after change to status	2008/09 £k	2009/10 £k	2010/11 £k	2011/12 £k
Announced	231,820	238,128	251,585	1
To be Confirmed/Provisional	109,223	91,881	33,920	-
TOTAL	340,977	329,962	285,505	1

Medium Term Financial Plan - 2009/10 - 2011/12

Key Figures

	2009/10 £k	2010/11 £k	2011/12 £k
Funding			
Dedicated Schools Grant	114,267	120,806	123,222
Formula Grant & NNDR	74,408	77,014	78,384
Parish Precepts	272	276	280
Council Tax	58,618	60,692	62,826
Collection Fund Surplus	300	0	0
Total Funding	247,865	258,788	264,712
Departmental Control Totals	250,174	261,478	268,590
Less: Savings - 2009/10 - efficiencies	-6,226	-5,815	-7,238
service policy variations	-1,181	-1,775	-1,775
2009/10 Capacity Bids			
Credit Crunch	1,574	-128	388
Inescapable	1,103	1,375	5,008
Essential	1,421	2,689	1,374
Sub Total	4,098	3,936	6,770
Risk Management Contingency	1,000	1,000	1,000
Total Expenditure	247,865	258,824	267,347
Budget Surplus/Deficit(-)	0	-37	-2,635

Council Tax increase	2.50%	2.50%	2.50%
Council Tax Band D	£1,068.99	£1,095.71	£1,123.10
Council Tax Base - Band Ds	54,835	55,390	55,940

Key Assumptions:

1. Revenue Support Grant - a nominal 1.75% increase to Revenue Support Grant and NNDR has been assumed for 2011/12.
2. Pay inflation has been assumed at 2.5%
General inflation has been included at 2% per annum.
3. The Council Tax Base figures shown above are in line with the latest mid year estimates
4. Interest rates used are based on the latest information available from our treasury advisors. The table below shows the interest rates received on deposits and payable on borrowing before and after the base rate change announced on the 6th November:

	2009/10	2010/11	2011/12
Interest rate assumed for December cabinet	1.75%	2.56%	4.00%
Latest forecast of interest rates	0.56%	1.25%	3.44%

New borrowing rate assumed for December cabinet	4.50%	4.65%	4.80%
Latest forecast of borrowing rates	3.81%	4.14%	4.86%

5. The figures assume that the following amounts will be needed to support the capital programme:

	2009/10	2010/11	2011/12
	£'000s	£'000s	£'000s
New Borrowing	11,715	20,253	35,596
Asset Sales	6,840	5,189	6,720

CABINET	APPENDIX 4
February 2008	PUBLIC REPORT

Cabinet Member(s) responsible:	Cllr John Peach	
Contact Officer(s):	John Harrison, Executive Director of Strategic Resources John Blair, Head of Strategic Finance and Performance Improvement	Tel. 452520 Tel. 384564

BUDGET MONITORING REPORT PERIOD 9 2008/09 – PROBABLE OUTTURN

R E C O M M E N D A T I O N S	
FROM : <i>Executive Director of Strategic Resources</i>	Deadline date : 23 January 2008
<p>1. That the current forecast outturn position (based on expenditure at the end of December 2008) on the Council's revenue and capital budget is adopted as the second published probable outturn 2008/09 and used within the Medium Term Financial Strategy.</p> <p>2. That the Corporate Management Team (CMT), individually and collectively continue to take any necessary corrective action to ensure that the adopted outturn cash limits for 2008/09 are achieved and in particular seek to ensure proactive management of the impact of the 'credit crunch' on the Council.</p> <p>3. That the current performance on treasury management activities, payment of creditors in services and collection of performance for debtors, local taxation and benefit overpayments be noted.</p>	

1. ORIGIN OF REPORT

- 1.1. This report is submitted to Cabinet following the Corporate Management Team (CMT) meeting on the 13 January 2009.

2. PURPOSE AND REASON FOR REPORT

- 2.1. The purpose of this report is to inform Cabinet of the current financial performance and second published probable outturn for revenue and capital at 31 December 2008.
- 2.2. This report also contains performance information on treasury management activities, the payment of creditors in services and collection performance for debtors, local taxation and benefit overpayments.




3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	
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4. BUDGET MONITORING 2008/09 AS AT END OF DECEMBER 2008

4.1. Statement of Financial Health

4.1.1. The statement of financial health is intended to provide Cabinet with an overview of how the Council is utilising its resources in meeting the Medium Term Financial Strategy (MTFS). In particular, the use of performance flags (Red, Amber, Green - RAG Status) and Direction of Travel against the MTFS in the Council's ability to meet corporate objectives.

RAG Status		Direction of Travel	
R	Critical. Urgent review, investigation and action is required to ensure that the Council meets corporate objectives.		The status has improved to that previously reported.
A	Cause for concern. It is possible that corporate objectives may not be met.		The status is the same as that previously reported and is on track.
G	Performance is good. No action required.		The status has worsened since that previously reported.

4.1.2. The table below summarises the Council's current financial status based on information provided by budget managers and the Council's financial system in relation to the current MTFS.

Previous Month			Budget £(k)	Probable Outturn £(k)	Probable Outturn Variance £(k)	Current Month	
RAG Status	Direction of Travel					RAG Status	Direction of Travel
R		Revenue	141,000	141,564	564	R	
R		Capital	73,538	73,493	-45	R	

NB - Capital Budget shown adjusted for slippage

4.1.3. The Council's revenue position has improved by £275k since the first probable outturn was published. The improved financial position is mainly due to minor fluctuations across all departments. Bringing forward efficiencies planned for future years within the savings programme, keeping down costs, reviewing specific grant usage and a proactive closedown review will reduce the current reported revenue over spend of £564k by at least a further £400k by March 2009.

4.1.4. The capital programme is classified as red status due to the reduced expenditure on the capital programme and is being reviewed in light of the 'credit crunch' and development of the Medium Term Financial Strategy.

4.1.5. The Council is faced with external challenges from the impact of the credit crunch, recession, inflation fluctuations and the global financial market crisis. Alongside this, the Council's ambitious growth agenda for Peterborough, demand led pressures, one off expenditure and the savings programme, are presenting the Council with financial challenges. The major challenges include:

- i. The **direct** impact of the credit crunch has currently been assessed as a £951k budgetary pressure, an increase of £98k from the published probable outturn based on October budgetary information.

Income	Impact of Credit Crunch £k	Movement from Previous Month
Planning Fees*	438	↓
Land Charges	318	↔
Commercial Property Rents (Increase in Void Units and NNDR on unlet properties)	195	↔
TOTAL	951	

The direct impact of the credit crunch can be seen on reduced income streams from planning fees and land charges whilst the Council has increased expenditure relating to increased void and vacant properties beyond the provision included in the current budget;

- ii. The downturn in the economy nationally has impacted on housing and commercial development, therefore impacting on Peterborough's growth agenda. The financial position currently assumes at least 23% decrease on planning applications compared to 2007/08. It is also now known that two of the three anticipated large application fees during 2008/09 would not be received during this financial year with the current budgetary position reflecting this. This will impact the Council's tax base in future years;
- iii. The recession has impacted on energy and fuel costs across the Council and is constantly reviewed. Reduced income from contracts is also evident and therefore the Council's ability to generate income has decreased;
- iv. The financial market crisis and impact on the Council's treasury management activities;
- v. Assessing the impact on the capital programme of capital receipts and slippage;
- vi. Demand led pressures impacting on statutory concessionary fares, children and families budgets;
- vii. The Housing Planning Delivery Grant conditions has identified that £112k included within the revenue budget must be spent on capital expenditure, therefore the monies has been reallocated to capital thus providing a pressure within revenue;
- viii. The Cross Keys Large Scale Voluntary Transfer contract on providing temporary accommodation has identified a one off pressure of £200k payments due within 2008/09. Financial information regarding this contract has only become known during November 2008; and
- ix. The robustness of the savings programme ensuring that the savings targets for 2008/09 and beyond are met.

4.1.6. The pressures have in part been offset within the current financial year by one off income or a reduced need for expenditure and are currently reflected in the Council's current financial position such as:

- i. VAT shelter income from the Cross Keys contract is anticipating income above the original budget of £1.1m;
- ii. A reduction of interest paid on borrowing of £175k and interest from additional interest receipts is likely to generate additional income of £299k; and
- iii. A reduced need for an additional refuse round of £140k for 2008/09.

4.2. Corporate Management Team Action

4.2.1. To mitigate the challenges presented to the Council, several actions have been undertaken over the past few months across the organisation. Key actions to date are:

Corporate Management Team

- i. Corporate senior officer review of all vacancies, determining an appropriate course of action to recruit to business critical posts;
- ii. Challenge all budget managers to deliver under-spends or generate additional income;
- iii. Manage the pressures corporately;
- iv. Consider the use of reserves appropriately for 'one off' expenditure;
- v. Bringing forward work on efficiency savings to mitigate future pressures;
- vi. Review RAG status, commenting on appropriate issues, potential impact on service performance and resulting actions.

Departments

- vii. Children's Services action plan has been delivered to mitigate pressures which had arisen from demand led services and the overall savings programme. Additional pressures were since identified and the remaining £75k shortfall will be met by expanding the action plan further;
- viii. The Operations Department formally known as Environment and Community Services have an action plan of £1,393k to mitigate the pressures arising from demand led pressures, reduction in income streams and the overall savings programme. This action plan is currently reported as being fully achieved within the probable outturn. Work continues to mitigate the further pressure of £860k reported within probable outturn and is reviewed within the Departmental Management Team. In addition the Operations Department is conducting a zero based budget review to set future years' budgets;

DMT Action Plan	£k
Salaries (Recruitment freeze and reduction in temporary staff)	411
Supplies and Services freeze on all non business critical expenditure	488
One off Income / Funding identified	416
Other	78
	1,393

- ix. Continuing to review all commitments on the Council's financial system to identify whether the commitment is bona fide, possible re phasing of timescales and whether commitments are a priority in terms of business critical expenditure. This includes cancelling commitments as necessary;
- x. Review current expenditure within the general fund to identify whether any expenditure can be capitalised, allocated to reserves or allocated against grant income in accordance with the CIPFA code of practice;
- xi. The Council has invested £3m in April 2007 due to mature in April 2009 with Icelandic banks, which were placed in administration in October 2008. Letters of claim have been sent to Ernst and Young, the accounting firm that has been appointed as administrator. For the purpose of the Council's current budget it has been assumed that the £239k interest due on maturity for these deposits will not be received. The Minister for Local Government announced in his Statement to the House of Commons on 26 November 2008 regarding the provisional local government finance settlement

for 2009/10, that the Government proposed to make a regulation which would, exceptionally, allow local authorities with funds invested in Icelandic banks to postpone the impact of a proportion of monies not being paid back as required by accounting practice, from 2008/09 to 2010/11;

- xii. Continue to review the Capital Programme and impact of the moratorium on slippage. Alongside this, CMT is reviewing the governance arrangements for the Capital Programme;
- xiii. Review of income collection to ensure that the Council has robust income collection methods in place according to individual customer circumstances;
- xiv. Senior officers continue to review the savings programme to ensure that the savings targets within the programme can be met;
- xv. Continue to review the treasury policy in light of the current economic situation.

5. REVENUE MONITORING

5.1. Overview

5.1.1 The revenue monitoring report to the end of December 2008 shows an overall forecast over spend of £564k against the approved general fund budget of £141,000k. The over spend is summarised in the next table at departmental level. A detailed breakdown by departments is included in Appendix A.

5.1.2 The Dedicated Schools Grant shows an overall over spend of £413k against a budget of £108,580k. The over spend will be met against future grant allocations. The grant has been updated since the MTFs was published. Schools Forum is responsible for decisions related to the Dedicated Schools Grant. This has been included for information purposes only.

RAG Status Previous Month	Summary of Revenue Position at 30 November 2008	Annual Budget £(k)	Probable Outturn Forecast £(k)	Probable Outturn Variance £(k)	RAG Status Current Month
R	Chief Executive	3,827	4,336	509	R
R	Assistant Chief Executive	8,457	8,792	335	R
R	Children's Services	42,016	42,016	0	G
R	City Services	12,033	12,325	292	R
R	Environment & Community	19,309	20,169	860	R
A	Strategic Resources	16,770	15,338	-1,432	A
G	Adult Social Care	38,588	38,588	0	G
R	General Fund Total	141,000	141,564	564	R
R					
R	Dedicated School Grant Total	108,580	108,993	413	R

5.2 Impact and Actions

5.2.1 Issues identified within departmental budgets with a RAG status of Red including their potential impact can be seen in the following table. Actions to address these issues have been included within section 4.2 of this report. The table also includes corporate wide issues. The RAG status of red is determined within departments by the level of impact on their ability to meet the MTFs and Corporate Plan priorities.

Issue	Impact on Performance of Service
Credit crunch and current business processes affecting the realisation of Demand Management savings.	Non-achievement of savings places pressure on the Council's ability to meet MTFS and corporate priorities within allocated budgets. Departments continue to mitigate the pressure by scrutinising budgets to identify savings without cutting services. This includes freezing non-business critical expenditure, particularly on supplies and services budgets and recruitment.
Direct impact from the credit crunch affecting: Reduced income from land charges, planning fees and increased expenditure relating to vacant and void properties held by the Council	Direct impact from the credit crunch places pressure on the Council's ability to meet MTFS and corporate priorities within allocated budgets. Actions have been put in place (see 4.2) to mitigate the pressure.
The impact arising from the recession affecting: Fuel and energy costs and a reduction in contract income such as marketing and sponsorship and pest control.	Higher energy and fuel prices and reduced income streams places pressure on the Council's ability to meet MTFS and corporate priorities within allocated budgets. It is recognised that fuel and energy prices have decreased significantly recently which is reflected in the probable outturn. Actions have been put in place (see 4.2) to mitigate the pressure including sourcing of fuel at the best available price.
Demand-led pressure in Children's Services, Families and Communities.	This is a demand led service and the service delivery is continuing as necessary and in accordance with the Placement Strategy. This pressure is included within action plan 4.2.1 (vii).
Demand-led pressure in Environment and Community Services, Transport and Engineering – Concessionary Fares scheme.	Demand on scheme is higher than original estimates, placing a pressure on other budgets within the department. Service delivery continues. This pressure is included within action plan 4.2.1 (viii)
Realignment of Housing Planning Delivery Grant from revenue to capital.	The reduction in revenue budget places pressure on the Council's ability to meet MTFS and corporate priorities within allocated budgets. Service has reviewed all budgets and reserves, re-phasing budgets and utilising reserves where necessary as part of the Housing Strategy.
End of the Large Scale Voluntary Transfer contract resulting in payments due for 2007/08 and 2008/09.	The significant payments due identified during November 2008 places pressure on the Council's ability to meet MTFS and corporate priorities within allocated budgets. Appropriate action has been implemented to meet this pressure.
End of response based maintenance contract in City Services, Building and Technical leading to reduced income.	City Services is left with potentially additional labour costs and not having the ability to reduce its workforce accordingly.
Parking Services Review, Environment and Community Services, Director's Office	This is a national issue across several local authorities affected further with the impact of the 'credit crunch'. The income received underpins other budgets within the department, therefore causing pressure in the department's ability to meet the MTFS. This pressure is included within action plan 4.2.1 (viii)

5.2.2 In addition to the issues highlighted in the earlier table, departments have identified further potential risks that have not been reflected within the forecast outturn due to insufficient certainty that the risk may materialise. All issues identified from the analytical review performed on 2007/08 have now been reflected in budget monitoring as appropriate.

5.2.3 Risks have been considered in accordance with their impact on future years and whether they will affect the Medium Term Financial Strategy. The issues are noted in Appendix B and have been considered as part of refreshing the MTFS.

6 CAPITAL PROGRAMME

6.1 Overview

6.1.1 The 2008/09 Capital Programme has been adjusted to reflect the changes made in the Medium Financial Strategy (MTFS) that was presented to cabinet on 15th December 2008. In addition to these changes there has been the following movement within the capital programme:

	£000
Slippage to future years	(3,191)
Savings	(19)
Brought Forward from future years	120
Additional Borrowing Request	90
Additional Grant Awarded	1
Grant switched to revenue funding	(12)
Total	(3,011)

Overall position of the Capital Programme 2008/09 as at December 2008

Capital Programme by Directorate:	Revised budget £000	Profiled Budget £000	Actual Expenditure £000	Anticipated Outturn** £000	Outturn (under) / overspend £000	% of anticipated variance %
Adult Social Care	651	71	20	651	0	0.00%
Assistant Chief Executives	8,069	4,437	3,052	8,069	0	0.00%
Children's Services	28,628	10,893	6,513	28,628	0	0.00%
City Services	2,627	1,603	1,144	2,587	(40)	-1.52%
Environment and Community Services	21,030	10,692	7,790	21,025	(5)	-0.02%
Chief Executives	128	96	77	128	0	0.00%
Strategic Resources	13,321	10,573	8,160	13,321	0	0.00%
Contingency	(916)	0	0	-916	0	
Estimated Slippage	-	-	-	-	-	
Total Expenditure	73,538	38,365	26,756	73,493	(45)	-0.17%
Financed by:						
Grants & Contributions	39,500		16,649	39,500	0	0.00%
Capital receipts	5,387		1,137	5,387	0	0.00%
Borrowing	28,651		8,970	28,606	(45)	-0.16%
Total Resources - required	73,538		26,756	73,493	(45)	-0.17%

6.2 Impact and Actions

6.2.1 Work is continuing with project managers to assess the impact of the 'credit crunch' including monitoring the effects of the general economic downturn nationally. A review of project government arrangements has been undertaken and a robust gateway system, supported by enhanced risk assessment processes, has been introduced.

7 PERFORMANCE MONITORING 2008/09

7.1 Overview

7.1.1 The following table summarises the current status of various performance targets. Individual targets are shown with a RAG status and Direction of Travel based upon the performance against the targets set for 2008/09 and compared with the previous month. Further detail can be seen in Appendix C.

Previous Month					Current Month	
RAG Status	Direction of Travel	Performance Data	RAG Status	Direction of Travel		
R	→	Treasury Management	R	→		
R	↓	Prompt Payment of Invoices	R	→		
R	→	Outstanding Sundry Debt	R	→		
R	↓	Housing Benefit Overpayments	R	→		
R	→	Council Tax Collection	R	→		
R	→	Business Rates Collection	R	→		

7.2 Impact and Actions

7.2.1 Treasury Management continues to be reviewed in accordance with the Council's treasury policy in light of the current economic situation.

7.2.2 To address the current payment performance issues, workshops have been conducted with Finance teams and a poster campaign to raise awareness of the business process issues associated with a delay in invoice processing times. Workshops were completed during October and November with managers to embed change required to resolve performance issues. Furthermore an Accounts Payable improvement project will be implemented during January 2009 and is intended to provide departments the ability to resolve invoice payment queries and pay invoices smoothly compared to the present process.

7.2.3 Council Tax and Business Rates Collection continues to be reviewed and ensure that collection processes remain robust.

8 CONSULTATION

8.1 Detailed reports have been discussed in Departmental Management Teams.

9 ANTICIPATED OUTCOMES

9.1 To note the forecast position for the Council.

9.2 To note the performance figures for the Council.

9.3 To note the actions being taken to address the issues highlighted in this report.

10 REASONS FOR RECOMMENDATIONS

10.1 This is a monitoring report to inform Members of the Council's financial position compared to its approved budget for the year. It is recommended that Directors continue to work with Portfolio Holders, service managers and budget holders to bring forecasts within Departmental cash limits with appropriate corrective action.

11 ALTERNATIVE OPTIONS CONSIDERED

11.1 None required at this stage.

12 IMPLICATIONS

12.1 This report does not have any implications effecting legal, human rights act or human resource issues.

13 BACKGROUND DOCUMENTS

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

Detailed monthly budgetary control reports prepared in Departments.

	Annual Budget £(k)	Outturn Forecast £(k)	Outturn Variance £(k)
CHIEF EXECUTIVE DEPARTMENT			
Chief Execs Department	359	723	364
Legal & Democratic Services	3,468	3,613	145
CHIEF EXECUTIVE DEPARTMENT TOTAL	3,827	4,336	509
ASSISTANT CHIEF EXECUTIVE			
Asst Chief Executive Unit	1,670	1,672	2
City Centre	320	320	0
Communications	587	828	241
Strategic Growth & Development	5,824	5,972	148
DIP/DAAT	56	0	-56
ACE TOTAL	8,457	8,792	335
DIRECTOR OF CHILDREN'S SERVICE			
Resources	5,912	5,365	-548
Commissioning and Performance	2,374	2,210	-164
Learning & Skills	6,947	6,631	-316
Family and Communities	26,783	27,811	1,028
CHILDREN'S SERVICE TOTAL (GENERAL FUND)	42,016	42,016	0
DIRECTOR OF CITY SERVICES			
Building & Technical	-926	-561	365
Street Scene & Facilities	1227	1,322	95
Property, Design and Maintenance	-221	-221	0
Other Trading Activities and Business Support	3109	3,256	147
Maintenance	8844	8,529	-315
CITY SERVICES TOTAL	12,033	12,325	292
DIRECTOR OF ENVIRONMENT & COMMUNITY SERVICES			
Director's Office	824	978	154
Resilience Team	245	303	58
Planning Services	1,087	1,633	546
Environment & Public Protection Services	2,167	2,215	48
Community Safety	0	0	0
Transport & Engineering	8,773	8,901	128
Culture & Recreation	5,652	5,397	-255
City Centre Director	561	742	181
ENVIRONMENT & COMMUNITY SERVICES TOTAL	19,309	20,169	860
DIRECTOR OF STRATEGIC RESOURCES			
Director's Office	312	289	-23
Finance	7,330	5,598	-1,732
Strategic Improvement	514	500	-14
ICT	1,139	1,154	15
Strategic Procurement	130	130	0
Strategic Property	-4,195	-3,528	667
Customer Services	1,774	1,842	68
Revenue & Benefits	706	208	-498
Human Resources	1,039	1,091	52
Internal Audit	92	95	3
Efficiency Team/Projects	3,347	3,347	0
Waste Management	4,582	4,612	30
STRATEGIC RESOURCES TOTAL	16,770	15,338	-1,432
ADULT SOCIAL CARE			
Adult Social Care	38,588	38,588	0
ADULT SOCIAL CARE TOTAL	38,588	38,588	0
GENERAL FUND TOTAL	141,000	141,564	564
DEDICATED SCHOOL GRANT TOTAL	108,580	108,993	413

Overall Area of Risk	Identified specific risks currently not reflected in forecast outturn due to insufficient certainty that they will materialise	Possible impact on future years
Assumptions relating to grant income	The budget includes forecast income from grant which is dependant on the audited performance of targets, and is not yet certain. Partners are working together to minimise the impact of this risk.	Yes (2009/10 only)
Demand led budgets, for example looked after children and concessionary fares.	Whilst the number of children within the placement strategy is on target, the type of placement requires review. Concessionary Fares demand has been higher than expected and is a national issue with Unitary Councils. Prudent assumptions for demand led budgets are included within budget monitoring.	Yes
Underpinning assumptions for pay, inflation, service income and interest rates may vary, particularly in the medium term.	Risk of further rise in fuel costs due to the current climate. At present all the services are being provided. If fuel costs continue to rise then this will require an impact analysis as part of setting the 2009/10 budget. There is uncertainty around income levels particularly in within leisure, parking services income and contract income. Prudent estimates are included within budget monitoring. However, there remains a risk associated with further income reduction from a probable recession. In addition the current pay awards are not agreed nationally.	Yes Yes Yes
Termination of the Cross Keys Contract	Contractor costs are above the original budget set. It is likely that these additional costs could be recoverable through a review. A case for exceptional circumstances to have the costs met in full is currently being prepared.	No
PCT Annual Accountability Agreement	Any deficits arising in the year may impact on the level of funding required for 2009/10 and future years.	Yes

PERFORMANCE MONITORING DATA

Treasury Management

Treasury management activities cover borrowings raised to finance the Council's capital expenditure and investment of its cash balances. The Council's external debt as at 31st December 2008, which is all at fixed rate, was £135.6 million at an average rate of 4.57%. This average rate can be compared to the Bank Base Rate, 2% from 4th December 2008, and interest receivable on investments. The base rate has since fallen again on the 8th January 2009 to 1.5%. This continuing reduction in the bank base rate will reduce the return on investments going forward. The actual total external debt of £135.6 million can be compared against the Council's Authorised Limit for borrowing of £194.0 million which must not be exceeded, and the Operational Boundary (maximum working capital borrowing indicator) of £150.0 million.

At 31st December 2008 external investments totalled £73.8 million and have yielded interest at an average rate of 5.35% in the financial year to date. The performance is above the target benchmark 7 day rate of 4.5%. The average interest rate is adversely affected by the loss of interest for the investments in the Icelandic Banks. New investments are only being made with the Treasury's Debt Management Office, other Local Authorities or UK Banks.

Prompt Payment

The current performance for the prompt payment of invoices for 2008/09 in comparison to the cumulative performance for 2007/08 is shown in Table 3.

To address current performance issues, the following actions have been undertaken:

- ✓ Workshops with finance teams to cascade information on improving prompt payment of invoices
- ✓ Poster campaign across offices
- ✓ Workshops with managers to embed change required to resolve performance issues.

Table 1 : Performance on Borrowings 2008/09

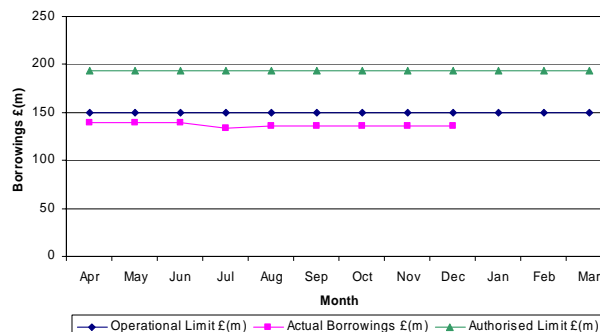


Table 2 : Performance External Investments 2008/09

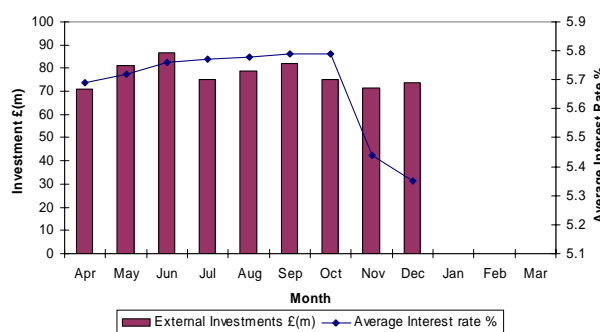
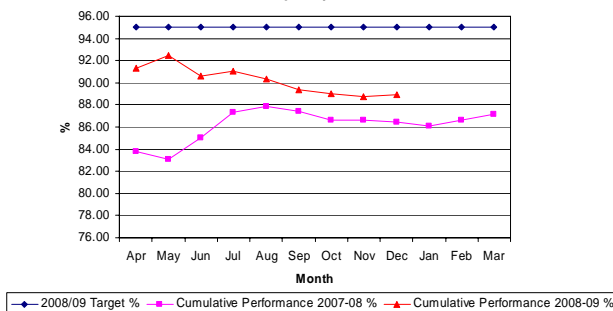


Table 3 : Prompt Payment of Invoices



In addition, revised processes will be introduced during February to streamline current invoice processing procedures.

Sundry Debt Performance

The latest outstanding sundry debt figures for debt over 6 months old are shown in Table 4 in comparison to 2007/08 figures.

Departments have agreed targets to reduce debt over six months old for 2008/2011. Progress will be monitored. Focus on debt less than 60 days has commenced which will contribute towards reducing debt further.

The amount of debt written off for the period this financial year at 31st December 2008 is £125,368.72 from 464 invoices. This amounts to an average of £270.19 per invoice. The main reasons for writing off debt are:

- Historical sundry debt outside of statutory deadlines;
- The debt being uneconomical to pursue; and
- Legal Services and the bailiff company exhausting all possibilities of recovering the debt.

The Council's strategy for writing off debt is followed accordingly.

Housing Benefit Overpayments

Table 6 shows the total amount of housing benefit overpayments recovered against the target rate of 50%. It also shows the comparison to the performance for 2007/08.

Continued action is being undertaken against this area in order to improve the performance level and achieve target, this has been undertaken during the Christmas period and has continued into the New Year. The target for December was 40.07% against an achieved level of 30.18%. Actions taken recently should start to affect the target over the next few months.

Table 4 : Sundry Debt Performance

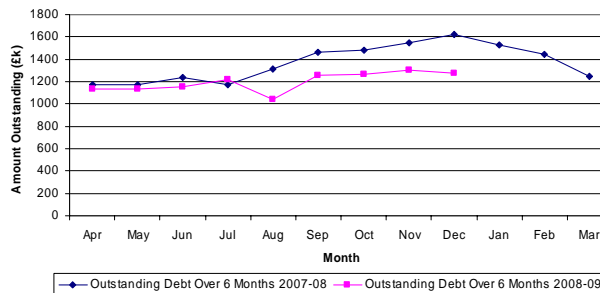


Table 5 : Amount Written Off

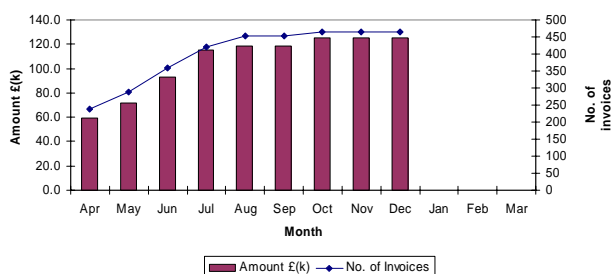
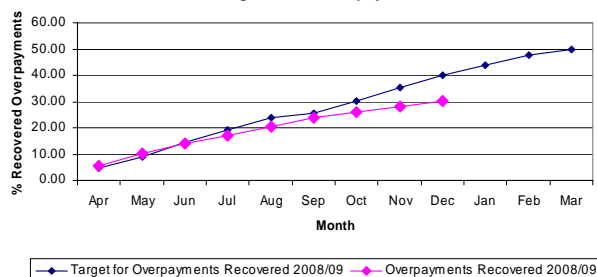


Table 6 : Housing Benefit Overpayments Recovered



Council Tax and Business Rates Collection

The following tables 7 and 8 show the performance for collections of Council Tax and Business Rates for the period to date compared to the performance for 2007/08.

The collection rate for Council Tax at the end of December is 84.64% against a target of 86.11% (down 1.47%). At the same point last year our rate was 85.32% (down 0.68%). Since last year the reporting methodology has changed which makes comparison to previous year's figures difficult.

An exercise has been undertaken to project the likely collection rate at the end of the year and this has indicated a collection rate of 97% at the year end.

In December 2008 there was an additional £40k in unpaid direct debits compared to December 07 which appears to indicate the worsening economy.

The collection rate for Business Rates at the end of December 2008 is 86.31%; this is 6.41% down on the target and 5.40% down on the same point last year. The credit crunch has had a direct impact on the level of business rates collected.

A projection of the collection rate undertaken indicates a collection rate of 97% at year end. However, there is £2,780k still to collect in direct debit (as of the 08/01/2009) and there is still £4,709k profiled on instalment. This means that we will continue to collect monies through February and March, unlike previous years.

Table 7 : Council Tax Collection

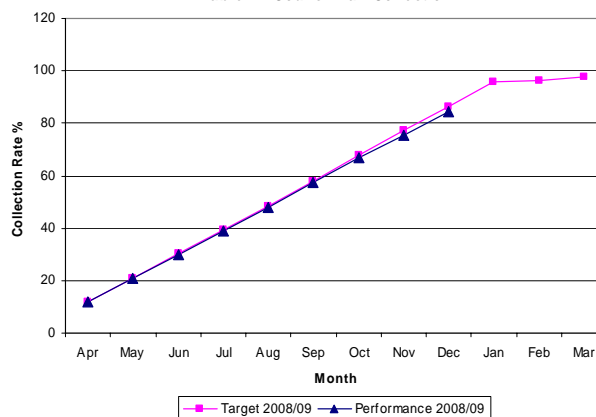
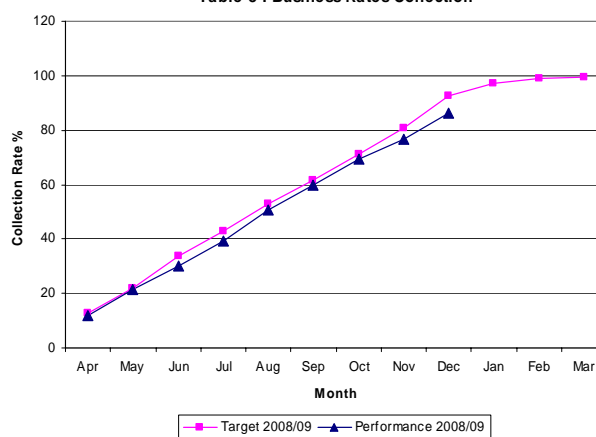


Table 8 : Business Rates Collection



Annex 5: The MTFP in a community context

The Medium Term Financial Plan in Context

In the past, the Corporate Plan has outlined those areas where the Council intended to focus its efforts over the following year, priority areas that had been developed through engagement with our community to ensure they represented the needs of our community. This year that engagement took place as part of the work the Council and partners did in developing the Sustainable Community Strategy, a strategy with the vision and outcomes to effectively match the ambition of our community.

Our medium term financial plan this year will reflect these priorities and outcomes already agreed, ensuring the Council continues to deliver what our community wants and reinforcing our commitment to playing a lead role in delivering the Sustainable Community Strategy.

The Council previously had four priority areas, broadly focusing on safety and the environment, health and wellbeing, improving our economy, and ensuring children have access to excellent educational opportunities. These will be both mapped to and replaced with those from the Sustainable Community Strategy...

The City's Vision

A bigger and better Peterborough that grows the right way, and through truly sustainable development and growth...

- improves the quality of life of all its people and communities, and ensures that all communities benefit from growth and the opportunities it brings
- creates a truly sustainable Peterborough, the urban centre of a thriving sub-regional community of villages and market towns, a healthy, safe and exciting place to live, work and visit, famous as the environment capital of the UK

Previous PCC Priorities	Plan and deliver a safe, attractive and environmentally friendly city	➔	Creating the UK's environment capital	SCS & new PCC Priorities
	Achieve the best possible health and wellbeing	➔	Creating strong and supportive communities	
	Make Peterborough a better place in which to live and work	➔	Delivering substantial and truly sustainable growth	
	Provide high quality opportunities for learning and ensure children and healthy and safe	➔	Creating opportunities - tackling inequalities	

Each of these priority areas has a focus on a number of outcomes that will collectively deliver the improvements that Peterborough's community rightly expects.

Creating opportunities – tackling inequalities

- **Improving health** – so that everyone can enjoy a life expectancy of the national average or above and benefit from speedier access to high quality local health and social care services.
- **Supporting vulnerable people** – so that everyone can access support and care locally to enable them to maintain independence, should they be affected by disadvantage or disability at any point in their lives.
- **Regenerating neighbourhoods** – so that the most deprived communities can achieve their full potential and therefore contribute to and benefit from sustainable economic growth in the Peterborough area.
- **Improving skills and education** – so that the people of Peterborough have better skills and benefit from high quality education from cradle to grave, including through the new university.



Creating strong and supportive communities

- **Empowering local communities** – so that all communities and individuals are engaged and empowered, and take their opportunities to shape the future of Peterborough.



- **Making Peterborough safer** – so that people of all ages and abilities can live, work and play in a prosperous and successful Peterborough without undue fear of crime.
- **Building community cohesion** – so that new communities are integrated into Peterborough and welcomed for the contribution they bring to our city and rural areas.
- **Building pride in Peterborough** – so that we recognise, celebrate and take pride in Peterborough's achievements, its diverse but shared culture and the exciting opportunities for leisure and relaxation.

Creating the UK's environment capital

- **Making Peterborough cleaner and greener** – so that we become the UK's greenest city with attractive neighbourhoods, surrounded by beautiful countryside and thriving biodiversity.
- **Conserving natural resources** – so that we reduce Peterborough's overall consumption of the Earth's natural resources.
- **Growing our environmental business sector** – so Peterborough is the natural location for green businesses.
- **Increasing use of sustainable transport** – so that Peterborough has the highest proportion of citizens using sustainable transport modes in the UK.



Delivering substantial and truly sustainable growth



- **Creating a safe, vibrant city centre and sustainable neighbourhood centres** – so that people have more diverse and improved places to visit and enjoy.
- **Increasing economic prosperity** – so that the people of Peterborough can work locally, benefiting from a strong local economy that is an attractive destination for business investment, particularly in higher skilled sectors.
- **Building the sustainable infrastructure of the future** – so that we create the conditions for business, service and community prosperity and growth.
- **Creating better places to live** – so that we provide better places to live for both new and existing communities, ensuring the highest environmental standards of new building

Delivering these outcomes cannot be achieved by the Council alone, which is why partnership working is so important to realising the Sustainable Community Strategy's ambition. We will continue to build on our successes with the Police, the Primary Care Trust, and many other key partners to make this ambition a reality for the City and its community.

Focusing on outcome delivery

The City's priorities are our priorities. The Sustainable Community Strategy is at the core of our agenda, and we will measure our success based on our delivery of the actions and outcomes from the Local Area Agreement. For the coming year, the Strategic Improvement business planning approach has created a focus on a number of areas key to delivering the LAA.

Growth and Regeneration

The Council and its partners have invested significant effort in creating a planning infrastructure to enable the city's long-term growth and development ambitions to be realised. We have plans in place that will support Peterborough's ambition to become a regional centre, identifying and attracting the levels of inward investment needed to deliver the ambitious portfolio of growth programmes and projects.

Environment

Peterborough will continue to build on the Environmental City status awarded in 1991 and has committed itself to creating the UK's Environment Capital. At the strategic level, the Integrated Growth Study (IGS), published by opportunity Peterborough in 2008, aims to ensure that the city's substantial, anticipated growth is achieved in the most appropriate and sustainable manner. The IGS will underpin the Local Development Framework by informing the Core Strategy and its key principals and recommendations will be embedded in future planning policies and guidance.

Children and Young People

We will continue the improvements in both the indicators and outcomes for children and young people, which have been acknowledged by the National Strategies Team, through OFSTED inspections and the JAR Business Support Project Board.

Health

The Council has a key local leadership role for public health, and will continue to work with partners to deliver the conditions in which the health & well-being of our residents is improved and inequalities reduced. Working within the Local Strategic Partnership, we will deliver effective interventions that strengthen the ability of our many neighbourhoods to improve their health & well-being, providing a healthy start to life for children & young people, tackling the issues of obesity, smoking, inactivity and heart disease and therefore improving the health of our working population, as well as other vulnerable groups within the city.

Adult Social Care

We will continue the existing year on year improvements in Adult Social Care performance, building on the success of our integration with the Primary Care Trust in delivering streamlined, cost effective and good quality health and social care services to the local population.

Community Cohesion

The work already conducted within our Neighbourhoods is growing and effectively beginning to draw our communities closer together. The "Weeks of Action" continue to deliver and engage with over 2000 households at a time tackling a wide a diverse range of issues from graffiti, fly tipping, noise nuisance etc. This renewed strength of purpose has lead to the recruitment of street leaders across the city to sustain and improve the feel of each of the areas.

We will build on this energy and strength of purpose as we further realign the Council services to neighbourhood specific areas, ensuring greater understanding of needs and quicker responses. We will also broaden the responsibility of our frontline staff with increased awareness, training or powers to ensure increasingly efficient and effective responses.

Delivering Value for Money

The Council has drive and commitment not only to deliver the Sustainable Community Strategy, but also ensure that the services we provide in doing so are as efficient and effective as possible. We have improved and will continue to improve the value for money of council services, minimising overheads and reducing bureaucracy in order to ensure that resources are available for improving front line services to the community and keeping council tax rises as low as possible.

This is not and cannot be a 'one-off' process of improvements; such improvement must be continual, and must therefore be embedded into how we plan and operate our business. A critical part of achieving this continues to be the Council's business transformation programme, which for 2009/10 will deliver £4.7m of cashable savings, savings that will be used to drive frontline service improvements.

Easy Guide to Understanding the Budget Papers

1. The budget process is:
 - (a) to maintain an 'as-is' budget position for normal operations
 - (b) to establish an agreement between the Chief Executive and Directors on what each Directorate will deliver in the coming years, given the 'as-is' budget
 - (c) to ensure that new pressures are fully reflected in the budget
 - (d) to focus on the Savings & Efficiencies that need to be achieved given the level of external funding available.

2. Integration of Finance and Service Planning

The Budget pulls together the Financial plans of the Council and its departments and services and comprises the overall budget requirement. These figures have been integrated with the service planning process of the Authority to ensure that financial resources follow the outcomes required within the Corporate Plan and, in turn the Sustainable Community Strategy.

Once the Budget has been approved departmental delivery contracts and individual service plans will be updated for the financial elements, in order that a Value for Money profile and service plan is finalised for each service.

Capacity bids are the new identified pressures and areas of spend for 2009/10 and beyond. These are listed on the relevant appendix and have been subjected to challenge. They are split between Credit Crunch, Inescapable and Essential, which are defined as:

- Credit Crunch
 - Reductions in income streams and increases in expenditure occurring as a direct result of the Credit Crunch

- Inescapable
 - Budgetary Control Pressures
 - Unavoidable/Demand Led
 - Demographics
 - Legislation
 - Contractual

- Essential
 - Corporate Plan
 - CPA/JAR/Inspections
 - Business Transformation
 - Invest to save

The Capacity bids are added to the 'As-is' budget – effectively the Control Totals for each service area. These contain the operational assumptions of pay inflation, etc, and are the required budgets to deliver the services. There is nothing new in terms of activity within this category, or in terms of service reductions. The operational assumptions are as agreed at the September Cabinet meeting.

The savings/additional efficiencies list in the relevant Appendix are the new sources of income, or reduced expenditure, to finance the 'As-is' Budget and Capacity Bids.

3. Service Reductions

In order to balance the budget without increasing Council Tax by more than the amount shown in the Plan, it is necessary to re-engineer or reduce services in some non-statutory areas. These reductions are listed in the relevant Appendix.

4. External Resources

The key figures statement includes the estimates of government grant used to underpin the Councils budget alongside the expected level of Council Tax income.

The Council additionally received specific grants, project funding, and other 'un-ring fenced' grants which are shown on the schedule of grants contained within the report.

Control Total Summary 2008/09 to 2011/12

(Excluding 2009/10 - 2011/12 capacity bids and savings)

	2008/09 Budget '000's	2009/10 Budget '000's	2010/11 Budget '000's	2011/12 Budget '000's
Chief Executives				
Chief Executives	359	422	428	435
Deputy Chief Executive's Unit	1,669	2,124	2,374	2,398
Communications	551	481	498	513
Strategic Growth	6,144	1,506	1,353	1,664
Community Safety	56	0	0	0
Legal & Democratic Svcs	3,468	3,352	3,527	3,575
Human Resources	1,039	966	1,386	1,429
Total Chief Executives	13,286	8,851	9,566	10,014
Children's Services				
Resources	5,963	5,262	5,395	5,695
Performance & Commissioning	2,334	2,060	2,114	2,231
Learning & Skills	6,932	6,120	6,276	6,625
Children & Families	26,923	23,768	24,377	25,731
Dedicated Schools Grant	108,580	114,267	120,806	123,222
Total Children's Services	150,732	151,477	158,968	163,504
City Services				
Building & Technical	-926	-239	-249	-257
Street Scene & Facilities	-248	-1,325	-1,384	-1,425
Property Design & Maintenance	-524	-597	-624	-642
Other Trading Activities	26	-113	-118	-122
Business Support	2,107	1,906	1,990	2,049
General Fund Cleansing	2,636	3,170	3,311	3,409
General Fund Refuse Collection	3,582	3,588	3,748	3,859
General Fund Ground Maintenance	3,088	3,356	3,505	3,609
Central Support Services	195	209	218	225
Repairs & Maintenance	1,084	1,084	1,133	1,166
Other General Fund Contribution	1,013	500	523	538
Total City Services	12,033	11,539	12,053	12,409
Operations				
Neighbourhoods	0	4,034	3,996	4,094
Director's Office & Support	853	896	942	950
Resilience Team	245	257	271	273
Planning Services	1,057	1,111	1,167	1,177
Environmental Protection & Public Services	2,167	2,277	2,393	2,414
Community Safety	0	59	62	62
Transport & Engineering	8,773	9,217	9,689	9,773
Culture & Recreation	5,652	5,938	6,242	6,296
City Centre Director	561	590	621	624
Total Operations	19,308	24,379	25,383	25,663
Strategic Resources				
Director of Strategic Resources	312	563	808	833
Strategic Finance	7,331	9,795	14,047	14,485
ICT	1,139	921	1,321	1,362
Strategic Procurement	130	-732	-1,050	-1,082
Business Transformation	3,347	3,003	-2,104	-1,930
Strategic Improvement	514	536	769	793
Strategic Property	-4,294	-5,019	-7,199	-7,422
Revenues & Benefits	706	579	831	856
Customer Services	1,774	1,585	2,274	2,344
Internal Audit	92	72	103	106
Waste Management	4,582	4,751	6,815	7,026
Total Strategic Resources	15,633	16,054	16,615	17,371
Adult Social Care				
Adult Social Care	38,588	37,874	38,893	39,629
Total Adult Social Care	38,588	37,874	38,893	39,629
GRAND TOTAL	249,580	250,174	261,478	268,590

Points to Note

1. The virement of budgets between departments to reflect the recent Senior Management Review has not yet been fully implemented.
2. The Operations Directorate is currently undergoing a senior manager review that will result in a restructure and different way of operating. The directorate is also undertaking a zero based budgeting exercise so the allocation of resources for this area is yet to be fully decided.

Directorate	Service Area	Charge	Average % increase in fees & charges	Council Lead /Statutory	Comments
Operations	Library Services	Hire Fees	6.3%	Council Lead	Some hire services no longer being provided from 2009/10, with the exception of music CDs and DVDs. Increased January 2009
Operations	Library Services	Fines	12.8%	Council Lead	Increased January 2009
Operations	Library Services	Computer use/ photocopying and fax charges	0.0%	Council Lead	Increased January 2009 (bar internet charging)
Operations	Library Services	Room Lettings	6.3%	Council Lead	Increased January 2009
Operations	Library Services	Other Services	4.2%	Council Lead	Includes services such as Family History research and lost card charges. Increased January 2009
Operations	Sports Services	Artificial Turf Areas	6.1%	Council Lead	Increased January 2009
Operations	Sports Services	Athletics	5.8%	Council Lead	Increased January 2009
Operations	Sports Services	Badminton	3.6%	Council Lead	Increased January 2009
Operations	Sports Services	Basketball	3.6%	Council Lead	Increased January 2009
Operations	Sports Services	BSC	1.5%	Council Lead	Increased January 2009
Operations	Sports Services	Hockey	0.0%	Council Lead	Increased January 2009
Operations	Sports Services	Netball	4.4%	Council Lead	Increased January 2009
Operations	Sports Services	Racketball	6.6%	Council Lead	Increased January 2009
Operations	Sports Services	Squash	6.6%	Council Lead	Increased January 2009
Operations	Sports Services	Table Tennis	5.8%	Council Lead	Increased January 2009
Operations	Sports Services	Tennis	9.4%	Council Lead	Increased January 2009
Operations	Sports Services	Training Grid	0.0%	Council Lead	Increased January 2009
Operations	Sports Services	Volleyball	4.3%	Council Lead	Increased January 2009
Operations	Sports Services	Bushfield Sports Centre	0.4%	Council Lead	Increased January 2009
Operations	Sports Services	Werrington Sports Centre	12.7%	Council Lead	Membership & Admission brought in line with Bushfield Sports Centre. Increased January 2009
Operations	Sports Services	Swimming	6.6%	Council Lead	Free swim programme introduced from 2009/10 for 16's and under and over 60's. Increased January 2009 for other charges

Directorate	Service Area	Charge	Average % increase in fees & charges	Council Lead /Statutory	Comments
Operations	Sports Services	Cityswim Tuition	8.1%	Council Lead	Increased January 2009
Operations	Sports Services	Swimming - Bishops Road Lido	4.8%	Council Lead	Free swim programme introduced from 2009/10 for 16's and under and over 60's. Increased January 2009 for other charges
Operations	Sports Services	Swimming - Regional Pool	5.0%	Council Lead	Increased January 2009
Operations	Sports Services	Pool Hire – Jack Hunt Pool	3.7%	Council Lead	Increased January 2009
Operations	Sports Services	School Swim Tuition	2.9%	Council Lead	Increased January 2009
Operations	Sports Services	Embarkment & Bushfield All Weather Pitches	4.8%	Council Lead	Increased January 2009
Operations	Sports Services	Active Membership	3.3%	Council Lead	Increased January 2009
Operations	Sports Services	Hire of Sports Coaches	5.2%	Council Lead	Increased January 2009
Operations	Sports Services	Sports Development	2.4%	Council Lead	Increased January 2009
Operations	Key Theatre	Hire of Bar and Auditorium	5.5%	Council Lead	Increased January 2009
Operations	Key Theatre	Amateur Charges	4.7%	Council Lead	Increased January 2009
Operations	Key Theatre	Professional Charges	5.7%	Council Lead	Increased January 2009
Operations	Bereavement Services	Crematorium fees	3.5%	Council Lead	Increased January 2009
Operations	Bereavement Services	Remembrance books and cards	5.4%	Council Lead	Increased January 2009
Operations	Bereavement Services	Plaques, vases and memorial trees	5.3%	Council Lead	Increased January 2009
Operations	Bereavement Services	Memorial gardens	6.7%	Council Lead	Increased January 2009
Operations	Bereavement Services	Memorials	5.9%	Council Lead	Increased January 2009
Operations	Bereavement Services	Cemetery fees	9.8%	Council Lead	Increased January 2009
Operations	Museum	Museum room hire	43.2%	Council Lead	Increased January 2009
Operations	Museum	Education Services	10.7%	Council Lead	Increased January 2009
Operations	Museum	City Tours and Walks	16.9%	Council Lead	Increased January 2009
Operations	Licensing	Gambling Act Licensing	2.5%	Statutory	Statutory fees but with some flexibility on how much within the guidance.

Directorate	Service Area	Charge	Average % increase in fees & charges	Council Lead /Statutory	Comments
Operations	Licensing	Hackney Carriage Licensing	6.7%	Council Lead	
Operations	Licensing	Animal Welfare Licensing	5.6%	Council Lead	
Operations	Business Regulations	Other Environmental Health Licensing	4.1%	Council Lead	
Operations	Business Regulations	Trading Standards	5.3%	LACORS (Local Authority Coordination of Regulated Services)	
Operations	Licensing	Street Trading Consents (Non Pedestrian Area)	4.1%	Council Lead	
Operations	City Centre Services	Street Trading Consents (Pedestrian Area)	6.5%	Council Lead	
Operations	City Centre Services	Banners across Bridge St	37.8%	Council Lead	
Operations	Community Protection	Dog Services	0.0%	Council Lead/Statutory	
Operations	Community Protection	Environmental Protection Act	To be confirmed	Statutory	New charging scheme being implemented nationwide in 2009.
Operations	Community Protection	Water Analysis	To be confirmed	Statutory	New charging scheme being implemented nationwide in 2009.
Operations	Community Protection	Environmental Enforcement	0.0%	Statutory	
Operations	Parking Services	Off Street Parking	2.2%	Council Lead/Statutory	
Operations	Parking Services	Off Street Parking Season tickets	3.0%	Council Lead	
Operations	Parking Services	On Street Parking	0.0%	Council Lead/Statutory	Statutory order out to consultation

Directorate	Service Area	Charge	Average % increase in fees & charges	Council Lead /Statutory	Comments
Operations	Parking Services	Residential Parking	26.7%	Council Lead	Statutory order out to consultation
Operations	Parking Services	Queensgate Bus Station	1.4%	Council Lead	
Operations	Street Works	Licenses and permits	5.3%	Council Lead	
Operations	Trans and Development	Highways Development	0.0%	Council Lead	
City Services	Recreation	Football	3.4%	Council Lead	
City Services	Recreation	Mini Football	4.0%	Council Lead	
City Services	Recreation	Allotments	6.8%	Council Lead	
City Services	Recreation	Putting	0.0%	Council Lead	
City Services	Recreation	Equipment Hire	10.3%	Council Lead	
City Services	Recreation	Bowls	2.7%	Council Lead	
City Services	Recreation	Tennis	5.6%	Council Lead	
City Services	Recreation	Outdoor playing pitch	4.0%	Council Lead	
City Services	Waste Management	Bulky collection/Wheelie bin replacement	5.0%		
City Services	Waste Management	Asbestos Collection	5.0%	Council Lead	
City Services	Waste Management	Compost bins	5.0%	Council Lead	
City Services	Waste management	Flytipping	5.0%	Council Lead	
City Services	Vehicles	Abandoned Vehicles/MOT	To be confirmed	Statutory	DVLA set these charges in Feb/Mar each year.
Deputy Chief Executive	Gladstone Park	Hall & Youth wing charges	5.0%	Council Lead	
Deputy Chief Executive	Gladstone Park	Meeting Room charges	5.0%	Council Lead	
Deputy Chief Executive	Gladstone Park	Weddings & other charges	4.5%	Council Lead	
Deputy Chief Executive	Gladstone Park	Sports charges	4.7%	Council Lead	
Chief Executive	Mayoralty/Civic	Civic Room Lettings	5.0%	Council Lead	

Directorate	Service Area	Charge	Average % increase in fees for 2009/10	Council Lead /Statutory	Comments
Chief Executive	Land charges	Search fees	To be confirmed	Council Lead/Statutory	Planned that the fee will be set on a cost recovery basis, in accordance with expected legislation.
Children's Services	Children & Families	Hire of Playcentre	2.2%	Council Lead	
Children's Services	Children & Families	Hire charges	2.5%	Council Lead	
Children's Services	Learning & Skills	Placement costs recovery	2.5%	Council Lead	
Children's Services	Learning & Skills	Parental contribution to Bus Passes issued	2.5%	Council Lead	
Children's Services	Learning & Skills	LEAP Programme	2.5%	Council Lead	
Strategic Resources	Registration Services	Registration Services – Statutory fees	0.0%	Statutory	Includes certificates, registrar attendance and notices
Strategic Resources	Strategic Property	Property Rents	Varies – see comment	Council Lead	Increases in rent are dictated by the terms of the leases
Adult Social Care	ASC	Homecare hourly rate	To be confirmed	Council Lead	Contract uplift was linked to RPIX December, but variation applied to the contract in 2008 amended this to link future annual increases to the NHS funding allocation uplift after efficiency savings.
Adult Social Care	ASC	Extra Care Nightly Charge	To be confirmed	Council Lead	Inflationary uplift will be the combined effect of the DoH increase to PCT's and PCC ASC funding allocation increase after efficiency savings.
Adult Social Care	ASC	Day Services – Attendance, Transport, Meals and Refreshments	0%	Council Lead	No increase

Scale of Fees and Charges

Appendix 8

Directorate	Service Area	Charge	Average % increase in fees for 2009/10	Council Lead /Statutory	Comments
Adult Social Care	ASC	Direct Payment rates	To be confirmed	Council Lead	As per Homecare
Adult Social Care	ASC	Respite – over capital threshold	To be confirmed	Council Lead	Increase by PCC control total uplift
Adult Social Care	ASC	In House Residential Homes	To be confirmed	Council Lead	Increase by PCC control total uplift
Adult Social Care	ASC	Meals on Wheels	0%	Council Lead	No increase

Revenue Capacity Bids

Department	Issue	Impact			Notes	Linked to Council Priorities
		2009/10	2010/11	2011/12		
Credit Crunch Pressures						
Chief Executive's Dept	Land charges income	333	333	333	This relates to a downturn in Land Charges income from reduced activity, and a national review of the charging structure.	E & E
Strategic Resources	Vacant property	117	357	230	Due to the current nature of the economy. It is anticipated that there will be an increased level of vacant units over the next few years.	E & E
Strategic Resources	Change in NNDR legislation	313	103	0	There has been a change in legislation which will change the way NNDR is levied on Vacant Properties.	E & E
Operations	Reduction in planning fee income	600	600	600	Reduction due to a decrease in the number of applications received	L
Operations	Projected shortfall in Parking Income	375	375	375	Shortfall due in part to the credit crunch, with the added impact of concessionary fares.	L
Operations	Reduction in car parking income	144	144	144	Restriction on the amount of increase that can be applied to charges	L
Strategic Resources	Revenue impact of further changes to the capital programme	302	583	3,066	Includes reprofiling due to credit crunch and fourth year of the programme	E & E
Strategic Resources	Impact of anticipated changes to interest receipts.	933	755	353	Includes latest update on interest rates and revised capital receipts.	E & E
Strategic Resources	Strategic Property relating to growth agenda	350	350	350	B&Q, Matalan & EMAP costs pending growth decisions	E
Strategic Resources	Replenishment of reserves following collapse of Icelandic banks.	0	0	750	In line with new government guidance on when this should be charged	E & E
Credit Crunch Pressures		3,467	3,600	6,201		
Action Taken to Mitigate						
Chief Executive	Reduce Land Charges Team to meet reduced demands on income	65	65	65	May impact on potential to extract savings already included in budget	E & E
Operations	Operations Directorate - actions to mitigate credit crunch pressures	375	375	375	Commitment to absorb additional parking pressures	L
Operations	Operations Directorate - actions to mitigate credit crunch pressures	600	600	600	Commitment to absorb reduction in planning fee income	L
Strategic Resources	Capital Programme	440	-24	-23	Look at what could be slipped to start of April with no negative impact	E & E
Strategic Resources	Capital Programme	75	2,379	4,572	Review of timing and scale of programme	E & E
Strategic Resources	Commercial property portfolio strategy	338	333	224	Review strategy to minimise costs incurred on empty property	E & E
Total Actions Taken to Mitigate		1,893	3,728	5,813		
Credit Crunch Pressures after Action Taken		1,574	(128)	388		
Credit Crunch Pressures Accounted for Elsewhere						
Strategic Resources	Impact on Council Tax Income	633	1,199	1,229	Impact of reduction in the rate of growth of the council tax base. These figures form part of the overall Council Tax income figure, shown on the face of the Key Figures Statement.	E & E

Revenue Capacity Bids

Department	Issue	Impact			Notes	Linked to Council Priorities
		2009/10	2010/11	2011/12		
Inescapable Capacity Bids						
Operations	Increased demand on concessionary fares	894	864	864	Estimate based on latest information provided by contractors	L
Children's Services	PFI - utility costs	150	150	150	Utility costs have increased significantly from the original funding model. These cannot be recovered from the DSG (until after 5 years) and continue to place a pressure on the resources budget.	C
Strategic Resources	Additional costs of borrowing incurred to fund new elements of the capital programme	59	251	1,431	Council's capital programme can be supported	E & E
Strategic Resources	Adjustment to employers pension contribution likely in the third year	0	0	1,600	Contributions likely to increase following actuarial report	E & E
Strategic Resources	Increased employers NI costs as a result of pre-budget report	0	0	400	Pre-budget report indicated that NI will rise by 0.5% in 2011/12	E & E
Strategic Resources	Landfill Tax/LATS	0	110	563	Based on updated projections of the amount of waste, level of tax and LATs	E
Inescapable Capacity Bids		1,103	1,375	5,008		

Revenue Capacity Bids

Department	Issue	Impact			Notes	Linked to Council Priorities
		2009/10	2010/11	2011/12		
Essential Capacity Bids						
Deputy Chief Executive	Local Development Framework	75	515	0	This is the cost of publishing the Site Allocations DPD, the Planning Policies DPD, the City Centre Area Action Plan DPD, the Minerals and Waste Core Strategy DPD, and the Minerals & Waste site specific proposals DPD.	L
Deputy Chief Executive	Planning restructure costs	150	150	0	Funding for 2009/10 towards the Planning Structure.	E & E
Children's Services	Phase 2 Secondary Schools	100	(100)	400	The funding available (£1.2m) has been heavily committed getting to the option stage.	C
Children's Services	Revenue impact of bringing forward Hampton Schools build	242	687	495	Revenue cost of capital spend	C
City Services	Increased cost of fuel (city services)	137	137	137	Fuel costs - this is a result of the increased costs of diesel fuel experienced during the current year.	E
Operations	Increased utility costs	441	441	441	Estimated additional 30% on gas and oil	E & E
Operations	Stuart House	276	305	305	This is the revenue cost of Stuart House.	E & E
Strategic Resources	Food waste project	0	554	(404)	Cost of waste collection and additional savings for the anaerobic digester project	L
Essential Capacity Bids		1,421	2,689	1,374		

Medium Term Financial Plan - 2009/10 - 2011/12
New Savings & Efficiencies

Ref	Department	Description of project/saving	2009/10 £k	2010/11 £k	2011/12 £k	Comments
		Business Transformation Savings	7,760	10,279	11,579	Cumulative totals per Business Transformation Schedule
		Less: Amount already included in 2008/09 - 2010/11 MTFP	-2,969	-9,989	-10,197	
1	Corporate	Balance From Business Transformation	4,791	290	1,382	Savings over and above those utilised in the 2008/09 - 2010/11 MTFP
2	Deputy Chief Executive	Area Based Grant - Supporting People	370	150	150	Grant available in excess of contracts already let for future years.
3	Operations	Hampton Community Facility	500	1,000	900	Reduce running costs to allow for revised project. Original project included additional facilities that cannot be provided with the existing budget , now to be provided elsewhere, and so running costs are likely to be considerably lower.
4	Legal & Democratic	Investigations Team	25	25	25	Efficiencies within the team. Ensure resources are structured effectively, and shared with other authorities where appropriate. Increase skill base across the authority.
5	Strategic Resources	Internal Audit	30	30	30	Improve productivity and find efficiencies within the team, sharing resources with other authorities where appropriate to reduce costs.
6	Deputy Chief Executive	Human Resources	0	100	100	Further efficiencies. Reduced need for support from corporate team following current programme to equip managers with the skills and resources to manage effectively.
7	Deputy Chief Executive	Communications	0	50	50	Further efficiencies following centralisation of budgets and increase in use of sponsorship to fund activities.
8	Deputy Chief Executive	City Services	0	1,000	1,000	Business Process review to eliminate duplication, increase efficiency and ensure that services are provided in the most appropriate way.
9	Deputy Chief Executive	City Services	0	500	500	Facilities Management - bring together various elements of facilities management from across the council and let contract to capitalise on efficiencies gained.
10	Corporate	Capital Programme	0	650	650	Saving from introducing commercial entity/Special Purpose Vehicle to run the capital programme (revenue saving)
11	Deputy Chief Executive	Catering	0	210	210	Improve trading position or cease in-house service
12	Deputy Chief Executive	Support Services	50	50	50	Review courier structure and limit transfer of documentation between buildings to daily or twice weekly. Increase reliance on electronic systems
13	Deputy Chief Executive	Support Services	70	70	70	Review overnight cover at the depot. Transfer call handling to CCTV Control Centre. Procure basic security patrols for depot.
14	Children's Services	Children Social Care	0	400	400	Charging Agency Social Care placements against DSG. Would need a full review and re-interpretation of guidance. It may place pressure upon centrally retained DSG although at the current time the fall in Education led placements can accommodate. Risks exist around audit of this approach.

New Savings & Efficiencies

Ref	Department	Description of project/saving	2009/10 £k	2010/11 £k	2011/12 £k	Comments
15	Children's Services	Managerial review	0	260	260	Review all post's contribution to three star children's services and ensure joined up delivery and teams.
16	Children's Services	Children's Services	0	50	200	Locality Savings Target, including FAST (Family Assessment and Support Team). Bring together appropriate services to improve efficiency.
17	Children's Services	Governor Support Services	50	40	40	Governor Support outsourcing / removal of subsidy. Schools will be required to pay to access services.
18	Children's Services	Children's Services Transport	0	250	250	Transport - Children's Services provision moving over to passenger transport section, as part of overall corporate review of transport provision by Business Transformation
19	Children's Services	Education / Social Care	0	100	300	Review of Special Schools + residential provision for highest need children. The process assumes that the balance between respite care and ongoing care provided will be reassessed.
20	Children's Services	Inclusion	0	60	60	Excellence in Clusters Partnerships - transfer service to be a full traded function purchased by schools through annual subscription.
21	Children's Services	Play Service	tbc	tbc	tbc	Move away from play being in two depts (Children's and Ops). To be re-examined as a Business transformation project..
22	Children's Services	All Areas	0	100	100	Reduction in Legal Spend (SLA) - current spend around £1m per annum - through better working with Legal department and better procurement processes.
23	Operations	Cultural Services	0	50	101	Transfer Libraries, Theatre and Museum into a Trust with savings of NNDR and reduction in overtime costs for staff.
24	Operations	Cultural Services	tbc	tbc	tbc	Transfer facilities to a Leisure Trust
25	Operations	Strategic Growth & Development	90	130	160	Integrate New Link into other appropriate PCC activity - ensure service is mainstreamed
26	Adult Social Care	Adult Social Care	250	250	250	ASC Additional Efficiency Savings
		Total	6,226	5,815	7,238	

Department	Area	Proposed Change	Impact			Link to Council Priority
			2009/10 £'000s	2010/11 £'000s	2011/12 £'000s	
Children's Services	Home to School Transport	Removal of denominational transport	87	150	150	C
Children's Services	Home to School Transport	Increase post 16 charges	7	13	13	C
Children's Services	Home to School Transport	Primary school transport - move to over 3 miles for 8 to 11 year olds	47	81	81	C
Children's Services	Home to School Transport	Review all routes previously assessed as being unsafe to ascertain whether improvements made since last review mean that transport no longer needs to be provided.	tbc	tbc	tbc	C
Operations	Passenger Transport - Bus Shelter cleansing and maintenance	A reduction in Bus Shelter maintenance and cleansing could be sustained for 1-2 years once the current contracts come to an end. The saving represents 74% of the budget.	42	0	0	E
Operations	Street Furniture	Reduce street furniture budget by 75% (cycle racks, seats, etc) for one year.	30	0	0	E
Operations	Health Promotion Service (EPPS)	This is a non statutory service however it is a front line service delivery and works hand in hand with the PCT. Proposal is to cease the current service, but investigate to see if a more joined up approach can be identified by working with others.	95	95	95	L
Operations	City Centre	Restructure department - This may be incorporated into the wider ambassador scheme.	114	114	114	L
Operations	Tourism	Last year's Tourism review looked to focus 'away from face to face services and towards new media solutions'. The optimum solution for the provision of 'face to face' services is currently being explored.	40	40	40	E
Operations	Heritage/Arts	Proposal for a streamlined structure with greater efficiencies and working practices.	45	65	65	L
Operations	Strategic Sports	Proposal for three interrelated pieces of work. Staffing level within swimming pools, new management structure and refocusing the Sports Development Team.	35	35	35	L
Operations	Libraries	Review operation of libraries, to include changes to the total number of library hours (but no closure of libraries or reduction in level of the mobile service), radical review of the structure at floor level and the introduction of new software to remove tasks that are not customer focused.	0	70	70	L
Operations	School crossing wardens	Service to be examined in in 2009/10 to see if this can be delivered in a different way.	0	65	65	L
Operations	Parking Services - Introduce staff / member parking permit charges	To encourage use of sustainable transport. Proposals regarding Members to be referred to the Members' Remuneration Panel	100	200	200	L
Operations	Parking Services	Restrict use of certain car parks by permit holders to allow more of the public to park in spaces closer to the town centre.	25	25	25	L
Operations	Pest control only statutory services	Non statutory services to be withdrawn as the services cannot breakeven.	65	75	75	E
Operations	Passenger Transport	Reduce cost of Park & Ride through sponsorship and charging	29	29	29	L
Operations	Planning Agreement contracts	Planning Service can ask for contributions towards costs of planning application works under Planning Performance Agreements. However, its voluntary and therefore customer dependent. It is also a contract and the funds need to be spent on the service provided.	60	90	90	L

Department	Area	Proposed Change	Impact			Link to Council Priority
			2009/10 £'000s	2010/11 £'000s	2011/12 £'000s	
Operations	Good going pass - annual charge	These are currently issued free of charge to people who make a pledge to travel sustainably. The cards offer discount around the city focusing on sustainable and environmentally friendly shops and attractions eg Ferry Meadows / bike shops. A quarterly newsletter is issued (generally by email) promoting travelchoice. There are 5,500 passes in issue. It's proposed to implement an annual charge of £5. The income assumes a 50% take up.	14	14	14	L
Operations	Library - internet usage	The introduction of pay to use the internet – some information, encyclopaedias, Council minutes etc will still be free, things like 'Which magazine' is open for consideration but e-mailing will not. This will require new software which will be requested under the spend to save programme.	26	26	26	L
Strategic Resources	Customer Services	Review cash collection facilities, including use of the cash office.	35	35	35	E & E
Children's Services	Youth Services	Review of services and reduction in provision for Youth Services / Connexions by 10%. Full review is needed and options around passing on costs to services for schools needs to be considered.	0	80	80	C
Children's Services	Youth Offending Service	Youth Offending Team. Review performance of the team	0	100	100	C
Children's Services	Children's Services - Strategy & Planning	Engagement - 10% reduction in budget.	0	13	13	C
Operations	Cultural Services/ Libraries	Reduce bookfund expenditure by £10,000. Some customer resistance - as we would not provide the range of DVDs and music as currently. The reduction amounts to 2.9% of the existing budget. This would reduce the amount spent per head from £2.12 to £2.06 and would not adversely impact any PIs.	10	10	10	L
Operations	Cultural Services/ Sports	Delete the least effective opening times at Jack Hunt Swimming Pool	10	10	10	L
Operations	Strategic Growth & Development	Reduce Community Planning activity - saving based on non-take up of capacity bid. Impact on effectiveness of neighbourhood investment approach; contradicts national policy re: community engagement; however, NIP currently being reviewed with a view to developing a new approach to locality working	240	240	240	L
Strategic Resources	Strategic Improvement	Review scrutiny support	25	25	25	E & E
Operations	Strategic Growth & Development	Outsource Gladstone Park as part of Cultural and Leisure Trust development referred to in appendix 10.	0	75	75	L
	Total Service Policy Variations		1,181	1,775	1,775	

Capital Strategy

2009 - 2012

Contents

	Page
1 Introduction	2
2 Key aspects of Capital Expenditure	2
2.4 Strategic Growth and Development.....	3
2.5 Children's Services.....	3
2.6 Transport	4
2.7 Neighbourhoods	5
2.8 Cultural Services	6
2.9 Adult Social Care.....	6
2.10 Strategic Property.....	7
3 Managing & Monitoring the Capital Programme & Projects.....	7
3.2 Project Governance.....	8
3.3 Structural Changes to Deliver New Ways of Working	8
3.4 Capital Spending Focus	8
4 Sources of Capital Funding.....	9
4.1 The Capital Programme is funded from:-	9
4.2 Alternative Financing Arrangements	10
4.3 Capital Receipts	10
5 Procurement Strategy	11
6 Links to Partners	12
7 Conclusion	12

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1 Introduction

- 1.1 This Capital Strategy brings together the key priorities and targets for the Council, aspects of partnership working within the local community, and investment to deliver the aims and objectives of the Council as described in the community strategy, corporate performance plans, and business plans. It aims to bring together the over-riding issues identified in those documents which require capital investment to deliver the services and growth agenda for the city.
- 1.2 The Capital Strategy is prepared within a framework of Community Strategy (Growing Peterborough the Right Way – A bigger and better Peterborough). Examples of other supporting plans include: Information and Communications Technology Strategy, Corporate Accommodation Strategy, and Strategic Business and Departmental Plans.
- 1.3 The Community Strategy, prepared by the GPP, is the overarching document setting out what the community wants to see delivered in respect of sustainable economic growth and regeneration of the city in order to improve the overall quality of life of its people, communities and environment. The GPP is responsible for setting the agreed vision and priorities.
- 1.4 This is underpinned by the need to provide accessible services effectively. The Capital Strategy aligns with the LAA and Community Strategy priorities of,
 - creating strong & supportive communities,
 - creating the UK's environment capital,
 - delivering substantial & truly sustainable growth, and
 - creating opportunities, tackling inequalities,and demonstrates how the Council plans its capital investment to ensure that limited funds are utilised to maximum effect, in substantially contributing to the overall objectives of the Community Strategy, in addressing the greatest needs. The potential capital projects are subject to a formal appraisal process to ensure that these aims are fulfilled.
- 1.5 The Capital and Community Strategies are closely aligned to ensure that goals and actions are understood and communicated. Together, these documents are reviewed and updated annually to coincide with the budget setting process. This helps to ensure that business plans and the Capital Strategy reflect the strategic objectives and aims of the Council.
- 1.6 During the coming year the Council can significantly influence the preparation of the Regional Spatial Strategy for 2011-2031, which will determine the level of growth for the next 20 years and beyond

2 Key aspects of Capital Expenditure

- 2.1 The 'Credit Crunch' has been an underlying theme in the preparation of this three year Capital Programme. With values of land and property on a downward trend, with little hope of improving in the medium term, the assumptions used for the funding of the programme have been amended to ensure that the Council can continue to delivery and meet it's stated objectives.
- 2.2 As noted later in this document, 3.1, the capital programme and governance arrangements are undergoing a review to ensure that resources are focussed on key projects and programmes.

- 2.3 The Council's Capital Programme for 2009/10 – 2011/12 totals £222m and is summarised in the Core Data (Annex 1). Individual schemes are itemised in the 2009-12 Medium Term Financial Strategy Appendix 13. The following is a summary of the key elements of the strategy by service area.

2.4 Strategic Growth and Development

2.4.1 Through its Core Strategy and associated documents, the City Council is translating the sustainable Community Plan into a series of land allocations and planning policies to guide public and private investment decisions. The Core Strategy, Integrated Development Programme and Planning Obligations Scheme together identify and programme funding for the underpinning infrastructure for growth.

2.4.2 It is proposed that, over the next 15-20 years, the city centre will become more vibrant, dynamic and diverse, offering a high quality built environment, employment, learning and leisure opportunities by encouraging new investment into the city. Sensitive areas such as historic buildings and sites of archaeological interest will be protected; parklands, open spaces and areas of natural beauty will be enhanced as part of sustainable development. The city's transport infrastructure will need to be enhanced as part of the proposals and, consistent with the City Centre Framework (jointly developed by the Council, English Partnerships and the East of England Development Agency), the LTP2 identifies 3 specific major transport infrastructure schemes to accommodate future accessibility to the city centre for an enlarged Peterborough. The Framework includes the comprehensive redevelopment of the railway station, Southbank and North Westgate areas. The Council has secured ownership of both accesses to the Southbank development site and assisted in the relocation of the retail outlets formerly based there. The Council has also purchased the Corn Exchange building in the city centre & has begun to facilitate a step change in the creation of high quality city centre public realm around Cathedral Square and routes leading to the station and river.

2.5 Children's Services

2.5.1 The Peterborough's Children and Young People Plan 2008-2011 sets out how the Council and its partners will work together to achieve better outcomes for Children and Young People over the next three years. This includes 10 outcome focused priorities. The assessment of need will inform future built environment priorities and further develop the Department's Corporate Asset Management Plan and School related Asset Management plans.

2.5.2 The main purpose of the Children's Services Department is to ensure a three star service, such that everything the Department undertakes is based on achieving the five outcomes encompassed in the 'Every Child Matters' agenda for all children and young people in the Peterborough area. The Department is also responsible for adult education. In response to the Children Act 2004, work is underway to develop more effective integrated services and structures, fulfilling the requirements for Children's Trust arrangements.

2.5.3 Children's Services approach is underpinned by the 'Children and Young Peoples Plan'. The Department is currently reviewing its Corporate Asset Management Planning process but has a robust system of school related Asset Management Plans. Children's Services has a drive to begin delivery of services from locality centres. This will ultimately change and inform the Department's Asset Strategy.

- 2.5.4 The Department also plans to re-introduce the School Organisation Plan, once a statutory document. This strategic document will include information on demography and will inform the needs of schools into the future.
- 2.5.5 It should be borne in mind that previously 99% of Children's Services capital expenditure has been Government grant funded.
- 2.5.6 The Local Authority has implemented a major modernisation of Peterborough's secondary schools through the city's Secondary School Review covering all secondary schools in the city in two main phases. This commenced with the opening of the new Hampton College in September 2005. In September 2007 the Thomas Deacon Academy and the Voyager School opened as successor schools to five closing secondary schools. The Voyager School is covered by a PFI contract as are the extensions and refurbishments to Jack Hunt School and Ken Stimpson Community School.
- 2.5.7 In parallel with these major projects, The Kings School, St John Fisher R.C. School and Arthur Mellows Village College are in the process of completing major refurbishments, including additional facilities, funded through the successful bidding for Government grants.
- 2.5.8 Phase 2 of the Review is to start soon and will cover Bushfield Community College, Stanground College and Orton Longueville School.
- 2.5.9 The Government's plans for investment in the Primary School Estate were announced in November 2008. This is a 15 year programme which anticipates that 50% of the Council's primary school estate will benefit from projects ranging from total rebuild to minor refurbishment. The Primary Strategy Document approved by the Government will inform the decisions made on which schools benefit from the initial £8m available for 2009 - 2011.
- 2.5.10 Continuing investment in the primary school estate through a comprehensive programme of mechanical and electrical improvements and fabric upgrades will be integrated into the Primary Capital investment programme.
- 2.5.11 Children's services are committed to incorporating sustainable solutions into all of its building projects, working towards the Government's target of zero carbon schools by 2016.
- 2.5.12 An increased pressure on primary school places and the need to provide 6th form facilities at the secondary school has required the Council to invest in a school building programme in the Hampton area.
- 2.5.13 Government funding has also been secured for a major refurbishment programme at Clare Lodge.

2.6 Transport

- 2.6.1 The transport capital programme essentially follows the four themes for transport, linked to the seven shared priorities agreed nationally for local government, tackling:
- congestion
 - delivering accessibility
 - safer roads
 - better air quality
- 2.6.2 This programme was broadly set out in Peterborough's Second Local Transport Plan (LTP2) spanning 2006 to 2011, as submitted to the Department of Transport (DfT) at the end of March 2006.

- 2.6.3 The LTP2 sets out how the Council aims to address the four themes listed above sustainably by tackling the growing demand for travel through an increase in walking, cycling, bus and rail travel, whilst allowing for economic growth. It also sets out how the Council is working with the Peterborough Primary Care Trust (PCT) (through the Integrated Passenger Transport project) to draw together the sub-regional transport needs related to day centres, schools, health clinics and hospitals. Additionally, the plan contains strategies that will address and manage congestion to ensure the continued economic growth and prosperity of Peterborough. The LTP2 was rated as “good” by the DfT and the overall LTP capital allocation for 2008/09 to 2010/2011 represents a significant increase from LTP1 allocations.
- 2.6.4 The Council was designated as one of only three national ‘Sustainable Travel Demonstration Towns’ (supported by a £3.24m 5-year revenue allocation from central government that runs to March 2009) and the LTP2 will help showcase and support this work. This work is supported by capital schemes outlined in the LTP2, therefore it is important that the overall LTP allocation is maintained. The Service has recently been awarded Beacon Status for Accessibility and also awarded Transport Authority of the Year, as well as runner-up in the category for Infrastructure on the back of these projects and investment.
- 2.6.5 The Council’s three year capital programme for Environment (including transport) currently includes £54m of planned expenditure to address the highest priorities. The Council has successfully bid for Growth Area Funding 1, 2, and 3 however was unsuccessful in bidding for any Community Infrastructure Fund, all as a result of Peterborough being part of the London – Stansted – Cambridge - Peterborough growth corridor.
- 2.6.6 The Council has also been progressing the development of a Highway Asset Management Plan (HAMP), in accordance with Department for Transport requirements. This “HAMP” will help define the extent of additional sums required firstly to tackle the backlog of maintenance work and thereafter, maintain the existing highway infrastructure.
- 2.6.7 The Council is working with Lincolnshire County Council to deliver the £81m A1073 Spalding to Eye major improvement scheme. The County Council is leading on this project that will commence in April 2008. The scheme is to be funded from the East Midlands and East of England regional funding allocations and a capital contribution from Lincolnshire County Council's corporate funds. In 2009, the Council will commence work on traffic calming schemes on parallel routes to deter traffic from migrating upon opening of the new A1073 route. These schemes will be part funded from the Council's LTP allocation.

2.7 Neighbourhoods

- 2.7.1 The Council transferred its stock of 9,750 houses to Cross Keys Homes (CKH) in October 2004 under a large scale voluntary transfer (LSVT) following a tenant vote. At that time, a backlog of maintenance (estimated at £108m) was identified for the renewal of elements of the dwellings over the next 10 years, resources that the Council would not be able to attract. CKH are nearing the end of a programme of work to bring houses up to the Decent Homes Standard, ahead of the 2010 government target.
- 2.7.2 During the first 10 years of the contract, under the Preserved Right to Buy (Council tenants transferred to CKH retain the right-to-buy), the Council will receive part of the sale proceeds on an agreed basis. Whilst these receipts

form part of the Council's overall corporate resources, the Council is committed to pump-prime opportunities for future affordable housing schemes, in partnership with registered social landlords. The Council will also receive a share of receipts from a special arrangement relating to VAT, this share is expected to be in the region of £10m to 2013 (£8.9m received to date).

2.7.3 Other new affordable housing provision will be addressed through Section 106 planning agreements. The Council aims to ensure delivery of 30% of affordable homes with an annual target of 300 units each year. The Urban Regeneration Company (Opportunity Peterborough) has a target of delivering 25,000 new homes in the city by 2021, although it is anticipated that this could rise to 40,000 through accelerated growth. The Council is working with English Partnerships so secure financial support for the regeneration of Brownfield sites for housing and other development. Council resources are also targeted at home renovation grants and Disable Facilities Grant (DFG), helping to encourage improvement of housing and independent living at home.

2.8 Cultural Services

2.8.1 Cultural Services within the city face significant challenges which relate to growth and the re-development of existing facilities to meet changing customer expectations.

2.8.2 The growth of the city is driving the following potential projects:

- Development of future Cemetery space
- Development of Hampton joint service centre (library, sport, health provision)
- The provision of a regional sports facility as part of the redevelopment of the Northern embankment

2.8.3 Customers are demanding ever increasing quality of service and much of the city's built cultural infrastructure falls short of customer aspiration. Agreed development includes:

- The development of the Museum
- Redevelopment of the Orton Centre, including the possible remodelling of sports and library facilities.
- Development of sports facilities to refresh and upgrade existing provision.

2.8.4 In addition, the Council has recently determined to reduce Mercury emissions at the Crematorium. This is closely linked to the city's aspiration to become the environmental capital.

2.8.5 To reflect the city's aspirations of growing the right way, a number of innovative projects are also being explored including the creation of a 'digital centre for excellence'.

2.9 Adult Social Care

2.9.1 An Older Persons Accommodation Strategy has been jointly produced by the Council and the Primary Care Trust (PCT). It builds upon the first two phases of an extensive consultation with local people and partner organisations about a shared vision for the future of accommodation and housing related support provision for older people in the City.

- 2.9.2 The strategy sets out an Older People's Accommodation and Housing Related Support Strategy for Peterborough and the surrounding villages which it serves, and aims to help plan investment, looking forward over the next 10-15 years.
- 2.9.3 As part of the Integrated Growth Study, the PCT has highlighted the need for additional Adult Social Care infrastructure in support of a mixed model of provision ie two additional care homes and nine additional Extra Care facilities. This Strategy has been developed under the guidance of the Older People's Working Party, administered by the Council.
- 2.9.4 The views of older people have been identified through a range of national studies and local consultations, both of which have been a major influence on developing this strategy. A number of recent local analyses of current provision have shaped the vision for future provision outlined in this document.

2.10 Strategic Property

- 2.10.1 The review of the Property Portfolio is underway and is set out in the Corporate Property Strategy. This has established the principle of front office delivery from key assets. Initially this will be from Bayard Place and The Town Hall but it is intended to roll this approach out across the Council.
- 2.10.2 The moves started in Spring 2007 with services including Strategic Property, Strategic Finance, Human Resources and Internal Audit having moved to Manor Drive. This released space within Bayard Place, which in turn allowed the relocation of elements of Children's Services. This approach released a number of assets that are either in the process of disposal or are being recycled within the Council. Overall the Council aims to save approximately £4.9m over three years.
- 2.10.3 The other major move currently underway is the relocation of elements of planning from Bridge House to Stuart House. This move will bring together key elements of the planning function and which support the Growth Agenda. Key to this will be the co-location with Opportunity Peterborough and the benefits that a closer working relationship will bring.
- 2.10.4 Overall the Council aims to dispose of surplus assets and use the capital receipts raised to support other initiatives. Work is ongoing to identify further sites that are suitable for disposal. However, the last major sites to go to planning are Itter Park and The Grange with work ongoing with other Services to identify those assets that can be declared surplus and brought to the market.

3 Managing & Monitoring the Capital Programme & Projects

- 3.1 A review of project government arrangements for the capital programme has been undertaken, with planned improvements including the:
- alignment of the programme and project management to corporate outcomes
 - development of expertise in commercial negotiation and supplier management
 - development of robust specifications to deliver fit for purpose solutions
 - development of risk profiling and management
 - development of the sharing of best practice
 - maximising of income sources, including the expansion of further trading opportunities

- implementation of a robust gateway review process, aligned to robust management of existing project methodology and register
- establishment of the status of current capital and non-capital programmes / projects and implement process of challenge as appropriate
- establishment of a senior position to be accountable for governance of the Capital Programme

3.2 Project Governance

3.2.1 The Council currently operates a corporate project management approach, ultimately owned and governed by a Corporate Programme Board, whose membership includes Councillors. This group reports to the Corporate Management Team, through to Cabinet on major projects and initiatives and is responsible for monitoring the performance of other project governance boards, such as the business transformation board.

3.2.2 However, in line with 3.1 above, the current situation is to be amended to include an evaluation of each project together with the appointment of a programme director through which future capital projects will be approved.

3.3 Structural Changes to Deliver New Ways of Working

3.3.1 The Strategic Improvement Team, within the Strategic Resources Department, works on the improvement in delivery of public services, working closely with directors, heads of service and teams to help identify and deliver improvements in their business areas. Specific examples include the implementation of business planning to ensure alignment with strategic priorities, integrating performance and risk management communicated through a scorecard model, and a management competency framework based programme of development for employees.

3.3.2 The Strategic Improvement Team, is also responsible for facilitating the implementation of the Council's strategies and objectives through robust project and programme management. A centre of excellence for project management is the information centre for projects, programmes, and provides training, mentoring and guidance on project management throughout the Council. This centre is also responsible for embedding a "project management culture" throughout the Council.

3.4 Capital Spending Focus

3.4.1 Government support is focused on three main areas of capital spending: children's services, transportation, and housing. The budget is allocated in accordance with priorities identified in the business plans. Specific allocations may also become available for projects under the Growth Agenda.

3.4.2 The Strategic Growth Board is accountable for the delivery of the growth programme and oversees progress across all of its component sub-programmes of projects. The scope of the growth programme covers projects designed to deliver and support the delivery of the growth targets for additional housing, jobs and population for Peterborough as set out in the strategic plans of the Council and its partners.

3.4.3 Project management templates have been developed and are now in use as part of the project planning and business case process. Option appraisals and feasibility studies are required to support and justify a business case for projects. The programme management team are responsible for co-ordinating

and monitoring this process. The longer term property and revenue implications (i.e. whole-life considerations) are part of this process that is consistent with the principles set down in the Prudential Code for Capital Finance in Local Authorities.

4 Sources of Capital Funding

4.1 The Capital Programme is funded from:-

	2009/10 £000	2010/11 £000	2011/12 £000
Grants and Contributions	27,168	39,014	18,267
S106	270	2,450	1,750
Capital Receipts	6,840	5,189	6,720
Capital Receipts set-aside to repay borrowing	(4,734)	-	-
Capital Financing Requirement (Borrowing)	49,170	27,608	45,795

(Source: MTFS 2009-12)

4.1.1 External Sources arise from the Council's aims, together with partners, to maximise opportunities for funding from any source, including European and Government Grants and applications for National Lottery funding for schemes. Corporate Resources consist of Capital Receipts and Borrowing. Under the Prudential Code for Capital Finance, the Council has the ability to borrow money. To do this, the Council must be able to show that any borrowing is affordable, prudent and sustainable.

4.1.2 The Council is required to pay English Partnerships a percentage of gross capital receipts from sales of Community Related Assets (CRA) transferred to it from the Peterborough Development Corporation. From October 2008, this is 60% (diminishing annually by 2%). Although this represents a significant loss of opportunity, English Partnerships is encouraged to reinvest the receipt back into Peterborough.

4.1.3 The Council seeks to influence capital investment in education, housing, transport and other services through Section 106 agreements. Examples include Hampton Township, development of the British Sugar site and road infrastructure improvements at Fletton Parkway for the Debenhams distribution centre.

4.1.4 The Council's S106 Strategy has been developed during 2008/09 to provide greater certainty for developers as well as providing parity with other authorities arrangements. The key features of the new scheme, amongst others, include:

- a costed social and physical infrastructure programme to which new development need to make a contribution
- the principle that all significant developments make a contribution to infrastructure because of the resulting impact on social and physical infrastructure such as schools and public transport
- standard contribution figures for a range of different developments
- scenarios showing the impact of a new development

4.1.5 Project procurement has been reviewed in line with recommendations of Modernising Construction. Partnering contracts have been established, including Clayton Phoenix Special Education Needs School, alteration and refurbishment of the Key Theatre, and the re-provision of Newborough School.

The contracts provide for a share of any identified savings to be re-invested back into the projects. The constructor 'gains' the remaining share; therefore, an incentive exists to encourage all aspects of the project to be continually reviewed for value.

- 4.1.6 The year-on-year Gershon efficiency gains target encourages consideration of more effective methods of procurement. Efficiencies achieved through partnering can take 2-3 years to be realised, since the costs associated with change in working practices tend to make them more expensive at the outset. However, there are benefits to be achieved in the longer-term.

4.2 **Alternative Financing Arrangements**

- 4.2.1 The Council has actively investigated public / private partnerships and other innovative financing arrangements in relation to a range of capital projects. Examples include:-

- A strategic partnership for the re-provision of the former Corporate Services Department funded and operated by the private sector; the proposals did not deliver value for the Council and were ultimately not pursued
- Private Finance Initiative for 1st phase of the Secondary Schools transformation programme
- Joint venture partnership for the North Westgate development.
- Partnership with Lincolnshire County Council for the A1073 Eye to Spalding road improvement scheme
- Partnership arrangement with local contractor for a new sustainable school at Newborough
- Partnership arrangements with various Registered Social Landlords for the provision of affordable housing
- A 5-year highway term maintenance contract with scope to become a 10-year partnering contract
- For future delivery of the programme, investigations into Special Purpose Vehicles (SPV), which is a private company that has been set up with a specific and sole objective of carrying out a given project.

4.3 **Capital Receipts**

- 4.3.1 The Council has a programme of property disposals to support the funding of the Capital Programme. This is being carried out as part of the Asset Challenge Strategy, in conjunction with the Corporate Property Strategy.

- 4.3.2 This Strategy has been amended to take into account impact of the 'Credit Crunch', with volatility in values of land and property and the timing of sales.

- 4.3.3 Receipts taken into account are as follows, with further details shown in Appendix 14:

	2009/10 £000	2010/11 £000	2011/12 £000
From Property disposals			
Capital Receipts - General	2,536	1,031	5,500
Capital Receipts - Schools	2,482	2,669	-
Capital Receipts - Cross Keys	1,820	1,489	1,220
Capital Receipts - Other	2	-	-
Total used in Capital Programme	6,840	5,189	6,720

5 Procurement Strategy

- 5.1 Procurement has an important part to play in the delivery of the Council's Community Strategy and its core aims and objectives. Principally, this can be achieved through procurement activity that enhances quality, provides savings and better value for money and promotes equality of opportunity for service users and businesses. The Council will be under increasing external pressure to reduce costs and increase efficiency, as targets set under the Gershon review are increased. The Council's core aims and objectives, and the savings required, cannot be delivered without both effective and efficient procurement procedures and skilled, professional staff to deliver those processes across the Council and the wide range of goods and services that it requires.
- 5.2 A Business Transformation Team was established in the autumn of 2006 to support the council in finding more efficient ways of working and procuring goods and services, primarily in order to release resources for further investment in front line services. The team's work focuses on both revenue and capital spend.
- 5.3 Investment in some areas (e.g. City Market, remaining housing estate, shops, adult education, and crematorium) is restricted by the Value Added Tax (VAT) partial exemption 5% de-minimis limit. Careful procurement, programming and monitoring of any proposed works is required to avoid breaching this limit, which could cost the Council in the region of £850,000 per annum. This demonstrates that a range of issues can impact on capital financing decision making.
- 5.4 The development of Service Asset Management Plans will include greater emphasis on whole life considerations when assessing the need for construction projects, better use of existing property (refurbishment in lieu of building new facilities/maximise use of space) and energy efficiency (running costs including maintenance). All projects are required to be procured in accordance with the Council's Contract Regulations.
- 5.5 The Council has successfully achieved better value for money through the use of term contracts, which are predominantly used by health sector and schools.
- 5.6 Framework agreements will be considered as an alternative to the use of term contracts. Framework contracts are being used in a number of public sector organisations, e.g. NHS Estates, Norfolk Property Services and Salford City Council to deliver a strategic approach through:-
- Replacing tendering with longer term alliances which deliver services on a continuing cost effective basis,

- Linked partner initiatives and partners to add to existing resources (e.g. joint venture contracts).
- 5.7 The procurement approach is underpinned by the whole-life costing methodology; that decisions are based on the full life costs through the life-cycle of the procurement process.
- 5.8 As per point 3.1 earlier, the review of the Capital Programme management is planned to work on standardising contractual terms and the tender process, introducing e-auctions, as well as looking into supplier management, sourcing and the use of preferred suppliers.

6 Links to Partners

- 6.1 The Council is committed to partnership working in all sections and recognises the benefits of shared understanding of needs and opportunities for joint solutions.
- 6.2 The Greater Peterborough Partnership (GPP) launched the Sustainable Community Strategy for Peterborough (2008-2021) in June 2008, along with the 2008-2011 Local Area Agreement (LAA). The LAA is the three year action plan for the delivery of outcomes and targets that will support the long term aspirations of the Sustainable Community Strategy. The Community Strategy sets out an ambitious plan for growth in the Peterborough area. Significant partnerships have already been identified in the Capital Strategy. Other examples include Sport England, SureStart, Urban II, IIC and Parish Councils.
- 6.3 The Council will continue to attract significant capital investment into the area through partnerships. The Council and its partners have pooled or aligned resources to support the objectives of the Local Area Agreement. The integrated business and financial planning process of the Council seeks to ensure that delivery plans across the partnership are appropriately resourced, and that the flexibility of funding streams is put to the best possible effect.
- 6.4 The aims of the economic regeneration plans will make a significant contribution to improving the attraction of the city to inward investors, and facilitating local businesses to grow. Partners will expect to make significant savings from shared delivery of public services e.g. shared health services.

7 Conclusion

- 7.1 The Capital Strategy comments on the challenges facing Peterborough City Council in meeting the strategic objectives and growth agenda, as laid out in the Community Strategy.
- 7.2 The Council is implementing changes to its core business and culture to ensure that limited funding is prioritised and effectively targeted to deliver the objectives, through reviewing the current capital programme for efficiencies in procurement and rationalisation of programmes.

Annex one - Core Data

Statistical and Financial Information

Fixed Asset Values	Gross book value	Depreciation	Net book value at 31 st March 2008
	£m	£m	£m
Land and buildings	217.2	(5.6)	211.6
Vehicles, plant and equipment	17.0	(4.3)	12.7
Infrastructure assets	91.7	(4.5)	87.2
Community assets	2.6	-	2.6
Investment Properties	51.7	(0.3)	51.4
Surplus Assets	15.2	-	15.2
Assets Under Construction	11.2	-	11.2
Total	406.6	(14.7)	391.9

(These values follow recommended practice for presenting accounts and are not indicative values for insurance purposes nor do they reflect potential disposal values.)

Fixed Asset Summary

Restated 2007	Assets Held	2008
	Operational Assets - Land & Buildings	
2	Town Hall and Bridge House Offices	2
1	Bayard Place	1
1	Peterscourt	1
1	Central Depot	1
8	Sub Depots	7
38	Area / Sub Offices	38
1	Key Theatre	1
15	Car Parks	16
1	Crematorium	1
16	Public Conveniences	16
3	Swimming Pools	3
1	Priestgate Museum and Art Gallery	1
2	Materials Recycling Facility, Composting & Refuse Disposal facilities	3
1	CCTV Control Centre	1
9	Central Library and 8 Branch Libraries	9
54	Schools (excludes Foundation, VC & VA schools)	51
4	Further Education Establishments	4
20	Smallholdings	20
18	Social Services Premises	17
42	Community Centres	42
1	St Barnabas Church	1
24	Play Centres	24
1	Peterborough Arts Centre	1
	Operational Assets - Community Assets	
828	Acres of landscaping	861
1,219	Acres of parks (See note below)	1,248
129	Acres of allotments	130
5	Community Grounds	5
5	Cemeteries	5
880	Infrastructure Assets - Kilometres of roads	888
	Non-Operational Assets - Investment Properties - Commercial and Industrial	
1	General Market	1
1	Food Hall Market	1
206	Shops, commercial and industrial units	206
1	New England Complex	1
464	Acres of land for future development	379

The value of the Council's fixed assets as at 31st March 2008 totalled £391.9m. A comprehensive asset register is available and details are given of the Unique Establishment Reference Number, Service Holding Committee, Valuation and any dual use functions. An electronic copy is available on request.

The Department for Communities and Local Government (DCLG) has, for the present time, relaxed its requirements to submit Corporate Property Asset data. However, the Audit Commission's Comprehensive Performance Assessment places greater emphasis on use of property resources. Condition and asbestos surveys, access audits and drawn plans are in progress and will contribute to an overall property asset challenge during the next 12 months. The Department for Children, Schools and Families (DCSF) requires school property asset data to be submitted to them periodically. This includes condition, suitability, sufficiency and energy data and is sent in electronic format. Comprehensive property records are in place to support this process.

Summary Capital Programme

	2009/10 £000	2010/11 £000	2011/12 £000
Capital Expenditure by Service:			
Adult Social Care	517	517	517
Assistant Chief Executives	13,918	10,950	6,600
Children's Services	27,226	28,505	37,603
City Services	1,643	1,068	1,068
Environment & Community Services	22,724	25,838	9,660
Strategic Resources	13,804	8,310	13,084
Contingency	(968)	(927)	-
Total Capital Expenditure	78,864	74,261	68,532
Financed by:			
Grants and Contributions	27,168	39,014	18,267
S106	270	2,450	1,750
Capital Receipts	6,840	5,189	6,720
Capital Receipts Set Aside	(4,734)	-	-
Capital Financing Requirement (Borrowing)	49,320	27,608	41,795
Total Capital Financing	78,864	74,261	68,532

Prudential Code for Capital Finance

This Code gives local authorities greater freedom to borrow to meet capital expenditure, providing that the borrowing is affordable, sustainable and in accordance with professional good practice. The Prudential Code requires the Council to set a range of Prudential Indicators for 2008-09 and provisional values for the two following years. These are detailed in the Medium Term Financial Strategy, Appendix 15.

Capital Programme Summary 2009/10 to 2012/2013

Scheme	Funded By:											
	2009/10		2010/11		2011/12		2009/10		2010/11		2011/12	
	£000	£000	£000	£000	£000	£000	Corporate Resources £000	Section 106 £000	Grant £000	Corporate Resources £000	Section 106 £000	Grant £000
ADULT SOCIAL CARE												
Improving Information Management	105	105	105	105	105	105						
Aids & Adaptations	250	250	250	250	250	250	165	0	85	165	0	85
Social Exclusion Unit (Mental Health)	102	102	102	102	102	102	0	0	102	0	0	102
Minor Works Programme	60	60	60	60	60	60	60	0	0	60	0	0
Total Adult Social Care	517	517	517	517	517	517	225	0	292	225	0	292
ASSISTANT CHIEF EXECUTIVES												
Restructure Technology & Cultural Support	275	0	0	0	0	275	0	0	0	0	0	0
Strategic Growth												
Corporate Growth Area - Capital Pot Funding	500	500	500	500	500	500	500	0	0	500	0	0
Northborough Village Hall	120	0	0	0	0	120	0	0	0	0	0	0
Stafford Hall	100	900	0	0	0	100	900	0	0	0	0	0
Green & Station Quarter	65	0	0	0	0	65	0	0	65	0	0	0
Temp open space on Police Station	0	200	0	0	0	0	0	0	200	0	0	0
Market regeneration	50	0	0	0	0	50	0	0	50	0	0	0
Rivergate East Development Brief	50	0	0	0	0	50	0	0	50	0	0	0
Subtotal Strategic Growth	885	1,600	500	500	500	720	1,400	0	200	500	0	0
Housing Services												
Affordable Housing	9,658	6,250	3,000	3,000	3,000	9,658	6,250	0	0	3,000	0	0
Disabled Facilities Grant	650	650	650	650	650	121	121	0	529	121	0	529
Disabled Facilities Grant (Former Council Houses)	750	750	750	750	750	350	350	250	150	350	250	150
Repair Assistance	1,700	1,700	1,700	1,700	1,700	1,700	1,700	0	0	1,700	0	0
Subtotal Housing Services	12,758	9,350	6,100	6,100	6,100	11,829	8,421	250	679	5,171	250	679
Total Assistant Chief Executives	13,918	10,950	6,600	6,600	6,600	12,824	9,821	250	879	5,671	250	679
CHILDREN'S SERVICES												
Schools												
Schools Direct Spend*	3,634	3,634	3,634	3,634	3,634	3,634	0	0	3,634	0	0	3,634
Capital Maintenance On Schools	400	400	400	400	400	400	400	0	0	0	0	400
Secondary Schools Phase 2	546	6,119	16,163	16,163	16,163	546	6,119	0	0	16,163	0	0
Swimming Pool at Stanground	0	0	4,000	4,000	4,000	0	0	0	0	4,000	0	0
Modernisation	1,985	1,979	1,979	1,979	1,979	1,985	1,985	0	0	187	0	1,792
New School Places / Basic Need	2,353	1,353	1,353	1,353	1,353	2,353	1,353	0	0	1,353	0	0
Schools Access Initiative	394	394	394	394	394	394	394	0	0	394	0	0
Harnessing Technology	733	747	747	747	747	0	0	0	747	0	0	747
Capital for Voluntary Aided Schools (LCVAP)	616	616	616	616	616	0	0	0	616	0	0	616
Primary Capital Programme	3,000	5,378	3,000	3,000	3,000	0	0	0	3,000	0	0	3,000
Targeted Capital Fund	2,038	6,038	3,037	3,037	3,037	38	38	0	6,000	37	0	3,000
Hampton Primary	0	0	2,000	2,000	2,000	7,200	240	0	0	2,000	0	0
Hampton College	7,200	240	0	0	0	7,200	240	0	0	0	0	0
Subtotal Schools	22,899	26,898	37,323	37,323	37,323	12,916	8,731	0	18,167	24,134	0	13,189

Capital Programme Summary 2009/10 to 2012/2013

Scheme	Funded By:											
	2009/10		2010/11		2011/12		2009/10		2010/11		2011/12	
	2009/10 £000	2010/11 £000	2011/12 £000	Corporate Resources £000	Section 106 £000	Grant £000	Corporate Resources £000	Section 106 £000	Grant £000	Corporate Resources £000	Section 106 £000	Grant £000
Non Schools												
Children's Centres	1,589	1,292	0	0	0	1,589	0	0	0	0	0	0
Clare Lodge	2,295	35	0	0	0	2,295	0	0	0	0	0	0
Youth Capital Fund	107	107	107	0	0	107	0	0	0	0	0	107
Extended Schools	336	173	173	0	0	336	0	0	0	0	0	173
Subtotal Non Schools	4,327	1,607	280	0	0	4,327	0	0	0	0	0	280
Total Children's Services	27,226	28,505	37,603	12,916	0	14,310	8,731	0	19,774	24,134	0	13,469
CITY SERVICES												
Asbestos Removal	100	100	100	100	0	0	100	0	0	100	0	0
Structural Maintenance Of Council Buildings	675	675	675	675	0	0	675	0	0	675	0	0
Wheelee Bins	108	108	108	108	0	0	108	0	0	108	0	0
Cuckoos Hollow - Dredging	10	0	0	10	0	0	0	0	0	0	0	0
Play Areas Improvement Programme	285	185	185	285	0	0	185	0	0	185	0	0
St Augustines Walk	118	0	0	98	20	0	0	0	0	0	0	0
Vehicle Replacement Programme	347	0	0	347	0	0	0	0	0	0	0	0
Total City Services	1,643	1,068	1,068	1,623	20	0	1,068	0	1,068	1,068	0	0
ENVIRONMENT & COMMUNITY SERVICES												
Environmental Services												
Local & Integrated Transport Programme	4,289	4,923	2,423	1,526	0	2,763	1,615	0	3,308	2,423	0	0
Drainage & Surface Improvements	100	0	0	100	0	0	0	0	0	0	0	0
Off Street Car Parks - Structural Works & Resurfacing	117	100	100	117	0	0	100	0	0	100	0	0
Road Safety	73	72	72	0	0	73	0	0	72	0	0	72
Roads & Bridges (including Highways)	10,058	9,975	3,665	3,748	0	6,310	3,665	0	6,310	1,410	0	2,255
GAF 3 Transport Infrastructure	1,450	1,200	0	0	0	1,450	0	0	1,200	0	0	0
GAF 3 Other Infrastructure	604	133	0	0	0	604	0	0	133	0	0	0
Minor Capital Works	100	0	0	100	0	0	0	0	0	0	0	0
Mercery Abatement (Request to Invest to Save)	0	1,205	0	0	0	0	1,205	0	0	0	0	0
Parking Meter Replacement Programme	219	0	0	219	0	0	0	0	0	0	0	0
South Bank Railway Br	90	2,520	0	0	0	90	0	0	2,520	0	0	0
South Bank River Foot Br.	90	3,660	0	0	0	90	0	0	3,660	0	0	0
London Road Bridge	0	250	0	0	0	0	0	0	250	0	0	0
CCTV Equipment Replacement	200	0	0	200	0	0	0	0	0	0	0	0
Library Management System (Request to Invest to Save)	235	0	0	235	0	0	0	0	0	0	0	0
Traffic management act software	150	0	0	150	0	0	0	0	0	0	0	0
(Camera) enforcement of specified parking restrictions	0	20	0	0	0	0	20	0	0	0	0	0
Subtotal Environmental Services	17,775	24,058	6,260	6,395	0	11,380	6,605	0	17,453	3,933	0	2,327

Capital Programme Summary 2009/10 to 2012/2013

Funded By:

Scheme	2009/10		2010/11		2011/12		2009/10		2010/11		2011/12	
	£000	£000	£000	£000	£000	£000	Corporate Resources £000	Section 106 £000	Grant £000	Corporate Resources £000	Section 106 £000	Grant £000
Culture & Recreation												
John Clare County Restoration		27	0	0	0	27	0	0	0	0	0	0
Kings Dyke Nature Reserve		0	0	0	0	0	0	0	0	0	0	0
Fletton Cemetery (Mausolea Development)		455	0	0	0	0	455	0	0	0	0	0
Riverside Community Centre		1,415	0	0	0	0	1,415	0	0	0	0	0
Mausoleum Phase 2		630	0	0	0	0	630	0	0	0	0	0
Archives - new storage facility		0	0	0	400	0	0	0	0	0	0	0
Hampton Joint Service Centre & Interim Static Library		0	1,000	3,000	0	0	0	0	500	1,500	1,500	0
Key Theatre		625	0	0	0	0	625	0	0	0	0	0
TIC - Relocation		166	0	0	0	0	166	0	0	0	0	0
Travel Choice Initiatives		320	0	0	0	0	320	0	0	0	0	0
Embankment Athletics Track Pavillion Extension		456	0	0	0	0	456	0	0	0	0	0
Sports - Refurbishment Of Leisure Facilities		250	250	0	0	0	250	0	0	0	0	0
City Centre Management 'One Stop Shop'		15	0	0	0	0	15	0	0	0	0	0
Library Management System		0	30	0	0	0	0	30	0	0	0	0
Museum Redevelopment		590	500	0	0	0	590	0	0	0	0	0
Subtotal Cultural & Recreation	4,949	1,780	1,780	3,400	3,400	4,922	780	500	17,953	400	1,500	1,500
Total Environmental & Community Services	22,724	25,838	25,838	9,660	11,317	11,317	7,385	500	17,953	4,333	1,500	3,827
STRATEGIC RESOURCES												
Disabled Access		476	200	200	0	0	476	0	0	200	0	0
Corn Exchange - Convert To Public Realm		250	0	0	0	0	250	0	0	0	0	0
Orton Waterville Cemetery		150	0	0	0	0	150	0	0	0	0	0
Asset Management Plan		182	75	75	0	0	182	0	0	75	0	0
Strategic Property Portfolio - AMP		600	250	250	0	0	600	0	0	250	0	0
ICT Infrastructure		125	50	50	0	0	125	0	0	50	0	0
PC Replacement Programme		335	250	250	0	0	335	0	0	250	0	0
Corporate GIS Project		60	0	0	0	0	60	0	0	0	0	0
Disaster Recovery Facilities		25	25	25	0	0	25	0	0	25	0	0
Accommodation Strategy & Town Hall Works		585	150	150	0	0	585	0	0	150	0	0
Agile Working		0	0	1,700	0	0	0	0	0	1,700	0	0
Corn Exchange		500	0	0	0	0	500	0	0	0	0	0
Guildhall Lighting		30	0	0	0	0	30	0	0	0	0	0
Business Transformation		2,480	1,330	625	0	0	2,480	0	0	1,330	0	0
Cost Of Disposals		2,100	900	1,300	0	0	2,100	0	0	900	0	0
Investment Portfolio - Voids & Rents Project		1,075	0	0	0	0	1,075	0	0	0	0	0
Waste Management Strategy - ALMO		4,516	3,264	8,459	0	0	4,516	0	0	3,264	0	0
Waste Infrastructure		315	116	0	0	315	0	0	0	116	0	0
Southern Householders Recycling Centre		0	1,700	0	0	0	0	0	1,700	0	0	0
Total Strategic Resources	13,804	8,310	8,310	13,084	13,489	13,489	6,494	1,700	116	13,084	0	0
Contingency		-968	-927	0	-968	-927	-968	0	0	-927	0	0
OVERALL PROGRAMME	78,864	74,261	74,261	68,532	51,426	51,426	32,797	2,450	39,014	48,515	1,750	18,267

Appendix 14

Capital Disposals Summary from 2009-2013

Asset	Budget 2009/10 £000	Budget 2010/11 £000	Budget 2011/12 £000	Budget 2012/13 £000
Land at Matley Primary	*			
St Augustines Walk/Oundle Road Allotments	*			
Alwalton Hill (CRA), Orton Southgate	*			
Westwood Centre Car Park (Part)	*			
Land @ First Drove, Fengate	*			
Lady Lodge, Orton Goldhay	*			
St Georges School & PCT	*			
Paston (CRA)	*			
Werrington Allotments / Fulbridge Rd / Voyager remote playing field	*			
Early Grange (Farms Estate)	*			
Hill Farm (Farm Estate)	*			
Welland Allotment Land at Nab Lane	*			
Itter	*			
Belverdere Bowls Club, Eaglesthorpe	*			
North Street, Stanground	*			
Arthur Mellows School Land	*			
Arthur Mellows School House	*			
Land at the Dell, Woodston		*		
Monarch Avenue (Fletton Allotments)		*		
Pyramid Centre, North Bretton		*		
Herlington Offices		*		
Stitling way		*		
Honey Hill		*		
Land at Tenterhill - Thistle Drove		*		
Fletton Rec Ground		*		
Ravensthorpe Primary School		*		
Highlees Primary School		*		
Barnack Primary School		*		
Woodston Primary School		*		
Southfield Infant School		*		
Duke of Bedford Primary School		*		
Eye Primary School		*		
Goswick - Orton Brimbles			*	
Bifield - Orton Goldhay			*	
London Road Allotments			*	
St John Street			*	
City Clinic			*	
CRA Winfall			*	
Covenants			*	
Wellington Street Car Park			*	
Horsefair Car Park			*	
Fair Meadow Car Park			*	
Northminster Car Park			*	
Craig Street Car Park			*	
Bishops Road Car Park			*	
Woodlands			*	
Fleet			*	
Caxton Court / Comegree Road			*	
Garage Site - Orton Avenue			*	
Bayard Place			*	
John Mansfield (Remote site)				*
Herewood (Main Site)				*
Bushfields School				*

THE PRUDENTIAL CODE, TREASURY MANAGEMENT STRATEGY AND MINIMUM REVENUE PROVISION POLICY 2009/10

1 BACKGROUND

- 1.1 The Local Government Act 2003 allows local authorities to determine locally their levels of capital investment and associated borrowing. To ensure probity, affordability and accountability the Authority should comply with the code of practice, the 'Prudential Code', which requires the Council to determine a number of key indicators prior to setting its council tax each year. These indicators must be consistent with the Council's budget strategy.
- 1.2 Principally, this process requires an assessment that:
- a) capital investment plans are affordable
 - b) all external borrowing and other long term liabilities are within prudent and sustainable levels, and
 - c) treasury management decisions are taken in accordance with professional good advice.
- 1.3 The Code also requires councils to consider, and set indicators for the next three years as part of their Medium Term Financial Strategy (MTFS). These indicators should be monitored during the year and must be reviewed annually.
- 1.4 The aim of the code is to allow Members to be informed of the impact of capital investment decisions on the overall Council budget. The Council must set indicators. These are set out at Section 2 below and need to be considered as a whole: the sequence of presentation is not an indication of relative significance. In addition the Code requires the Council to set borrowing limits which establish borrowing ceilings and the 'debt mix' of any borrowings to be made. Under the Code the Council is also required to approve its annual Treasury Management Strategy and this is set out at Section 3 below for 2009/10.
- 1.5 The Council is required to agree its policy on charging Minimum Revenue Provision (MRP), i.e. the amount it is required to charge to revenue in relation to capital expenditure financed from borrowing. The policy is set out in Section 10 below for 2009/10.

2 TREASURY MANAGEMENT PRUDENTIAL INDICATORS

2.1 Indicator One: Local authority has adopted the CIPFA Code of Treasury Management in the Public Services

- 2.1.1 The Code was adopted by the Council in 2002. The Code represents best practice in the regulation and management of borrowing and investments and related activities. Treasury Management Practices (TMP's) have been established with advice from Sector Treasury Services and applied to the Council's treasury management.

2.2 Indicator Two: Estimates of / actual capital expenditure

2.2.1 The Council has to make reasonable estimates of the total of capital expenditure that it plans to incur during the forthcoming financial year and the following two financial years. These have been based on the Capital Programme for that period.

2007-08	£79.6m
2008-09	£73.5m
2009-10	£78.9m
2010-11	£74.3m
2011-12	£68.5m

2.3 Indicator Three: Estimates of / actual capital financing requirements and net borrowing

2.3.1 The Council must make reasonable estimates of the "total capital financing requirement".

2.3.2 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow money in the long term for capital purposes. It is calculated from various capital balances in the Council's balance sheet. The need to borrow can be met not only from external loans and financing but also by the temporary use of internally generated cash from revenue and other balances. The Council must ensure that its net borrowing is only for capital purposes other than exceptional and temporary borrowing for revenue cash flow purposes: the indicators are consistent with this restriction on borrowing.

2.3.3 The table below shows the actual CFR at 31st March 2008 and the projected CFR at the end of 2008/09, 2009/10, 2010/11 and 2011/12.

	CFR
31/3/2008 Actual	£134.3m
31/3/2009 Projected	£146.7m
31/03/2010	£185.4m
31/03/2011	£205.7m
31/03/2012	£239.7m

2.3.4 It is intended to use funds generated from the sale of assets to finance a proportion of the capital programme and to limit the growth of the CFR. If sales are not completed in time to meet capital expenditure that has been incurred, borrowing may have to be utilised instead. Similarly plans to avoid or redeem debt using disposal proceeds may have to be postponed if asset realisations are delayed. Either of these outcomes will result in the CFR for future years being higher than indicated until sale proceeds are received and debt is repaid.

2.4 Indicator Four: Affordability (1) Estimate of / actual ratio of financing costs to net revenue Stream

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

2009/10	4.7%
2010/11	5.4%
2011/12	6.0%

2.5.1 Indicator Five: Affordability (2) - Estimate of the incremental impact of capital investment decisions on the Council Tax

2.5.2 The Council has to forecast the impact of the capital investment programme on council tax for the next three years.

2.5.3 The calculation of this indicator is based upon the estimated amount of the capital programme that is to be financed from borrowing. The calculation is based on the interest assumptions for borrowing that have been included in the capital financing budget. It also includes an estimate of the additional revenue costs arising from those schemes financed by this method.

2.5.4 The estimated capital financing and operating costs are divided by the estimated taxbase for the year:

	Impact on Council Tax
2009/10	£20.93
2010/11	(£3.91)
2011/12	£26.30

2.5.5 In order to offset the impact of reduced anticipated capital receipts to finance the capital programme, significant elements of the capital programme have been slipped. This reduces the impact on Council Tax, as demonstrated in the table above in 2010/11.

2.6 Indicators Six: External Debt Prudential Indicators

2.6.1 The Council must set prudential limits for its total external debt, gross of investments, separately identifying borrowing from other long-term liabilities.

2.6.2 The Council's external debt (borrowing and other long term liabilities) at 31st March 2008 was £139.6 million and is estimated to be £134.5 million at 31st March 2009. This reduction is due to an estimated increase in the use of internal cash, rather than borrowing externally. This is due to external borrowing rates currently being higher than investment interest rates.

2.6.3 In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Council's MTFs ensures that net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

2.6.4 The authorised limit sets a ceiling on external debt, the maximum amount the Council may borrow at any point in time in the year. It has to be set at a level the Council considers is "prudent". The proposed indicator takes account of the capital financing requirement estimated at the start of each year, plus the expected net borrowing requirement for the year.

2.6.5 The limits also incorporate a margin of around £10 million in total to allow for exceptional short-term movements in the Council's cash flow and changes to the timing of capital payments and fluctuations in the realisation of capital receipts.

2.6.6 The recommended Total Authorised Limit is shown below:

	Borrowing	Other Long Term Liabilities	Total Authorised Limit
	£m	£m	£m
2009/10	250	4	254
2010/11	250	6	256
2011/12	260	8	258

2.6.7 It is ultra vires to exceed the authorised limit so this should be set to avoid circumstances in which the Council would need to borrow more money than this limit. However the Council can revise the limit during the course of the year.

2.6.8 Note that "Other long term liabilities" include items that would appear on the balance sheet of the Council under that heading. For example, the capital cost of finance leases would be included.

2.6.9 There is a second requirement to set an operational limit (set below the maximum authorised limit) that the Executive Director - Strategic Resources must operate within. The operational boundary is a measure of the maximum amount the Council would normally borrow at any time during the year. The code recognises that circumstances might arise when the boundary might be exceeded temporarily, but that this should only ever be a short term expedient.

2.6.10 The recommended Total Operational Boundary is shown below:

	Borrowing	Other Long Term Liabilities	Total Operational Boundary
	£m	£m	£m
2009/10	195	3	198
2010/11	216	3	219
2011/12	250	3	253

2.7 Indicator Seven: Variable interest rate exposure

2.7.1 The Council must place an upper limit on the total amount of net borrowing (borrowing less investment) which is at variable rates subject to interest rate movements.

2.7.2 The limits proposed are as follows:

	£m
2009/10	46
2010/11	46
2011/12	46

2.7.3 The intention is to keep the variable rate borrowing below 25% of the total gross borrowing.

2.8 Indicator Eight: Fixed interest rate exposures

2.8.1 The Council must put an upper limit on the total amount of net borrowing (borrowing less investment) which is at fixed rates secured against future interest rate movements.

2.8.2 The proposed limits (expressed as the value of total borrowing less investment) are as follows:

	Upper Limit
	£m
2009/10	250
2010/11	250
2011/12	260

2.8.3 The upper limits for fixed interest rate exposure are set to allow for flexibility in applying a proportion of the investment portfolio to finance new capital expenditure. It also reflects a position where the great majority of borrowing is at fixed rates, which provides budget certainty.

2.9 *Indicator Nine: Prudential limits for the maturity structure of borrowing*

2.9.1 The Council must set upper and lower limits with respect to the maturity (debt profile) structure of its borrowing.

2.9.2 The proposed prudential limits have been set with regard to the maturity structure of the Council's borrowing, and reflect the relatively beneficial long term rates that are expected to be available over the next few years.

2.9.3 The proposed limits are as follows:

Period	Upper Limit	Lower Limit
Under 12 months	30%	0%
1 - 2 years	30%	0%
2 - 5 years	80%	0%
5-10 years	80%	0%
over 10 years	100%	10%

2.10 *Indicator Ten: Total investments for periods longer than 364 days*

2.10.1 Authorities are able to invest for longer than 364 days; this can be advantageous if higher rates are available. However it would be unwise to lend a disproportionate amount of cash for too long a period particularly as the Council must maintain sufficient working capital for its operational needs. The Executive Director - Strategic Resources has therefore sought the advice of Sector Treasury Services Ltd, the Council's treasury advisors, who recommended that, given the structure of the Council's balance sheet and its day to day cash needs, it would be reasonable to maintain the limit for investments with life spans in excess of 1 year to £25 million. Consequently it is proposed to keep the limit for investments that may be deposited for more than 1 year at £25 million for 2009/10 and later years.

3 TREASURY MANAGEMENT STRATEGY

Introduction

3.1 The Council annually reviews and approves the Treasury Management Strategy; this is a requirement of the Prudential Code which was adopted by the Council. The Prudential Code introduced new requirements for the manner in which capital

spending plans are to be considered and approved; it requires the development of an integrated treasury management strategy.

- 3.2 This strategy covers:
- the current treasury position;
 - borrowing requirement;
 - prospects for interest rates;
 - the borrowing strategy;
 - debt rescheduling;
 - the investment strategy;
 - the MRP policy;
 - Treasury limits in force which will limit the treasury risk and activities of the Council.
- 3.3 Treasury Management is the detailed day-to-day management of the Council's cash flows, banking, investments and borrowings. Responsibilities include monitoring functions and policies, taking decisions in relation to capital financing and borrowing, and ensuring that the systems which control the functions are developed and observed.
- 3.4 This function operates under the powers delegated to the Executive Director - Strategic Resources and the daily treasury management activity is conducted in Strategic Finance within Strategic Resources. The policies in relation to borrowing and the investment of cash resources not immediately required are reviewed not less frequently than quarterly and advice is obtained from Sector Treasury Services Ltd, whom the Council retains on a fee basis.
- 3.5 The Council's primary treasury management objectives are:
- (a) to reduce the revenue cost of the Council's debt in the medium term by obtaining financing at the cheapest rate possible in the light of current interest rate forecasts;
 - (b) to seek to reschedule debt at the optimum time; and
 - (c) to invest available cash balances with a spread of dependable institutions over a spread of maturity dates and periods of notice at interest rates that are higher than the cost of borrowings.

4. Current Treasury Position

- 4.1 The Council currently has a spread of borrowing ranging from 1 - 50 years, but positioned mainly at the longer end of the maturity range, that effectively manages the risk of volatile interest rate movements. All of this debt is at fixed interest rates.
- 4.2 The Council's treasury portfolio position at 20th January 2009 comprised:

Type of Borrowing / Investment	Source	Principal		Average Rate %	Average Interest £'000
		£'000	£'000		
Fixed Rate Funding	PWLB	117,006		4.57	5,341
	Market	17,500		4.53	793
Total Debt			<u>134,506</u>	4.56%	<u>6,134</u>
Total Investments			73,480	5.18%	3,809

N.B. Investment income has been adjusted for interest due from Icelandic bank subsidiaries

5. Borrowing Requirement

- 5.1 Based on the above treasury portfolio and capital investment plans it is anticipated that in the period 2009/10 to 2011/12 the Capital Financing Requirement (CFR) will increase by £93m and that net new borrowings of this amount will be required).

6. Prospects for Interest Rates

- 6.1 The sub prime lending crisis of early 2008 developed to a global banking crisis by the autumn. The world banking system came near to collapse and governments around the world were forced to recapitalise and rescue their major banks. Banks became reluctant to lend to each other and to the commercial and personal sectors and this has in turn led to economic forecasts being sharply reduced and recession priced into markets. The price of oil and other commodity prices have fallen with the result that inflation, which in the UK was running at over 5%, is expected to fall significantly and recession fears drive interest rate sentiment and policy. A co-ordinated global interest rate cut of 0.50% took place on 8th October 2008. In the US, the Fed cut rates again by 50bp to 1% on 29th October and again on 16 December to a band of 0.0% to 0.25% in an attempt to stave off the oncoming recession. The European Central Bank decided on 15 January 2009 to reduce the interest rate 2%, whilst the UK's bank base rate was reduced to 1.5% on 8 January 2009. Market analysts expected that global interest rates will be cut further into 2009.
- 6.2 Growth in the UK's economy has stalled, unemployment has increased, consumer spending is slowing, and bank lending and the housing market have come to a standstill. The Government has recapitalised some of the country's major banks, which together with deteriorating tax receipts and accelerated public spending, has caused the Public Sector Net Borrowing Requirement (government borrowing) to soar. Inflationary expectations continue to reduce, which together with the general economic conditions should, in turn, enable the Monetary Policy Committee to reduce bank base rates still further. Some economists are forecasting UK bank base rates to fall to 0% in the latter half of 2009.
- 6.3 The forecast rates as at **6 December 2008** from Sector, the Council's Treasury advisors, are detailed in the table below:

	Q/E1 2009	Q/E2 2009	Q/E3 2009	Q/E4 2009	Q/E1 2010	Q/E2 2010	Q/E3 2010	Q/E4 2010	Q/E1 2011	Q/E2 2011	Q/E3 2011	Q/E4 2011	Q/E1 2012
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.75%	2.50%	3.25%	3.75%	4.00%
5yr PWLB rate	2.50%	2.25%	2.15%	2.15%	2.15%	2.45%	2.80%	3.15%	3.65%	3.95%	4.20%	4.45%	4.60%
10yr PWLB rate	3.10%	2.75%	2.55%	2.55%	2.55%	2.85%	3.25%	3.65%	4.15%	4.40%	4.70%	4.75%	4.85%
25yr PWLB rate	4.00%	3.95%	3.95%	3.95%	4.00%	4.15%	4.35%	4.45%	4.60%	4.85%	4.95%	5.00%	5.05%
50yr PWLB rate	3.85%	3.80%	3.80%	3.80%	3.85%	3.90%	4.00%	4.25%	4.40%	4.70%	4.80%	4.95%	5.00%

Sector's current interest rate view is that Bank Rate: -

- will fall from current levels because of the intensifying global recession
- Starting 2009 at 1.50%, Bank Rate is forecast to fall to 0.5% in Q1 2009
- It is then expected to remain there until starting to rise gently up from Q2 2010 till it reaches 4.0% in Q1 2012.
- There is downside risk to these forecasts if the recession proves to be deeper and more prolonged than currently expected.

- 6.4 The Council's entire debt portfolio is currently on long term fixed interest rates whilst the majority of the investment portfolio is more susceptible to movements on variable interest rates. Investments tend to be of a shorter duration to minimise credit risk and to ensure that the Council has sufficient liquid funds for its working capital needs. Hitherto the Council derived a benefit as the yield on its investments exceeded the average rate paid on its borrowings. That advantage is unwinding as investments mature and, in future, is likely to result in a deferral of borrowing in preference to using cash resources instead and/or to borrow at variable interest rates or fixed term for shorter durations. 78% of the value of loans in the Council's existing debt portfolio are due to mature in over 20 years time, and are at a very low average interest rate, so current market conditions create an opportunity to spread this concentration into some of the shorter periods and perhaps reintroduce some variable interest rate funding.
- 6.5 It is still possible to reschedule existing borrowings and either prematurely repay those targeted using cash or replace them with new loans, although available terms for doing so are less attractive than they have been in the past. It is more difficult to achieve refinancing savings these days but given the disparity between interest rates for shorter dated and longer dated maturities and the relationship between fixed and variable interest rate borrowings and investments, rescheduling opportunities may arise during the forthcoming year.
- 6.6 The average rate of interest on the Council's borrowing was 4.64% in 2007/08 and is expected to fall slightly below this level over the period of the MTFS.

7. Borrowing Strategy

7.1 The suggested strategy is to:

- (a) exploit funding opportunities at fixed rate interest levels that are below forecasted variable interest rate borrowings in the medium term;
- (b) borrow at variable rates of interest in the absence of suitable opportunities for fixed rate funding;
- (c) in the absence of favourable borrowing opportunities, utilise available internal cash balances that are not required for working capital purposes to finance capital expenditure; and
- (d) consider rescheduling (early redemption and replacement) of loans to maximise interest rate savings and possible redemption discounts.

- 7.2 It remains the Council's intention to repay external loans (or avoid new borrowings) when it is in the best financial interest to do so and the years 2009 – 2011 may provide such an opportunity. It is sensible to maintain appropriate levels of fixed and variable rate loans to provide budget certainty and to exploit lower interest costs when these become available. The proportions of fixed and variable rate borrowings are included in the Prudential Indicators.
- 7.3 The Council's net borrowing (its borrowing less its investment) had reduced in recent years but is expected to increase in the future as further capital expenditure investment is made in the City financed by supported (assisted by Government grant) and unsupported (met directly from Council Tax) borrowing.
- 7.4 The Council is planning to maintain its borrowing in line with the Capital Financing Requirement over the period of the Medium Term Financial Strategy.

8. Investment Strategy

- 8.1 The Prudential Code requires that an annual investment strategy be determined.
- 8.2 Currently the Council invests reserves and cash flow surpluses throughout the year to generate investment income. When making these investments there is the requirement to ensure that the investment is both secure and liquid to assist the Council's cash flow. Based on this the market is monitored to ensure the optimum return on investments.
- 8.3 The Council currently has the following investments frozen in the UK subsidiaries of Icelandic banks:

<u>Borrower</u>	<u>Date of Deposit</u>	<u>Maturity Date</u>	<u>Principal</u> £	<u>Interest Due</u> £	<u>Total Amount</u> £
Heritable Bank Ltd	02/04/2007	02/04/2009	1,000,000	121,566	1,121,566
Kaupthing Singer & Friedlander Ltd	03/04/2007	03/04/2009	2,000,000	118,000	2,118,000
			<u>3,000,000</u>	<u>239,566</u>	<u>3,239,566</u>

The Icelandic Government has stated its intention to honour all its commitments as a result of their banks being placed into receivership. The U.K. Government is working with the Icelandic Government to help bring this about. At the current time it is not possible to say with certainty that the Council will recover the entirety of its investments or when reimbursements will be made. The Local Government Association is coordinating the efforts of all UK authorities with Icelandic investments. Members will be periodically updated on the latest developments on these efforts.

8.4 The recommended primary objectives of the Annual Investment Strategy are:

- to ensure that sums are invested with credit worthy / dependable organisations to limit the exposure against loss;
- that the Council maintains sufficient liquidity (access to funds) for its perceived needs;
- to achieve advantageous returns commensurate with security, liquidity requirements, debt management alternatives (avoidance of borrowings, premature repayments etc, if these would generate greater savings in the medium term), and interest rate forecasts, and
- to have a flexible, responsive approach towards counterparties (bodies with which we invest funds).

9 The Council's Investment Principles:

9.1 The following Investment Principles are recommended for adoption:

- Investments will be in £ Sterling and are currently managed by the in-house Finance Team on a daily basis.
- In addition, using existing delegated authority, the Executive Director – Strategic Resources may appoint external fund managers to access markets not available to the in-house Finance Team, diversify the investment portfolio and to optimise investment income returns. Depending upon market conditions external fund managers may be able to supplement the performance of the Council's core investment portfolio by following a pro-active investment strategy buying government stock, other bonds and similar instruments and then selling them with small price movement gains within a short period of time, on a regular basis. Fund Managers will only be used subject to the Executive Director – Strategic Resources being satisfied that the risk of loss is minimised and that the fund manager/s can provide material out-performance when compared against comparative cash benchmarks.
- The investment priorities are the security of capital and maintaining sufficient liquidity (access to funds) for the Authority's perceived financial needs.
- The objective is to achieve advantageous returns on investments within the above parameters.
- Borrowings will not be undertaken for the sole purpose of making an investment. However at any time the Council may obtain loan and other financing at what are considered advantageous opportunities in anticipation of need, which may be invested temporarily. The Council may also borrow in the day to day management of its cashflow operations or as an alternative to redeeming higher yielding investments.
- The upper limit for the total amount to be invested with institutions or in instruments that are "Non - Specified" Investments is £70 million. This figure is set at a high level in order to allow for short term peaks in cash flows, arising from asset disposals or other inflows, to be invested effectively.

9.2 Liquidity

- Based upon current forecasts, it is anticipated that over the next three years the Council will maintain total investment balances of between £30 - £100 million depending upon cashflow, and movement within the debt portfolio.
- It is envisaged that these sums will primarily be invested on call or for periods of up to 12 months commencing from the date on which funds are paid over to the counterparty. Approval is requested that up to £25 million at any one time may be invested for periods greater than 12 months and this facility will be utilised if favourable opportunities are identified, subject to cash liquidity being maintained. It is recommended that Full Council grants this approval for the coming financial year.

9.3 Security and “Specified” and “Non-Specified” Investments

- Understandably the security of funds is considered a greater importance than the rate of return that might be achieved. In the current money market conditions it has been considerably more difficult to form a reliable view which organisations offer relative dependability and will be in a position to fulfil their obligations to repay deposits and remit interest when they fall due. This is reflected in the operational application of the List of Acceptable Investment Counterparties activities in compliance with the over-arching broad investment strategy.
- Legislation and guidance requires authorities to differentiate its investments between “specified” and “non-specified” types. Briefly these are categorised:

“Specified” Investments -

- Offer high perceived security such as placements with Central Government agencies, Local Authorities or with organisations that have strong credit ratings.
- Offer high liquidity i.e. short-term or easy access to funds.
- Are denominated in £ Sterling.
- Have maturity dates of no more than 1 year.

“Non- Specified” Investments –

- With the same bodies as “specified” investments but with maturity dates in excess of 1 year, or
 - Are offered by organisations that are not credit rated or the credit rating does not meet the criteria set out below.
 - Shares, loans, mortgages etc, which have to be financed from capital or revenue resources.
- Notes on various categories of Approved “Specified” and “Non-Specified” Investments, the upper limits for investments, and relevant commentary are set out in Annex A to this report.
 - Transactions will not be made where the investment has to be financed from capital resources or revenue budgets, without specific approval by the Cabinet Member for Finance and Human Resources. Investments in loan or share capital are possible where the Authority has a temporary surplus of capital receipts, providing that the investment shall be redeemed when the proceeds are required to finance new capital expenditure.
 - Investments with the UK Government, including agencies with Central Government backing, and local authorities are considered as having the highest level of security and meet the “Specified Investment” criteria.

- Credit quality of counterparties (issuers and issues) and collective investment schemes e.g. Money Market Funds will, in the first instance, be determined by reference to credit ratings published by Fitch Ratings Ltd or another internationally recognised agency e.g. Standard and Poor's or Moody's Investor Service Ltd. All credit ratings are monitored at least on a quarterly basis (currently monthly or as and when individual ratings change) and may result in a counterparty being removed, suspended or upgraded on the Council's operational List of Acceptable Investment Counterparties. For the purpose of determining whether an institution or investment scheme qualifies as a "Specified" Investment, it must have a minimum rating of:

<u>Agency</u>	<u>Short term Rating</u> (All highest credit quality)	<u>Long Term Rating</u> (High credit quality)
Fitch Ratings Ltd	F1	A
Moody's Investor Service Ltd	P1	A
Standard & Poor's	AAA	A

(Each credit rating agency uses its own scoring and rating terminology setting out their judgement on an organisation's ability to meet its credit obligations (repay borrowings and deposits) in the long and short term and the likely level of support it might receive from a national government, central bank or parent company in the event of financial difficulties. Scores range from very high credit quality, strong ability to meet repayments to very weak intrinsic financial strength, "speculative" grade).

- In addition the Council will also make "non-specified" investments with regulated bodies, such as UK building societies and other authorised deposit-taking institutions, or in collective schemes that have not found it necessary or desirable to maintain credit ratings. These bodies and schemes will be assessed by the Executive Director - Strategic Resources to determine whether they should be included in the List of Acceptable Investment Counterparties, the maximum sum to be invested and the maximum period of investment. A detailed list of counterparties is maintained for operational purposes.
- In view of the turmoil in money markets and the collapse of the Icelandic banks and their UK subsidiaries, as a temporary measure it was decided to restrict lending to:

UK Government & UK Government agencies
 Debt Management Agency Deposit Facility (part of HM Treasury)
 UK Local Authorities
 Barclays Bank plc & its subsidiaries
 HSBC Bank plc & its subsidiaries
 Lloyds TSB Bank plc & its subsidiaries
 Nationwide BS
 Royal Bank of Scotland plc & its subsidiaries

This practice is kept under regular review and will be modified, reduced and/or expanded in line with the overall Investment Strategy and permitted List of Acceptable Investment Counterparties once market conditions become clearer.

10. MINIMUM REVENUE PROVISION POLICY

What is a Minimum Revenue Provision?

- 10.1 Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred and so such expenditure is spread over several years so as to try to match the years over which such assets benefit the local community through their useful life. The manner of spreading these costs is through an annual Minimum Revenue Provision, which was previously determined under Regulation, and will in future be determined under Guidance.

New Statutory Duty

- 10.2 Statutory Instrument 2008 no. 414 s4 lays down that:

“A local authority shall determine for the current financial year an amount of minimum revenue provision that it considers to be prudent.”

The above is a substitution for the previous requirement to comply with regulation 28 in S.I. 2003 no. 3146, (as amended)

New Government Guidance

- 10.3 Along with the above duty, the Government issued new guidance in February 2008 which requires that a Statement on the Council's policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which the provision will relate.
- 10.4 The Council are legally obliged to “have regard” to the guidance, which is intended to enable a more flexible approach to assessing the amount of annual provision than was required under the previous statutory requirements. The guidance offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. The requirement to ‘have regard’ to the guidance therefore means that: -
1. Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.
 2. It is the responsibility of each authority to decide upon the most appropriate method of making a prudent provision, after having had regard to the guidance.

Option 1: Regulatory Method

Under the previous MRP regulations, MRP was set at a uniform rate of 4% of the adjusted CFR (i.e. adjusted for “Adjustment A”) on a reducing balance method (which in effect meant that MRP charges would stretch into infinity). This historic approach must continue for all capital expenditure incurred in years before the start of this new approach. It may also be used for new capital expenditure up to the amount which is deemed to be supported through the SCE annual allocation.

Option 2: Capital Financing Requirement Method

This is a variation on option 1 which is based upon a charge of 4% of the aggregate CFR without any adjustment for Adjustment A, or certain other factors which were brought into account under the previous statutory MRP calculation. The CFR is the measure of an authority's outstanding debt liability as depicted by their balance sheet.

Option 3: Asset Life Method.

This method may be applied to most new capital expenditure, including where desired that which may alternatively continue to be treated under options 1 or 2.

- 10.5 Under this option, it is intended that MRP should be spread over the estimated useful life of either an asset created, or other purpose of the expenditure. There are two useful advantages of this option: -
- Longer life assets e.g. freehold land can be charged over a longer period than would arise under options 1 and 2.
 - No MRP charges need to be made until the financial year after that in which an item of capital expenditure is fully incurred and, in the case of a new asset, comes into service use (this is often referred to as being an 'MRP holiday'). This is not available under options 1 and 2.
- 10.6 There are two methods of calculating charges under option 3:
- a. equal instalment method – equal annual instalments
 - b. annuity method – annual payments gradually increase during the life of the asset

Option 4: Depreciation Method

Under this option, MRP charges are to be linked to the useful life of each type of asset using the standard accounting rules for depreciation (but with some exceptions) i.e. this is a more complex approach than option 3.

- 10.7 The same conditions apply regarding the date of completion of the new expenditure as apply under option 3.

Date of implementation

- 10.8 The previous statutory MRP requirements cease to have effect after the 2006/07 financial year. However, the same basis of 4% charge may continue to be used without limit until the 2009/10 financial year, relative to expenditure incurred up to 31/3/2009.
- 10.9 In general it is recommended that authorities should adopt the recommendations contained within the guidance. However, in certain cases the guidance may recommend a useful life period/MRP for expenditure which it may not be considered appropriate to adopt. It is suggested that full details of MRP options/principles adopted should be set out and approved as part of the annual MRP Policy Statement.

MINIMUM REVENUE PROVISION POLICY STATEMENT 2009/10

- 10.10 The Council implemented the new Minimum Revenue Provision (MRP) guidance in 2007/08 and assessed MRP for 2007/08 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

- 10.11 All the MRP for 2007/08 related to the more historic debt liability that will continue to be charged at the rate of 4%, in accordance with option 1 of the guidance. Expenditure funded by unsupported borrowing reflected within the debt liability at 31st March 2008 will be subject to MRP under option 3, which will be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.
- 10.12 Estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.
- 10.13 As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.
- 10.14 This policy will be reviewed during the year and any proposed changes reported accordingly.

APPROVED "SPECIFIED" INVESTMENTS					
INVESTMENT TYPE	REPAYABLE WITHIN 12 MONTHS	COMMENTARY / CREDIT SECURITY	COLLECTIVE LIMIT	INDIVIDUAL LIMIT	
			£M	£M	
Term deposits with UK Government & local authorities	Maturities of up to 1 year	Sovereign risk / high security although not credit rated	100	75	
Term deposits & Certificates of Deposit with regulated banks & UK building societies	Maturities of up to 1 year	Minimum ratings - F1 (Fitch - short term) A (long term)	100	15	
Deposit accounts with regulated banks & UK building societies	Repayable on call, without notice.	Minimum ratings - F1 (Fitch - short term) A (long term)	100	15	
Money Market Funds	Repayable on call, without notice.	Minimum rating - AAA (Fitch, S&P A-1 etc)	60	15	
Forward term deposits with regulated banks & UK building societies	Date from negotiated deal plus period of deposit up to 1 year	Minimum short term rating - F1 (Fitch)	45	15	
UK Government & Local Authority Stock Issues	Maturities of up to 1 year	Sovereign risk / high security although not credit rated	100	75	
Debt Management Agency Deposit Facility	Currently only accepts deposits up to 6 months duration.	UK Government backed	100	75	
Commercial Paper (short term obligations issued by banks, corporations & other issuers).	Up to 9 months.	Minimum short term rating - F1 (Fitch) (Held by custodian)	10	10	
Gilt & Bond Funds (open ended mutual funds investing in Gov. & corporate bonds)	Highly liquid, may be sold at any time.	Minimum rating - AA- (Fitch, S&P A-1 etc)	10	10	
Reverse Gilt Repos (Gilts bought with commitment to sell on a specified date or on call, at agreed price)	Maturities of up to 1 year	UK Government backed (Held by custodian)	10	10	
Treasury Bills	Maturities of up to 1 year Issued through a bidding process at a discount to face value	UK Government backed (Held by custodian)	20	20	
Bonds issued by a financial institution guaranteed by UK Government	Maturities of up to 1 year	UK Government backed (Held by custodian)	15	15	
Bonds issued by multilateral development banks	Maturities of up to 1 year	Minimum rating - AAA (Fitch, S&P A-1 etc)	15	15	

APPROVED "NON - SPECIFIED" INVESTMENTS				
(EXTERNAL FUND MANAGERS & ADVISERS MAY BE USED WHERE APPROPRIATE)				
INVESTMENT TYPE	REPAYABLE / MATURITY PERIOD	COMMENTARY / CREDIT SECURITY	COLLECTIVE LIMIT	INDIVIDUAL LIMIT
			£M	£M
Term deposits with UK Government & Local Authorities	Maturities of 1 - 5 years	Sovereign risk / high security although not credit rated	20	20
Term deposits & Certificates of Deposit with regulated banks & UK building societies	Maturities of 1 - 5 years Certificates of Deposit are tradable	Minimum ratings - F1 (Fitch - short term) A (long term)	10	10
Callable deposits with regulated banks & UK building societies	Maturities of 1 - 5 years Borrower only has right to repay before maturity.	Minimum ratings - F1 (Fitch - short term) A (long term)	10	10
Forward term deposits with regulated banks & UK building societies	Date from negotiated deal plus period of deposit 1 - 3 years	Minimum ratings - F1 (Fitch - short term) A (long term)	10	10
UK Government & Local Authority Stock Issues	Maturities of 1 - 10 years but tradable	Sovereign risk / high security although not credit rated	20	20
Foreign Government Stock Issues (priced in £ Sterling)	Maturities of 1 - 10 years but tradable	Minimum rating - AAA (Fitch, S&P A-1etc) (Held by custodian)	10	10
Term deposits with regulated banks & UK building societies guaranteed by credit rated parent	Maturities of up to 1 year	Minimum parent ratings - F1 (Fitch - short term) A (long term)	50	10
Term deposits with UK building societies without formal credit ratings	Maturities of up to 1 year	Financial position assessed by Executive Director of Resources	50	10
Bonds issued by a financial institution guaranteed by UK Government	Maturities of 1 - 10 years but tradable	UK Government backed Minimum rating - AAA (Fitch, S&P etc)	10	10
Bonds issued by multilateral development banks	Maturities of 1 - 10 years but tradable	Minimum rating - AAA (Fitch, S&P A-1etc)	10	10
Floating Rate Notes (fixed term but interest rate varies quarterly)	Maturities of 1 - 5 years but tradable	Financial position assessed by Executive Director of Resources Requires capital or revenue financing as share or loan capital	10	10
Bonds issued by corporate issuers other than sovereign bonds	Maturities of 1 - 10 years but tradable	Minimum rating - AAA (Fitch, S&P A-1etc) Requires capital or revenue financing as share or loan capital	10	10

Asset Management Plan

2009 – 2014

Contents

Page

Executive Summary	1
Introduction	3
What is an Asset	3
Corporate Context.....	3
Format of the AMP	4
Part 1 Management of the Property Assets of Peterborough City Council	5
Chapter 1 - Organisational Arrangements for Asset Management	6
1.1. CPO – Roles and Responsibilities	6
1.2. Reporting Framework – Cabinet & Corporate Management Team (CMT).....	6
1.3. Corporate Asset Management Group – Terms of Reference.....	7
1.4. Links to Strategies and Plans.....	8
1.5. Asset Management, Best Value and the Efficient Management of the Property Portfolio	10
1.6. The use of IT to support property	11
1.7. Customer Service Centres – Peterborough Direct.....	12
1.8. Partnership Working.....	12
1.9. The Growth Agenda – Opportunity Peterborough.....	16
Chapter 2 – Consultation	18
2.1 Consultation	18
2.2 Neighbourhood Management in Peterborough	18
Chapter 3 - Data Management	20
3.1 Identification of Assets	20
3.2 GIS in Peterborough.....	22
3.3 Asset Summary	22
Chapter 4 - Performance Management Monitoring and Information	24
4.1 Responsibility for performance management.....	24
4.2 Comparing Performance	24
4.3 Performance Indicators	24
4.4 Continuous Improvement	26

Chapter 5 - Programme and Plan Development and Implementation.....	27
5.1 Service Delivery and Property – identifying project need.....	27
5.2 Resourcing Capital Projects.....	28
5.3 Children’s Services Requirements	29
5.4 Option Appraisal and Project Prioritisation.....	30
5.5 Links to the Capital Programme.....	31
5.6 Financial Planning for the future (3-5 year action plan).....	31
Chapter 6 - Towards the Future.....	33
6.1 Getting More From Less.....	33
6.2 The Next Steps.....	34
Chapter 7 - The Strategic Approach to Property.....	35
7.1 The Current Position	35
7.2 The Way Ahead.....	35
7.3 Outcomes.....	38
Part 2 Supporting Policies and Procedures	39
Introduction	40
Health and Safety - Premises Responsible Person	41
Surplus Property - Declaration and Procedures.....	42
Disabilities Discrimination Act - Principles for prioritising DDA Works	45
Rationalisation of Operational Property - Accommodation Strategy	46
Additional Property Requirements	66
User Occupancy Agreement.....	67
Energy and Water Policy Statement	71
PART 3 Future Property Requirements	74
PART 4 Glossary of Terms.....	82

Executive Summary

Asset Management Plan

1.0 Background

- 1.1 Peterborough City Council is a major property owner with an asset base of over 2000 properties and a gross book value exceeding £380m. These assets are used to deliver the Council's wide ranging objectives.
- 1.2 However, as a Council we face a number of major challenges with regard to the property portfolio. These include:
- A property portfolio that is ageing with excessive liabilities
 - A portfolio that is not suited to Council needs
 - An ad-hoc approach to management of the portfolio
- 1.3 In addition we need to get the most out of our portfolio. This will include:
- The delivery of in excess of £55.5m of Capital Receipts in a falling market over the next four years to support the Capital Budget
 - Revenue savings of £2.2m over the next four years.
 - Using Property to support the Growth Agenda
- 1.4 As a Council we need to establish and embed the way we manage property to get the most from it. The attached Asset Management Plan (AMP) sets out how to do this ensuring that the portfolio is fit to face the challenges of the 21st Century.

2.0 The Format of the Asset Management Plan

- 2.1 The AMP consists of four parts:
- Part 1 – Sets out the strategy for managing the portfolio and what PCC will do to meet the challenges faced. It sets targets and benchmarks against which we can measure our performance. It also aligns with the recent guidance provided by the RICS and ODPM.
 - Part 2 – Sets out the processes and procedures to be followed in the management of the Property Portfolio
 - Part 3 – Sets out future property needs for individual services.
 - Part 4 – Glossary of Terms
- 2.2 In addition to meeting the requirements of an Asset Management Plan this document also aims to bring together into one document processes and procedures that govern the management of the property portfolio. It is intended that those who deal with property on a day-to-day basis will use this document as a guide allowing them to get the best from the property portfolio.

3.0 The Future Management of Property

- 3.1 The AMP sets out how we will manage property in the future. In particular it:
- Reinforces and strengthens the role of the Corporate Property Officer (CPO).
 - Establishes the CPO as the single point of responsibility for all Council property.
 - Establishes property as a strategic resource which will be managed corporately
 - Establishes the Corporate Asset Management Group which will take a strategic overview of the property portfolio.
 - Establishes processes and procedures for the management of the property portfolio.
 - Sets challenging targets for the generation of savings from the Property Portfolio

- Sets challenging targets for the realisation of Capital Receipts from the Property Portfolio.

3.2 In addition the AMP also sets out how we will get more from the portfolio. This will include the following:

- Challenging the use of property by services. Each service will be required to justify the property it uses and its degree of usage.
- Allocating property on 'need' and best fit. It will also be in accordance with the Accommodation Strategy contained within the AMP.
- Recycling properties which are declared surplus. Any future use will be subject to the completion of a Business Case that is supported by an Option Study and Investment Appraisal.
- Co-location of services where practicable to benefit from economies of scale.
- Offering surplus property to Partner Organisations. If there is no further use then the property will be offered for disposal.
- Maximise the use of properties that are held 'In Trust' for the use of the Community.
- Requirements being delivered from Council premises. Property will only be leased in exceptional circumstances.
- Disposal of those operational property assets that have the greatest outstanding liabilities. These liabilities will include DDA, Backlog of maintenance, Energy Efficiency, Asbestos etc.
- Working with partners to maximise the joint use of property and benefit from economies of scale. Accommodation will be provided in accordance with the Accommodation Strategy.
- Transfer of the ownership of property to partners where the objectives of that partner accord with the objectives of the Council.
- Ensuring that **all** assets built by or on behalf of the Council accord with good practice, demonstrate best value and are economically and environmentally sustainable.
- Focussing expenditure onto those assets that have a long term future. Services will consult with the CPO when works are required. The CPO/Service relationship is set out in the User Occupancy Agreement contained within the AMP

Introduction

Asset management can be described as 'making the best use of assets in terms of service benefits and financial return' (DTLR, Best Practice Guide, 2000). It has a long-term dimension and is concerned with Council-wide management issues. In particular, it is associated with the following principles:

- An integrated approach between service areas and the corporate centre
- separate responsibility for strategic asset management
- explicit authority-wide objectives for holding property and other assets
- changes to the portfolio consistent with corporate objectives
- a performance management system
- sufficient data to analyse the performance of the portfolio and to make strategic decisions
- Allowing the Council to deliver in accordance with short, medium and long term priorities.

This Asset Management Plan (AMP)

- Sets out the overall direction and framework for managing the Council's assets
- Pulls together cross-service issues into an authority-wide, corporate plan
- Is linked to the Council's corporate policies and priorities
- Incorporates the Key Issues of service property requirements
- Compliments the Council's Capital Strategy.
- Develops and updates Peterborough City Council's (PCC) earlier AMPs.

What is an Asset

There are various different definitions of an asset but this AMP is concerned with the Property Assets of the Council. This include all the land and property (both owned and leased-in) that is operated to support the corporate objectives of the Council

Corporate Context

Peterborough today is an exciting and vibrant place whose residents have a strong sense of pride in their local area and a sense of anticipation of even better things to come. The visions for Peterborough are set out in 'Growing the right way – a bigger and better Peterborough'.

This document is published by the Greater Peterborough Partnership and reflects the thoughts and ambitions of the public, private and voluntary sectors and sets out the vision for Peterborough:

- Creating Opportunities – tackling inequalities
- Creating strong and supportive communities
- Creating the UK's environmental communities
- Delivering substantial and truly sustainable growth

Strategically, the Council aims to create the economic and social circumstances within Peterborough that will make the area a better place in which more people will want to live and work and take leisure. This means more jobs, a clean and safe environment, decent housing, good schools and learning opportunities, a range of cultural facilities and a good social support network.

In working towards this vision, the Council has identified four strategic priorities:

- To plan and deliver a safe, attractive and environmentally friendly city
- Achieve the best possible health and well being
- Make Peterborough a better place in which to live and work
- Provide high quality opportunities for learning and ensuring children are healthy and safe

These Strategic priorities are underpinned by a driving principle to be accessible, efficient and effective

The AMP will assist the Council in pursuing these objectives by creating a corporate process for optimising the contribution that the Council's property assets make to delivering quality services to the community. More specifically, it will:

- help to prioritise Council's decisions on spending on the estate
- integrate property and other asset decision making into the Council's service and ultimately, the corporate planning process
- identify opportunities for innovation
- provide a context for evaluating capital projects
- provide a basis for developing partnerships
- identify assets suitable for investment or disposal
- identify opportunities to increase income generation or reduce expenditure
- encourage innovative methods of securing service property requirements
- ensure value for money from the operation of the council property portfolio
- ensure that the property portfolio is managed effectively and efficiently
- contribute to reducing the Council's contribution to climate change and adapting to its effects

The relationship of the AMP to other key corporate documents is set out in Part 1. These linkages support and complement the Council's overarching corporate values which underpin all that we do in Peterborough:

A BIGGER AND BETTER PETERBOROUGH THAT GROWS THE RIGHT WAY – AND THROUGH TRULY SUSTAINABLE DEVELOPMENT AND GROWTH

Format of the AMP

This AMP aims to move forward from that developed in previous years. This is not intended to be revolution but evolution and to build on the experience gained in operating the plan in previous years. In particular it aims to be a more 'user friendly' document that becomes a key management tool for those who are responsible for the management of the Property Assets on a day to day basis on behalf of the Council. With this in mind this AMP is divided into the following parts:

- Part 1: This sets out the how the Property Assets of the Council will be managed.
- Part 2: Sets out the key documents that need to be consulted as part of the ongoing management of the property asset.
- Part 3: Sets out the property asset requirements of each service.
- Part 4: Glossary of Terms

PART 1

Management of the Property Assets of Peterborough City Council

Chapter 1 - Organisational Arrangements for Asset Management

1.1. CPO – Roles and Responsibilities

1.1.1. The Head of Strategic Property is the Council's Corporate Property Officer (CPO). As a member of the senior management team, the CPO has the responsibility and authority to implement the necessary actions to facilitate effective asset management.

1.1.2. Strategic Resources incorporates a wide range of services that are concerned with Core operation of the Council. This includes Strategic Property, Finance, IT and Business Transformation. The CPO's role is supported by the Corporate Asset Management Group (CAMG) which includes representation from all areas of the Council. In order to give a more effective focus to asset management the Council created in 2005 an integrated Strategic Property function within Strategic Resources. An Asset Management Team is now working within Strategic Property to assist the CPO in the day-to-day work involved in implementing a proactive asset management approach.

1.1.3. Under the Council's constitution, Cabinet and the Council have agreed the roles and responsibilities of the CPO. These are:

- Chairs the Corporate Asset Management Group.
- Leads the process for the preparation of the review of the Corporate AMP and ensures that this process is co-ordinated with that for the Capital Strategy and Education AMP.
- Incorporates and considers the Council's policies and priorities in the asset management process.
- Prepares and links service based property key issues to the corporate and service delivery plans and takes account of Best Value reviews.
- Consults with Heads of Service, partners, stakeholders and users during the preparation of the Corporate AMP.
- Consults with Heads of Service, partners, elected members, stakeholders and users during the management of the Property Portfolio
- Maintains up to date records about the condition and suitability of the Council's property portfolio and the data management systems and indicators required to manage its performance.
- Regularly reports to the CMT and the Cabinet on the performance of the Council's property portfolio.
- Leasing and Letting property on behalf of all services of the Council.

1.1.4. However, it is recognised that the Corporate Asset Management Group (CAMG) needs to evolve to meet current and future challenges. Given this its terms of reference and constitution will be kept under constant review.

1.2. Reporting Framework – Cabinet & Corporate Management Team (CMT)

1.2.1. The Council's constitution is based on a Leader and Cabinet style of decision making. The Cabinet meets on a regular basis to make decisions within the terms of the constitution and to make recommendations to Council on matters of policy when appropriate. The Council, which meets monthly, approves the annual capital and revenue budgets and agrees matters of policy.

1.2.2. The Leader of the Council chairs a Cabinet of 10 Members. Each Cabinet Member has lead responsibility for a portfolio area. Areas of responsibility are as follows:

- Leader of the Council and Cabinet member for Finance and Human Resources
- Deputy Leader and Cabinet Member for Education and Childrens Services
- Cabinet Member for Housing, Regeneration and Economic Development

- Cabinet Member for the Environment
- Cabinet Member for Efficiency and Business Improvement
- Cabinet Member for Customer Focus and Communications
- Cabinet Member for Strategic and Regional Partnerships
- Cabinet member for Community Services
- Cabinet Member for Commercial Services
- Cabinet member for Health and Adult Social care Services

1.2.3. The Council places a high priority to asset management and the resource implications of delivering the Council's policies. In recognition of this importance, the responsibility for asset management lies with the Cabinet Member for Efficiency and Business Improvement. As the relevant portfolio holder, the Cabinet Member is the political lead on asset management and is responsible for leading change through review and development of services related to asset management as set out in the Council's constitution. However the Cabinet Member for Children's Services currently has delegated responsibility for Asset Management in Schools.

1.2.4. The Cabinet member acting under delegated powers considers reports on the Council's property issues and asset management as presented by the CPO. The Cabinet, Cabinet Member or CPO are responsible for making decisions on acquisitions, disposal and on the most appropriate use of assets to deliver the Council's policies. It also considered as part of the Budget Process. The Council's strategic maintenance budget is part of the capital programme, and is a key element in the implementation of the AMP, underpinning the integrated nature of these processes.

1.2.5. Scrutiny Committees and Panels are an integral part of the Council's framework and form part of a constructive process, which is open, accountable and contributes to policy development.

1.2.6. The Corporate Management Team (CMT) leads the officer contribution to strategic development and thinking in the Council and is made up of the Chief Executive and the Council's Senior Group of Managers. The CMT meets every other week and receives reports from the Corporate Asset Management Group following the monthly meeting. They consider issues affecting the Council's Asset Management Plan. This includes an annual report on performance against property Key Performance Indicators (KPIs).

1.3. **Corporate Asset Management Group – Terms of Reference**

1.3.1 The CAMG will support the CPO and will constitute the senior Strategic Group dealing with property. It will have direct links with other Groups such as the Asset Disposal Group, Corporate Accommodation Review Group and Capital Monitoring Group but will consider property from a holistic perspective. It will confirm decisions made at both of these groups. TORs for this Group are as follows:

- The CAMG is the link between CMT and individual services with regard to asset management issues. The CPO chairs the group and members have a key role in the development, delivery and monitoring of the asset management plan. The Corporate Asset Management Group, through the CPO, advises CMT and Cabinet on asset management. The Corporate Asset Management Group is constituted as follows:
 - Head of Strategic Property (CPO and Chair)
 - Head of Legal Services
 - Head of Strategic Finance and Performance Improvement
 - Head of ICT
 - Other representatives as nominated by Directors
- Acts as the officer forum for consideration and development of strategic asset management issues within the authority.

- Makes linkages and demonstrates the Corporate AMP, Education AMP, and the Capital Strategy and service plans compliment each other.
- Formulates and keeps under review a Corporate AMP on behalf of the CPO.
- Ensures that the Property Portfolio delivers value for money.
- Considers feedback from stakeholders following specific consultation exercises and best value reviews.
- Supports the CPO in consulting with users and stakeholders and takes into account views expressed throughout the asset management process.
- Prepares reports for the Corporate Management Team and Cabinet on the performance of the Council's property and on issues relevant to asset management.
- Oversees the development of the Council's –property data management processes and procedures.
- Monitoring the performance of the Council's property and challenges performance.
- Identifies suitable performance indicators for the Property Portfolio
- Makes recommendations based on performance indicators on activities to improve performance.
- Facilitates the development of service asset management plans through property review and forward planning.
- Considers an annual programme for the strategic maintenance of the Council's property consistent with the Council's priorities.
- Develops and maintains a procedure for option appraisal and corporate prioritising between property projects as part of the asset management process.
- Critically examines the property requirements of stakeholder groups and makes recommendations to Cabinet.
- Ongoing review of the Property Assets of the Council making recommendations as appropriate on disposal options.
- Consults with Heads of Service during the preparation of the Corporate AMP on behalf of the CPO
- Property issues are considered within a corporate framework and decisions can be made by members knowing that:
 - A strategic approach has been adopted when dealing with issues such as acquisitions, disposals and investment in both maintenance and improvement of properties.
 - Buildings are assessed for suitability for service provision both now and into the future.
 - The optimisation of the use of both land and buildings is regularly under consideration.
 - Buildings are managed in the most effective and economic manner.
 - Capital receipts are maximised.
 - Costs are minimised.
 - Value for Money is a Prime Consideration
 - Impact on the environment is minimised

1.4. **Links to Strategies and Plans**

- 1.4.1 The CPO, as lead officer, is responsible for ensuring that the Corporate AMP reflects the aspirations of the Council and reflects other policies that are in place. The Corporate Asset Management Group is the main area of consultation on property matters and the various plans and strategies required for successful asset management.

- 1.4.2 The Community Strategy has been produced by the Greater Peterborough Strategic Partnership and is an overarching plan to promote and improve the economic, social and environmental well being of local people. As such the plans and strategies of all the partner organisations feed into this umbrella plan. The strategy identifies key priorities for action.
- 1.4.3 The Capital Programme Group meets monthly and is chaired by the Executive Director of Strategic Resources. It is made up of Heads of Service and Business Managers and considers the Capital programme from a Strategic perspective. In addition individual programme boards consider specific projects in their sphere of influence. This will include the review of the programme and budget.
- 1.4.4 The Capital Strategy has been developed as a key policy document, which brings together the strategic capital requirements emerging from the service strategies as identified in the plans detailed above. It determines the Council's approach to capital investment and sets in place the process for monitoring investment to achieve the Council's policy priorities.
- 1.4.5 Through the Corporate AMP, Housing Business Plan and Strategy, the Education AMP and the Capital Strategy, the Council has a complete management framework for all of its property assets. Each of these documents is determined by the Council's policy priorities and facilitates the delivery of quality services to the people of Peterborough.
- 1.4.6 Housing Services produce a Peterborough Housing Strategy 2004-2007 and Sub-Regional Strategy Statement that sets out the objectives from a housing objective. The Vision for the sub-region is as follows:
1. To ensure everyone can live in a decent home at an affordable price.
 2. To contribute effectively to social inclusion among communities.
 3. To maintain and create sustainable communities.
 4. To enable housing to contribute fully to ensure good health and promote health equality.
 5. To use housing investment to compliment sustainable economic development
 6. To contribute to a sustainable environment.
- 1.4.7 In addition the Council works closely with a number of Registered Social Landlords (RSLs) who provide Social Housing within the PCC area. This includes the Cross Keys Homes who were formed by the Council in January 2003. This involved the transfer of the Council's housing stock of approximately 10,000 units. Cross Keys Homes officially took over the management of the stock in October 2004.
- 1.4.8 The Peterborough's Children and Young People Plan 2007-2010 sets out how the Council and its partners will work together to achieve better outcomes for Children and Young People over the next three years. This includes 10 outcome focussed priorities high quality opportunities for learning and ensures children are safe. The assessment of need will inform future built environment priorities and further develop the Department's Corporate Asset Management Plan and School related Asset Management Plans
- 1.4.9 The main purpose of the Children's Services Department is to ensure that everything the Department undertakes is based on achieving the five outcomes encompassed in the 'Every Child Matters' agenda for all children and young people in the Peterborough area. The Department is also responsible for Adult Education. In response to the Children Act 2004 work is underway to develop more effective integrated services and structures, fulfilling the requirements for Children's Trust arrangements. In addition, there is presently a push to make learning opportunities available for all adults.

- 1.4.10 The Department's approach is underpinned by a series of statutory plans – Early Years Development and Childcare, Education Development, School Organisation, Special Education Needs Strategy and the Quality Protects Actions Plan. With the changes in legislation the Department has now commenced the development of aggregating these plans into a single 'Children and Young People's Plan' based on an assessment of need across the city. The assessment of need will inform future built environment priorities and further develop the Department's Corporate Asset Management Plan and Education related Asset Management plan
- 1.4.11 The Local Development Framework sets out how we as a Council see the development of Peterborough moving forward. In particular it integrates the various approaches to ensure that any development is coherent and compliments the ambitious growth programme for Peterborough.
- 1.4.12 The Local Transport Plan reflects a local approach to transport needs. Capital needs and the approach to investment is shaped by an indicative breakdown between maintenance and integrated transport themes.
- 1.4.13 The Council has demonstrated its commitment to equalities and diversity by the development and implementation of equality schemes on race, disability and gender. It also has comprehensive equality and diversity policies and procedures that focus on service users, staff and working with our partners to meet the needs of the diverse communities that it serves. Over the next 12 months the Council will be developing an Access Strategy that will identify emerging needs, agree standards and determine systems to make its Services available to its equality target groups – people with disabilities, race, gender, religion/belief, sexual orientation and age. This will build on the work undertaken by the One Community Project and involve the Disability Forum to contribute in the development of access plans.
- 1.4.14 Use of capital resources to support adult social care reports to the Commission for Social Care Inspection through the Delivery and Improvement Statement on an annual basis. This information forms part of the evidence used by CSCI in its annual review of Social Services Performance and Star Ratings.
- 1.4.15 PCC have already implemented an Accessibility Strategy for schools. It has recently started developing a Local Authority Access Strategy that will cover accessibility for all to Council Services. The requirements of both of these strategies will need to be considered when looking at the future development of the Property Portfolio.
- 1.4.16 The CAMP also relates to the Service Business Plans that are developed by each Service setting out the way in which they will deliver to customers over the short, medium and long terms. However it is recognised that services will need to be flexible to meet the future demands. Given this Part 3 and Part 4 of the report are flexible and will be updated on a regular basis as changes are reported to the Corporate Asset Management Group.
- 1.4.17 In addition Peterborough aims to be an example of how we can work together with our partners to build on our Environmental City status by becoming the UK's Environment Capital. This aspiration will be a core theme in the revised Community Strategy and Local Area Agreement. The Council supports this through its own Corporate Strategy and through a range of initiatives including the adoption and publication of a Climate Change Strategy in December 2006.

1.5. **Asset Management, Best Value and the Efficient Management of the Property Portfolio**

- 1.5.1 The implementation of the Asset Management Plan in conjunction with the Capital Strategy ensures the efficient and effective management of property for the Council's activities. These activities are determined through the Council's corporate policy framework.

- 1.5.2 The Best Value process requires a fundamental review of key service areas and is fully integrated into the policy development framework. The purpose of Best Value reviews is to provide better quality services at a reasonable cost, enable local people to have more say and to set robust targets for improving services. Best value reviews examine the efficiency of services (amongst other criteria), specifically looking at whether the right service is produced with the correct resources. This applies to the property implications of service delivery and delivering the Council's policy priorities. The Council's Performance Plan reinforces the policy priority of managing resources effectively to deliver quality services. The relevant service principle states that: "The Council is committed to providing the best service possible for people of Peterborough". One of the key aims of supporting this principle is managing the Council's portfolio of land and buildings effectively and ensuring the provision of safe and efficient accommodation for all of its activities.
- 1.5.3 The property assets of the Council will also be going through a best value review. This will include marketing testing of areas of our investment portfolio and the establishment of relevant Key Performance Indicators that will allow the Council to measure performance against both other Councils and the Private Sector.
- 1.5.4 In conducting best value reviews the Council uses the "4 C's" of challenge, compare, consult and compete. A key aspect of its reviews is therefore consultation with stakeholders including local people, service users and employees. By necessity the best value review process takes account of the property aspects of service delivery and in doing so uses stakeholder feedback in making recommendations. Ensuring that a service optimises use of resources including buildings forms a key part of the five year action plan that is put in place following each review to ensure services improve.
- 1.6. The use of IT to support property**
- 1.6.1 Organisations cluster around the information they hold in order to do their business: traditionally this information is paper based and held in filing cabinets, to ensure easy access and to enable sharing of this information workers gathered around the filing cabinets.
- 1.6.2 Use of ICT – whilst not re-promising the paperless office – enables the organisation to access that information from any where, any place, any time.
- 1.6.3 Investment and development of the Council's ICT can enable greater use of mobile and nomadic working, home working and the opportunity to provide access to services from community based facilities (e.g. social workers based in schools). The first steps will be in the provision of a secure and robust ICT facilities to enable home working, as technologies become more stable and greater bandwidth available then truly mobile working can be facilitated. The further deployment of agile working will enable greater flexibility for 'nomadic working' - i.e. those workers who move from site to site, and can work from any number of office locations. This will increase the demands placed on information and building security
- 1.6.4 In general, computers, printers and most other peripherals are currently procured by the ICT department on behalf of the service department - Data networks replacement PCs and servers are funded corporately. The Council is seeking an external provider of ICT Services, it may be that they will fund some elements of the infrastructure with the Council retaining ownership of the assets.
- 1.6.5 At present, computers are generally moved with staff as they are relocated and this generates significant cost because of the need for disconnection, reconnection, and changes to personal profiles to enable use of network printers, etc., in addition to the transportation costs and potential for damage to equipment.

- 1.6.6 During 2007/08 the Council implemented a three year desktop roll out policy, with funding being held centrally. It is planned that all standard requirements of computers and peripherals are procured and funded centrally under the control of the Executive Director of Strategic Resources (Head of ICT) with any specific requirements specified and funded by the service department, but again purchased centrally. This would allow full support, as well as a knowledge of all hardware and software working on the Council's network, to be co-ordinated by the Council's ICT Section.
- 1.6.7 The Council has embarked on an ICT Improvement program to upgrade and maintain all central ICT systems and services. Standards and Policies for ICT are now being implemented.
- 1.6.8 This approach will support the rationalisation of the property portfolio as it will allow greater use of a flexible portfolio. This is essential to maximise usage and given the increased opportunities from home will also the opportunity to reduce the number of core assets that we hold.

1.7. **Customer Service Centres – Peterborough Direct**

- 1.7.1 In working towards the joined up delivery of the Council's policy priorities the strategic deployment of assets within the context of the Asset Management Planning processes is crucial. Integration of services within a single location improves service delivery, while optimising the use of Council buildings.
- 1.7.2 Peterborough Direct is a business service concept that aims to improve the level of public access to a variety of council services and potentially other organisations that work in partnership with the Council. This will be achieved by broadening the types of access channels and increasing the complexity of enquiry that each access channel can cope with.
- 1.7.3 The focal point of Peterborough Direct is the customer service centre which opened at Bayard Place in January 2007. A range of specific services are provided to customers from the centre together with general advice, information and sign posting on a multitude of other council and non-council services.. The centre also has a call centre and a number of 'self-service' kiosks where customers are assisted to access information about services the council and other relevant organisations provide.
- 1.7.4 Performance has improved significantly throughout 2008 across the call centre and reception based services. Efficiency savings have also been delivered through the method of payment strategy which also increased choice and accessibility for customers making payments to the council in cash. Further savings were made by reviewing and streamlining customer service procedures.
- 1.7.5 Preparation is now advanced in delivering other high volume customer facing services through the customer service centre. The call centre will also expand beyond current capacity during 2009/10 as the original vision for the customer service centre becomes reality i.e. the customer service centre will provide the front line service for the majority of the council's services and this will reduce the need for the number of staffed reception points that currently exist across the city centre. The vision is further supported by the drive to better understand customer's needs and support service delivery through the most efficient access channels that are available to them.

1.8. **Partnership Working**

- 1.8.1 Peterborough also takes the opportunity whenever practicable to work in partnership to deliver joint outcomes. For example the Council works with organisations such as the Primary Care Trust and Peterborough Regional College to deliver a range of services to the community.

1.8.2 In particular PCC is a partner in the Greater Peterborough Partnership (GPP). At present there are:

- Children and Young People Strategic Partnership (CYPSP) will aim to improve outcomes for children and young people in the following areas:
 - Be Healthy: Enjoy good physical and mental health and live a healthy lifestyle.
 - Stay Safe: Be protected from harm and neglect and grow up being able to look after themselves
 - Enjoy and Achieve: get the most out of life and develop broad skills for adulthood
 - Make a positive contribution: To the community and to society and not to engage in anti-social or offending behaviour.
 - Achieve Economic wellbeing: So that they have a good start in life and are able to achieve their full potential and secure employment.
- Community Safety will address the following six areas in the next three years:
 - Serious Acquisitive Crime
 - Anti Social Behaviour
 - Domestic Violence
 - Violent Crime including alcohol related crime and disorder
 - Sexual Offences
 - Road Safety
- Culture, Leisure and Tourism: In support of the community strategy the partnership's current priorities are
 - Enabling access for all to culture and recreation activities
 - Ensuring that culture and recreation plays a key role in regeneration
 - Working in partnership to ensure best possible provision of cultural opportunities
 - Engaging with local communities to increase participation
 - Promoting healthier lifestyles and enabling the development of new skills through learning opportunities
 - Protecting and exploiting the City's natural and built environment
- Learning Partnership: In support of the community strategy the partnership's current priorities are
 - Ensuring all children starting school are ready to learn
 - Building an education system that is fit for the 21st century, including by increasing the provision of high quality, accessible higher education
 - Raising the current levels of achievement and participation
 - Developing a culture of lifelong learning, both for its own sake but also for the love of learning
- Environment Capital: In support of the community strategy the partnership's current priorities are:
 - Improving transport links
 - Development of Peterborough's Green Grid and open spaces
 - Building community awareness of environmental benefits
 - Ensuring that all GPP working groups embrace the environment and transport agendas positively

- Health: In support of the community strategy the partnership's current priorities are:
 - Working with partners and the public to improve health and well-being
 - Improving the health of the most disadvantaged
 - Continuously improving the quality of healthcare provision, including reducing needless waits
 - Meeting the health needs of a growing population
- Peterborough Regional Economic Partnership: The aims of the Group are:
 - To promote sustainable growth and economic development within the Greater Peterborough sub-region
 - To promote a co-ordinated structure for interfacing with regional and national bodies involved in economic development and influencing their decisions
 - To provide a coherent partnership framework to co-ordinate and align the activities of the main economic development organisations, private sector and other key partnerships such as Community Safety, Environment and Transport
 - To co-ordinate services that will enhance growth in Greater Peterborough as reflected in our Sustainable Communities Plan status
 - To co-ordinate and promote bids for grants and resources
 - To co-ordinate the implementation of initiatives that support the enhancement of the Greater Peterborough sub-region, primarily in Fenland and Peterborough
 - To act as the "Local Economic Partnership" for the area, in line with the roles defined by the East of England Development Agency.

It should be noted that, at the time of writing (Dec 2008), the GPP structure and priorities are under review.

1.8.3 In addition we will look to partner with other organisation to ensure that we encourage and support the Growth Agenda in Peterborough. Examples are identified below:

- **Hampton Joint Service Centre**
Primary health care incorporating General Practitioner and NHS Dentistry services with leisure, library and church services, building on the experience of co locating health and library services at Hampton Health.
- **Recognition – formerly known as the Well Being Centre**
Procurement being led by NHS Peterborough utilising Investing in Communities funding via PCC and East of England Development Agency. Preferred site identified within the city centre with site procurement and construction expected to start from April 09.
- **City Care Centre**
Procurement underway via Private Finance Initiative by NHS Peterborough with construction works due to complete early April 09. A range of primary care and community services to be provided from May 09 including the relocation of the Peterborough NHS Walk In Centre and GP Out of Hours Services currently based at Rivergate. NHS Peterborough and the City Council are working collaboratively on the implementation of a comprehensive Travel Plan for patients and staff
- **Adult Mental Health Services**
Procurement underway for a new Adult Mental Health facility via Private Finance Initiative by Cambridgeshire and Peterborough Community Foundation Trust. New build is to be at the Edith Cavell Hospital site and will be known as the Edith Cavell Centre and will be completed in two phases, with phase one being completed in November 08 and phase two in March 09.

- **New Peterborough Hospital**
 Procurement underway via Private Finance Initiative by the Peterborough and Stamford Hospitals Foundation NHS Trust for a new hospital to be located at the Edith Cavell Hospital site which will replace the existing hospital at Edith Cavell and Peterborough District Hospital. Construction is expected to be completed in late 2010.
- **City Centre - Primary Care Centre**
 Procurement being led by NHS Peterborough in conjunction with the City Council and Opportunity Peterborough, with four potential sites being identified. A review of the 4 sites is currently being undertaken as part of the City centre Area Action Plan and is expected to be completed in the late spring of 2009. The NHS Peterborough Board will then consider and propose a preferred site location for wider consultation with patients and service providers. Procurement and construction is anticipated to be completed in late 2011
- **Healthy Living Centre – Huntly Grove**
 Construction work with third party developer Assura property has now been completed with the Healthy Living Centre providing 900m² of accommodation capacity for patients from 8th October 08. The Healthy Living Ctr will provide services to patients with long term conditions such as diabetes services which will transfer from Edith Cavell hospital to the Healthy Living Centre from April 09.
- **Alma Road – Darzi Health Centre**
 NHS Peterborough Board has approved the procurement of a new primary care centre for the Millfield District Centre. The site has been identified as the potential home for the new Darzi Centre which is a government led initiative to provide all PCT's in England with improved access to GP services 7 days a week.
- **Werrington, Paston, Stanground South, and Bretton - Primary Care Centres**
 Procurements in partnership with PCC departments, following PCC spatial study reviews
- **Orton Centre - Primary Care Centre**
 Procurement being led by NHS Peterborough in partnership with Orton Shopping Ctr. Opportunity for other public services to be included. Spatial designs are due to be completed by Christmas 08.
- **Palliative Care Centre**
 Procurement being led by Sue Ryder to replace Thorpe Hall. Opportunities for other public and not for profit services complimentary to palliative care to be included.
- **National Framework Procurement**
 Department of Health is launching a new 3 year framework agreement from January 09, for Primary Care Trusts, Local Authorities, regeneration companies and partners associated within a local strategic partnership to establish a Special Purpose Delivery Vehicle for property procurements and asset management including private capital investment. This SPV is to be known as Express LIFT (Local Investment Finance Trust) and is effectively a public private partnership obviating the need for any European Union procurement processes to be undertaken by individual public bodies. NHS Peterborough understands there to be significant potential for the implementation of this model and will be linking with the City Council, Opportunity Peterborough and other partner organisations to explore this development further.

- **Adult Social Care**

City Council and NHS Peterborough are working jointly on a service review of the Council owned care homes. Of concern is the significant backlog maintenance work and costs associated with these homes requiring capital investment from the City Council. The Asset Management Plans have shown the work that is required which if not undertaken will present an increasing risk to the City Council in terms of property management and potentially to NHS Peterborough in terms of continued commissioning of services to residents at these sites.

1.9. The Growth Agenda – Opportunity Peterborough

1.9.1 We aim to promote substantial growth in the region and have ambitious targets to meet by the year 2020. To assist with this Opportunity Peterborough (OP) was established in April 2005. Its objectives are to assist, promote, encourage, develop and secure regeneration of the social, physical and economic environment of Peterborough. The aim is to position Peterborough as a premier location for business and industry, increasing the prosperity of the area to facilitate employment and training opportunities and increase housing choice.

1.9.2 Whilst operating through PCC the prime objective of OP is to implement the £1 billion masterplan which will regenerate the following 10 sites:

- Queensgate and North Westgate
- South Bank (including Carbon Challenge)
- Heart of the city and bridge Street
- Station Quarter
- Rivergate
- Old Town/Priestgate
- Northminster
- Peterborough District Hospital
- East Embankment
- Embankment

1.9.3 In addition to the projects highlighted in the masterplan, a number of public and private sector initiatives are also planned or under development. These include:

- Approval has been granted for the construction of an Innovation centre that will offer an ‘incubator’ environment for up to 90 innovative businesses.
- Work is expected to start of the £300m Greater Peterborough Health Investment Plan driven jointly by Peterborough and Stamford Hospitals NHS Foundation Trust, Greater Peterborough Primary Care Partnership and Cambridgeshire and Peterborough Health Partnership NHS Trust.
- The Hampton Township on Peterborough’s southern perimeter which will eventually have 7,300 homes and a further 2 years supply of land has been sold.
- The Local Transport plan anticipates expenditure totalling around £180m for the period up until 2010 on major road schemes. This does not include the work that will shortly start on upgrading the A1073 and the widening work on the A15 which is scheduled for completion in the Spring of 2008.

- 1.9.4 As a Council we are fully committed to working with our partners in Opportunity Peterborough (OP) to support, encourage and promote the growth agenda. In particular this will require us to work closely with OP to ensure that we benefit from the various synergies. In addition we are looking to identify those areas where we share objectives and we can transfer skills. Such an approach requires us to operate as true partners in the deliver of the Growth Agenda for Peterborough.
- 1.9.5 As a Council we recognised the contribution our property assets will make to the growth of Peterborough. To date the sites have identified below have the potential to be included within future developments.

Assets held to Support the Growth Agenda

Site	Current Use	Comments
Wirrina	Car Park	Use to be identified
Matalan and B&Q	Retail	Part of the South Bank development
Dickens Street Car Park	Car Park	Gateway to the City
Bridge House	Offices	
Embankment	Recreation	Use to be identified
Eastern Embankment	Grazing	Restoration works likely to give the site a negative value.
7-23 London Road	Entertainment and Retail	Potentially part of the South Bank Development
Wellington Street Car Park	Car Park	Use to be identified
Market	Retail	Future use to be identified. Market will need to be relocated.
Cripple Sidings - Former Public House	Vacant Plot	Residential. Planned to be part of Carbon Challenge

- 1.9.7 It should be stressed that these valuations are indicative only. In reality the market will dictate the value of these sites and the therefore the capital receipt. However we as a council should recognise the financial contribution we are making to the growth agenda which demonstrates our ambition.

CHAPTER 2 – CONSULTATION

2.1 Consultation

- 2.1.1 Consultation is an important part of the Council approach to the asset management process. Feedback from services, employees, users, tenants, partners and interest groups allows the Council to ensure that the property portfolio is allowing the delivery of good quality services. Corporately, the Council has a full time employee, whose role is to manage consultation with the Council's stakeholders. A range of methods is employed to get feedback. These include focus groups, challenge workshops, questionnaires, surveys and the internet. Overall the Council follows principle of 'Ask, Listen, and Act'.
- 2.1.2 Consultation is ongoing and is a part of the way in which Peterborough City Council undertakes its business. The outcome of the consultation exercises will continue to inform the Council's approach to managing its property and its capital programme.

2.2 Neighbourhood Management in Peterborough

- 2.2.1 Co-ordination of services and agencies across geographical areas is an essential pre-requisite to ensuring local services meet local needs and expectations and are accountable to local people.
- 2.2.2 When residents and local communities can see how services are responding to their particular range of issues and problems, or perhaps responding to their ideas, it helps forge a stronger relationship between service providers and customers.
- 2.2.3 It is not just about the Council and the way it delivers its own services in a particular area; it involves all agencies and organisations that allocate resources into an area coming together, and by working together adding value to the resources which are already there.
- 2.2.4 By developing mutual understanding and ways of joint working, extensive and sometimes innovative ways of involving local people in service planning is needed - and not just on a one-off basis. The benefit of this approach is the development of responsive services- a key to creating and maintaining sustainable communities. This is the essence of Neighbourhood Management, demonstrating why this principle is at the heart of the Government's priorities for better public services.
- 2.2.5 Peterborough City Council has placed Neighbourhood Management at the heart of its continuous improvement agenda and cuts across the majority of its Objectives. The Greater Peterborough Partnership also acknowledges the role neighbourhood management has to play in improving the quality of life for Peterborough residents.
- 2.2.6 The Council is developing a Neighbourhood Investment Strategy which is due to be implemented from November 2006. The Strategy aims to ensure that the benefits of growth in Peterborough are shared across the city and that the co-ordination and of services at neighbourhood level achieves better impact and value for money.
- 2.2.7 The Neighbourhood Investment Strategy will have four elements:
- Integrated Data Mapping at Neighbourhood Level
 - Strategy Co-ordination
 - Community Planning
 - Prioritisation of Investment and Governance
- 2.2.8 The Strategy creates the opportunity to take a more comprehensive approach to service investment on a geographic basis and will encourage a better planned approach to the rationalisation, investment in and management of community assets.'

- 2.2.9 The Neighbourhood Investment approach, now two years old, is being reviewed to ensure that it remains fit for purpose and best able to respond to the needs and expectations of our communities. This is likely to result in a different, more effective form of delivery modelled on the principles described above.
- 2.2.10 Peterborough was a Local Area Agreement Pilot authority and has had a three block LAA covering Children and Young People, Safer and Stronger Communities and Healthier Communities and Older People since March 2005. The five outcomes identified as priorities for the fourth block are:
- More Prosperous People
 - Better Business Infrastructure
 - A Better Place to Live
 - Better Places to Visit and Enjoy
 - Creating a Culture of Lifelong Learning
- 2.2.11 From April 2008, in line with the refresh of the Community Strategy, there will be a new LAA covering the period 2008 -2011.
- 2.2.12 Peterborough's Urban Regeneration Company, Opportunity Peterborough will have a key role to play in contributing to the delivery of these outcomes by leading a process of economic restructuring and city transformation.

CHAPTER 3 - DATA MANAGEMENT

3.1 Identification of Assets

- 3.1.1 A statement of the Authority's built and land assets are held electronically and on the Digital Land Terrier on GIS. Where Deeds are held in secure storage and the land is registered the land certificates have been destroyed. These records are accessible by designated officers. A team within Strategic Property maintains an electronic data base for the commercial estate and hold paper copies of the leases. Since December 2001 the asset register has been cross checked against the terrier and the Badger data base to ensure completeness of the property data.
- 3.1.2 Following completion of the electronic data capture, the old land terrier (a paper format of approximately 563 plans showing assets currently in the ownership of the Authority and assets that have been sold including Council houses; manual updates of this ceased upon transfer of the housing stock to CKH in October 2004), has been scanned to be available electronically with the paper records to be stored off-site. Validation of the electronic data is still in progress.
- 3.1.3 Drawn data is held in electronic (AutoCAD Lite/ GIS - Cartology), paper and microfiche format; condition surveys, suitability, sufficiency, asbestos and access audits are held electronically (Badger AMP database); an electronic service contract data base has been set-up and the data presently held in paper format will be transferred. This is a process which requires continued input to ensure currency of data.
- 3.1.4 Condition, asbestos, access and suitability and sufficiency data are being collated in the Badger AMP database for both Education and the Corporate AMP. The recommendations would require significant capital investment which is not available from the Capital Programme and alternative funding options are being sought. e.g. A partnership arrangement is being established for the management of six leisure facilities. The collective data has shown that £0.49m is required to affect all of the alterations at the Regional Pool. Some of the requirements would be necessary and others are desirables and involve works that are commercially advantageous, but not essential. The leisure facilitator has contributed to the asset management process by doing a walk-through of the AMP's with the AMP Property Surveyors to test the data.
- 3.1.5 School AMP's have previously been issued to each of the schools annually and the schools are asked to advise on any areas with which they disagree; drawn data has been issued to the DCSF and valuation office for sufficiency purposes and as a result some changes to the drawings and room registers have been made as a result of feedback; schools AMP's are updated updated/verified as and when the school's condition survey is undertaken, 45 condition surveys of corporate properties have been undertaken this financial year. Whilst the condition surveys are being carried out, the drawn information is checked against the property and amended at the same time if necessary. If a drawing exists in a medium other than electronic, and requires updating the AMP property surveyor transfers the whole to electronic database.
- 3.1.6 The updating and data gathering is a continuous process, with property requirements changing regularly, alteration works being carried out or condition or asbestos recommendations being addressed. The AMP relies on feedback from property users, maintenance surveyors, service clients, CPG etc communicating any actual or proposed changes. Where such information is made available a written note is placed on a file in service client and date order for updating the relevant AMP data. When the data has been updated the note is annotated.
- 3.1.7 The Property Management and AMP's data base have been set up following research to establish what would be appropriate information to hold and how it might be extrapolated to meet different or changing requirements. Both databases are largely based on DCSF and DCLG guidelines:

- Condition & Asbestos Surveys & Service Contract data – Property that has been maintained or put in good condition enables continuity of service provision. An environment that is functional, attractive and safe helps to maintain or enhance the property value, and potentially reduce costs.

Through comprehensive condition surveys carried out on all Corporate Properties, the identified backlog of maintenance has increased by £2m in the last two years even though some capital investment has been made to the Corporate Property portfolio. 17.13% of the properties are in condition Grade D priority year one. Due to financial restraints, limited funds are available for investment in the property to address the backlog of maintenance. With clawback restrictions on the amount of capital receipts available from sales of surplus property (contribution to English Partnership/CNT), and the decreasing number of property assets with significant development potential and therefore value, Partnership/Private Finance Initiatives (PFI) arrangements are one way in which the problems might be addressed. More importantly is the need for the Council to undertake a rigorous review of the current property holdings used for service delivery. Integrating services spread across a geographical area into one purpose built unit or disposing of those properties that have high maintenance costs are other possible options. The AMP will inform the overall property strategy.

The AMP condition data will also be used to inform repair and maintenance programmes, with whole life aspects being taken into account to enable planned maintenance programmes to be established. The benefit of implementing a programme of planned maintenance will result in an overall reduction in cost in the long term.

School AMP works are funded specifically by DCSF (Modernisation and Formula Capital) enabling capital to be targeted at the greatest needs. Using this funding, a £6m four year rolling programme of works for condition categories D1, C1 & C2 has been implemented for the schools, with the order of works established through a priority matrix introduced into the asset management process to eliminate subjectivity (subject to emergency condition works). A similar funding mechanism from DCLG would assist authorities in a similar position to ourselves with limited available resource to address backlog of condition in corporate property portfolio.

- Suitability & Sufficiency & Access Audits – We have gathered data from the property users and through access audits. These will inform the strategic property decisions on the effectiveness, efficiency and economic use of property for service provision and the need for change. Existing office floor space is being maximised in line with Audit Commission Hot Property e.g. Human Resources, Finance and Housing have been relocated into space created from the rationalisation of existing services in one of the principal operational buildings. The central library has also been adapted to include other services and the Peterborough Direct Service Centre has been relocated to Bayard Place.
- Costs – the AMP includes a 10 year financial plan for condition (including asbestos related works), suitability issues are priced and access audits are priced and prioritised. The cost information will be used to inform overall decisions on the use of the property and the need to retain or dispose. Under-performing assets may have high running costs and these will need to be investigated.
- Environmental considerations – Operational property, energy, water and CO² emissions data has been collected (PPI 4B-D). It has been agreed with the Children's Services Department that schools will be benchmarked against each other grouped by type, size etc. e.g. Secondary Schools. The Corporate Properties will be benchmarked against National data provided by DEFRA and will be evaluated by types. Consideration will also be given to geographical location, since this might indicate a trend. When comprehensive information is available it will be used to inform the authority of property assets that have high levels of consumption or emissions.

Since the Authority does not have complete drawn data base from which to gather floor areas and has not been provided with copies of energy invoices (where the authority does not manage the account on behalf of the service provider), limited information is available at this date.

- Investment portfolio – The authority has industrial, retail and agricultural investment property, which are currently being reviewed. Some of the retail units are in the process of, or have been sold where it is known that considerable capital investment would be required to upgrade them e.g. Bretton Centre and Orton. The IRR has provided a tool to measure actual costs of holding and managing a property against the rental income. The covered market is known to be under-performing and will be part of the review of the City Centre referred to in the Capital Strategy. Other but dated shopping centres are identified as suitable for disposal through the AMP process.

3.2 GIS in Peterborough

- 3.2.1 Peterborough City Council is currently implementing a corporate GIS programme. This programme includes using GIS to enable the council achieve its corporate objectives and priority outcomes, developing a corporate set of data and developing an internet/intranet service to make spatial data available to all officers of the council and the wider community. The objective of the strategy can be defined as:

“To improve the effectiveness and efficiency of service delivery through access to and analysis of high quality comprehensive spatial information referenced to land and property.”

- 3.2.2 It is also recognised that 85% of local government information can be referenced to land and property addresses. (source IDeA). Therefore, in order to deliver joined up services and joined up information, GIS technology is seen as fundamental.
- 3.2.3 At present, there are approximately 100 desktop GIS users throughout the council. The GIS programme will assess the quality of the data captured by these posts along with spatial information taken from outside the authority and assist with correcting anomalies and capturing missing data areas. Where appropriate, this data can then be made available through the desktop applications and the internet/intranet service. Hawkeye has been available for this purpose since July 2007

3.3 Asset Summary

- 3.3.1 At present the amount of data held by the Council in support of the Property Portfolio is limited. Current property holdings are estimated to amount to approximately 1,557 asset records. However complete data is held for only 433 of these assets. Whilst it is recognised that these are the major assets the gaps in data brings into question the value of the rest. This is recognised as an issue as there is insufficient data to allow management decisions and has been included into the service plan for Strategic Property.

3.3.2 Given the above the data identified in the table below is limited and will change as additional information becomes available.

Details of categories	Summary of categories	No.	GIA (sq m)	Backlog maintenance
Office, Depot/Store/Public Convenience	Admin/Depot/Other	49	57,856	
Arts Venue/Pools	Leisure	4	11,154	
Library	Libraries	8	6,966	
Schools/Colleges/Childrens Centre/Pupil Referral Unit/Special Schools/Caretaker Houses	Education	86	237,764	
Residential Homes/Day Care Centres	Social care	19	14,590	
Sports Centres/Youth Centres/Community Use/Community Related Asset/Pavilion/Play Centre/Recreation Grounds	Community assets	86	34,236	
Cemetery/Industrial/Retail/Not defined/Open Space inc buildings/Garage Site/Travellers Site	General	181	50,307	

CHAPTER 4 - PERFORMANCE MANAGEMENT MONITORING AND INFORMATION

4.1 Responsibility for performance management

- 4.1.1 As the lead officer for asset management, the CPO is responsible for ensuring that the Council's property portfolio performs to its optimum. The Council has developed its approach to asset management to ensure that assets are utilised to their maximum potential in delivering good quality services and financial return.
- 4.1.2 The Council's asset database system is used to collect, maintain and analyse performance information across all portfolio areas.
- 4.1.3 The CPO and the Asset Management Group receive reports from Strategic Property on the performance of the portfolio and are empowered to make recommendations to CMT and ultimately Cabinet.

4.2 Comparing Performance

- 4.2.1 The Office of the Deputy Prime Minister (ODPM) no longer exists but the Department of Communities and Local Government has indicated that it no longer requires Council to submit information on property performance indicators. In addition COPROP are formulating a new suite of performance indicators which Local Authorities may be required to collect and submit depending upon guidance that is yet to be provided. However PCC will continue to collect data to monitor performance and allow us to benchmark with other Local Authorities and the Private Sector.

4.3 Performance Indicators

- 4.3.1 As a Council we are keen to improve our performance. To assist with this we benchmark our performance against both the private and public sectors. We have also adopted the new COPROP indicators which will allow us to focus to a greater extent on areas where we can improve our performance. The suite of indicators against which we measure performance are set out below:

No.	Description	Achieved 2005/06	Achieved 2006 / 07	Top Quartile 2006/07	Achieved 07 / 08	Target 08/09	Target 09/10	Target 10/11	Comments
1a	To measure the condition of Property Assets. From A (Good) to D (Poor). Expressed as a percentage of the property portfolio.								
	Operational Assets	A: 0% B: 86% C: 12% D: 2%	A: 0% B: 63% C: 25% D: 12%		A: 52% B: 32.3% C: 19.8% D: 0.8%	A: 30% B: 75% C: 0% D: 0%	A: 30% B: 70% C: 0% D: 0%	A: 30% B: 70% C: 0% D: 0%	Assets as assessed by Property Works
1b	To measure the maintenance liability of the Property Portfolio. Expressed as a percentage of the totals for each area. Priority Levels 1(Urgent) to 3 (Desirable)								
	Operational Assets	1: 22% 2: 25% 3: 53%	1: 15.5% 2: 23.4% 3: 61.1%		1: 0.0% 2: 10.1% 3: 42.8%	1: 5% 2: 25% 3: 70%	1: 5% 2: 25% 3: 70%	1: 5% 2: 25% 3: 70%	Assets as assessed by Property Works.
	Maintenance Liability (Operational)	£45,207k	£45,794k		£28,682k	£20,000k	£15,000k	£15,000k	Excludes schools and Investment Properties
4a	Repair and Maintenance Costs. Expressed as cost per square meter	9.92	4.55	20.00	10.51	12.00	13.00	13.50	Assets as assessed by Property Works
4b	Energy Costs. Expressed as costs per square meter	6.28	6.41	6.97	4.65	7.00	7.00	7.00	Assets as assessed by Property Works
4c	Water Costs. Expressed as cost per square meter	0.48	0.723	1.46	1.654	1.60	1.60	1.60	Assets as assessed by Property Works

4.4 **Continuous Improvement**

- 4.4.1 The Council is committed to providing the best possible services to local people and will continue to see how it can improve those services even further. Through the asset management process, the continuing development of service delivery plans and service key issues set out the property implications of service requirements. This enables Strategic Property to understand, improve and target more efficient, high standard accommodation for service provision. The aim continues to be to provide such accommodation where this will improve service delivery.
- 4.4.2 Best Value reviews are one of the key drivers for identifying service delivery priorities. However there are a number of other drivers that also establish the need for Council Assets in the future. For example this would include reviews of Service Assets, Improvement Plan and Council Priorities. These drivers have an impact accommodation and physical resource requirements for service improvement and set actions for improving services through rationalisation, refurbishment, rebuilding, integration of services, improving response to repair requests and other measures to ensure greater efficiency and increased performance.
- 4.4.3 The Council has adopted a range of local indicators. The Council not only uses these to compare performance year on year but to assess performance against other similar authorities and the private sector. These practices are then fed back into the asset management process and contribute to improving the Council's performance.
- 4.4.4 Performance against indicators is reported to the Council's CMT and the Cabinet on a quarterly and annual basis. The Council has a well established policy and service planning cycle that involves regular monitoring of performance. Progress is monitored quarterly and reported to CMT and then six monthly to Members. Where performance is below expectations actions are identified to ensure targets can be achieved.
- 4.4.5 In addition performance of key indicators is measured on a monthly basis at Senior level within Strategic Resources where corrective actions are identified if necessary.
- 4.4.6 The Council also takes the opportunity to Network with other organisations through forums such as the IPF. In particular this networking allows the Council to develop and adopt best practice from elsewhere

CHAPTER 5 - PROGRAMME AND PLAN DEVELOPMENT AND IMPLEMENTATION

5.1 Service Delivery and Property – identifying project need

5.1.1 The Council has implemented a corporate approach to asset management. This is an ongoing process of developing a programme whereby the Council's assets contribute towards the Council's objectives of year on year improvement in service delivery. In practice this involves:

Property Information

- A co-ordinated property review programme
- A rolling programme of condition surveys
- Asset energy use monitoring
- Suitability & sufficiency surveys
- DDA, asbestos and other specialist surveys
- Compilation of data in the asset database
- Ongoing reviews of property holdings, (Community Centres, Libraries, etc.)

Corporate and Service Direction

- Property Key Issues
- Service Plans and Business Plans
- Best Value Reviews
- Corporate Policies & Strategies
- Capital Strategy
- Central Government Input

5.1.2 The collation of property information and data is essential to enable informed decisions to be made with regard to the assets. The corporate and service direction issues guide these decisions.

5.1.3 The forum for making recommendations to Members on property issues is the Corporate Asset Management Group. Decisions on programmes and plans for projects are made taking into account output and outcome targets. Approval of decisions made via this forum is sought through CMT the portfolio holder and Cabinet. An example of this in practice is the strategic maintenance budget. The condition surveys provide the base data to assess where the strategic maintenance budget of should be spent. The condition of the assets is then considered alongside the future operational life of the asset, service needs and corporate policies and strategies. A decision on the programme is then made by the Corporate Asset Management Group and put forward to CMT and Cabinet. This ensures that the annual programme for strategic maintenance is consistent with the Council's priorities.

5.2 Resourcing Capital Projects

5.2.1 The Council-can raise capital funding-from a number of sources;

- Grants and Contributions from external sources through the various funding regimes and/or through government initiatives
- Borrowing, with the financing of the borrowing funded by either Central Government, Council Tax or savings within the revenue budget
- Contributions from the revenue budget
- Capital Receipts generated as a result of the LSVT with Cross Keys Housing
- Disposal of assets.

5.2.2 In addition the Council continues to investigate alternative ways in which funding can be delivered these include:

- Public Private Partnership
- Building Schools for the Future (BSF) Project
- Making Better Use of Local Authority Assets

5.2.3 Within the Council neither the Capacity or Capability exists to deliver this ambitious Capital Programme. In addition the relatively short programme makes it impracticable to recruit addition staff given the time that it will take for them to achieve the necessary level of competence. Given this agency staff with the requisite skills will be used to deliver this programme.

5.2.4 To meet the challenging objectives of the Council and the associated Capital needs it is essential that maximum capital receipts are obtained where practicable. Given this the Council will not dispose of Property Assets at less than best consideration unless there is an overriding need which is supported by a Business Case.

5.2.5 The Business Case will consider the difference in value between the proposed Capital Receipt and the maximum Capital Receipt that could have been obtained. The value will be determined by an independent consultancy appointed by Strategic Property.

5.2.6 The Council has been successful in securing funding from all the aforementioned sources in the past. However, to meet the ambitions of the Council an ambitious programme of disposals was implemented as part of the Councils 2007-10 Medium Term Financial Strategy (MTFS). Initially this will focus on land but it is inevitable that this will also look at the property assets of the Council and focus in on those that have high liabilities, are underused and occupy valuable sites. This has been reviewed as part of the 2009-12 MTFS and the outline programme for delivery of Capital receipts is set out overleaf.

5.2.7 It should be noted that the 'Credit Crunch' currently being experienced, is having a significant impact on the funding on the Capital Programme, with the capital receipts target hit by a fall in value of both land and property and the Council receiving a reduction in demand for the larger sites. The influence of the current challenging economic climate can be seen when comparing the 2008-11 MTFS and the 2009-12 MTFS capital receipts targets, shown overleaf.

Targeted Capital Receipts	08/09 £000	09/10 £000	10/11 £000	11/12 £000	11/12 £000
MTFS 2008-11					
Schools Sites	29,964	6,436	-	-	-
Programmed General Fund Sites	14,486	700	15,940	26,357	-
Total Anticipated Receipts (MTFS 2008-11)	44,450	7,136	15,940	26,357	-
MTFS 2009-12					
Schools Sites	6,115	1,740	5,050	-	19,700
Programmed General Fund Sites	5,377	7,255	2,605	14,650	10,000
Sites already sold or contracted	4,082	-	-	-	-
Target Capital Receipts Total	15,574	8,995	7,655	14,650	29,700

5.3 Children's Services Requirements

- 5.3.1 Children's Services approach is underpinned by the 'Children and Young Peoples Plan'. The Department is currently reviewing its Corporate Asset Management Planning process but has a robust system of school related Asset Management Plans. Children's Services has a drive to begin delivery of services from locality centres. This will ultimately change and inform the Department's Asset Strategy.
- 5.3.2 The Department also plans to re-introduce the School Organisation Plan once a statutory document. This strategic document will include information on demography and will inform the needs of schools into the future.
- 5.3.3 It should be borne in mind that previously 99% of Children's Services capital expenditure has been Government grant funded.
- 5.3.4 The Local Authority has implemented a major modernisation of Peterborough's secondary schools through the city's Secondary School Review covering all secondary schools in the city in two main phases. This commenced with the opening of the new Hampton College in September 2005. In September 2007 the Thomas Deacon Academy and the Voyager School opened as successor schools to 5 closing secondary schools. The Voyager School is covered by a PFI contract as are the extensions and refurbishments to Jack Hunt School and Ken Stimpson Community School.
- 5.3.5 In parallel with these major projects, The Kings School, St John Fisher R.C. School and Arthur Mellows Village College are in the process of completing major refurbishments, including additional facilities, funded through the successful bidding for Government grants.
- 5.3.6 Phase 2 of the Review, covering Bushfield Community College, Stanground College and Orton Longueville School are due to start imminently.
- 5.3.7 The Government's plans for investment in the Primary School Estate were announced in November 2008. This is a 15 year programme which anticipates that 50% of the Council's primary school estate will benefit from projects ranging from total rebuild to minor refurbishment. The Primary Strategy Document approved by the Government will inform the decisions made on which schools benefit from the initial £8m available for 2009 - 2011.
- 5.3.8 Continuing investment in the primary school estate through a comprehensive programme of mechanical and electrical improvements and fabric upgrades will be integrated into the Primary Capital investment programme.

- 5.3.9 Children's services are committed to incorporating sustainable solutions into all of its building projects, working towards the Government's target of zero carbon schools by 2016.
- 5.3.10 An increased pressure on primary school places and the need to provide 6th form facilities at the secondary school has required the Council to invest in a school building programme in the Hampton area.
- 5.3.11 Government funding has also been secured for a major refurbishment programme at Clare Lodge.

5.4 **Option Appraisal and Project Prioritisation**

- 5.4.1 The capital resources calculation for the next 3 financial year's takes account of the Council's agreed policy for prioritising capital proposals. Priority is given to schemes that;
- Are consistent with policy priorities identified in the Council's Action Plans in particular those working towards the Council's longer term strategic objectives
 - Meet the principles of the Community Strategy
 - Allow spending in accordance with allocations and specific resources
 - Relate to commitments from previous years
 - Address strategic maintenance needs of existing assets from the AMP
 - Assist in the maintenance of existing service provision
 - Maximise the availability of external funding to enhance value for money
 - Meet mandatory and or statutory requirements
- 5.4.2 Should it be decided that the most appropriate route for financing a project is through the Council's capital programme, there is a robust appraisal mechanism that ensures that all projects work together towards the delivery of the key outcomes.
- 5.4.3 Capital project proposals and an agreed capital programme are developed from action plans evolving through the Policy and Service Planning Cycle. Best Value Reviews may also influence project proposals since option appraisals take account of property issues.
- 5.4.4 As part of this process capital proposals are invited from Service providers and options are identified and appraised. The Council's various Project Boards confirm the requirement and proceed to the next stage with regular reports back. This does not preclude the requirement to obtain the necessary approvals as set out in Standing Orders. It ensures that projects are tested before they get to this stage.

5.4.5 It is now compulsory that the Head of Strategic Property acting as the CPO is consulted as part of this process. If the project is in accordance with the Asset Management Plan the Head of Strategic Property signs approval to the project and considers any property implications arising from the project. Targets are set for all projects and programmes requiring capital investment in accordance with the Council's Asset Management Plan.

5.5 Links to the Capital Programme

5.5.1 The Head of Strategic Finance is responsible for co-ordinating the Council's capital programme. The preparation of that programme starts in the early autumn of each year when the likely level of capital resources including capital receipts from the sale of surplus property and development sites is identified. The extent of funding required is determined by bids submitted by Directorates. These are then prioritised against an agreed matrix which identifies those which should be given priority. This will reflect the Medium Term Financial Strategy and determines the levels of capital spend

5.5.2 The resources for the capital programme will come from the following sources:

- Capital Receipts
- Capital grants and third party contributions
- Supported and unsupported borrowing

5.5.3 These resources are aggregated to give the total amount available to fund the capital programme in the next year. After taking into account the level of slippage and commitments the level of resources available for new starts is determined.

5.5.4 Using the best information available the likely level of capital receipts is also projected for the next two years. As the review process continues to develop confidence in the projected disposals for the next few years is becoming greater and as such the estimated resources become more realistic. An estimate of the likely level of other capital resources is also made for the following two years.

5.6 Financial Planning for the future (3-5 year action plan)

5.6.1 The capital resources projection currently allows a 3 year capital programme to be set. As the review process becomes more sophisticated the level of resources for future years will become more certain, allowing the Council to develop a capital programme which extends to a 5 year rolling programme.

5.6.2 The revised capital programme for 2008/09 has been set at £73.5m. This includes £675k for the rolling programme for Structural Maintenance of Council Buildings. This programme will be reviewed in line with the level of resources available and in accordance with the development of the Asset Management Plan and the Capital Strategy.

5.6.3 As additional resources are confirmed, the Council will add schemes to the capital programme or reduce the borrowing requirements.

5.6.4 As a Council we also look to maximise the use of external resources to deliver Council objectives. Funding opportunities that have an impact on the property portfolio are considered at the Corporate Asset Management Group. Consideration will include:

- Identify and disseminate information on relevant funding opportunities within the Council.
- Analyse and evaluate funding opportunities in relation to Peterborough City Council's strategy and long term objectives, and to recommend appropriate bidding strategies.
- Provide specific advice to Directorate staff on project funding opportunities.

- Lead on the development of cross-Council and inter-agency bids and initiatives, as appropriate.
- Provide intelligence/analysis to Cabinet Members, Directors and lead staff
- Develop and maintain high level relationships and contact with the representatives of principal UK agencies and organisations.
- Develop and continuously improve relationships with key partners in respect of external funding.
- Support and develop external and internal funding networks that focus on increasing funding leverage and improving capability internally and externally to develop successful relevant bids.
- Identify quantitative and qualitative performance measures and to collate and compile corporate performance reports on external funding.

CHAPTER 6 - TOWARDS THE FUTURE

6.1 Getting More From Less

- 6.1.1 At present day-to-day management of property is left to those Services that use it to deliver a service. Whilst major maintenance will be funded from Strategic Maintenance (AMP Budget) the balance is funded from the services. This tends to be responsive and is unlikely to take into account the long term future of the asset.
- 6.1.2 In addition the Council is suffering from an ageing Property Stock. There has been an under-investment in the property portfolio and Peterborough, in common with many other authorities, faces a maintenance liability in excess of £50M that will have to be addressed.
- 6.1.3 The current approach has led to a portfolio that is not focussed on council-wide delivery. Some services are being delivered from assets simply because the building has become available and not that it is ideally located and fit-for-purpose. A more strategic approach would lead to a Property Portfolio that is targeted on service delivery consistent with the efficient use of assets.
- 6.1.4 We are required to obtain Value for Money from the property we use. We must ensure that our property portfolio is tailored to the needs of the Council with sufficient flexibility built into assets to ensure that they can respond efficiently and effectively to changing requirements.
- 6.1.5 The current perceived piecemeal approach is leading to expenditure across the whole of the portfolio without focussing on those areas where there is a long term need and in-house expertise is not being fully utilised. In contrast, a more centralised approach to the management of property would lead to:
- A consolidation of the property portfolio into core assets i.e. those that have a long term future.
 - Savings generated from economies of scale.
 - Efficient and effective use of the property portfolio.
- 6.1.6 In addition we would wish to achieve the following outcomes:
- Enhanced customer and Stakeholder satisfaction – leading to greater VFM. This will be measured by benchmarking, market testing and customer satisfaction questionnaires
 - Affordability – a clear process for assessing prudence, affordability and sustainability.
 - Compliance with statutory and regulatory codes
 - Improved corporate management – the ability to demonstrate clear linking between corporate and service goals
 - Environment – Sustainability through efficient use of resources and minimise the impact of our property portfolio on the environment.
- 6.1.7 Consolidation of property into core assets will bring about savings in revenue expenditure. Set out below are the anticipated savings in revenue.

Cumulative Savings	Annual Saving Targets (£k)				
	FY07/08 £000	FY08/09 £000	FY09/10 £000	FY10/11 £000	FY11/12 £000
FY07/08	96*				
FY08/09		369	369	369	369
FY09/10			660	660	660
FY10/11				580	580
FY11/12					631
Cumulative Totals	96*	369	1,029	1,609	2,240

* Actual savings

6.2 The Next Steps

6.2.1 The next three years there are many changes that will face PCC and in particular they will focus on the effective use of Property Assets. The targets for property will be subject to change. However it is possible for us to identify both medium and long term targets.

6.2.2 Given the above the following action will be undertaken to support the rationalisation of the property portfolio:

- Market Testing of areas of Strategic Property. It is proposed that in the first instance this will concern itself with the Investment Properties.
- Savings outlined by inclusion within the budget strategy
- The appointment of consultants to undertake Phase 2 of Corporate Asset Challenge on an incentive fee.

6.2.3 Work will continue to rationalise the property portfolio. This will include the introduction of agile working principles and ways of working. Together this will involve a different way of working with the Council moving away from where an outcome is delivered to focusing on where it is required.

CHAPTER 7 - THE STRATEGIC APPROACH TO PROPERTY

7.1 The Current Position

- 7.1.1 The Property Stock of Peterborough is ageing. Whilst there have been prestigious new developments such as the Voyager School, property acquisitions such as Bayard Place other developments such as PFI for schools the underlying trend is of an ageing property stock.
- 7.1.2 This is confirmed by the increasing backlog of Maintenance and further compounded by the impact of new legislation such as the Disabilities Discrimination Act 1995. The total maintenance liability exceeds £50m which excludes any works associated with the DDA and Asbestos.

7.2 The Way Ahead

- 7.2.1 It is clear that we must drive towards a more efficient use of the Property Portfolio. Major investment into an expansion of the Property Portfolio will be funded by Central Government Initiatives (PFI, BSF etc), through a partnership arrangement or by the use of Capital Resources. In addition as a Council we need to look at ways in which we can make more of our existing portfolio whilst disposing of those which do not meet an operational need or fail to meet the necessary performance criteria.
- 7.2.2 In addition the establishment of Peterborough as a Growth Areas will also lead to greater investment in the PCC area. Working with Opportunity Peterborough the PCC will also lead to investment from the public and private sectors.
- 7.2.3 In April 2007 Cabinet agreed the Corporate Property Strategy. This sets out how the Council will ensure that property is effectively and efficiently managed. In essence it establishes the following:
- The Council will aim re-use properties which are declared surplus. Any future use will be subject to the completion of a Business Case that is supported by an Option Study, Investment Appraisal.
 - Any building works including demolition, refurbishment, new-build, or alteration will be subject to the completion of a business case that will include an option study, investment appraisal and whole life costs.
 - Services will advise Strategic Property of a 'Need' in terms of Property. When property is declared surplus Strategic Property will seek to align this opportunity with a requirement.
 - Surplus property will be offered to Groups, Services and Partner Organisations. If there is no future use identified within 4 weeks then the property will be declared surplus and Cabinet will be advised of the recommendation for disposal. Only in exceptional circumstances will a property be removed from the disposals list and only then with the agreement of the CPO and Cabinet Member responsible for property.
 - Where the Council holds properties 'In Trust' for the use of the Community then the Council will seek to make maximum use of these facilities.

- The Council will seek to minimise the use of Leasehold Properties. The Council will only enter into these types of arrangements for the short-term and when such a move is supported by a Business case that includes an investment appraisal and Option Study. Only Strategic Property working for the CPO will enter into negotiations and agree terms for a Lease or Licence.
- The Council will aim to co-locate operational activities to maximise use and benefit from economies of scale.
- The Council will aim to dispose of those operational property assets that have the greatest outstanding liabilities. These liabilities will include DDA, Backlog of maintenance, Energy Efficiency, Asbestos etc.
- The Council will look to reduce the Backlog of maintenance by:
 - Identifying core assets and targeting expenditure in these areas.
 - Using the Backlog of Maintenance as a key indicator when considering the business case for the disposal or retention of assets.
 - Transferring assets to partner organisations.
 - Increasing expenditure

In addition the position regarding Backlog of Maintenance will be reported to Cabinet annually.

- The Council will work with partners to maximise the joint use property and benefit from economies of scale.
- The Council will transfer ownership of property to partners where the objectives of that partner accord with the objectives of the Council.
- The Council will ensure that **all** assets build by or on behalf of the Council accord with good practice, demonstrate best value and are economically and environmentally sustainable.
- The Council will focus expenditure onto those assets that have a long term future.
- Accommodation will be provided in accordance with the Accommodation Strategy contained within part 2 of this report.

7.2.4 The Corporate Property Strategy will be updated annually.

7.3 **Backlog of Maintenance and Repair**

7.3.1 One of the many challenges that the property portfolio faces is one of age. A large portion of the infrastructure is time expired and requires replacement. At the end of FY07/08 the maintenance liability amounted to approximately £28.7M. Figures are currently being collated for FY08/09 . The maintenance liability of an asset will be one of the factors considered when determining whether the disposal option is practicable. However to assist in this process the council will look to reduce the backlog of maintenance by:

- identifying core assets and targeting expenditure in these areas.
- using the backlog of maintenance as a key indicator when considering the business case for the disposal or retention of assets.
- transferring assets to partner organisations.
- increasing expenditure

7.3.2 This combined approach will ensure that there is a reduction of the maintenance liability. However it should also be noted that as long as we hold a property portfolio there will be a maintenance liability. This will need to be planned for to ensure that we have a structured and cohesive approach to the management of the portfolio.

7.3.3 To address the backlog of maintenance the action plan as set out below has been adopted. This is a continuation of the Action Plan approved by Cabinet in June 2007 and should be seen as an evolutionary process that will allow us to focus expenditure on those assets that have a long term future. This will ensure that we have a coordinated approach to the management and reduction of the backlog of maintenance by the efficient and effective management of the property portfolio. This addresses property issues over the next five years and runs concurrently with the other targets as set out in the Asset Management Plan.

Action	Task	Timescale	Comments
Identifying Core Assets and targeting expenditure in these areas	Completion of Phase 2 of Asset Challenge	Sept 2009	This is an ongoing process with assets under continual review
	Identification of Key Council Assets	Complete	However as Council outcomes change this will require revisiting
	Identification of Assets for disposal	Ongoing	5% of stock per year based on a FY06/07 Baseline
Use the Backlog of Maintenance as a key indicator when considering for the disposal or retention of assets	Option Studies to support the future use of property will include an investment appraisal that will include an investment appraisal	Ongoing	Depend upon demand
	Development of an assessment process to determine suitability of Partner/Community Organisations to take on Council Assets.	October 2009	Will meet criteria as required by the Quirk Review
	Development of a Standard Transfer agreement to Partner/Community Organisations	October 2009	Will be kept under review and subject to CMDN
	Identification of Assets that are suitable for transfer to Partner/Community Organisations	Ongoing	Will be kept under review and subject to CMDN
	Work with relevant organisations to agree transfers	Ongoing	An ongoing activity
	Transfer of Property	Ongoing	This will be ongoing to tie in with the identification of assets for disposal.
	Increasing expenditure on Key Council Assets	Increase expenditure on key Council Assets in real terms. To include works in support of DDA	Dependent upon outcome of budget

7.4 The Disposal Option

7.4.1 The process for dealing with surplus assets is set out in Part 2 of this Plan. However there are factors that will be considered in coming to a disposal solution.

7.4.2 The disposal of an asset is not a decision that will be taken lightly. The criteria that will be considered are summarised below:

- Location
- Suitability
- Value
- Alternative use value

- Maintenance liability
- Annual Maintenance costs
- Age
- Condition
- Capacity
- Energy Cost
- Running Costs
- Covenants
- Potential future uses
- Sustainability

7.4.3 Each asset will be assessed against each of these criteria. However any decisions will be based on the strategic need for a particular asset in a particular area and the impact of the closure and eventual disposal would align with the overall council objectives. It will also be supported by a fully developed business case.

7.4.4 The whole of the property portfolio will be kept under review. Those operational assets held by services will be robustly challenged. This will require services to justify the holding of assets. As a Council we will only continue to hold those assets where there is:

- A justified operational requirement
- An acceptable investment return
- A strategic reason
- Social need.

7.4.5 The council will also consider disposal of assets to partner organisations. In such circumstances such partner organisations will also need to agree to sign up to the delivery for options that align with those of the council. In addition the council will reserve the right to bring those assets back into council ownership. Also such assets will not be disposed of without the permission of the council and the partner organisation will also take on all maintenance liabilities.

7.4.6 In addition the council may look to dispose of assets to community organisations. In such circumstances the council will need to be certain that any community organisation is capable of actively managing such assets. Similarly any such agreement will allow for the use of the asset for community uses.

7.5 Outcomes

7.5.1 The Strategic approach to property must lead to a Property Portfolio that is tailored to the outcomes of the Council. Property does not exist for properties sake. The approach outlined will not only lead to a rationalised property portfolio but it will also ensure that the Council has a portfolio for the future. A Portfolio that has the flexibility and efficiency to take the Council into the future

PART 2

Supporting Policies and Procedures

Introduction

Part 2 of the AMP sets out the process and procedures that are to be followed during the management of the Property Portfolio. They set out the roles and responsibilities of those who are tasked with managing the Councils Property portfolio on both a day-to-day and Strategic Level.

It is the responsibility of those who manage Property to make themselves aware of these processes and procedures.

This Part of the report considers:

1. Health and Safety - Premises Responsible Person
2. Surplus Property Declaration and Procedure
3. Disabilities Discrimination Act – Principle of Prioritising DDA Works
4. Rationalisation of Operational Property – Accommodation Strategy
5. Additional Property Requirements
6. User Occupancy Agreement
7. Energy and Water Policy

Health and Safety - Premises Responsible Person

Premises Responsible Person – Health and Safety Duties

The following outlines the duties of the responsible person for each Peterborough City Council premises. This is to ensure compliance with legislative requirements namely the Health and Safety at Work Act 1974, The Management of Health and Safety at Work Regulations 1999 and the Fire Safety Order 2005. Work is ongoing to fully define this role and any revised responsibilities will be advised through Insite.

Staff are reminded of the importance of Insight in the communicating of Health and Safety and are advised to regularly review the information.

If you have any queries or require further advice on any health and safety matter please do not hesitate to contact the Internal Health and Safety Section based in the Town Hall on 747474

Main Duties and Responsibilities

1. Responsibility for managing and ensuring compliance with regard to the control of health, safety and welfare of the building and facilities within the Directorship's responsibility;
2. To ensure the Premises Hazard Manual is completed and maintained and available for inspection at all times by internal and external authorised persons;
3. To ensure that suitable and sufficient fire precautions and equipment and evacuation procedures are in place, tested, recorded and reviewed as necessary;
4. To advise the Authority's Property Services help desk, Tel:425425, of structural or other defects in connection with the premises;
5. To ensure security of the building premise is upheld and that local security procedures are adhered to at all times within the premises;
6. Respond and report to safety audits and inspections and ensure remedial action is taken to rectify any outstanding issues;
7. To liaise regularly with other Premise Responsible Persons to ensure a developing and co-ordinated approach to health, safety and welfare of staff.

Surplus Property - Declaration and Procedures

SURPLUS PROPERTY DECLARATION AND PROCEDURES

1. As soon as a Head of Service becomes aware that property used by his / her service may become surplus to the requirements of that service (either through a service review or otherwise) the Head of Strategic Property will be advised immediately.
2. If a building or structure is at any time vacated by a service, it is the duty of the Head of Service to make arrangements, in consultation with the Head of Strategic Property, regarding security and insurance of that property.
3. The Head of Strategic Property must be consulted over any Cabinet / Strategy /CMDN report mentioning potential closure / vacation of a property. This will enable the Head of Strategic Property to inform and comment on the implications for the service and the Council over the future of that property and likely timescale for disposal.
4. When a Head of Service can confirm that a property definitely will be / is surplus to that services requirements, they will advise the Head of Strategic Property. The following information will be provided:
 - The future of any fixtures and fittings in the property
 - Arrangements for services and utilities and meter readings if necessary
 - Arrangements for security, fire and any other alarms
 - Arrangements for physical security of the property
 - Arrangements for any heating system in the property
 - Labelling and hand over of keys
 - Date for the property to be transferred to the responsibility of Head of Strategic Property.
 - Details of where costs associated with the previous use of the building e.g. dilapidations are to be booked to.
5. The Head of Strategic Property will only accept the asset when:
 - It is secure and the necessary security measures are in place
 - The asset is safe or alternatively the Head of Strategic agrees to take the asset with the outstanding safety issues.
 - It is wind and watertight
 - Operating Costs i.e. rent, rates, insurances security, FM etc have been transferred to Strategic Property.
 - Any income is transferred to Strategic Property
 - The keys are provided
6. In some instances the Head of Strategic Property will require the service declaring the property/land surplus to undertake certain works. For example this could include demolitions or dilapidations. These will be agreed before the Head of Strategic Property accepts the asset.
7. The service declaring the asset surplus should also make sufficient provision to cover dilapidations costs if there is no longer a requirement for the asset, if the lease (if applicable) is to be surrendered or the lease has come to an end.

8. On the date that the property is transferred to the responsibility of the Head of Strategic Property, the service declaring the property surplus will have:
 - No further physical management responsibility for the property.
 - No further responsibility for the capital charges, business rates (NNDR), energy costs, security and essential repair & maintenance for that property.
9. Once the Head of Strategic Property has been informed of a property being considered as surplus by a service, and as soon as is appropriate, he will approach all appropriate Heads of Service across the Council. This approach will be by e-mail and will identify the property and location, and invite any interest from other services (or their partners organisations) with a deadline for response. If no response is received within 4 weeks then it will be assumed that there is no future use for the asset. Any future use of the asset will be supporter by an Option Study that will include a Whole Life Costing. The Head of Strategic Property reserves the right not to offer any asset to Head of Service if there is a Strategic requirement to use that asset in another way.
10. In considering interest in the property, the Head of Service will be required to:
 - Identify service need for additional property requirements
 - Identify funding for the costs likely to be associated with the property - Head of Strategic Property will endeavor to provide information on capital charges, business rates (NNDR), energy costs and repair & maintenance allowance.
 - Identify when occupation is likely to be required from and, if not indefinite, the period of occupation required
 - Respond within a set timescale.
11. Where two or more services are interested in the property and joint occupation is not possible or agreeable, the Head of Strategic Property will initiate negotiations between the services concerned to resolve the conflicting claims for occupation. The Corporate Asset Management Group (CAMG) will initially consider any unresolved conflicting claims. In cases of continuing dispute, these would be referred to CMT for consideration.
12. When a service wishes to take over an asset it will, from the date stipulated by the Head of Strategic Property, take over the full operating and management costs of the asset. The costs of this will be borne entirely by the Service taking the asset. There will be no transfer of funds from Strategic Property.

CMDN - Surplus Declaration and Future of the Property

13. Where a service has a potential use the property (either alone or as joint occupation with another service), the Head of Strategic Property will arrange for the transfer of the property to that service or services. This will initially involve a CMDN prepared by the Head of Strategic Property involving both the service declaring the property surplus and the service(s) requiring occupation. Subject to CMDN, the Head of Strategic Property will then arrange for the transfer at an agreed date
 - of the property
 - of management responsibility for the property
 - to the service(s) requiring occupation (as appropriate).

14. Where there is a strategic reason to retain a property but no identified, immediate service need, the Head of Strategic Property will report this to CAMG and Portfolio Holder with details of:
 - an identified future need.
 - proposals for management of the property in the meantime
 - a budget for management of the property as the service declaring the property surplus will not continue to be responsible for associated costs.
15. Where there is no service requirement for the property and no strategic reason to retain the property, the Head of Strategic Property will take immediate steps to report this to CAMG. Such a report will request that the property is declared surplus to the Council's requirements and is disposed of on the open market by the Head of Strategic Property. The subsequent agreed terms of any such disposal will be reported to the Cabinet for approval.
16. Where there is no service requirement for the property or there is no market for a disposal the Head of Strategic Property will report this to Cabinet with details of:
 - any alternative strategy for the property - *demolition, gifting the property to an external body*
 - proposals for the management of the property in the meantime
 - budget for management of the property as the service declaring the property surplus will not be responsible for associated costs.

Disabilities Discrimination Act - Principles for prioritising DDA Works

Principles for prioritising DDA works required as a result of access audits

These principles apply to the Council's operational portfolio **excluding** Schools and associated educational property.

Priority to be based on:

1. Customer Service Centre

Is the building a customer service centre with the associated profile and level of service that requires full and immediate compliance?

2. Number of public visitors accessing a service

Based upon the number of service users accessing a building on an annual basis. Provides an indication of risk associated with not carrying out works

3. Government service inspection

Next date of government inspection and equality and diversity issues associated with that inspection or deadline associated with previous inspection. Interpretation of DDA requirements may differ; therefore agree definition of Council requirements under DDA with inspectors.

4. Service users likely to have special access needs

Realistically these buildings have already addressed the key issues under DDA.

5. Other sources of funding to address the issues

Alternative funding sources such as the Adult education programme in learning and Culture.

6. Profile of the property

Is the service delivered from the building high profile with a media interest.

7. Property review and other costs associated with the property such as condition, backlog maintenance, energy usage

Rationalisation of Operational Property - Accommodation Strategy

1.0 Executive Summary

- 1.1 This strategy outlines a framework for the Council to establish and embed new corporate standards and to rationalise its current operational office accommodation in a programme over 4 years.
- 1.2 The strategy identifies opportunities to support effective and efficient service delivery.
- 1.3 The strategy aims to put a framework in place to provide flexible accommodation to respond to changes in circumstances (sufficient for eventualities arising through, for example Customer Access, E Govt & ICT and initiatives operated by Service Review). This would need to be achieved within budget constraints.
- 1.4 The target is to have accommodation, which is modern, flexible and generally arranged on large open plan floor plates, capable of temporary partitioning according to service needs. Selection criteria for new accommodation will be focussed on fit for purpose, cost effectiveness and flexibility. This may be owned or leased.
- 1.5 Generally the Council's current office accommodation provides barriers to the Council meeting objectives for customer access, joined up delivery, modernisation and best value in service delivery. In short, the new accommodation would support all customer service and business process re-engineering objectives sought by the Council.

2.0 Aims of Strategy

- 2.1 The aim of the strategy is to:
 1. Set the corporate accommodation standards.
 2. Put in place a mechanism for standardising allocation of office accommodation and where appropriate bring the management of all office accommodation under the control of the Executive Director of Strategic Resources, i.e. all office based accommodation comes under the corporate management. This came into effect in the 2007/2008 budgets. Strategic Property will lead on the transition from Directorate to Corporate approach
 3. Specify that all standard computers and peripherals to be corporately provided and funded. Wherever possible the principle of projects being self funded should be followed. This came into effect in the 2008. Special arrangements would be made for any non-standard requirements (software and hardware). The management of this will again be under the control of the Executive Director of Strategic Resources.
 4. Confirm that all standard office furniture will be provided corporately and funded within the corporate accommodation charge under the management of the Executive Director of Strategic Resources. Special arrangements will be made for non standard items. (This would exclude school purchasing). This again came into effect in the 2007/08 budgets.
 5. Identify needs and programme of option studies for the delivery of a corporate archive/storage facility (location and management of to be determined).
 6. Confirm the basis for assessing levels of funding requiring to be spent on newly acquired or existing accommodation to enable the property to be brought up to corporate standard. Any requirement outside that of the corporate standard would be either restricted or funded by the Departments budgets on a business case basis.

7. Set the corporate office standard which can then be factored into the “Asset Challenge” project lead by Strategic Property. This seeks to establish whether, for example, accommodation is fit for purpose, fully utilised and provides the best investment return or service delivery benefits for the Council

3.0 Context

- 3.1 The strategy is timely as the Council is going through rapid periods of change. There is a need for adaptability of accommodation, for this to be accessible to the Councils customers where necessary. To achieve this, the Council will need to have suitable, flexible, value for money accommodation.
- 3.2 The Council currently holds properties where office space is its primary use. In other cases it is a secondary use, for example, surplus space in schools and community centres used as offices. There is a much more diverse spread of accommodation types within what can be classed as “secondary use” office sites.
- 3.3 Many of these premises were acquired to react to business pressures and are not necessarily fit for purpose or ideally located. They were primarily what were available in the Council’s portfolio of assets or on the market at the time that the need arose. Consequently they did not go through the option study/feasibility cycles to establish suitability. This strategy is therefore consistent with the Councils drive to take a more strategic approach to the acquisition, management and retention of Corporate Office Buildings. Taking a medium to long term forward planning approach therefore features highly in this strategy.
- 3.4 The disjointed and cellular nature of some of the Council's present accommodation is not best suited to modern office practice and for accommodating modern organisational structure. This is often a barrier to effective communication both within and between departments and leads to 'silo' working and mentality. There are also buildings being used as offices clearly never designed for this purpose.
- 3.5 The Council has for example, schools with office accommodation within the premises, which is utilised either by children services staff or 3rd party organisations. Consequently these fall outside the remit of corporate office accommodation which raises issues about how office standards are being met. This is not untypical of local authorities approaches to accommodation utilisation consistent with deficiencies in forward planning.
- 3.6 In the national context this is consistent with Council's seeking to better utilise its assets and drive through efficiency savings in Peterborough and across a number of other Authorities this process is known as “Asset Challenge” (a systematic and consistent review with service representatives of accommodation suitability and utilisation).
- 3.7 A full Asset Challenge exercise commenced in 2007 and this strategy formed part of this review. The output of this project and the work of Corporate Accommodation Review Group (CARG) will help inform future decision making in the retention, acquisition and better utilisation of existing assets.
- 3.8 There are a number of important emerging issues which give rise to the need for a step change in the quality, management and delivery of office accommodation for the City Council.

The Key Drivers for Change are Listed Below:

Transit time - no. of man hours of staff walking or driving between buildings	Example – say it takes 15 minutes to walk from Bayard Place to Bridge House. On average this journey is done 5 times a week – at an average hourly rate of £35.00 per hour – cost £43.75 per person per week. Annual cost of approx £1706.00 per person.
Filing Policy/Retention	Development of corporate policy relating to filing and retention of files. Inadequate or inappropriate storage or lack of resource to dispose of old files causing inefficient use of space.
Sustainability Issues	Council moving towards using less raw material, lower energy costs. Consideration of these in new builds or acquisitions.
Extraordinary Costs	Extra cost supporting multiple locations and duplication of facilities.
Growth/Flexibility	Flexibility in workplace and culture allowing for additional growth.
Inconsistent quality is divisive (Staff survey pertains)	80% of staff at Bayard Place satisfied with accommodation, whereas only 45% at Bridge House (source staff survey 2005). Overcrowding in some areas and under utilisation in others.
Quality of Accommodation = high opportunity cost	Could some premises be used for commercial purposes rather than office space? What is the opportunity cost of continuing in occupation?
Limited Corporate Control on non corporate managed buildings.	Increased level of risk. If under Corporate Management control, this can be managed more efficiently. FM Audit. This will identify strengths and weaknesses – See Attached Appendix E (NB: Also see Implementation Plan regarding timescales for Audit)
Gershon/Efficiency Council	Extra costs incurred supporting multi office locations including duplication of services.
Blockers to business change	New projects often require dedicated space i.e. Xansa/Oracle taking over meeting rooms.
Health & Safety Considerations	Standardised audits on all Council buildings.
CPA	Use of resources. How we use our office accommodation is an indication.
One Council	Tendency for ‘silo’ mentality. Single corporate “one Council” culture’. Made more difficult with remote buildings and accommodation constraints.
Unplanned investment decisions	Often = Cost increases. Limited up front planning for example – Emergency planning taking over basement at Town Hall – ICT needed to vacate so moved to space at Depot – Depot now moving location so ICT need to move back to Town Hall.

Meeting room utilisation = protectionism	Corporate meeting rooms fully booked, external venues being used. However, departmental meeting rooms often vacant.
Insufficient meeting rooms	Means space not meant for meetings are being used for example meetings held in corridors and on landings.
Staff survey	Staff survey identified non consistent standards; some areas do not support flexible working initiatives, whereas others do. Can be divisive.
Problems Corporately in establishing need means in some instances short falls in briefing	Briefing more complex due to the number of premises and their nature. Vision and guidance needed from Corporate offices, team to inform briefing. This strategy will underpin this.
High City Centre office costs for staff not on the front line	Out of town alternatives to be considered, example Axon B (PCC Occupied).

- 3.9 Existing arrangements can present a constraint on the Council's ability to achieve best value in the delivery of local services. Typically officers have difficulty in achieving their full potential when constrained by their working environments. New fit for purpose, energy efficient and flexible accommodation could unlock significant efficiency gains and would support the Council drive to achieve savings of the type required by Gershon. A structured (well planned approach to office accommodation provision) is also a feature of Authorities already achieving excellent ratings in terms of Comprehensive Performance Assessment (CPA).
- 3.10 The strategy identifies accommodation solutions that will meet the Council's future service needs and enable the Council to move forward organisationally and culturally to achieve improved efficiency and better quality services to customers. This will be determined and controlled by budgetary constraints. First and foremost, the strategy seeks to support the effective operation of the Council with further considerations reflecting the wider socio-economic wellbeing objectives of the authority i.e. sustainability and local regenerations.

4.0 Recent Refurbishments and Upgrades

- 4.1 Whilst accommodation in the Town Hall for the Chief Executive, ICT and GPPPC has already been refurbished and modified, there is currently no corporate model for furniture or IT.
- 4.2 Opportunities for improving and rationalising will come with relocations for Peterborough Direct and structural changes within Chief Executives and Legal. These alterations will involve large capital outlay.
- 4.3 A comprehensive review of councils city centre assets began in 2008. It will include predominately City Centre Council office accommodation as part of the option study to be known as "Civic Suite Study".
- 4.4 The Council has recently acquired Manor Drive (Feb 2008) and Stuart House (November 2008) to support the reorganisation of the Property portfolio and improve service delivery.
- 4.5 This is in addition to those properties previously acquired including Bayard Place (2004), Midgate House (2005), Minerva/the Forum (2005), Axon B (2005) and Peterscourt (2005).
- 4.6 Although these offices are of a higher, more modern standard than many of the others in the portfolio there is no corporate identity, standard or model on fit out, furniture or IT. The Strategy and its implementation aims to address this as part of the Councils improvement agenda.

5.0 Partnerships

- 5.1 The establishment of local area agreements and greater cross public sector working is driving major increases in partnership working and integrated service delivery in turn requiring accommodation fit for purpose. There are aspirations and in many cases a requirement that staff working in Partnerships will be co-located with Partners.
- 5.2 All of these changes may impact on the need for, and nature of, office accommodation that will be shaped by the strategy. The strategy recognises that partner organisations may have their own work styles, cultures, and statutory requirements and these will be taken into consideration where appropriate. However, it is identified that the strategy will challenge the need for staff to be co-located if ITC and other infrastructure arrangements are in place.
- 5.3 Notwithstanding this there is usually a business benefit of co-location requiring flexible accommodation to respond to the constantly changing nature of partnerships and to enable new forms of integrated working to be established.

6.0 Regional Growth Pressures

- 6.1 Never has the need for effective property management been greater with land and property values being at an all time high in Peterborough (land and buildings). In turn the issue of cost in use and opportunity cost is increasingly more and more relevant.
- 6.2 The government's decision to include Peterborough into the London-Standed-Cambridge-Peterborough growth corridor means Peterborough will have access to growth funding pots. Peterborough anticipates its population will grow to at least 200,000 people over the next 15 years. The demand on Council services will grow in line with this, putting pressure on the Councils office accommodation stock.
- 6.3 The accelerated growth targets of population rising to 250,000 raise a whole series of further questions, what, how and where the councils services are provided from.
- 6.4 As a consequence of this, undoubtedly the Council will experience increasing demands for services and sustainable, quality infrastructure. This demographic growth will put pressure on services such as office needs, schools, libraries, roads, waste, and homecare. The Council will need to address these.

7.0 Sustainability and Environmental Matters

- 7.1 The City Council's commitment to climate change is demonstrated by the drive to reduce travel - both to and from work and for work purposes, as set out in the Council's travel for work plans. Flexibility in the workplace and home working will be supported by the creation of new office environments and complementary facilities.
- 7.2 Further contributions towards reducing the environmental impact of the City Council's operations lie in consideration of whole life value of buildings - the whole life costs and material requirements, rather than the initial build costs. The strategy will lead to a specification for office buildings using less raw material and having lower energy costs, enabling the replacement/refurbishment of offices having high energy costs with new efficient premises/systems.

8.0 HR Matters

- 8.1 Nationally, the cost to employers of sickness absence is high - and rising. 'New' health problems at work include stress, anxiety, depression, and musco-skeletal problems.

Chartered Institute of Personnel & Development calculates the average cost of sickness absence each year per employee of around £434 per employee. With Peterborough City Council employing approx. 2,426 staff (excluding schools) the total cost could be £1,052,884.

From Property for business: an essential guide Survey by Stanhope, Management today and ICM found that: Over 90% of respondents felt that well-designed workspaces play a crucial role in reducing stress, improving morale and reflect an employer's attitude to staff.

9.0 Changing Work Patterns and Culture

- 9.1 Lifestyles have changed in the past decade: people are more mobile and work flexible hours, many work from home - or are completely mobile.
- 9.2 There is now a range of office options, such as hot-desking, touchdown, open plan offices and the creation of flexible team - or group-working places, that support and encourage such a flexible workforce, but this can only be successful if accompanied by changes in the ways people are managed. The Council is seeking to embrace some of these, and further details can be found in section 4 of this strategy.

From Property for business: an essential guide Survey by Stanhope, Management today and ICM found that:

Over 85% feel they are more productive in a stimulating workplace and that the workplace is a key indicator of a company's corporate culture.

Over 75% said that the work environment influences decisions to work for an organisation, and a key factor in staff retention.

10.0 Gershon Efficiencies

- 10.1 Local Authorities are being pressed to make year-on-year efficiency savings. In turn there is increasing on "back" office functions to release more money for front line services.
- 10.2 The opportunity cost of letting a building in the city centre to a third party and receiving an income on average £13.00 per sqft as opposed to the Council using the premises for its own use needs to be considered.
- 10.3 Just one of the many options which will be covered by the "Civic Suite" pre option/option studies.
- 10.4 An effective workplace is not just about space and fit-out but needs a careful combination of IT, support services and HR policies. Innovative workplace solutions can offer significant paybacks through:
- facilitating team-working and breaking down barriers.
 - Streamlining work processes and improving communications
 - Improving work-life balance
 - Improving asset utilisation
 - Reducing costs
 - Making future business change easier *and cheaper.*

In recent FM journal report:

On average companies surveyed carried out 233 moves a year involving 35 people or more a move, with an average cost of £3,576.00, resulting in a cost per person of just over £102.00 per person. Therefore, with the average total cost per annum of £833,208 on moves there is a strong initiative to reduce these costs to a more efficient use of space and moves management. Moving of staff only rather than furniture and IT will significantly reduce this figure.

- 10.5 Accommodation that can suit working in multi agency partnership arrangements will also help meet the Gershon efficiency agenda.

11.0 Government Challenge

11.1 The Government is challenging local authorities in respect of their asset management strategies. As a major owner and occupier of property, the City Council is required to justify holding land and buildings and consequently to dispose of assets that are surplus to need. This echoes the Council's prime concerns in the property context, namely that we must:

- Not hold property unnecessarily
- Expeditiously dispose of property which is surplus, and
- Use what we retain efficiently and effectively.

12.0 Work-style Issues

12.1 New and enhanced working styles can bring multiple benefits to an organisation but often require a great deal of planning and consideration prior to adoption.

12.2 It is clear that changes to work styles and culture are not enabled solely through the provision of new and improved environments and technology. In order to implement new working styles successfully, new disciplines and management protocols need to be implemented to assist in the change of mindset and style of management.

12.3 Successful utilisation of practical solutions such as hot-desking, a wide range of protocols need to be agreed and implemented by managers. Such protocols might include clear desk policies, legitimised regular clearout of paper, or archiving of hardcopy and electronic files, in line with the concept of a 'less paper' (and possible future 'paperless') offices by using electronic document management.

12.4 None of this can be achieved without further investment in new technology, but must be supported by effective management solutions designed to support modern flexible working.

12.5 The Council has already started implementing some of these protocols and the establishment of the Corporate Accommodation Review Group (CARG) enhances the Council's commitment to improving the working environment.

12.6 Key to this is "management by outcomes" whereby the worker is managed on the effectiveness to deliver projects in a timely fashion and to meet targets, as opposed to "outputs" which relates to number of hours worked by the number of staff.

12.7 Staff need to be able to deliver what is required of them on time, and it is no longer the managers' responsibility to dictate when or where, in many cases, the work is done provided that deadlines are met.

12.8 The methods pursued to use office space effectively and facilities must be adopted and implemented across the organisation. To ensure that this is the case, there must be leadership by example - right from the top of the organisation and down through the management structure.

13.0 Culture Change

- 13.1 The City Council is committed to flexible working and improving work-life balance, but it is becoming increasingly important to create working conditions that support interaction and collaboration, particularly across team, section, directorate and organisational boundaries.
- 13.2 It is accepted that space has to be retained, however, for concentrated and confidential work.
- 13.3 The implementation of the strategy will result in having modern, welcoming, surroundings that meet the Government's national property performance indicators for buildings.
- 13.4 Developments with the 'One Stop Shop', bringing together the services offered by Peterborough Direct under one roof, namely Bayard Place, goes a long way to a more welcoming and efficient area for our customers.
- 13.5 Significant improvements in flexibility may be achieved through service directorates identifying future trends in workload and staff numbers early and feeding the requirements into the Corporate Accommodation Review Group (CARG). This will enable the planning of accommodation needs and enable a measured response to demand rather than tactical interventions that result in unsatisfactory interim arrangements.
- 13.6 Here do we want to be?

The Government has produced the document *Working Without Walls* to assist organisations in developing office strategies and optimising the use of office space. The document includes a key table setting out five stages of office development. See appendix B.
- 13.7 By reference to the *Working Without Walls* diagram, we need to be making progress towards Stage 4, although Stage 3 is currently regarded as realistic.
- 13.8 Peterborough City Council is currently at stages 1 & 2, cellular and open plan. This strategy sets out an implementation plan to move towards stage 3. It will do this by developing a more flexible working environment, improving the IT infrastructure to support a culture of flexible working will enable Peterborough City Council to progress towards the desired stage and to align budgets, staff roles and responsibilities and to deliver the plan.

14.0 Workstyle Solutions Already Being Considered

- 14.1 Some workstyle solutions already being considered and planned by the Council are: -

15.0 Flexible Working Patterns

- 15.1 Flexible working patterns take advantage of the use of mobile technology such as laptops, local area networks, mobile phones, and e-mail to permit staff to work in locations remote from the office and outside the traditional 'nine-to-five' day. This can aid staff to achieve better work/life balance. Human Resources has set out the practical steps that need to be taken to agree and implement flexible working patterns in their Flexible Working Hours scheme.

16.0 Hot Desking

- 16.1 Hot desking is the shared use of a non-assigned desks by a number of staff on a part-time or ad hoc basis (as opposed to the allocation of desks to people on a one-to-one basis).

- 16.2 This is particularly appropriate for staff members who spend large portions of their working week out of the office and for part-time workers. This has been accepted by some departments but others still have difficulty in accepting this. The Council will work to an 80% workstation to staff ratio (see Appendix C).
- 16.3 The effectiveness of this can be demonstrated by the Chief Executives Department who operate a hot desking working environment.
- 16.4 By increasing the number of roaming profiles of IT staff hot desking can become more effective. Staff will be able to log on at any workstation and at any Council buildings and download the data relevant to them.

17.0 Homeworking

- 17.1 The introduction of the Home working policy will allow staff members the opportunity to work from home on their own personal computers. Laptops may also be used for off-line working at any location. This can contribute to improved work/life balance.

18.0 Touchdown Centres

- 18.1 Touchdown facilities support short-stay drop in style working at fixed PCs or connections for laptops. Staff may call in at a touchdown facility to check e-mail, work on documents, or search the intranet/internet, whilst their roaming profile ensures that they get the same 'desktop' (access to their normal range of software and folders) as they may get in their normal office computer.
- 18.2 Touchdown facilities may be in a designated room or simply a designated area (or even one desk) near an entrance or circulation route.
- 18.3 All of the above has now been incorporated into Agile working ERMD.

19.0 Other Potential Opportunities to Improve use of Office Space

19.1 Furniture

- 19.1.1 Some of the office accommodation is furnished with a range of incompatible furniture, procured at different times over several decades.
- 19.1.2 Only the newest or recently refurbished offices (Chief Executives, ICT) are furnished with furniture specially designed and laid out to suit the space.
- 19.1.3 Most office furniture in other areas has been procured directly by service departments, although there are some differences in desks there is some standardisation emerging, i.e. green chairs and screen.
- 19.1.4 Since service departments effectively 'own' the furniture, there exists a tendency for furniture to be moved around as departments move from one building to another. This means that office moves are expensive because a simple office move may engender several furniture removals that need to be dovetailed with each other, and with building alterations and changes to telephone and IT services.
- 19.1.5 Members of staff also tend to be opposed to moving to an older desk, and furniture removals add to the costs and difficulties of moving even single members of staff around.

19.1.6 This strategy recommends that furniture is procured centrally and to an agreed standard as per appendix C. Therefore future moves will only involve staff and personal effects, making potential for significant savings for the Council.

19.1.7 As previously stated:

In recent FM journal report:

On average companies surveyed carried out 233 moves a year involving 35 people or more a move average cost of £3,576.00, resulting in a cost per person of just over £102.00 per person. Therefore, with the average total cost per annum of £833,208 on moves there is a strong initiative to reduce these costs to a more efficient use of space and moves management. Moving of staff only rather than furniture and IT will significantly reduce this figure.

20.0 IT Equipment

20.1 In general, computers, printers and most other peripherals are currently procured by the ICT department on behalf of the service departments where the funding is held. Data networks and servers are funded corporately.

20.2 At present, computers are generally moved with staff as they are relocated and this generates significant cost because of the need for disconnection, reconnection, and changes to personal profiles to enable use of network printers, etc., in addition to the transportation costs and potential for damage to equipment.

20.3 From 2007/08 the Council will implement a three year desktop roll out policy, with funding being held centrally. It is recommended that all standard requirements of computers and peripherals are procured and funded centrally under the control of the Executive Director of Strategic Resources (Head of ICT) with any specific requirements specified and funded by the service department, but again purchased centrally. This would allow full support, as well as a knowledge of all hardware and software working on the Council's network, to be co-ordinated by the Council's ICT Section.

21.0 IT Systems

21.1 The Council has embarked on an ICT Improvement program to upgrade and maintain all central ICT systems and services. Standards and Policies for ICT are being implemented during 2006.

22.0 Corporate Identity

22.1 Although there is a corporate identity for stationery there is not currently a standard for office accommodation. Signage and the image of building are inconsistent. There is a future need to develop a Corporate Accommodation Identity.

23.0 Car Parking/Travel to Work

23.1 Car parking is provided for all staff. In some cases parking is on site, however the majority is at municipal sites around the city.

23.2 Travel Choice was established by the City Council to address a number of corporate objectives (environmental, transport and planning) and supports the Council's work-life balance initiatives. Travel Choice have developed Travel Plans for staff with incentives to encourage sustainable transport and alternatives to car usage, for example:

- Walking
- Cycling
- Car sharing
- Public transport
- Car park management
- Reducing the need to travel/other ways of working.

24.0 Storage

24.1 Storage of equipment and files in city centre offices is expensive in comparison to storage in 'warehouse' facilities in the outskirts of the city.

24.2 Some characteristics of storage in offices are:

- Most sections and directorates have their own filing stores, generally using hanging files or traditional filing cabinets.
- Office layouts include individually designed file storage provision
- Most sections and directorates have storage spaces (including, for example, stationery stores), much of which is in the form of wooden or metal cabinets
- The age and quality of storage furniture is varied.
- Off-site file storage is used for some files that are infrequently used, but this is not used equally across the organisation and some departments/sections continue to occupy large areas of office space with paper files
- Some other large equipment (such as survey tools) are stored in office accommodation.
- Expensive office space in city centre used for storage
- Different arrangements across the Council for archiving - ranging from Children's Services important long-term storage of personal files in dilapidated accommodation (which will need to be moved in the near future) and those expending sums on a decent archive retrieval systems.

24.3 Electronic files are stored on the Corporate file servers (as required by the corporate ICT Policy) which states that staff are not to use local storage devices on Computer units. The network storage is backed up daily by the ICT Division and kept for a period of time.

24.4 It is recommended that the provision of a 'Corporate Archive store' be subject to an option based study (to be completed by Strategic Property by end of September). Management of the facility to be decided once the option work has been completed.

25.0 OVERVIEW OF ISSUES

25.1 A number of key issues will be addressed within the strategy as detailed in the previous sections. These are tabled below for quick reference:

Areas of consideration	Key issues
Office accommodation	Drive for more open plan offices, higher grade premises so as to reduce maintenance costs and energy cost, standardisation of furniture and equipment.
Offices fit for purpose	More effective use of office accommodation, high value sites may be released to generate capital receipt.
Furniture	High costs in moving furniture rather than just moving staff.
IT equipment	Sustainable IT infrastructure, improved flexibility by introduction of roaming profiles etc, moving staff rather than computer.
Corporate identity	Inconsistent signage and image of buildings to be addressed.
A step change?	Location of City Council offices - do they need to be in city centre?
Environmental design standards	Incorporation of environmental standard in new build and refurbishment when appropriate.
Charging	Internal charging does not encourage budget holders to reduce space occupied. This needs to be addressed.

26.0 NEXT STEPS - SUMMARY OF ACTIONS

26.1 Office Buildings fit for purpose

26.1.1 Buildings will be surveyed and categorised against suitability criteria with links to “Asset Challenge” and full FM audits will be carried out on each.

26.1.2 The buildings identified for possible disposal will form part of the Capital Receipts programme. This will be informed by option studies both at building and service levels.

26.1.3 The criteria for challenging future retention will include:

- any with high maintenance cost and/or security issues
- any that does not support the emerging culture change and flexible working
- any that fail to meet the requirements of the Disability Discrimination Act
- any in locations not reasonably accessible by public transport or cycling

26.1.4 Buildings to be retained will be split into three further categories:

- Minor investment to be carried out over the next 12 months
- Medium investment to be carried out within the next 3 years
- Major investment to be carried out over the next 5 years.

26.1.5 Investment would be in the form of IT upgrades, refurbishments and furniture requirements.

26.1.6. New ways of working would be considered along with other method of office utilisation, for example:

- Hotelling
- Hot office
- Open plan environments
- Study booths
- Team tables
- Informal meeting area/social space
- Quiet area
- Support area

26.1.7 An FM Audit managed by Strategic Property in conjunction with Contract Services and Environmental Services (Health and Safety) is currently being implemented (see Appendix E).

26.1.8 A more detailed implementation plan will be developed in conjunction with the “Asset Challenge” option study, than that in Appendix D.

27.0 Office Standard

27.1 Corporate standards to be agreed and rolled out over a 4 year period. The standards will include:

- Office sizes
- Desk sizes
- Basic IT requirements
- Storage (storewalls)
- Caddy stores - flexible working
- Off site storage - link with retention and disposal policy

28.0 Environmental Considerations

28.1 The following will be taken into consideration when designing or refurbishing offices.

- BREEAM
- DDA
- Design
- Diversity
- Environmentally sustainable including Carbon Neutral

29.0 Funding

29.1 A strategy implementation plan with funding requirements will be developed. The plan will be split into short term, medium term and long term.

30.0 Human Resource implications

30.1 As part of the implementation planning human resource implications need to be considered. If required unions will be consulted.

31.0 Legal Implications

31.1 As part of the implementation there will be a need to identify any legal implications e.g.

- DDA
- H&S
- Procurement
- Section 123, Local Government Act
- Other Statutory requirements

32.0 Resources

32.1 It will be necessary to identify and cost for all resources needed to implement the strategy. Resources will be needed from many different departments across the Council. Strategic Property will lead on this through the Efficiency and Effectiveness Board (one of the Council's four Corporate Programmed Boards).

33.0 Programme

33.1 It is recommended that the strategy be implemented in three stages:

- Short term – up to 12 months
- Medium term – 1-3 years
- Long term – 3-5 years

33.2 These will be dependant on the level of capital investment required to deliver the requirements of the strategy and the link with other Corporate Strategies and Policies i.e. IT Infrastructure improvements.

33.3 Guidance Notes to be issued along with quarterly Newsletters. Strategic Property will lead on these in conjunction with the Communications Team.

33.4 A full implementation plan is attached as appendix D.

34.0 Join up with other Change Programmes

34.1 The Accommodation strategy cannot work in isolation from other change programmes. It may be possible to use opportunities generated from other projects to implement the accommodation strategy and roll out the corporate standards i.e. Peterborough Direct. Projects will be monitored by the Corporate Programme Board so that accommodation requirements of projects can be addressed at the outset.

35.0 Corporate Office Suite (Civic Suite Project)

35.1 Decisions need to be made as to the location of a Corporate Office Suite or Campus of Corporate offices based on the data collated by the Corporate Accommodation Review Group and option studies.

36.0 Equality Issues

36.1 The needs of the Council staff and Members will be considered during the implementation of the strategy including Council's requirements to work within legislative frameworks and good practice guidance where it relates to Race, Gender, Sex/Age and Disability Discrimination.

36.2 Delivery of this Strategy is dependant on commitment, including leadership, people and where appropriate Capital and Revenue resources. There is a lot to do but the benefits will outweigh the inputs

Appendices

APPENDIX A
Establishment Lists –
Children's Services

UERN	Establishment Name	Prop Class	No. of Staff	Leasehold/Freehold
E1180	Bretton Green		+5	Leasehold to Cambs CC
E2126	Cavell Court 9&11		+5	Leasehold
E1172	Herlington House		+5	Freehold
E1037	Laxton House		+5	Leasehold to Cambs CC
E1161	Newark Court		+5	Freehold
E1041	Staniland Court		N/A	Leasehold (Managed by LSH)
	Cavell Court 8&9		+5	Leasehold
<i>Additional</i>				
E054, E1204, E0529	Cromwell Centre	Operational Office	+5	Freehold
E1282	The Manor	Respite Care Home	+5	Freehold
E1409	Cherry Lodge	Respite Care Home	-5	Freehold
E2049	Midgate House	Operational Office	+5	Leased (12 years)
E1156	Children's Home	Children's Home	-5	Freehold
E1252	Children's Home	Children's Home	-5	Freehold
E1230	Resource Centre	Social Care Resource Centre	+5	Freehold
E1229	Gunthorpe Family Centre		+5	Freehold
E1192	Clare Lodge	Secure Accommodation Centre	+5	Freehold
E0043	Middleton - Hearing Centre		-5	Freehold
E1254	Pupil Referral Unit - Fletton		-5	Freehold
E0035	PRU Honeyhill		-5	Freehold
E1290	PRU Riverside		-5	Freehold
	PRU LEAP Perkins		-5	Not Asset
	Edward Jenner Unit		-5	Not Asset
	The Cedars		-5	Not Asset
E0034	Highlees - Portage		-5	Freehold
E0034	Highlees - Primary Support		-5	Freehold
E0532	PCAE		+5	Freehold
E0078	Adult Learning AMVC		-5	Freehold
E0078	Adult Learning Bretton Woods		-5	Freehold
E0020	Adult Learning Bushfield		-5	Freehold
E2127	439 Lincoln Road		-5	Freehold

UERN	Establishment Name	Prop Class	No. of Staff	Leasehold/Freehold
	Children's Play Centres		-5	
E0078	Youth Centres/Clubs		-5	
E0519	Youth Service North Team AMVC		-5	Freehold
	Youth Service South Team Fletton YC		-5	Freehold
	Surestart Centres		+5	
E1164	Welland Family Centre		+5	Freehold
E1163	South P/Boro Family Centre		+5	Freehold
	Family Centres		-5	

Strategic Resources

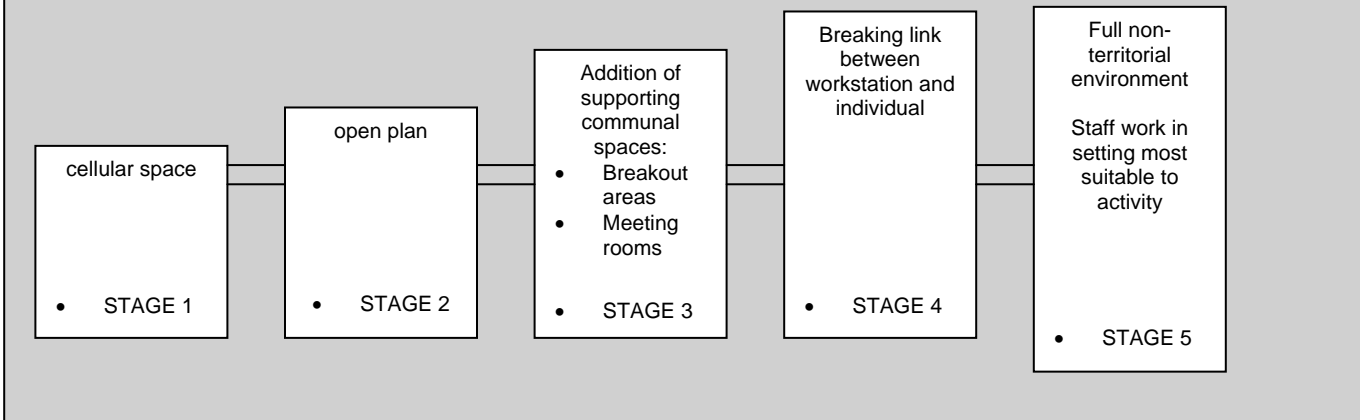
UERN	Establishment Name	Property Class	No. of Staff	Leasehold/Freehold
E428	Bayard Place	Office		Freehold
E916	Chaufeurs Cottage	Office		Freehold
E1034	Bridge House	Office		Freehold
E1039	Register Office (Blocks C&D)	Office		Leasehold
E1042	Town Hall	Office		Freehold
E1044	York Road 05	Office		Freehold
E1045	Bridge Street 25	Office		Freehold
E1261	PPDC	Office		Freehold
E1922	Market Chambers	Office		Leasehold
E2048	Peterscourt	Office		Freehold
E2049	Midgate House (3rd floor)	Office		Leasehold
E2098	96 Bridge Street	Office		Leasehold
E2100	25 Commerce Road	Office		Freehold
E2101	2-5 Minster Precincts	Office		Leasehold
E2102	Unit 10b Axon	Office		Freehold
	Minerva, 5 The Forum			Leasehold
	Street Warden Office			
	EARP facility			
	Depot			

Environment Transport and Engineering

UERN	Establishment Name	Prop Class	No. of Staff	Lease Expiry
E1047	CCTV Operation Room	Office	12	

APPENDIX B - WORKING WITH WALLS

The evolution of office space in departments and agencies
University of Reading, 2004



APPENDIX C - STANDARDS OF OFFICE ACCOMMODATION FURNITURE AND EQUIPMENT

- **Directors** - office with desk and meeting table to accommodate 8 people (suggest look at the size of Assistant Chief Executive office as standard size).
- **Head of Service** - suggest the dimensions of Head of Property office as standard (say 10sqm). Desk with meeting table seat up to 4 people.
- **Senior Manager/Assistant Head of Service** - suggest desk with D end meeting table in open plan office.
- **Staff** - dependent on nature of work but in principal 1600 desk plus 1 pedestal for personal items (to be more space efficient could recommend 1400 desk and 1 pedestal - however flat screens would be needed on smaller desks).
- Need to consider hot desking, home working, desk sharing.
- Target ratios of no more that 80% ratio of workstations to staff numbers i.e. 8 desks per 10 staff (some departments could work with lower ratios, some may need 100% coverage i.e. data imputers/helpdesks).
- Multi-purpose rooms i.e. staff room/meeting room/refreshment area (not canteen).
- Supervision areas/breakout areas/touchdown space to be provided.
- Meeting room ratios to be set per number of workstations (CARG to review further once audit of meeting rooms is completed).
- Off site filing solutions to determine filing needs.
- Standardised furniture and ICT (central procurement of).

Additional Property Requirements

1.0 Additional Property Requirements

- 1.1 The current property portfolio will not meet the future needs of the customer and it is inevitable that services will need to alter the way in which they use the assets from which they operate. On certain occasions the services may need to either move from the asset they use or alternatively require an asset in a different location from which to deliver to the customer. This process sets out the way in which services request additional property.
- 1.2 As soon as a service becomes aware that they have a requirement for additional property they are to discuss the requirement with their PoC in Strategic Property. As a minimum they will provide an outline brief which will identify:
 - Number of staff to be accommodation
 - Preferred location (including a justification for the location)
 - Any special requirements
 - Reason for additional staff
 - Space to be released.
 - Confirmation from the Head of Service that this is a justified requirement.
 - A fully developed business case including investment appraisal.
- 1.3 On receipt of the above the PoC will interrogate Strategic Property Databases to determine whether any existing Council property is available that meets the requirement.
- 1.4 If existing property is available then the requirement will be met from this. This could include co-location with another Council operation or Council Partner. There will be no consultation and alternative properties will not be offered unless they are Council owned and have a long term future.
- 1.5 Where the available property cannot fully meet the requirements set out above the CPO will determine the best available option following consultation with the Head of Service requesting the additional property.
- 1.6 Properties will not be leased unless this approach is supported by the business case and investment appraisals and only when Council property is unavailable.
- 1.7 The preferred property solution will be identified in the business case submitted to the relevant project board.
- 1.8 In addition all Services and Directorates are to note that it is only Strategic Property that have the authority (as defined by the constitution) to enter into negotiations and agree terms. Any service that agrees terms will be working outside their authorised powers.

User Occupancy Agreement

POLICY FOR OCCUPATION OF OPERATIONAL PREMISES

1.0 Introduction

- 1.1 The PCC Corporate Asset Management Plan sets out the Council's overall direction and framework for managing its property portfolio. It aims to optimise the contribution these properties make to providing quality services to the community. Delivery of the Asset Management Plan is the responsibility of the Corporate Property Officer ("the CPO").
- 1.2 This document sets out the responsibilities of Heads of Service in relation to the occupation by that Service ("the Service") of any operational premises. The document also sets out the responsibilities of the CPO, including the advice and assistance available to Services to help them manage effectively and efficiently the premises they occupy. (In this document, reference to the "Premises" includes any building, or any part of a building.)
- 1.3 All queries regarding land ownership or third party rights should be directed to the CPO. Services are reminded that the Council does not own all Premises occupied by Services, and it is therefore important to ensure the CPO is kept aware of any changes to buildings, as landlord's permission may be required.
- 1.4 It is not intended that this Policy overrides existing arrangements with to ensure continuity of service provision.

2.0 Responsibilities of Heads of Service

2.1 Possession

- 2.1.1 The Service must not transfer or share possession of the Premises, or any part of them, without the prior written consent of the CPO. This includes an agreement for any person or organisation which is not part of the Council (e.g. the PCT) to operate from within the Premises.
- 2.1.2 The Service must notify the CPO as soon as possible if consideration is being given to vacating the Premises or sharing the Premises with another service or outside body. When vacating Premises the Service should refer to the Surplus Property Procedure.

2.2 Use of the Premises

- 2.2.1 The Service must not use the Premises other than for the purpose of delivering those services for which it is responsible. The Service must obtain the consent of the CPO before changing the use of the Premises. (However, such consent is in addition to any formal approval required through the Council's decision-making process e.g. from Cabinet.)
- 2.2.2 It is the responsibility of the Service to ensure all necessary planning consents are in place for the use of the Premises. The CPO will make any planning applications required due to a change of use for which he has given consent.

3.0 Outgoings

- 3.1 Unless the Premises are managed by another Service of the Council, all costs and outgoings attributable to the Premises are the Service's responsibility. These will include:
 - capital charges associated with the Premises
 - rates and taxes;
 - electricity, gas and water charges;
 - providing fixtures and fittings

4.0 Repairs and Maintenance

4.1 Unless the Premises are shared with another service of the Council, the Service is responsible for making requests and payments for repair, unscheduled maintenance, and replacement of all the **internal parts** of the Premises. This includes:

- fixtures and fittings;
- floor coverings and finishes;
- doors;
- ceilings;
- glazing;
- window frames;
- shutters;
- internal décor;
- window and door locks and alarms;
- fire and security equipment and alarms;
- consumable items (e.g. light bulbs; toilet rolls);
- internal electricity, gas, air-handling and water systems

5.0 Buildings Insurance

5.1 The CPO is responsible for arranging **buildings** insurance.

5.2 The Service is responsible for ensuring appropriate building **contents** insurance is provided through the Executive Director of Strategic Resources.

5.3 The CPO will also arrange for any **third party liability** insurance required due to the Service's occupation of the Premises. (This is a further reason for ensuring the CPO is informed in advance of any change to the use of the Premises.)

5.4 The Service is responsible for ensuring nothing is done in the Premises that would cause any insurance policy relating to them to be void. In particular, there are conditions attached to the Council's building insurance policy relating to cover for damage by fire. For ease of reference, these are attached as Appendix 1 to this document

6.0 Statutory Legislation

6.1 Unless the Premises are managed by another service of the Council, the Service is responsible for complying with:

- all legislation relating to its occupation (e.g. Fire Regulations; Health & Safety);
- all relevant Council policies (e.g. energy management; procurement);
- any grant terms and conditions affecting its occupation; and
- all reasonable requests of the CPO regarding building management.

6.2 The Service must therefore only use contractors who have been appointed following a procedure complying with the Council's Constitution and its Procurement Strategy. Advice on procurement of contractors, and the benefits of any new strategic procurement initiatives affecting the Council's property portfolio, is available from the Head of Strategic Property.

7.0 Alterations

7.1 The Service must not make any structural alterations or additions to the Premises without the prior written consent of the CPO (inc. those required following statutory inspection, or the issue of new legislation or guidance).

8.0 Access

- 8.1 The Service must allow the CPO and his staff, agents or contractors, full access to the Premises for the purposes of inspection or carrying out any authorised works. The CPO will always (except in the case of emergency) give reasonable notice regarding access and will ensure that wherever possible there will be no interference with service delivery.

9.0 Nuisance

- 9.1 The Service should take reasonable steps to ensure that nothing is done on the Premises to cause a nuisance, damage, annoyance, or inconvenience to other services of the Council, or its tenants, or occupiers of adjoining or neighbouring premises.

10.0 Information Returns

- 10.1 The CPO may require information regarding the Service's occupation of the Premises, for the purposes of the efficient management of the Council's property portfolio. All such requests for information will be answered fully and promptly.
- 10.2 Every three years the CPO will conduct a survey of a cross-section of Council properties to inform decisions on their refurbishment, replacement or closure. These Suitability and Sufficiency Appraisals will give all services the opportunity to comment on the fitness for purpose of the premises they occupy and any changes affecting their operational efficiency.

11.0 Shared Accommodation

- 11.1 When occupation of the Premises is shared by two or more Services, or with an organisation which is not part of the Council (e.g. the PCT), the Service managing the accommodation must agree a suitable apportionment of the costs and outgoings with the CPO, and sign any additional documentation considered necessary.
- 11.2 When occupation is shared, the Service managing the accommodation will be responsible for the cost attributable to vacant accommodation/rooms not occupied by another Service.
- 11.3 It should be noted that Councils are being encouraged to share accommodation with partner organisations; however, the CPO must always be involved in any such proposals.

12.0 Occupying Premises not owned by the Council

- 12.1 When a Service (or person funded by a Service) has a need for accommodation which cannot be met from the Council's property portfolio, the Service must contact the CPO as soon as the need is identified. This is to ensure that the CPO has sufficient time to find suitable accommodation and agree a suitable rent and apportionment of the costs and outgoings, and that all necessary documentation is in place.

(NB Only the Head of Strategic Property has authority to agree terms for the occupation of Premises.)

RESPONSIBILITIES OF THE CPO

1.0 Repairs and Maintenance

1.1 The CPO will liaise with other groups and services to arrange for the **structural repair and maintenance** of the Premises, which includes:

- walls;
- roof;
- floors (excl. floor coverings & finishes);
- foundations;
- all external areas (e.g. car parking);
- external fire escapes;
- external lighting;

and arranging for all **electrical and mechanical servicing and planned maintenance** (e.g. lifts).

1.2 The CPO is responsible for the maintenance of any new plant and equipment or alterations and additions carried out with his prior written approval.

1.3 The CPO is also responsible for any works not requested by the Service but undertaken by his staff, agents or contractors, including insurance works undertaken following damage by flood or fire.

2.0 Support and Advice

2.1 The CPO will liaise with other groups and services to ensure **day-to-day support** for the Service, such support to include advice on:

- refurbishment, alteration, and extension of the Premises;
- Energy Policy;
- Fire Regulation and Health & Safety;
- asbestos management ;
- any other responsibilities or liabilities associated with the Service's occupation of the Premises which may arise from time to time, including securing funding for exceptional repairs and maintenance;
- reviews of portfolios/service provision and effective use of resources;
- performance indicators relating to occupation of the Premises;

3.0 Surveys and Inspections

3.1 The CPO will ensure that all necessary **surveys** of the Premises are carried out relating to:

- the Asbestos Management Plan;
- the Electricity at Work Act;
- any other surveys required to be carried out under legislation coming into force from time to time; and
- annual service inspections.
- Legion Ella;
- the Disability Discrimination Act 1995;

3.2 The results of all these surveys will be forwarded to the Service.

Energy and Water Policy Statement

PETERBOROUGH CITY COUNCIL PUBLIC BUILDINGS

Energy and Water Policy Statement

1.0 Policy Context

1.1 This policy statement on the use of energy and water in Council buildings is consistent with the Council's Corporate Strategy and acknowledges the important role the Council can play by setting a good example for other local organisations and groups to follow. In particular, it is consistent with the outcomes identified in the Corporate Plan.

2.0 Commitment to Responsible Energy and Water Management

2.1 The Council's commitment to responsible energy and water management is set out in Peterborough City's Climate Change Strategy and, in particular, the following strategic objectives:

- to reduce energy consumption, ensure energy is used efficiently and encourage the increased use of renewable energy
- to use water efficiently and with care and work with agencies and communities to ensure good water quality is maintained

3.0 Policy Statement

3.1 In working towards the achievement of these strategic objectives, the Council will practice energy and water efficiency throughout its own premises, providing best value for the authority and setting a good example for others to follow.

3.2 The Council will control energy and water consumption in Council buildings in order to:

- avoid unnecessary expenditure
- improve cost effectiveness without compromising working conditions
- protect the environment
- prolong the useful life of fossil fuels
- lead by example

3.3 It is envisaged that the policy will give rise to the following outcomes:

4.0 Outcomes

- Fuels for Council premises will be purchased at the most economical cost
- Energy and water will be consumed in a responsible manner on Council premises
- The overall volume of energy and water used by the Council will fall
- Air quality pollutants, particularly carbon dioxide emissions, generated by Council buildings will fall
- The Council's reliance on fossil fuels will fall as the potential of renewable energy increases
- Each Council building (non-domestic) will have its own energy reduction target
- Other local organisations will follow the lead taken by the Council in this area

5.0 Aims

5.1 In order to achieve these outcomes the Council aims to:

- reduce energy and water consumption by reviewing our operations, motivation, training and awareness campaigns to improve good housekeeping
- secure the resources necessary to finance a programme of energy saving measures which demonstrate cost effectiveness beyond doubt
- partner Government agencies in match funding of energy saving schemes
- provide regular, accurate feedback to budget controllers and building managers on their energy consumption and performance

6.0 Implementation

6.1 In implementing the energy and water policy for Council buildings, regard will be had to the following:

6.1.1 Responsibilities

- All employees are responsible in some way for controlling the consumption of energy and water used within Council buildings.

6.1.2 Lines of Communication

The Council will:

- monitor energy, water consumption and costs in all the buildings it is responsible for and meet periodically with building managers to discuss energy performance
- Report as required to the Corporate Asset Management Group on all energy related matters concerning the Council's Asset Management Plan
- report on a regular basis to its customers with a statement of energy consumption and expenditure

6.1.3 Action Plan

- An Action Plan spanning one, three and five year periods will be developed to implement measures that will achieve energy and water savings in Council buildings. The action plan will focus on the following energy management activities in addition to any programmed works:
- capital bid programme of initiatives involving identified plant replacement using new energy efficient technologies e.g. condensing boilers and variable speed motors etc many of which can be a little more expensive to purchase but cost far less to run.
- setting energy targets for all Council buildings (non-domestic)
- providing energy awareness training for key building operatives
- carrying out a cyclical programme of building surveys to identify potential energy saving measures both low cost and no cost, provide energy efficiency advice and record meter data.
- Developing renewable and sustainable alternatives to fossil fuel energy
- supporting and promoting energy awareness

7.0 Monitoring and Review

- 7.1 All energy management activities and performance against the Action Plan will be subject to annual review.
- 7.2 The Energy Conservation Unit will establish progress towards achieving Best Value targets, as defined under PI 180a - energy use in local authority buildings. The Unit will also provide an annual report on energy and water management within Council buildings to the Head of Strategic Property which will form the basis of an annual update report to Cabinet.

THIS POLICY STATEMENT WILL BE SUBJECT TO PERIODIC REVIEW

PART 3

Future Property Requirements

Future Property Requirements

Directorate: Children's Services

Service: Strategic Resources

<u>Item</u>	<u>Description (Need)</u>	<u>Justification</u>	<u>Location</u>	<u>Delivery Date</u>
1.	2 primary schools for the Hampton Township development and Extension to secondary school for additional 500 pupils	Requirement of the Section 106 agreement to meet the need generated by the original 5200 dwellings	Hampton Township	Primaries September 2009 ? and September 2013. Secondary extension 2011
2.	Additional primary school for expansion of Hampton by 1800 dwellings	Requirement of the Section 106 agreement to meet the need generated by the additional 1800 dwellings	Ditto above	September 2020?
3.	New build/refurbishment/extension of three existing secondary schools.	Completion of Phase 2 of the secondary school review as approved by Cabinet in October 2005	South of the City in Bushfield, Orton Longueville and Stanground	Bushfield September 2009 Orton Longueville and Stanground by 2013?
4.	Changes to existing Infant, Junior and Primary schools	There are currently approx. 2300 surplus places within the existing Infant Junior and primary sector. Demographic projections suggest that this surplus is likely to increase. A review of the future organisational requirements of primary places across the city has commenced and is likely to lead to changes to current provision.	To be ascertained	2007 onwards
5.	New primary and secondary schools arising from the growth agenda proposed for the city	Irrespective of the reviews completed and being undertaken with respect to school place provision there is a likelihood that the expansion of the city will require additional primary and secondary	To be ascertained	To be established

<u>Item</u>	<u>Description (Need)</u>	<u>Justification</u>	<u>Location</u>	<u>Delivery Date</u>
		schools as part of the new infrastructure needs. Unfortunately the current surplus places do not coincide with the planned growth areas and as such some schools may be considered for downsizing/closure whilst there is the need to build new schools in other areas. The additional requirements will be developed as the expansion programme proceeds		

Future Property Requirements

Directorate: Children's Services

Service: Learning and Skills

<u>Item</u>	<u>Description (Need)</u>	<u>Justification</u>	<u>Location</u>	<u>Delivery Date</u>
1.	1 special school for primary age children. 2 autism outreach centres for primary aged children 1 autism outreach centre for secondary aged children	The increasing population of the city has led to an increase in the requirements for schools or centres meeting the requirements of children and young people with special educational needs	To be ascertained	To be ascertained
2.	1 Learning and Skills Centre for young people aged 14-19	To support the outcomes of the implementation of the national 14-19 agenda in the city. To increase the participation of young people in vocational studies and further education and employment.	To be ascertained	To be ascertained

<u>Item</u>	<u>Description (Need)</u>	<u>Justification</u>	<u>Location</u>	<u>Delivery Date</u>
1.	2 primary schools for the Hampton Township development and Phase 2 extension to Hampton College. New Primary school under Sectn 106	Requirement of the Section 106 agreement to meet the need of a growing township. Sectn 106 requirements	Hampton Township South Stanground	Primaries September 2009 and September 2013. Secondary extension 2011 Est. 2009/10
2.	Secondary School Review Phase 2	Completion of Phase 2 of the secondary school review as approved by Cabinet in October 2005	South of the City in Bushfield, Orton Longueville and Stanground	BSF 2011/12
3.	Primary Capital Programme	The Government require us to have in place a Primary Capital Programme Strategy. This will inform the work of reviewing our Primary School Estate with a view to rebuild / refurbish 50% of our schools in a 15 year capital investment programme	To be ascertained through the work of the Primary Capital Programme Project	2009 onwards
4.	New primary, secondary, special and 6 th form provision arising from the IGS growth agenda proposed for the city	The IGS predicts the need for approx. 4,400 primary and 2,200 secondary school pupils by 2026. This will mean the need for the equivalent of 10 more Primary Schools and possibly 2 Secondary Schools	To be ascertained	To be established

Future Property Requirements

Directorate: Childrens Services

Service: Families and Communities

<u>Item</u>	<u>Description (Need)</u>	<u>Justification</u>	<u>Location</u>	<u>Delivery Date</u>
1.	Integration of Fieldwork teams for Intake and assessment, Children in Need at Newark and Herlington, LAC(up to 16) and Adoption and Fostering	Services currently delivered from a multiple number of locations across the city. Co-location of services will enable more effective delivery of services to vulnerable children and support Children's services response to the Joint Area Review recommendations.	To be established	2007/08 – 2008/09
2.	Integration of Disability Teams	Services currently delivered from a multiple number of locations across the city. Co-location of services will enable more effective delivery of services in response to the Best Value review recommendations	To be established	2008/09 – 2009/10
3.	Relocation of Family Assessment and Support Teams	Current properties at Orchard Street and Welland are not fit for purpose. Gunthorpe is adequate but requires capital investment. Further analysis of future service provision is required	To be established	2008/09 – 2009/10
4.	Co-location of LAC 16+ team with Young People's team to be based in town Hall	Provision of integrated service with Universal services 16+ team	Town hall	2007/08

Future Property Requirements

Directorate: Children's Services

Service: Universal Services

<u>Item</u>	<u>Description (Need)</u>	<u>Justification</u>	<u>Location</u>	<u>Delivery Date</u>
1.	Locality Based Services	<p>Following consultation a proposed model for the reengineering of service delivery structures has been developed which seeks to make the best use of resources and improve outcomes for children and young people. The proposed model is based around the following principle</p> <ul style="list-style-type: none"> (i) Integration of front-line services (ii) Split between universal/preventative services and specialist services (iii) Move to locality based delivery (iv) Services delivered in localities by 'hub and spoke' model (v) Integrated processes 	<p>Central area South area West/Rural area</p>	To be ascertained
2.	Additional Children's centres and youth provision in addition to current proposed provision	The national agenda for children's centres is based on criteria which excludes a number of areas of the city. To enable services to meet the needs of all children and young people additional facilities will be required to support the agenda proposed above.	To be ascertained	To coincide with delivery of locality based services
3.	New facilities to support the growth agenda of the city	An increase in the population of the city will require additional facilities which meet the needs of children and young people outside of the school based infrastructure e.g Children's Centres, Early Years provision and youth people provision.	To be ascertained	To be ascertained

Future Property Requirements

Directorate: Deputy Chief Execs

Service: Communications

<u>Item</u>	<u>Description (Need)</u>	<u>Justification</u>	<u>Location</u>	<u>Delivery Date</u>
1.	Unified Comms and Marketing Team. Approximately 20 staff.	A unified Comms and Marketing Team will benefit from economies of scale and synergies. In addition it will ensure that a consistent message is being issued by the Council.	Town Hall	ASAP

Future Property Requirements

Directorate: Strategic Resources

Service: EPPS

<u>Item</u>	<u>Description (Need)</u>	<u>Justification</u>	<u>Location</u>	<u>Delivery Date</u>
1	Material Recycling Facility & Commercial Transfer Station	<p>The existing MRF site in Fengate is too small for the processing of 100,000 tonnes of recyclate and a commercial transfer station and needs to be relocated.</p> <p>The current site proposals of the waste infrastructure could be linked together.</p> <p>The existing site however is suitable for the Energy Resource Recovery Facility (ERRF)</p>	<p>Accessible to all major highway infra-structures and a reasonably central location (could be linked with Southern Household Recycling Centre, Electrical Appliance Recycling Programme)</p>	2007/8 to allow development of existing site
2	Householders Recycling Centre Southern Township	A new HRC to serve the communities to the south of Peterborough. The facility will also take off the existing pressure from the Dogsthorpe HRC which is exceeding its current license.	South of the river, accessible from main highway infrastructure	2007/8
3	Electrical Appliance Recycling Programme (EARP)	The recycling and recovery programme has out grown the current leased site in Fengate and need to be relocated. This will allow the increase in recycling and recovery to take place.	Industrial B2 use. Excess on main bus route for residents to reach the community shop attached.	2008

<u>Item</u>	<u>Description (Need)</u>	<u>Justification</u>	<u>Location</u>	<u>Delivery Date</u>
4	Energy Resource Recovery Facility (ERRF)	New treatment facility to treat that material that is not reusable or recyclable although could be used to generate heat and power and off set existing use of fossil fuels	The existing Material Recycling facility site. Supported by external evaluation and study by Atkins	2008/9
5	Anaerobic Composting Site	A facility to treat organic food waste as part of recovering and recycling 65% + as set by full council in February 2007	A b2 use although needs to be away from residential due to odours (America farm is a typical location site that is acceptable)	
6	Health Protection Partnership (HPP)	<p>The relocation of the existing HPP unit needs to be undertaken in 2008 as the current lease runs out in October 2008 and is not renewable.</p> <p>The service is a joint service with PCC and PCT and needs to be located within the city centre for access of the public, support services who use the library and loan the current equipment.</p>	City centre location or easy access for bus travels and disabled persons	Oct 2008

PART 4

Glossary of Terms

Asset Management Plan

Glossary of Terms

Acronym	Meaning
AMP	Asset Management Plan
BREEAM	BRE's Environmental Asset Method
CAMG	Corporate Asset Management Group
CAMP	Corporate Asset Management Plan
CARG	Corporate Accommodation Review Group
CMDN	Cabinet Member Decision Notice
CMT	Corporate Management Team
COPROP	The Association of Chief Corporate Property Officers in Local Government
CPA	Comprehensive Performance Assessment
CPO	Corporate Property Officer
CSCI	Commission for Social Care Inspection
CYPSP	Children and Young People Strategic Partnership
DCLG	Department of Communities and Local Government
DDA	Disabled Discrimination Act
DEFRA	Department for Environmental Food and Rural Affairs
DFES	Department for Education and Skills
DTLR	Department for Transport and Local Government Regions
FM	Facilities Management
GPP	Greater Peterborough Partnership
GPPCP	Greater Peterborough Primary Care Partnership
GIS	Geographical Information System
IPF	Institute of Public Finance
IRR	Internal Rate of Return
NNDR	National Non-Domestic Rates
NOF	New Opportunities Fund
OP	Opportunity Peterborough
OPDM	Office of Deputy Prime Minister
PCAE	Peterborough College of Adult Education
PCC	Peterborough City Council
PPDC	Peterborough Professional Development Centre
PCT	Primary Care Trust
PFI	Private Finance Initiatives
RICS	Royal Institution of Chartered Surveyors
VFM	Value for Money

Council Estimated Reserves 2009/10 to 2011/12

Reserve	Estimated Balance at 01.04.09 £000	Net Movements 2009/10 £000	Estimated Balance at 31.03.10 £000	Estimated Balance at 31.03.11 £000	Estimated Balance at 31.03.12 £000
Departmental Reserves Total	2,565	-324	2,242	2,179	2,176
Reorganisation Cost Reserve	38	-38	-	-	-
Insurance Reserve	4,512		4,512	4,512	4,512
Capacity Building Reserve	3,036	-3,036	-	2,524	2,524
Corporate Reserves Total	7,586	-3,074	4,512	7,036	7,036
General Fund Working Balance	5,250	-	5,250	6,000	6,000
Grand Total	15,401	-3,397	12,004	15,215	15,212



ANNUAL ACCOUNTABILITY AGREEMENT

WORKING DRAFT

2009 – 2010

CONTENTS

Section		Page No
Section 1	Introduction	
Section 2	Financial arrangements	
Section 3	General commitments	
Section 4	Social care services for all adults and their carers	
Section 5	Older people	
Section 6	Adults learning disability	
Section 7	Adults with long term conditions and chronic illness	
Section 8	Adult mental health and substance misuse	

1. INTRODUCTION

- 1.1 This is the sixth Annual Accountability Agreement produced in accordance with the Partnership Agreement between Peterborough City Council and the former Greater Peterborough Primary Care Partnership (now NHS Peterborough – the local Primary Care Trust – PCT).
- 1.2 The Annual Accountability Agreement is a public statement of the following:
- Peterborough City Council's contribution to the PCT's pooled budget.
 - The level of performance that this contribution enables the PCT to deliver across a range of adult social care performance indicators on behalf of Peterborough City Council.
 - Key service developments that the PCT plans to take forward in 2009/10 that are either fully, or partly, adult social care.
 - The eligibility threshold for people to receive adult social care services as set by Peterborough City Council.
 - The charges that will be made to people receiving adult social care services on behalf of Peterborough City Council.
- 1.3 2009/10 will continue to be a challenging year for the delivery of adult social care services with ongoing demographic pressures, ever increasing expectations of improved service levels, the transformation requirements of “Putting People First” and the need to generate significant efficiency savings. The growth in the number of older people, particularly in the 85+ age band, is resulting in increased demand for adult social care services, a pattern which is being experienced by most other authorities. The government has recognised that long-term care requires a fundamental review of the current arrangements and a Green Paper is expected in early 2009 which, it is also anticipated, will include changes to the national framework for eligibility criteria.
- 1.4 The partnership is well established and continues to represent one of the most advanced and integrated models of health and social care services in the country. Continued commitment to the partnership will be key to continued success in the delivery of high quality services and good outcomes for local people. It is essential that the work looking at the future of the PCT's provider arm (“Peterborough Community Services”) be fully aware of adult social care services in framing the way forward
- 1.5 The Commission for Social Care Inspection (CSCI) will carry out an inspection of adult social care and our partnership arrangements in January 2009 and the outcomes will need to feed into the 2009/10 work programme.
- 1.6 Nationally, the White Paper “Our Health, Our Care, Our Say” and its associated guidance, such as “Commissioning for Health and Wellbeing”, continue to provide a framework for the development of integrated approaches to addressing issues across health, social care and other services e.g. housing, transport, leisure, education and employment. The seven outcomes for adults – good health, good quality of life, choice and control, personal dignity, economic wellbeing, freedom from discrimination and harassment and making a positive contribution will continue to be the aims for the delivery of our integrated services. “Putting People First”, the national concordat, sets out the transformation agenda for adult social care and this agreement will ensure that the programme of work linked to this is delivered.
- 1.7 Locally, the new Community Strategy and associated Local Area Agreement will be delivered in part through the partnership between the PCT and City Council and will

set out some of the key priorities which require a collaborative approach across a range of partners in order to maximise outcomes.

1.8 In 2009/10 we, therefore, anticipate focusing the PCT's efforts on the following areas:

- Improving choice and control through increasing the number of Direct Payments and through the implementation of Individual Budgets.
- Supporting the increased number of older people and those with physical and sensory needs who are eligible for adult social care and promoting prevention, early intervention and rehabilitation in order to deliver the best outcomes for these people.
- Continuing to improve learning disability services following the previous CSCI inspection with a focus on better planning for young people moving from Children's Services and the development of more local accommodation and support services.
- Ensuring that changes in mental health services arising from new legislation are implemented effectively.
- Sustaining and, where possible, improving access to services including particular improvements where needed in waiting times for assessment.
- Delivering efficiencies.
- Addressing the requirements of "Putting People First" including the provision of universal information, advice and signposting.

1.9 Peterborough is well set to respond to this agenda and the PCT will make every effort, within the resources made available to it by the City Council, to sustain the high quality work that led to its national rating of two stars announced in November 2008.

2. FINANCIAL ARRANGEMENTS

2.1 The pooled fund

	2009 - 2010	2008 - 2009
The Council (PCC)	£37,124,000	£35,295,000
Peterborough PCT	£180,499,000	£177,482,000
TOTAL	£217,623,000	£212,777,000

The Council's proposed figure of £37,124,000 is net of assumed income from charges and other sources, capital charges and Area Based Grant.

2.2 Charges for Social Care Services

The PCT operates and administers Peterborough City Council's charging policy for non-residential social care services (referred to as the Fairer Charging policy) on behalf of the Council, but it cannot vary the level of charges.

There are no changes to the charging policy to be implemented in 2009/10.

2.3 Eligibility Criteria

The PCT operates and administers the eligibility criteria for adult social care services (within the Fair Access to Care framework) on behalf of Peterborough City Council. Eligibility for services is currently set at the level of "high moderate". It will remain at this level for 2009/10. This notes an intention to maintain the eligibility threshold and reflects partners' wishes to continue to support vulnerable people through preventative approaches whenever possible.

2.4 Medium Term Financial Arrangements

Indicative contributions to the pooled fund for 2010/11 and 2011/12 by the City Council are £37,643,000 and £38,379,000 respectively. These figures are net of assumed income from charges and other sources, capital charges and Area Based Grant.

2.5 Capital

No new items of capital funding for adult social care have been included in the programme for 2009/10.

3. GENERAL COMMITMENTS AND DEVELOPMENTS FOR ALL SERVICE USERS

3.1 “Putting People First”

3.1.1 Designed to build upon "Our Health, Our Care, Our Say ", Department of Health – DH (2006), "Putting People First", HM Government (2007) reinforced the message of the government's ambition and commitment to "put people first through a radical reform of public services, enabling people to live their own lives as they wish, confident that services are of high quality, are safe and promote their own individual needs for independence, well-being and dignity". This ministerial concordat established the importance of collaboration between central and local government, the sector's professional leadership, providers and the regulator. By ensuring strong links and alignment to the NHS reforms of "The Next Stage Review" (Darzi, DH June 2008) and the "NHS Operating Framework", it sets out the shared aims and values which will guide the transformation of adult social care and recognises that the sector will work across agenda with users and carers to transform people's experience of local support and services. "Putting People First" seeks to establish Individual Budgets for everyone eligible for publicly funded adult social care support and links this to Lord Darzi's "NHS Next Stage Review", which suggested that in the future, personal budgets for people with long-term conditions could include NHS resources.

3.1.2 A key component of the 2009/10 agreement is the delivery of the requirements set out in "Putting People First". Key aspects have been detailed in the descriptions of major service developments. However, the aim by March 2011 is to have delivered the transformation in its entirety.

3.2 National Strategies

3.2.1 NHS Peterborough will need to ensure that all relevant national policy and guidance in relation to adult social care is implemented and adhered to. This includes, but is not limited to, "Putting People First" (as above), "Our Health, Our Care, Our Say", the commissioning framework for health and wellbeing, "No Secrets", the national carers' strategy, national service frameworks across all client groups, all relevant legislation including such recent changes as the Mental Health and Mental Capacity Act, "Valuing People" and the forthcoming "Valuing People Now" and the forthcoming dementia strategy.

3.3 Summary of major service developments to be delivered in 2009/10

3.3.1 Effective performance management and quality monitoring of all aspects of adult social care:

- Maintain or improve performance on all adult social care performance indicators, including achieving the necessary improvement on those where thresholds have been raised.
- Establish and improve performance monitoring for all adult social care national indicators, including proactive involvement in regional and national benchmarking work.
- Review integrated quality assurance processes to ensure that adult social care standards are achieved.
- Implement the recommendations from the 2007/08 performance assessment and from the January 2009 social care inspection.
- Further strengthen contract management processes to support performance improvement.

3.3.2 Implementation of national and local service reforms:

- Implement Individual Budgets for all new clients and for existing clients at the point of their annual review.
- Implement new arrangements and the action plan for safeguarding vulnerable adults and evaluate progress at regular intervals.
- Strengthen mechanisms for service users and carers to influence the development of services.
- Improve assessment and care management processes, including specific improvement in waiting times for assessment.
- Ensure that adult social care is taken account of in the work towards submitting an application for community Foundation Trust status for the PCT provider arm.

3.3.3 Ensure effectiveness and quality of care records:

- Remap the care management processes to ensure robust use is made of RAISE as the electronic care management record, including incorporation of workflows to support Individual Budgets.
- Ensure robust information security and information management for all adult social care information and records.
- Improve the RAISE system to incorporate better recording in relation to safeguarding vulnerable adults.

4. CARERS

4.1 Analysis of need and changes to legislation

- 4.1.1 At any one time, one in ten people in Britain are carers and every day, 6,000 people take on new caring responsibilities. The number of people over the age of 85 (the most likely to need care) is set to double in the next 20 years (DH 2008).
- 4.1.2 Carers at the heart of the 21st century – families and communities (DH 2008) sets out a vision that by 2018, carers will be universally recognised and valued as fundamental to strong families and stable communities. Support will be tailored to meet individual needs, enabling carers to maintain a balance between their caring responsibilities and life outside caring, whilst enabling the person they support to be a full and equal citizen.
- 4.1.3 National estimates suggest that up to 20% of employees are likely to have caring responsibilities which can cause financial hardship and difficulties in employment.
- 4.1.4 The 2008 drug strategy sets out the government's aims for the next 10 years in drug treatment and prevention to improve the care and support service users receive, placing greater emphasis on families' and carers' needs. This represents a positive step towards better support and outcomes for carers.
- 4.1.5 The Carers Equal Opportunities Act identifies three elements that must be addressed by all agencies:
- The duty to inform carers of their right to an assessment including those carers not presently in contact with the service, the so called hidden carers.
 - The assessments must take into account the carer's wish or need to work or take up opportunities that are taken for granted by other people who have no caring responsibilities.
 - Co-operation between authorities, e.g. health and housing. How requests for support and information should be given due consideration to ensure planning for services for carers is more inclusive.
- 4.1.6 The Children Act 2006 has relevance for support for parent carers – those parents with responsibility for a child with disabilities. The right support at this stage can bring huge benefits for the family and for statutory bodies in terms of future care needs.

4.2 Summary of major service developments to be delivered in 2009/10

- 4.2.1 Improve access to information, advice and support for carers:
- Increase awareness and understanding by carers of the support and services available.
 - Achieve a year-on-year improvement against the national performance assessment framework indicator for services to carers.
 - Develop plans to ensure that young carers know how to access information and are aware of the services that are available by September 2009.
 - Achieve a year-on-year percentage increase in the total number of carers' breaks provided.
 - Pilot the delivery of seamless, integrated services that support carers at high risk times by April 2010.
 - Ensure carers from previously under-represented groups are able to access culture specific or specialist services by September 2009.
 - Achieve a year-on-year increase in the number of new carers' assessments completed.
 - Achieve a year-on-year increase in the number of completed carer reviews.

- Increase the involvement of carers in service development.

4.2.2 Support and promote the wider well-being of carers:

- Develop processes with local employers to ensure that, where possible, carers are supported to work flexibly and are able to combine work and learning with care if they wish to do so from April 2009 onwards.
- Raise the awareness of the rights to flexible working practices by employees who are carers and by carers wishing to access employment by linking into the new Job Centre Plus Carers from April 2009 onwards.
- Work with Children's Services to ensure young carers are aware of and are able to access emotional and practical support services where appropriate from April 2009 onwards.
- Ensure specific equality targets are set within SLAs and contracts to assist organisations in working towards more equal access to services from April 2009.
- Increase the training and awareness of all key professionals from health and housing support about the needs of carers.

5. OLDER PEOPLE

5.1 Analysis of need and changes to legislation

5.1.1 At present, there are approximately 24,100 people living within Peterborough City Council boundaries aged over 65 years. The predicted percentage increase in older people in Peterborough is higher than that predicted both for Cambridgeshire and nationally. The growth rate for those aged over 80 is around 4.5% per annum, with this group consuming around 70% of service provision. However, the greatest level of increase will be amongst those aged 85+, and it is well established that it is this very elderly group that is the highest user of social care resources. In the 2001 census, 4.1% of the older residents described themselves as non-white, the largest populations being Asian British Pakistani and Asian British Indian. This is a larger percentage than for England as a whole.

5.1.2 The national census 2001 showed that:

- Over 8,750 people aged 60+ were living alone.
- 56% of people aged 75+ had a limiting long-term illness.
- 77% of people aged 85+ had a limiting long-term illness.

5.1.3 On average in 2008:

- Over 1500 people aged 65+ receive a community package to help them to remain living at home. This includes home care, meals on wheels, community equipment and day care.
- Over 800 people aged over 65 with high support needs were receiving care, either as part of an intensive home care package or as a resident in a residential or nursing home.

5.1.4 The direction for older people's services was set in the National Service Framework for older people and provided the framework to achieve the elimination of age discrimination, the provision of person-centred care, the promotion of older people's health and independence, and fitting services around people's needs. Therefore, with an increasing focus on enabling older people to live independent lives, the current pattern of service provision is being remodelled, over a period of time, to shift away from institutional settings to enhanced support to remain at home. The following themes run through all of the projects below and apply to all adult service users. However, they are expected to demonstrate a particularly significant impact in older people's services and will ensure the delivery of key outcomes highlighted in national and local strategies. These are personalisation, prevention, early intervention, care closer to home, better management of long term conditions and end of life care.

5.1.5 Essential to all of this is ensuring that a network of co-ordinated services is available to citizens which support independence and ensure access to effective timely health and social support when needed. The implementation of Independent Living Support Services, which aim to provide integrated services across sectors and professional boundaries, including housing-related support, social care and health for all adults, will have strong links to community nursing. This replaces and improves upon traditional arrangements for Supporting People and domiciliary care.

5.1.6 Putting People First requires the provision of universal information, advice and sign-posting and this will be incorporated into the development of the universal hub from 2009. The hub will also ensure independent professional support to service users in accessing self-directed support via assessment and referral processes.

5.2 Summary of major service developments to be delivered in 2009/10

Updated 21 January 2009

10

5.2.1 Improve awareness and support for older people's health and wellbeing:

- Develop the role of the Older People Partnership Board in ensuring a collaborative approach to implement the older people's strategy.
- Develop a range of community-based and peer delivered activities for older people and their carers, involving public health care professionals and the voluntary sector, including long term support.
- Following the review of day services and non-centre based day service provision from the range of in-house, independent sector and voluntary organisations, develop a commissioning strategy which will address unmet needs and gaps in provision. This will look at increasing capacity, the development of self directed support and physical activity, ensuring older people are able to access a range of support which is appropriate to their needs.

5.2.2 Ensure appropriate preventative services are available to support older people to remain in their own homes:

- Continue to increase the range of housing and support options to enhance opportunities for independence for older people. This will be done through implementation of the agreed Accommodation and Support Strategy for Older People using a phased approach and building on current good practice.
- Implement improved primary support and integrated teams' support into care homes.
- Develop and commission a health and well-being model of respite, offering a health check, holistic assessment and support to manage social and health needs.
- Continue to focus on prevention and early intervention and ensure that services are accessible to all who need to use them, including the development of the integrated falls team.

5.2.3 Increase the availability of rehabilitation services in the most appropriate setting based on the individual's need at all relevant parts of the pathway, including access to early and specialist rehabilitation:

- Increase the amount and effectiveness of intermediate care services which support people living independently in their own homes.

5.2.4 Increase choice and control for older people:

- Complete the development of the Independent Living Support Service and introduce from October 2009.
- Introduce phase one of the Universal Hub from October 2009.

5.2.5 Continue to develop commissioning plans:

- Develop the accommodation strategy to ensure the mental health and dementia needs of older people are reflected and aligned with the mental health strategy and develop the local dementia strategy in 2009 (see section 8).
- Review the demand for residential and nursing care in the light of recent trends, and national and local strategic drivers.

6. LEARNING DISABILITY

6.1 Analysis of need and changes to legislation

6.1.1 Over the next twenty years, expected demographic trends will result in a significant increase in the number of older people in need of care and support due to:

- An increase in life expectancy, especially among people with Downs Syndromes.
- Growing numbers of children and young people with complex and multi-disabilities now surviving into adulthood.
- A sharp rise in school aged children with autistic spectrum disorders, some of whom will have learning disabilities.

6.1.2 At January 2009, there were 462 people with learning disabilities receiving support. This figure covers both Peterborough Community Services and Cambridgeshire and Peterborough Mental Health Trust. The figure is projected to remain stable up to 2010 with a projection of 470 and accounts for 0.4% of the population.

6.1.3 The biggest challenge is how to provide for increasing demand whilst making services person-centred, keeping them within the resources available and on a path of steady performance improvement in line with the guidance in "Putting People First". The government's forthcoming review of social care funding and eligibility will be critical.

6.2 Summary of major developments to be delivered in 2009/10

- Reduce number of people living in residential and nursing homes – particularly the number of out of area placements.
- Increased privacy and dignity for service users within local in-patient accommodation.
- Increase engagement for black and minority ethnic groups with social services.
- Increase the number of people with learning disabilities identified within GP registers.
- Produce an implementation plan for day opportunities for adults with physical and learning disabilities by September 2009 and commence implementation.
- Increase the number of people with learning disabilities in paid and voluntary employment.
- Transitions strategy, as developed by the group, to be adopted by all relevant organisations and used for all transitions by September 2009.

7. PHYSICAL DISABILITIES AND SENSORY NEEDS

7.1 Analysis of need and changes to legislation

- 7.1.1 It is estimated that approximately 52,000 people in Peterborough have some sort of long-term condition, with more than 5,000 of those having more than one condition. We know that 26,285 people in Peterborough stated that they had a "limited long-term illness" (OPCS 2001).
- 7.1.2 For people with sensory impairments, the Grant Funded Services Return (GFRS1) provides information on people provided with non-community care preventative social care services. The PCT also maintains registrations of people with sensory impairments.
- 7.1.3 In total, 388 people with sensory impairments were supported by a community based social care service at 31 March, 26.1% of the numbers registered.
- 7.1.4 Overall admissions for adults aged 18-64 into long term care are favourably low compared to both nearest neighbour (IPF) comparators and the national average. This corresponds to an increase in the number of people aged 18-64 with a physical disability receiving community care services to support them to live at home.
- 7.1.5 Adults with physical disabilities were the biggest growth area for receipt of Direct Payments. This trend will increase with the implementation of Individual Budgets from January 2009.
- 7.1.6 People with long term conditions place considerable demands on health and social care services. Nationally they account for:
- 8 of the 11 top causes for hospital admission.
 - 80% of GP consultations, and
 - 5% of in patients who occupy 42% of all acute bed days.
- 7.1.7 With an ageing population and increased longevity due to new technologies, demand will only increase.
- 7.1.8 The latest evidence continues to support the clear messages about long term conditions:
- People with long term conditions are intensive users of health and social care services, including community services, urgent and emergency care and acute services.
 - Numbers are predicted to increase due to factors such as an ageing population and certain lifestyle choices that people make.
 - Ill health among the working population places a significant burden on health and social care.
- 7.1.9 Therefore, investment by health and social care communities in effective management of long term conditions delivers benefits to the population and value for money.
- 7.1.10 The Long Term Conditions Strategy is driven by standards in key National Service Frameworks, including long term conditions, coronary heart disease, cancer, children, young people and maternity services, mental health, older people, paediatric intensive care and diabetes.

7.2 Summary of major developments to be delivered in 2009/10

Updated 21 January 2009

13

7.2.1 Improve education and awareness about long term conditions for both patients and health care professionals:

- Develop programmes to educate high risk groups (targeting areas of inequality, BME and areas of deprivation) by September 2009.
- Review the educative model of care developed as part of the integrated community diabetes service to assess suitability of implementing this model for other long term conditions by June 2009.
- Ensure voluntary sector public and patient engagement in working groups.
- Develop the Healthy Living Centre model of care promoting treatment, education and promotion of self-management for a range of long term conditions from a single access point from September 2009 to March 2010.
- Capture expertise and input from the voluntary sector by June 2009.
- Create and extend support services for all families and carers, including bereavement support.

7.2.2 Develop a range of community based and peer delivered activities for people who have long term conditions and their carers, involving public health, health care professionals and the voluntary sector, including long term support:

- Review and develop expert patient and condition-specific education programmes by March 2010.
- Implement the agreed plans for the social care ring-fenced stroke funding, including the development of a communication disability support group for stroke patients in conjunction with the Stroke Association and peer support. This is a two year goal from April 2009 - March 2011.
- Ensure an action plan is in place to focus the exercise referral scheme on areas of inequality by June 2009.

7.2.3 Ensure a preventative approach to reduce the incidence of long-term conditions and ensure early intervention:

- Increase coverage of screening programmes and primary care registers, proactively and opportunistically targeting areas of the population with the most need to identify a patient's risk of developing a long term condition.
- Offer early recognition of significant symptoms, timely diagnostic tests, effective education to maintain a healthy lifestyle, and appropriate access to specialist advice and support.

7.2.4 Increase the availability of a full range of rehabilitation services in the most appropriate setting based on the individual's needs at all relevant parts of the pathway, including access to early and specialist rehabilitation:

- Develop the role of Stroke Co-ordinator to promote integrated stroke services across pathway.
- Review the provision of community based intensive stroke rehabilitation as part of the development of the City Care Centre from May 2009.
- Ensure optimum support to care pathways through intermediate care and rehabilitation resources based at the City Care Centre from May 2009.

7.2.5 Increase choice and control for people with physical disabilities and sensory needs:

- Increase the utilisation of personal health plans empowering people to manage their own long term condition.
- Increase access to integrated independent living support services, including the universal hub, from October 2009.
- Develop a patient experience survey during 2009/10.

- Increase individuals' choice within end of life care pathway, including choice of place of care.

7.2.6 Continue to develop commissioning plans:

- Develop an action plan following the review of sensory support services by September 2009.

8. MENTAL HEALTH AND SUBSTANCE MISUSE

8.1 Analysis of need and changes to legislation

8.1.1 Mental Health is fundamental to good health, wellbeing and quality of life. It impacts on how we think, feel, communicate and understand. It enables us to manage our lives successfully and live to our full potential. One in four people will experience mental health problems at some point in their lives and it is likely that for general emotional difficulties such as stress and anxiety the figure is much higher. Many of these problems are already treated in primary care and effective commissioning should, therefore, be a priority for NHS Peterborough. The population growth, especially among older people and new communities in Peterborough, are going to have a significant impact on mental health of the population in these communities, mainly due to issues related to social cohesion. Major development areas are central and east wards. It will be necessary to ensure people in new and existing communities are informed and involved in supporting decision making in order to create cohesive, healthy communities. The Peterborough Primary Care Trust operational plan for 2008/09 – a new health service for Peterborough has developed the following strategic priorities: access, healthy lifestyle, vulnerable people and health inequalities.

8.1.2 The aims of the mental health strategy are:

- To increase and improve the level of support for those suffering mental health issues through improved housing provisions.
- Improved referral times at primary and secondary settings for those suffering mental health issues within 18 weeks and, in many cases, quicker.
- Introduce specialist mental health service provision for pregnant women.
- Improved early identification of mental health problems through other routes.
- Fully implement the Mental Health Act 2007 and Mental Capacity Act 2005.
- Improve the process for identifying the support offered to carers of those with mental health issues.
- Enable more people suffering from mental health issues to return to work through the provision of psychological therapy.
- Reduce social isolation for those suffering from mental health issues.
- Improve the quality of acute provision for those suffering from mental health issues.
- Develop and implement a local dementia strategy in line with national strategy.

8.1.3 At January 2009, there were 651 people with mental health issues receiving support. The figure is projected to remain stable up to 2010 with a projection of 662 and accounts for 0.4% of the population.

8.2 Summary of major developments to be delivered in 2009/10

8.2.1 Well-being and prevention:

- Increase the number of those people with mental health problems to return to work through increased access to psychological therapies. This goal will be completed over a two-year period with the recruitment of staff and the roll-out commencing during quarter one of 2009/10.
- Revisit the review of mental health day care and update information as required. This will lead to the development of a day care review option appraisal and appropriate consultation by March 2010.

8.2.2 Older people's mental health services:

- Improve the level of appropriate mental health provision for older people. This goal will be completed in two phases with phase one being the completion of an older people's mental health strategy by September 2009.
- Implement the national and local dementia strategies.

8.2.3 Long term and acute mental health services:

- Reduce the social isolation of those suffering with mental health issues by the implementation of a mental health promotion strategy and suicide audit being completed through 2009/10.
- Improve the level of support for those suffering with mental health issues through the provision of improved housing. This goal will be achieved in two stages, with needs assessment options and appraisal work completed by September 2009 and newly commissioned services tendered and commissioned by March 2010.
- Improve and increase the access to services for BME groups.
- Ensure that those requiring intervention and treatment from acute mental health services receive the appropriate intervention in a timely manner.

9. PERFORMANCE INDICATORS

The attached table summarises the targets set for adult social care in 2008/09 [2008/09 table included currently – this will be updated by Quarter 1 of 2009/10].

CONSULTATION WITH SCRUTINY PANELS, SCRUTINY COMMITTEE AND THE YOUTH COUNCIL

NB – Where appropriate, questions posed by the panel are shown in italics, with officer responses following in standard text.

COMMITTEE/PANEL	COMMENTS
Joint Consultative Forum: 23 December	No specific response to Cabinet from this forum.
Business Efficiency Scrutiny Panel: 8 January	<ul style="list-style-type: none"> • <i>Queried the increase in prices for room hire at the museum.</i> The Executive Director of Resources noted that this was not in the remit of this Panel • <i>Why when inflation is only 1% are we charging more ie. There are some increases of 12%? The public will query this surely?</i> The costs we have to bear are higher than the rates of inflation. Council agreed policy framework – to increase fees and charges by 5% on average, either through increased volumes or increased charges. Agreed to request further information regarding room rates. • <i>Asked for cost/value of 1% increase/decrease in Council Tax</i> It was confirmed that, as shown on page 15 of report, 0.1% is equivalent to £54,000. <p>No specific response to Cabinet apart from these general comments.</p>
Scrutiny Committee: 12 January	<ul style="list-style-type: none"> • <i>If a 5.1% rise is schools spending but only 2.1% rise per pupil, where does the other 3.1% come from?</i> A 2.1% increase on spending per school pupil is guaranteed. Some schools might receive more funding than this and therefore a 5.1% rise overall in education spending would be seen. • <i>What is the situation with concessionary fares for buses and also swimming?</i> Funding from central government will ensure 2 years worth of free swimming for children and elderly people. Meetings were to take place within the Local Government Association to lobby government over the level of funding for the concessionary bus pass scheme. • <i>Why has bus shelter repair been targeted for spending cuts?</i> The Operations Department, which is responsible for bus shelter repairs could afford a one off funding cut for one year but this would not be sustained in the long term. • <i>Members are being increasingly asked to use Community Leadership funds for things such as bus shelter relocations. Is this correct?</i> Community Leadership Funds should be used in priority cases where Council departments could not carry out the work or would take a long time to begin the work. The Operations Department have since confirmed that there is no specific plan to rely on the Community Leadership Fund for this work.

	<ul style="list-style-type: none"> • <i>Can the loss of 400 staff be incorporated without a loss of service?</i> The reduction of 400 staff is possible due to more efficient working within Council departments. The 400 staff reduction need is due to the combination of efficiency savings and the need to balance the budget. • <i>Should there be a higher increase in Council Tax than 2.5% to improve services?</i> A consultation will take place concerning the Council Tax rise of 2.5%. • <i>When will phase 3 of the Business Efficiency work begin?</i> Some aspects of Phase 3 have already begun in preparation for a 1 April 2009 start. • <i>With a reduction in Adult Social Care spending, will services be affected?</i> Delivery of Adult Social Care services will not be affected as efficiency savings enable a reduction in budget. • <i>What will the opening times of the Jack Hunt Swimming Pool be when it is reopened?</i> The future opening hours of the Jack Hunt swimming pool are not known. This information will be brought back to the Committee. • <i>Can you explain what the section about school crossing wardens means?</i> A definition of the budget area concerning School Crossing Wardens, "Service to be examined in 2009/10 to see if this can be delivered in a different way", will be reported back to the Committee. <p>• Chairman – costs of the credit crunch to Peterborough were estimated to be around £4m, this would mean an 8% council tax rise. The officers have done well to maintain a low council tax rise. Members of the Committee expressed concern at the level of funding proposed for the Council's scrutiny function at a time when more work was being directed to that section. Members recommended that comments went to Cabinet to advise of this concern and that more resources were allocated to the scrutiny function</p> <p>In particular, asked Cabinet to review the proposal to reduce Scrutiny support by £25k (one post). This was thought to be too much of a reduction.</p>
<p>Children's and Lifelong Learning Scrutiny Panel: 14 January</p>	<ul style="list-style-type: none"> • <i>The school crossing warden savings of £65k were queried.</i> It was confirmed that this was proposed by the Operations Dept and that they would review how the service is paid for and look at options around school contributions or a voluntary service. • <i>Explanation of "Tier 4 Social Services" and expensive external provision?</i> Small number of children with complex and intensive needs. External provision includes out of area placements in residential schools and agency residential placements. • <i>Schools are receiving reduced funding – how can they afford to fund governance support and</i>

	<p><i>excellence in clusters?</i> We need to look at other ways to finance these services. We have been very generous in terms of costs we don't pass on to schools. Balances are a significant resource in some schools. We will look at the best ways to negate the impact of asking for extra funding.</p> <ul style="list-style-type: none"> • <i>Have you looked at the possibility of selling assets to meet the budget?</i> Confirmed that the capital programme is underpinned by the sale of assets. • Concerned about proposed reduction in level of scrutiny support – important resource to us which strengthens the democratic process and is necessary for cross party working. Concerns to be minuted and ask Executive to look again at their proposals – scrutiny needs strong support. • <i>Review of special schools – what are we going to see happening?</i> We want to invest in local provision, to create inclusive provision to meet needs and save or create money by selling places to other LAs. • <i>Capital disposals – how will this affect schools?</i> We are doing an early analysis of potential spare land around schools' footprints. Very early stages – further work is needed. We will talk to schools prior to any sale. • <i>Sale of playing fields – how does this affect the agenda around childhood obesity? Current state of property market means this is not prudent management of resources.</i> Minimum level of playing field provision is sufficient to promote health and fitness. If we sell playing field land then we need to make provision elsewhere. The Head of Strategic Property confirmed that a lot of work is needed prior to any sale, S77 consent, planning consent, consultation with Sports England etc. Need to do a balancing act between land values, i.e. the value we would accept for an asset against the cost of borrowing that amount. • All those locations included within the list of possible capital disposals should be consulted with to have the issues explained to them in full. <p>Specific response to Cabinet was to look again at their proposals to reduce scrutiny support – scrutiny needs strong support.</p>
<p>Environment and Community Safety Scrutiny Panel: 15 January</p>	<ul style="list-style-type: none"> • Clarification was sought on the timing of the proposed reduction in the workforce. The Director confirmed that it was intended that the initial phase would be complete by 31st March 2009. • Clarification was sought on the nature of the work undertaken by the Pest Control Service, and the definition of “non statutory” services. The Executive Director – Operations confirmed that the only statutory service related to the management of stray dogs. The financial challenges of providing the service were outlined

	<p>No specific response to Cabinet apart from these general comments.</p>
<p>Community Development Scrutiny Panel: 20 January</p>	<ul style="list-style-type: none"> • <i>Concerns regarding the reduction of hours in library opening times and swimming pool opening times. What would the overall savings actually be?</i> It's a work in progress, with a developed structure to work out savings. • <i>Are swimming pools losing money?</i> It was confirmed that bottom line costs for libraries and pools will be provided. • <i>Have concerns regarding reducing the number of hours at weekends and evenings, as surely this would be the times when the public would want to use libraries/swimming pools. Would this prove to therefore be cost effective in the long run?</i> The majority of Libraries/swimming pools would be open at key times. Therefore there would always be somewhere for the public to go, even if it was not their local Library or Pool. • <i>The charges for internet usage in libraries, how much will it bring in?</i> Around £30,000, plans for school children etc to have free access though. • <i>Were there any plans to get rid of any of the libraries?</i> Confirmed that there were no proposals for that • <i>The plans for the Tourist Information Centre, what are the options for it?</i> If agreeable, options would be circulated as Senior Manager Review is being undertaken and information may not be able to be divulged • <i>The scale of increase in charges against inflation, e.g. the hire for rooms at the museum, why is this?</i> This was agreed as the Budget Strategy and was not challenged. Where no need for a concession, suitable rates should be charged. Any money generated keeps Council tax down. • <i>Is the work from the pricing policy review panel going to be incorporated into the Budget?</i> The Panel was set up to enable discussions for next years Budget (to ensure the level of concessions were right) • <i>Are the hours at Jack Hunt swimming pool to be reduced?</i> Under review, will possibly be reduced to match busy times • <i>Would it be possible for Ward Councillors to have a one sheet report on what affects their Ward?</i> Going forward, will look into this • <i>Page 82 of Budget, the asset disposal list. Are you hoping to sell all of this before the next Budget?</i> These are already in the current plan • <i>Would assets be held onto if you didn't think you could achieve the targets?</i> If we achieved the whole list we would over achieve, so it's not a concern. • <i>When will we receive the updates on the risks around the budget?</i> Writing list now but none have

	<p>changed since the report, as this was a comprehensive list, therefore there are no real updates</p> <ul style="list-style-type: none"> • <i>Is it possible to forecast the end of year Budget figures to provide a comparison?</i> This is already in the Budget • <i>Will City Centre re-structure affect the street wardens?</i> Yes but with regards to better delivery and not their jobs • <i>Queried the £240,000 saving on the reduction of Community Planning Activity (Page 63), how and what does it mean?</i> An overview to the shared neighbourhood investment strategy was given to the panel. • <i>Queried the prospects for the cash office.</i> Confirmed that it was under review, would like to deter people from using it as much as possible • <i>Page 82 the list of Disposal Summaries, is that all we have?</i> No not all we have, this is a list of the ones that are of no financial benefit (if we owned them) • <i>Schools, are they a disposable asset?</i> The land around them is (legal advised at this point that you would need Government consent to get rid of this land) <p>No specific response to Cabinet apart from these general comments.</p>
Health and Adult Social Care Scrutiny Panel: 22 January	Comments to be circulated at Cabinet before incorporation in final Council report
Peterborough Youth Council: 23 January	Comments to be circulated at Cabinet before incorporation in final Council report
Business Rates Payers: 30 January	Comments to be circulated at Cabinet before incorporation in final Council report.
Parish Liaison Committee: 28 January	Comments to be circulated at Cabinet before incorporation in final Council report.
Public Consultation via questionnaire: Closes 1 February	Comments to be circulated at Cabinet before incorporation in final Council report.

CONSULTATION WITH SCRUTINY PANELS, SCRUTINY COMMITTEE AND THE YOUTH COUNCIL
Comments received after the publication of the 2nd February 2009

NB – Where appropriate, questions posed by the panel are shown in italics, with officer responses following in standard text.

COMMITTEE/PANEL	COMMENTS
<p>Health and Adult Social Care Scrutiny Panel: 22 January</p>	<ul style="list-style-type: none"> • <i>Can service be maintained with reductions in temporary care staff?</i> Revised staffing arrangements for temporary staff in the social care service will be more cost effective and could include a 'talent pool' of staff to save £750k. • <i>Will there be changes to the eligibility criteria to receive disability allowances?</i> No. • <i>Does an increase in Sports Centre charges conflict with attempts to make people healthier?</i> *Request a report in one year to see if increase in charges has led to a decline in the use of sports facilities. • *Recommend that Cabinet review the decision to reduce scrutiny support staff from 3 to 2. The committee feels that the level of support should not be reduced. • <i>Regarding Council owned Care Homes, could you advise on the status of Coneygree Lodge in Stanground?</i> Stanground is an area that is being looked at for improvement. There will be improvements made to all Council owned care homes. • <i>What are the NHS resources for revised long term health provision?</i> The government is looking at introducing personal budgets for health care. Pilot schemes will be started soon. • <i>Is it correct that an estimated 52,000 people in Peterborough suffer from long term health conditions?</i> Yes. • <i>How are the 8 main causes of hospitalisation being addressed and tackled?</i> The NHS 5 year plan outlines the goals and systems that will tackle this. • <i>What measures are being taken to ensure carers are aware of information and services available to them?</i> Lots of work is done with Children's Services to access young carers and assess their needs. Each carer's needs are individually assessed and support tailored to them. A range of professionals are involved in providing support. • <i>If there are cuts of £750k to the adult social care budget, how can this be maintained with a rising elderly population?</i> There will be no service cuts as savings have been identified. The £750k is only a small proportion of the total adult social care budget. • <i>Are people in place to enable consultation of patients to ensure a patient-led service?</i> Yes,

	<p>people are in place and patients will be engaged in many ways.</p> <ul style="list-style-type: none"> • <i>Do you intend to reduce nursing home placements outside of Peterborough? How do the figures compare to benchmarking numbers?</i> There are around 50 placements outside Peterborough but would have to confirm this figure. There are various reasons for this including the availability of specialised care. <p>Specific responses to Cabinet: Officers to report back in one year on figures for sports facility use Recommend Cabinet review the decision to reduce scrutiny officers from 3 to 2. Numbers of out of area care home placements to be reported back.</p>
<p>Peterborough Youth Council: 23 January</p>	<ul style="list-style-type: none"> • <i>Why is there a need to increase council tax, should public spending not be cut so people do not have to pay out more?</i> We are making smallest possible increase to balance the budget. • <i>What if it gets worse?</i> We are looking at how we can lead growth, and getting all the information and working out what it means. • The idea of reductions in Children's Services was not welcomed. Connexions is important as it helps young people to find employment. Young people did not cause the recession! • <i>If the government are not giving us the money that they should, can we not go direct to the chancellor and make our case?</i> The Local Government Association (LGA) represents us to the government, and do lobby over these issues. • <i>What is being done to get money back into the system?</i> Opportunity Peterborough are looking at what the impact of recession is on development and how growth can continue. • Comments were made by members of the Youth Council on the budget proposals, some for and some against the proposed changes. • Generally acknowledged that savings need to be made, but do not think that Youth Services, and Connexions in particular should be affected. <p>Specific response to Cabinet: That young peoples services are important and that the proposed cuts to the Connexions service should be reconsidered.</p> <p>Response to these comments by the Children's Services Department was given after the meeting as follows: We have looked at services in other local authorities, and we are spending more money than the average. "Connexions is a highly important service and is also highly regarded nationally." "We won't cut services, we are looking at better ways of doing things"</p>

<p>Business Rates Payers: 30 January</p>	<ul style="list-style-type: none"> • Noted that small business struggle to pay Business rates. Local Government could lobby Central Government to relinquish control of Business Rates. It was agreed that local businesses could help lobby. • Additional contribution likely to be needed for the Pension fund - £1.6m – was noted. Although this is expensive, it was acknowledged that the Council has no choice over these costs. Employer's contribution stands at 16% - relatively low compared to other counties. • <i>Is there flexibility within Business rates?</i> Small/local business could request flexibility from local government. But there is no flexibility for Local Government to Central Government • Question of funds lost in Icelandic banks was raised. <i>What's in place to prevent this happening again?</i> All investment is now kept within the UK. • <i>Waste Project – when will this be in place?</i> 2011/12 – planning permission not received yet. • <i>Are other Councils using our facilities?</i> – This is to be confirmed. • <i>Could the Brown bins be scrapped?</i> This would lead to minimum saving • <i>Car Parking Charges – what percentage of the total amount of car parking income is forecast to be lost?</i> Response to be circulated. <p>No specific response to Cabinet apart from these general comments.</p>
<p>Parish Liaison Committee: 28 January</p>	<ul style="list-style-type: none"> • <i>Concern that proposed support for Parish Councils to support the transition to electronic document management is not withdrawn.</i> It was indicated that it wouldn't be withdrawn, but exact details are yet to be determined. • <i>Implications in relation to the overall % increase of the fire, police and parish precepts.</i> Confirmed that any overall rise was unlikely to exceed 3%. • <i>Nature of the risk i.e. how much leeway in the system. Also a reference to a potential increase liability for benefits.</i> It was confirmed that the statutory obligations on the S151 officer re the budget, and advised that benefits were 100% grant aided but that an increase in claims may require additional support resources. The position in relation to reserves was also confirmed. • <i>Priority of services in the event of a worsening financial situation, i.e. which ones funding is withdrawn from.</i> The service policy variation schedule in the pack of information was highlighted and attendees were advised that there was no list of services and in year decisions would be dealt with on a case by case basis.
<p>Public Consultation via questionnaire: Closes 1 February</p>	<p>Comment to be made by the Leader of the Council at the Cabinet meeting. Full analysis of the results to be circulated prior to Council meeting.</p>