

Public Document Pack

Cabinet Monday, 12 February 2024 Supplementary Agenda Pack

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Following the publication of the Final Local Government Finance Settlement on 5 February the following documents as part of the Budget 2024/25 and Medium Term Financial Strategy report have been updated to reflect the final proposed position:

- The Covering Report
- Appendix A – Medium Term Financial Strategy 2024/2027
- Appendix B- Revenue and Capital Budget 2024/25
- Appendix K- Council Tax Resolution 2024/25

The key changes reflect accounting for the £1.7m of additional grant income (£0.026m Services grant and £1.646m Social Care grant) in addition confirmation of the final Public Health Grant allocations, which include a £0.335m uplift. As a result, all of the relevant tables have been updated to reflect this and the narrative in respect of the settlement updated from provisional to final.

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Agenda Annex

CABINET	AGENDA ITEM No. 9
12 February 2024	PUBLIC REPORT

Report of:	Cecilie Booth, Executive Director of Corporate Services and S151 Officer
Cabinet Member(s) responsible:	Councillor John Howard, Deputy Leader and Cabinet Member for Corporate Governance and Finance
Contact Officer(s):	Emma Riding, Service Director Financial Management & Deputy s151 Officer Jill Evans, Service Director Corporate Finance & Deputy S151 Officer

FINAL BUDGET 2024/25 AND MEDIUM TERM FINANCIAL STRATEGY 2024-2027

RECOMMENDATIONS	
FROM: Cabinet Member for Corporate Governance and Finance	Deadline date: 12 February 2024
<p>It is recommended that Cabinet reviews and recommends to Council for approval:</p> <ol style="list-style-type: none"> 1. The final Medium-Term Financial Strategy 2024/27 outlined in Appendix A, which includes the key financial assumptions, strategic direction, and estimated budget gaps in future years. 2. The final Budget for 2024/25, outlined in Appendix B, which includes: <ul style="list-style-type: none"> • Funding and Council Tax Summary, which includes a proposed Council Tax increase of 4.99% in 2024/25, 2025/26 and 2026/27. • Detailed Revenue budgets and proposal detail • The Capital Budget (Programme) • Section 25 robustness statement 3. The feedback from the budget consultation summarised in section 4 of this report and outlined in Appendix C, along with the Councils response, which is outlined in Appendix O. 4. The Reserves commitments outlined in section 2 of the budget report and the draft Reserves Strategy and Policy outlined in Appendix D which sets the future direction of travel and planned use of reserves. 5. The Treasury Management Strategy outlined in Appendix E, which has the fundamental roles of managing external investments, ensure debt is prudent and economic, outlining the Prudential Indicators and ensuring that decisions comply with regulation 6. The draft Capital and Investment Strategy outlined in Appendix F which manages its assets and investment resources to help achieve the strategic priorities of the Council. 7. The outline Asset Management Plan (AMP) as set out in Appendix G which sets out principles for managing the Councils assets in the most efficient and effective manner and the direction of travel for future years while a more detailed and refreshed AMP is developed. 8. The newly introduced Sales Fees and Charges Policy, as outlined in Appendix H and the full Sales Fees and Charges Schedule for 2024/25 as outlined in Appendix I 	

9. The Dedicated Schools Grant and the Schools Budget 2024-25 as set out in Appendix J
10. The Council Tax Resolution for 2024, setting out the Council Tax requirement and precepts including those from the Parish Councils, the Police and Crime Commissioner for Cambridgeshire, Cambridgeshire & Peterborough Fire Authority and the Cambridgeshire and Peterborough Combined Authority is outlined in Appendix K
11. To increase the level of Council tax premiums in line with section 2.5.
12. The Budget Virement Rules outlined in Appendix L which sets out the financial approval limits for transferring budgets between different cost codes and directorates.
13. The Equality Impact Assessments outlined in Appendix M, which have been completed for all major budget proposals
14. The Carbon Impact Assessments outlined in Appendix N, which have been completed for all major budget proposals
15. The Discretionary Rate Relief Scheme as referred to in section 2.6, and as outlined in Appendix P

1.0	ORIGIN OF REPORT
1.1	This report comes to Cabinet as part of the Council’s process for developing a Medium Term Financial Strategy (MTFS) and budget setting process.
2.0	PURPOSE AND REASON FOR REPORT
2.1	<p>Purpose</p> <p>This report is submitted for Cabinet to consider under its Terms of Reference No. 3.2.1, “To take collective responsibility for the delivery of all strategic Executive functions within the Councils’ Major Policy and Budget Framework and lead the Council’s overall improvement programmes to deliver excellent services.”</p>
2.2	<p>Background</p> <p>The Budget for 2024/25, Medium Term Financial Strategy 2024/25-2026/27 and its associated strategies, forms a key part of the Council’s Performance and Improvement Framework. The Budget Report (Appendix B) sets out the Revenue and Capital Budgets for 2024/25, and the MTFS (Appendix A) aims to demonstrate that the Council’s finances over the medium term are secured to deliver the Council’s priorities over the next three years. Preparation of an MTFS is good financial practice. It’s an important part of understanding the Council’s financial challenges and risks, its financial resilience, and sets out the strategy to deliver long term financial sustainability and viability. The key objectives of the MTFS are:</p> <ul style="list-style-type: none"> • To ensure that effective financial planning and management contributes to the Council achieving the corporate priorities • To ensure that the Council is financially resilient, stable and sustainable for the future

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

This approach also follows our Budget Principles which underpin the Council’s budget decisions and seek to limit the impact of budget cuts on the city’s most vulnerable residents:

- We'll continue to manage budgets carefully, with control on expenditure ensuring the best possible services and strive to obtain value for money for the taxpayer.
- We'll be responsible and strive to become a financially sustainable Council by developing a robust rolling three-year Medium Term Financial Strategy
- We'll produce a Medium Term Financial Strategy which supports our net zero carbon objectives and helps us create a Council which is environmentally as well as financially sustainable
- We'll set a direction of travel to improve the Council’s financial health and resilience by increasing reserves balances and reducing our borrowing where appropriate. This will be outlined within our annual Reserves Policy and Capital Strategy

2.3

Executive Summary

This report outlines the latest forecast position over the life of the Medium-Term Financial Strategy (MTFS) based on a set of financial assumptions which have been updated to provide an accurate reflection of the financial challenge facing the council. The revised position outlines a balanced position in 2024/25, a significant improvement on the £6.2m financial challenge reported in the Quarter 2 update in November. Given the economic climate, the scale of the challenge has been no surprise, and officers have been planning for it and developing strategies as early as possible.

The updated MTFS position, taking account of the latest funding updates and the strategic direction of the Council, is summarised in Table 1 below, outlining a breakdown of how the gap changes each financial year.

Table 1: Budget Gap	2023/24	2024/25	2025/26	2026/27
Funding	(202,634)	(220,310)	(230,442)	(240,653)
Net Revenue Expenditure (NRE)	202,634	220,310	233,707	247,587
Budget Gap	-	-	3,265	6,934
Aggregated Budget Gap breakdown	2023/24	2024/25	2025/26	2026/27
2024/25	-	-	-	-
2025/26	-	-	3,265	3,265
2026/27	-	-	-	3,669
MTFS Q3 – Jan 24		-	3,265	6,934
MTFS Q2 - Nov 23	-	6,177	8,627	13,752
MTFS Q1 - Sept 23	-	5,101	6,100	10,508

Appendix A outlines the full MTFS update which includes details on the following:

- Revised expenditure and funding assumptions
- Strategic Direction and Key Transformation Programmes for 2024/25- 2026/27
- National Context and Risks

It's important to remember that although a balanced budget has been presented there is a moderate level of financial

	<p>risk within this position. The financial operating environment for the Council and other Local authorities remains challenging due rising demand for services and inflation outstripping the level of funding the Council receives. Austerity measures have been in place for over a decade now, but in recent years these driving factors have had much more of a significant impact on the cost of delivering services.</p> <p>There is a high dependency on the Council to continue with financial improvements it has made over the past 2 years by continuing to manage risks and expenditure levels within its funding envelope, deliver preventive and early intervention measures to contain demand and successfully deliver the programme of savings and transformation plans.</p> <p>Three officer-led Portfolio Boards have been established to deliver transformation on key works streams enabling the Council to meet its aims outlined in Our City Priorities. These Portfolio Boards are:</p> <ul style="list-style-type: none"> • Economy & inclusive Growth; to grow the economy attracting well paid jobs, enable more affordable homes, ensure Peterborough is attractive with a healthy environment. • Prevention, Independence and Resilience; to better understand our community and links, and to focus on young people and those with social care needs. • Creating a sustainable future city council, which enables the governance to ensure the council’s priorities are met and a sustainable budget is delivered. <p>These boards will be at the heart of developing, delivering and reporting on the required organisational transformation. Further details of the programmes being progressed by these boards are included within section 6 of Appendix A.</p>
2.4	<p>Updates to the Draft Budget and MTFS report</p> <p>The report to the meeting of joint scrutiny committees on 12 January reflected a draft position, as at this time there were a number of known expected updates. This report now sets out an updated position in respect of:</p> <ul style="list-style-type: none"> • The final NNDR forecast, following completion of the NNDR1 form. • Council Tax Resolution including confirmation of precepts from parish councils, Parish Councils, the Police and Crime Commissioner for Cambridgeshire, Cambridgeshire & Peterborough Fire Authority (due and the Cambridgeshire and Peterborough Combined Authority • Drainage and flood levies • Dedicated Schools Grant and the Schools Budget 2024-25 • Budget Virement Policy • Equality Impact Assessments • Carbon Impact Assessments • Revised Treasury Management Strategy to reflect updates to the Capital Strategy and capital funding • Inclusion of actions agreed at the meeting of Joint Scrutiny Committees. <p>In a written statement on 24 January, £600m of additional funding for local government was announced, of which £500m has been made available for social care. The Local Government Final Settlement published on 5 February 2024 confirmed this funding, with Council set to receive an additional £1.7m, comprising £1.6m for social care and a minor (£0.026m) increase in the level of services grant.</p> <p>Final Public Health Grant allocations have also now been confirmed and the Council will receive a grant of £12.3m in 2024/25, an uplift of £0.3m. All other grant allocations were as set out in the provisional settlement in December.</p> <p>As outlined in the Robustness Statement (Appendix B), this budget contains a moderate degree of risk, largely due to inflation and rising service demand particularly in social care and whilst this additional funding is welcomed it will only go some way towards mitigating this risk.</p>

2.5	<p>Council Tax</p> <p>This Budget proposes a 4.99% (2% Adult Social Care Precept and 2.99% general increase in Council tax in 2024/25 and over the life of the MTFS. This means that the band D rate will become £1,666.27 (£1,587.08, 2023/24). The following table sets out the Council Tax charge for Peterborough City Council only over all bands.</p> <table border="1" data-bbox="165 331 1544 456"> <thead> <tr> <th colspan="8">Table 2: Valuation Bands</th> </tr> <tr> <th>A</th> <th>B</th> <th>C</th> <th>D</th> <th>E</th> <th>F</th> <th>G</th> <th>H</th> </tr> </thead> <tbody> <tr> <td>£1,110.85</td> <td>£1,295.99</td> <td>£1,481.13</td> <td>£1,666.27</td> <td>£2,036.55</td> <td>£2,406.83</td> <td>£2,777.12</td> <td>£3,332.54</td> </tr> </tbody> </table> <p>The budget also assumes that the Council will charge the maximum Council Tax premium, in line with legislation as set out in table 2:</p> <p>Table 3: Council Tax Premium</p> <table border="1" data-bbox="165 640 1533 931"> <thead> <tr> <th>Description</th> <th>Current Premium</th> <th>Proposed Premium</th> </tr> </thead> <tbody> <tr> <td>Long Term Empty</td> <td>50% premium after 2 years</td> <td>100% premium after 1 year 200% premium after 5 years 300% premium after 10 years</td> </tr> <tr> <td>Second homes</td> <td>No premium</td> <td>100% premium from when becomes a 2nd home</td> </tr> </tbody> </table> <p>The changes to Long Term Empty Premium will come into effect from 1 April 2024. The Council is hopeful that this acts as an incentive to bring homes back into use or generate additional income used to fund the rising demand for Council services. The second homes will come into effect from 1 April 2025.</p> <p>Any premiums will be subject to any legislative exemptions as determined by government. The se have been consulted on, but the outcome is yet undetermined.</p>	Table 2: Valuation Bands								A	B	C	D	E	F	G	H	£1,110.85	£1,295.99	£1,481.13	£1,666.27	£2,036.55	£2,406.83	£2,777.12	£3,332.54	Description	Current Premium	Proposed Premium	Long Term Empty	50% premium after 2 years	100% premium after 1 year 200% premium after 5 years 300% premium after 10 years	Second homes	No premium	100% premium from when becomes a 2 nd home
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2.6	<p>Discretionary Rate Relief Scheme</p> <p>As a result of the Non-Domestic Rating Act 2023, there have been a number of changes to Discretionary and Mandatory Reliefs from Business Rates, which come into effect on 1 April 2024. It has therefore been necessary to review the Council’s Discretionary Rate Relief Policy to ensure that it accords with the new legislation.</p> <p>Detailed at Appendix P is the proposed Discretionary Rates Relief Policy, together with the current Discretionary Rate Relief Guidelines that are intended to assist ratepayers when making any applications. The guidelines are intended to be updated from time to time if they are found to require greater clarity for ratepayers.</p>																																	
2.7	<p>Sales Fees and Charges</p> <p>A sales, fees and charges policy (Appendix H) has been developed and is based on a framework that recognises that a “one size fits all” approach is not appropriate for a complex organisation with diverse services, such as a Council, and therefore segments services via two key criteria:</p> <ul style="list-style-type: none"> • The degree of legislation impacting on the service area (for example many planning fees are set by central Government, whereas the only regulation set around charges for Taxi Licensing relate to limiting charges to full cost recovery) • The degree of competition in the environment they are operating within (for example, the number of other car parking options available to car users) <p>As part of the work to develop this policy, a report was approved by full council on 6 December (item 20). which set out a number of Sales, Fees and Charges uplifts to be implemented from 1 January 2024, and 1 April 2024. The</p>																																	

schedule outlined in Appendix I includes those approved changes, along with a full listing of all of the Council's discretionary charges or legislation where statutory charges are applied.

2.8

Dedicated Schools Grant and the Schools Budget 2024-25

The Local Authority retains a statutory duty to annually set the schools budget for all schools in Peterborough (Maintained and Academy schools). The majority of the funding for Education comes through the Dedicated Schools Grant (DSG) which totals £303m, the breakdown of this is shown in the following table.

Table 4: DSG breakdown	2024/25 Budget- £m
Schools Block (incl. Growth, NNDR & Mainstream Schools Additional Grant. £176m relates to academy recoupment)	222
High Needs Block	51
Central Services Schools Block	2
Early Years Block	28
Total	303

Officers have worked with the Schools Forum, who are the representative group of education providers in the City, to develop budget proposals including draft school level budgets. The local funding arrangements operate within the context of national requirements and guidelines, but we do have some discretion to appropriately target funding at priorities and pressures within the City. Schools Forum met on the 15 January 2024 and approved the draft schools budgets.

3.

TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	12 February 2024
Date for relevant Council meeting	21 February 2024	Date for submission to Government Dept.	N/A

The following timetable outlines the key meeting dates in relation to the MTFS and the Budget for 2024/25:

Timescales	Update
10 July 2023 - Cabinet	MTFS Quarter 1 Update ✓
13 November 2023 - Cabinet	MTFS Quarter 2 Update ✓
4 December 2023 - Cabinet	Budget Consultation Launch ✓
22 January 2024 - Joint Scrutiny	Draft Budget 2024/25 and MTFS 2024/2027 Report ✓
12 February 2024 - Cabinet 21 February 2024 - Council	Final Budget and MTFS 2024/25 including the associated strategies (this report) ✓ <ul style="list-style-type: none"> • MTFS 2024/2027

		<ul style="list-style-type: none"> ● Budget 2024/25, including: <ul style="list-style-type: none"> ○ Council Tax resolution ○ Revenue Budget ○ Capital Budget ○ Section 25 (robustness) Statement ● Reserves Strategy ● Treasury Management ● Capital Strategy ● Asset Management Plan 	
<p>In addition to the timetable above, all budget proposals including savings, investment and revised financial assumptions and consultation feedback are considered within the following groups:</p> <ul style="list-style-type: none"> ● Budget- Corporate Leadership Team (CLT)- made up of the council’s corporate directors and finance officers as support. ● Cabinet Policy Forum (CPF)- informal meeting of Cabinet. ● Financial Sustainability Working Group (FSWG)- Cross-party working group focussed on supporting the delivery of financial sustainability for the council. During the year this group has convened on a monthly basis to consider the Councils financial position and develop proposals to support the Councils budget position. ● Independent Improvement and Assurance Panel (IIAP)- who are experts in specific fields of local government to challenge, scrutinise and advise on our budget proposals to ensure they are robust and provide best value. 			
<p>CORPORATE PRIORITIES</p>			
<p>The Budget and MTFs forms a key part of the Council’s Performance and Improvement Framework, and aims to demonstrate that the Council’s finances over the medium term are secured to deliver the Council’s priorities over the next three years from 2024/25 to 2026/27.</p> <p>This therefore supports all the council’s priorities, but forms a key element of the council’s budget setting process, therefore it is strongly geared towards enabling the council to deliver on the following priority:</p> <ul style="list-style-type: none"> ● Supported by a Sustainable Future City Council - adjust how we work, serve and enable, informed by strong data and insight capability and led by a culture of strong leadership. 			
<p>4.0</p>	<p>CONSULTATION</p>		
<p>4.1</p>	<p>Budget Consultation</p> <p>On 4 December Cabinet launched a budget consultation to seek the views of residents, businesses, stakeholders and service users. The Consultation took place via the following methods:</p> <ul style="list-style-type: none"> ● Web-based form on the council website, which included ten multiple choice and free text questions to gather the thoughts and views of readers. ● Social media was used to reach out to as many people as possible, directing them to the details and web form. ● Hard copies of the Budget Consultation could be requested. ● Key stakeholders and community groups were contacted with the Budget Consultation details and were offered the opportunity to have a briefing. <p>The feedback received from the consultation has been considered by and reported to the meeting of Joint Scrutiny Committee on 22 January 2024. Since then, a response to this has been drafted, which is included in Appendix O. Both the feedback and the Councils response will be considered by Cabinet on 12 February 2024, before formally proposing a final budget for 2024/25 to Council on 21 February 2024.</p>		

	<p>Feedback Received</p> <p>The Council received 132 responses to the online survey, in addition to receiving a separate submission from the Cambridgeshire and Peterborough Integrated Care System. All responses have been included within Appendix C, with the following points summarising the feedback received:</p> <ul style="list-style-type: none"> • Overall, 74% of residents agree or strongly agree we should invest in digital and automation • 66% of residents agree or strongly agree with us protecting services for the city's most vulnerable • Most residents would rather us generate additional income to balance the budget with most expressing that reducing or changing services would be their least preferred option • Just over half of the residents that responded would prefer that Council tax was not increased by the maximum 4.99% • Most submissions agree that there is a lack of information regarding fostering processes and benefits, with some suggesting better promotion through social media and community groups, advertising and publishing anonymised case studies would help, and emphasising the benefits for the children, foster families and the society. People also suggested that streamlining the application process, increasing the pay and ongoing support would make fostering more attractive. All of the feedback is valuable and will be used to inform the review of the foster service offer which is underway. <p>Budget Simulator</p> <p>Additionally, the council launched a Budget Simulator tool on its website for a six-week period from 19 September to 31 October 2023. The simulator was set up in an easy-to-use format, allowing users to gain a greater understanding of what we spend our money on, and how reducing expenditure or investing in services has consequences, or benefits for the council and residents. Users also had the opportunity to provide comments and ideas. During this period the simulator attracted 342 responses, an 83% increase on last year, with the following key points:</p> <ul style="list-style-type: none"> • People wanted to broadly protect, with reductions of 2.1 per cent or less, Community safety and neighbourhood services, Education and children’s services, Cleansing, waste and recycling, Transport and roads. • Large reductions of 7.5% or more were proposed in Community engagement and cohesion, Back-office services, Growing the city, City centre and events and Customer services. • Community activities and growing the city do not appear to be as important to the people that completed the survey. Similarly, customer services and back-office functions are not as important, perhaps as these are not things the residents experience or see the value of in the services they receive as they are not visible. • Interestingly, people wanted to, on average, increase spend on Public Health but that may have been skewed as there was not an option to reduce it as this funding is ringfenced by Government and cannot be spent on anything else. • On average people wanted to increase council tax by 2.42 per cent. This was on top of the 4.99 per cent increase that was approved by members at the Full Council meeting in March 2023 and would require a referendum with the public to implement. <p>The Budget Simulator has previously been highly commended by the council’s Independent Improvement and Assurance Panel (IIAP). The following statement is an extract;</p> <p><i>“Public engagement has been through the web-based budget simulator tool which has had a significantly higher level of response than normal consultation arrangements. The Council should be commended on this initiative which has highlighted to the community the very real challenge in balancing a complicated budget.”</i></p>
5.0	ANTICIPATED OUTCOMES OR IMPACT
5.1	The release of this draft MTFS 2024/27 and budget 2024/25, outlines the proposed budget and strategic approach to addressing the financial gap in future years.

	<p>Cabinet launched a budget consultation which started on 4 December and closed on 7 January 2024. Partner organisations, businesses and other interested parties have been able to feedback what council services matter most. Cabinet will review feedback from the consultation alongside any recommendations from the Joint meeting at this meeting before making a final recommendation to Council on 21 February 2024.</p> <p>The Council must set a balanced budget for 2024/25 within the financial resources it will have next year</p>
6.0	REASON FOR THE RECOMMENDATION
6.1	The Council must set a lawful and balanced budget. The approach outlined in this report work towards this requirement.
7	ALTERNATIVE OPTIONS CONSIDERED
7.1	No alternative option has been considered as the Cabinet is responsible under the constitution for initiating budget proposals and the Council is statutorily obliged to set a lawful and balanced budget by 11 March annually.
8.0	IMPLICATIONS
	Legal Implications
8.5	When it comes to making its decision on 21 February 2024, the Council is under a legal duty to meet the full requirements of Section 31A of the Local Government Finance Act 1992, which includes the obligation to produce a balanced budget.
8.9	<p>By virtue of section 25, Local Government Act 2003, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Chief Finance Officer (CFO), as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. It is essential, as a matter of prudence, that the financial position continues to be closely monitored. In particular, members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered, and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.</p> <p>Where the CFO makes a judgement that the council is unable to set or achieve a balanced budget, or there is an imminent prospect of this they have a responsibility to issue a section 114 notice (s114) of the Local Government Act 1988.</p>
8.10	<p>Human Resources implications</p> <p>Whilst it is anticipated that there will be some staffing implications as part of this budget, much of the management focus will be looking at transformation of our operating model and aligning business areas to the requirements as set out within the newly adopted Corporate Plan.</p> <p>As always, it is the aim of the council to try and minimise any compulsory redundancies and the impact on our service delivery. In the first instance there are a number of elements which the council considers first which are looking for redeployment opportunities, deleting vacant posts, restricting recruitment (<i>considering service delivery</i>), natural wastage / turnover and reducing or eliminating overtime (<i>providing service delivery is not compromised</i>). Where there are staffing implications, the Council will seek voluntary redundancies as appropriate to minimise compulsory redundancies and where this is unavoidable, appropriate outplacement support will be considered.</p>
8.11	<p>Equality Impact Assessments</p> <p>All budget proposals published in this budget process are being considered with regards to equalities issues, and where an Equality Impact Assessment (EIA), these have been completed and included within Appendix M</p>
8.12	Carbon Impact Assessments

	All major budget proposals published in this budget process are being considered with regards to the carbon impact. A Carbon Impact Assessment has been completed and included within Appendix N
9.0	BACKGROUND DOCUMENTS Quarter 1 MTFS 2024-2027 report Quarter 2 MTFS 2024-2027 report Budget 2024/25 Consultation Document Report of the Independent Improvement and Assurance Panel- 6 December 2023 Council Peterborough Improvement Plan Sustainable Future City Council Strategy 2022-25 and Our City Priorities Draft Budget- Meeting of Joint Scrutiny Committees (22 January Item 4)
10.0	APPENDICES
11.1	Appendix A – Medium Term Financial Strategy 2024/2027 Appendix B- Revenue and Capital Budget 2024/25 Appendix C- Budget Consultation Feedback Appendix D- Reserves Strategy and Policy Appendix E- Treasury Management Strategy Statement (TMSS) Appendix F- Capital and Investment Strategy 2024/2027 Appendix G- Asset Management Plan Appendix H- Sales Fees and Charges Policy Appendix I- Sales Fees and Charges Schedule Appendix J- Schools Budget 2024/25 Appendix K- Council Tax Resolution 2024/25 Appendix L- Budget Virement Policy Appendix M-Equality Impact Assessments Appendix N- Carbon Impact Assessments Appendix O- Budget Consultation Feedback- the Councils response Appendix P- Discretionary Rate Relief Scheme

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Appendix A – Medium Term Financial Strategy 2024 – 2027 (Q3 update)

Peterborough City Council

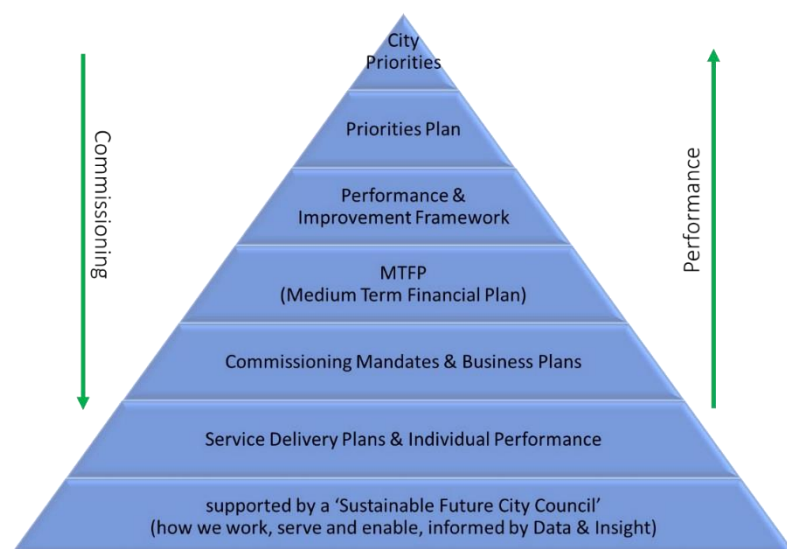
1. Our Strategic Framework

The **Council’s Strategic Framework** helps us to make decisions, improvements and manage performance.

It includes the ‘golden thread’ of artifacts that describe our priorities in the long, medium and short term, and which are managed through our commissioning and performance processes. It provides a clear line of sight between the ultimate vision of the City Priorities to day-to-day service delivery and individual performance.

The top-line of the ‘golden thread’ are our **City Priorities**, providing a shared long-term vision for Peterborough. Our approach to realising this long-term vision will be translated into medium-term priorities and programmes of activity - our Priorities Plan.

Our Priorities are the Council’s response to our City’s challenges and explain our overall approach to public service and translates this approach into tangible activity through a single Performance & Improvement Framework.



The Priorities Plan and Performance & Improvement Framework shape and are shaped by the **Medium-Term Financial Strategy (MTFS)**.

The Priorities Plan, including the Performance & Improvement Framework, and our Medium-Term Financial Strategy (MTFS) in turn shape the **Commissioning Mandates, Business Plans** and other documents through which we plan the activity of each service and delivery block within the Council’s system. These then drive frontline **Service Delivery** and **Individual Performance Management**.

2. MTFS Overview

The MTFS is refreshed annually, with a review each quarter. The updated MTFS position is summarised in Table 1 below, outlining a breakdown of how the budget gap changes each financial year, followed by a

summary of the key assumptions. It should be noted that as the Council identifies ongoing proposals to address the budget gap, the future years gap will reduce accordingly.

Table 1: Budget Gap	2023/24	2024/25	2025/26	2026/27
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3. Key assumptions

- Pay award 3% pa in years 2024/25 to 2026/27.
- Children’s & Adult Social Care demand - full detailed review of demand led service budgets undertaken with the review focussed on using recent local demand data, available Census 2021 data and local knowledge to inform revised forecasts.
- NNDR – increases based on business growth and Consumer Price Index (CPI) as per legislation.
- Revenue Support Grant – increasing in line with CPI.
- Council Tax – 4.99% increase per annum.
- Council Tax base – estimated growth of 1,000 homes pa in 2024/25, increasing to 1,100 homes in 2025/26, and 1,200 homes in 2026/27.
- Transport Levy (Cambridgeshire and Peterborough Combined Authority) - 2%

These are outlined in more detail within the report.

4. Detailed Expenditure Assumptions

The key financial assumptions over the life of the MTFS have been reviewed and revised where appropriate. Stress testing these is increasingly important in present times given the speed of the economic changes over the last 18 months.

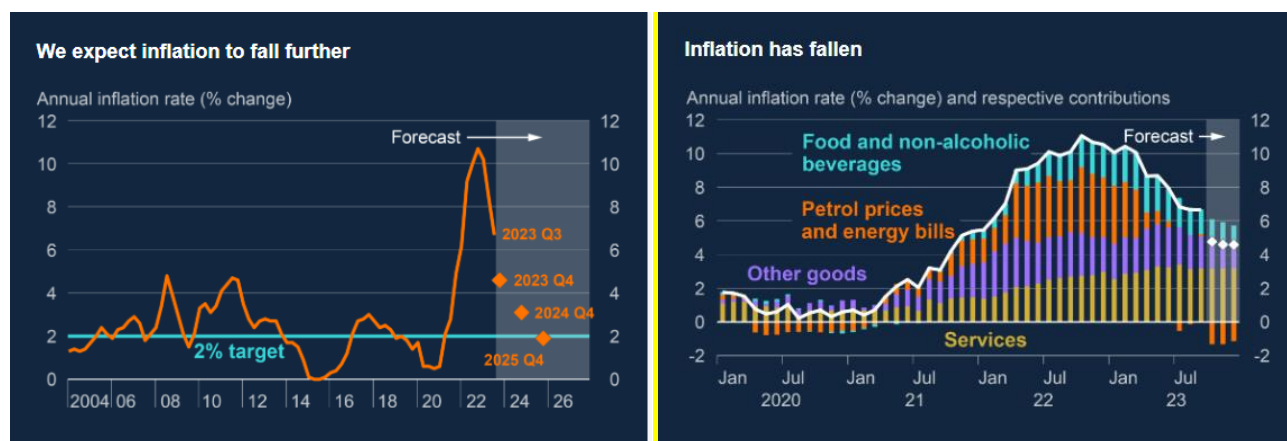
Pay: The assumptions within the MFTS are that the annual pay award will be 3% in each of the three years 2024/25 to 2026/27.

National Living Wage: will increase to £11.44 in April 2024 for workers 21 years and over (an increase of 9.8%). This will create a pressure on our social care budget which could be in the region of £2m.

Pension rates are included at the rate of the latest triennial valuation carried out during 2022, covering the period 1 April 2023 to March 2026. The same rates have been assumed for 2026/27 as it is difficult to predict the outcome of the next triennial valuation.

Inflation: The Bank of England [monetary report](#) (August 2023) has been used to inform the revised MTFS assumptions for our expenditure and income. The report and the following graphs highlight that CPI inflation remains above the 2% target. According to the [Office for National Statistics](#), CPI was 3.9% in the 12 months to November 2023. The current projections are that inflation is expected to continue to fall towards the target 2% in 2024.

Graphs 1 & 2: BoE Inflation Projection and Drivers of inflation



Energy Costs: Higher energy prices have been contributing to the high rate of inflation. The Council’s energy prices have increased by a further 20% from October 2023 due to the nature of the energy contract that the Council is in which buys energy in advance, however we are expecting these prices to drop from October 2024.

The Council has put in place actions, as part of an inflation strategy, to mitigate the impact of inflationary increases in energy. These actions include reviewing energy use in all buildings and council facilities to use less energy to mitigate the cost increase. A workstream has been put in place specifically to tackle the energy pressure and to find ways to mitigate it.

Contract inflation: Contract inflation is also driving pressures and the procurement team, having been recently insourced, are taking actions to drive efficiencies as some key contracts such as those that provide social care are linked to inflation. They are reviewing all contracts to ensure they reflect best value and meet established needs. At the same time the Finance team, together with the service, are reviewing all expenditure budgets, as well as maintaining a tight grip and control on expenditure.

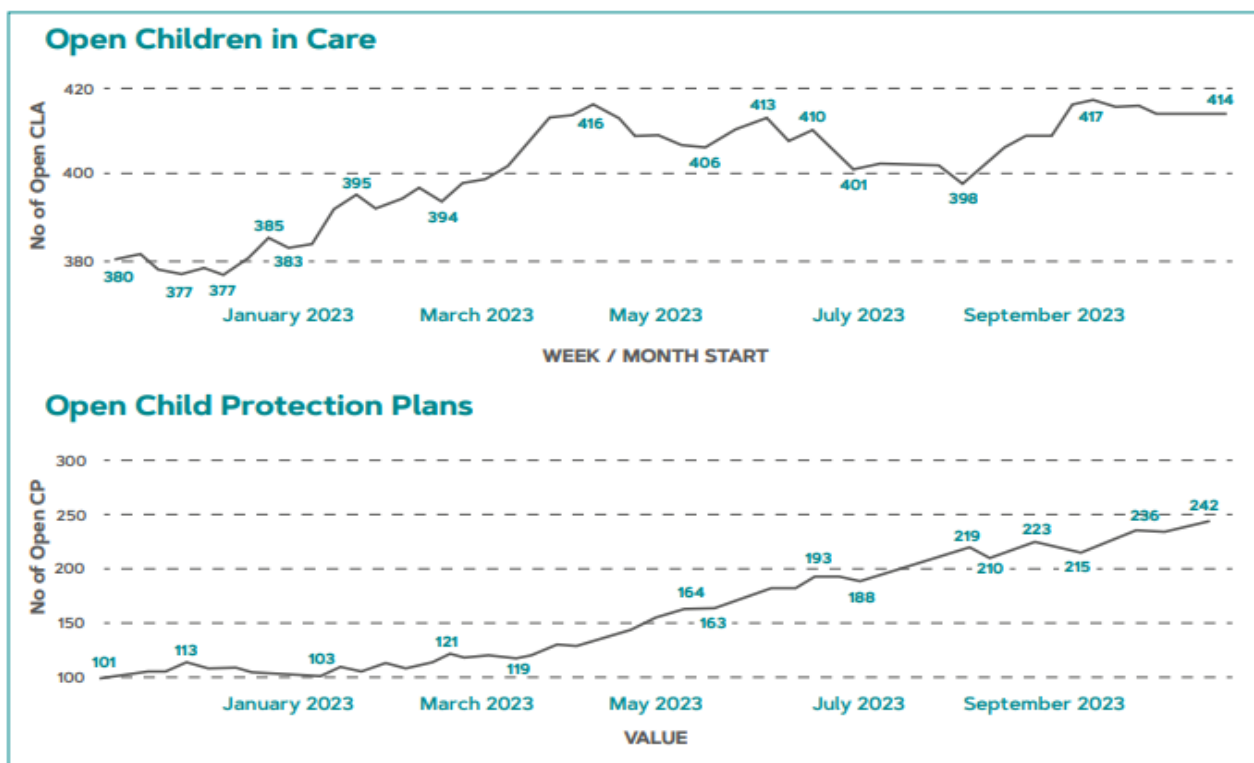
Service Demand

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

Children’s Social Care: We are spending in the region of an additional £4m since last year on care for young people with very complex needs. The number of children under a child protection plan has increased from

around 101 in November last year to around 242 in November 2023. The number of children in care is also rising, from 380 in January 2023 to 414 as of September 2023. This represents roughly a 9% increase in children’s care placements in eight months, with some of these increasing costs further due to the complexity of their needs. Within the MTFS it is assumed that increases continue into 2024/25, due to the pressures in 2023/24, and then in the later years it is expected that the demand begins to stabilise due to the transformation of Children’s Services and the increase in use of other services such as fostering.

Graphs 3 & 4- Looked after Children

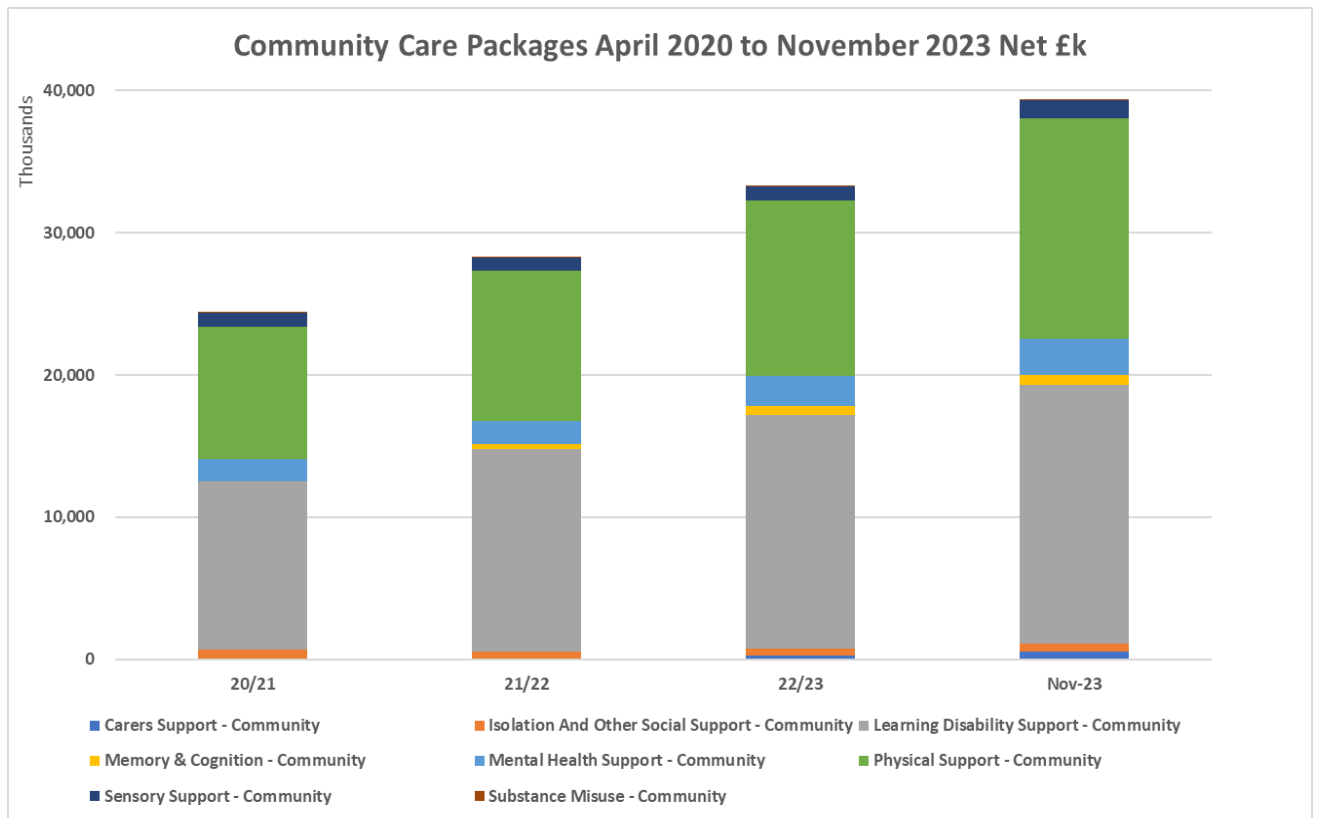
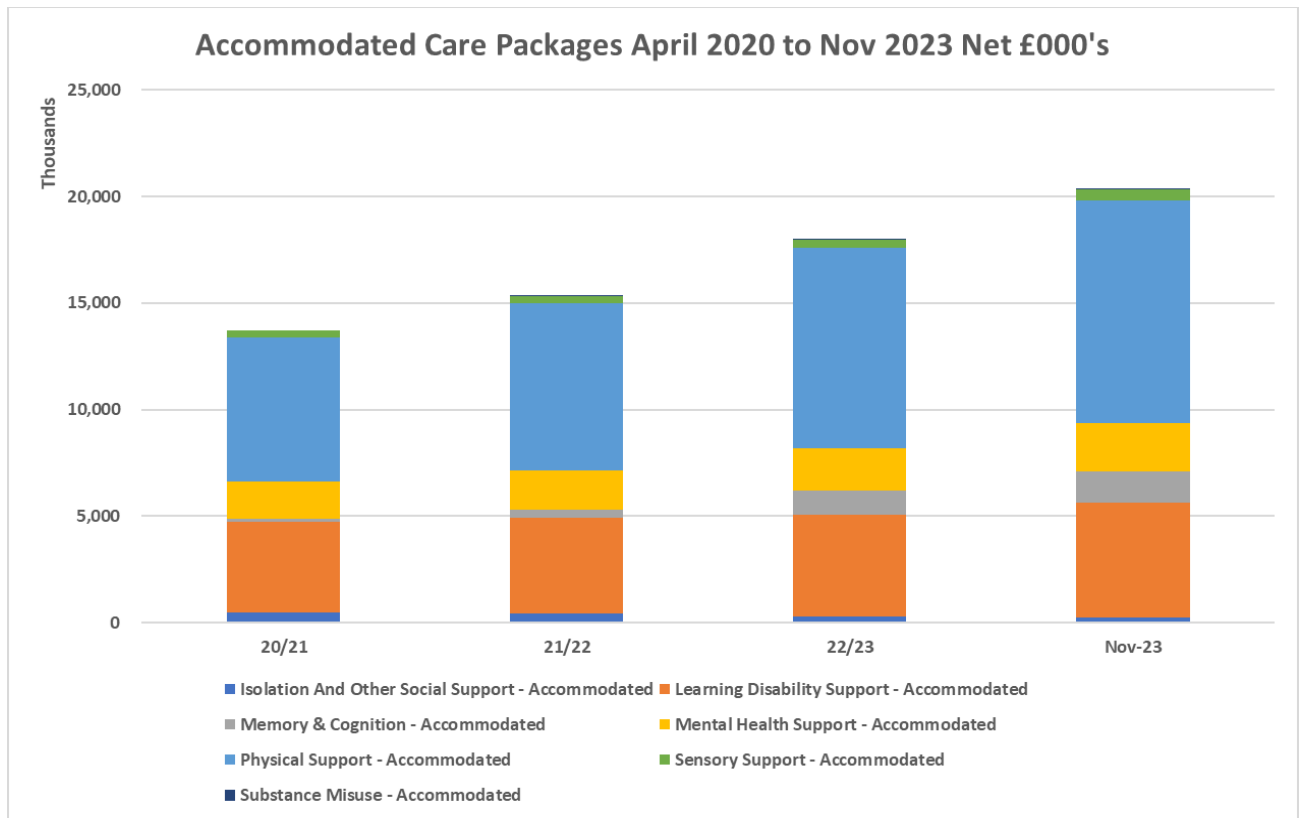


Adult Social Care: Demand for Adult Social Care services has been increasing for a number of years and is showing no sign of slowing down. This year, we have received an average of 3,514 contacts per month to our adult early help team, a 3 per cent increase on last year.

In addition, the care that people require is becoming more complex. This may be an impact of the Covid-19 pandemic where people delayed asking for help and support to meet their needs.

The graphs below show the steady increase in costs both in accommodated care, such as residential care or nursing care homes, which increased by 61%, and community care, which has increased by 48%, over the past three years. This cost increase is predicted to continue over the period of the MTFS.

Graphs 5 & 6- Adult Care Packages over 3 years



Housing

The number of individuals and families requiring support with housing, particularly temporary accommodation, has also remained very high. Requests for help from people in housing crisis are continuing to rise. Last year we predicted a 25 per cent increase in the number of people coming to us at risk of becoming homeless, and this has indeed been the case this year.

Capital Programme

The Capital and Investment Strategy 2024/25 - 2026/27 (Appendix F to the main report) sets out a strategy based on the Council's financial position and guides the development of the Capital Programme in accordance with the key objectives within the Council's Improvement Plan.

The Council recognises it needs to invest in the city to encourage economic development, provide vital council services and improve the way it works. However, it is also recognised the need to reduce the current level of debt and the resulting ongoing cost of borrowing which puts a strain on the revenue budget. The MTFS assumes that capital receipts, third party funding and savings generated because of investment will be used to fund the programme. Other than refinancing of maturing loans, new borrowing will only be undertaken where absolutely necessary over next three years.

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

Additional third-party funding may become available during the year, so the Capital Programme could, with member approval, be subject to further change. Any slippage from the 2023/24 capital programme will be reviewed for continuation in the Capital Programme.

In September 2022, Cabinet approved a disposal plan report which forms part of the new Asset Management Plan. The disposals plan seeks to dispose of those assets (land or buildings) which do not provide value for money or where assets could be put to better use, in the best interests of residents. In addition to the Disposals Plan, Cabinet have approved the first Phase of the Localities Asset Review which also seeks to repurpose (invest, develop, dispose etc) assets deemed surplus to requirements. Receipts from asset disposals will be used to benefit the council and its residents, for example to reduce borrowing costs or to invest in other council assets.

Borrowing: Interest rates are largely determined by the base rate, and to stabilise inflation the base rate has increased throughout 2023/24 to 5.25% in December 2023, and this maintains the 15 year high. This is aligned with policymakers' efforts to combat inflation, despite indications pointing to a deteriorating economic landscape. The Councils current debt portfolio is based on fixed rate loans so there is no exposure to interest rate rises from variable rate loans but will be exposed to the interest rate risk associated with refinancing maturing debt. The Treasury Management team will continue to work with its treasury advisors Link Group to secure replacement loans at the most opportune time to reduce the cost of borrowing. The Council will utilise cash balances for internal borrowing as well as investing any surplus balances to generate a return with the

aim of achieving the optimum return (yield) on its investments, commensurate with proper levels of security and liquidity and with regard to the council's risk appetite.

5. Detailed Funding Assumptions

Table 2 outlines the Council's estimated core funding levels in the current year and over the life of the MTFs. The majority of funding continues to come from Council Tax and NNDR, comprising 79% of the total core funding. Following the table, we have set out the assumptions made in arriving at the core funding.

Table 2: Funding	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
NNDR	(67,823)	(70,765)	(73,263)	(76,009)
Revenue Support Grant	(12,117)	(12,920)	(13,391)	(13,525)
Council Tax	(95,440)	(104,266)	(111,120)	(118,242)
New Homes Bonus	(811)	(1,268)	(1,268)	(1,268)
Business Rate Pool	(2,070)	(1,894)	(1,934)	(1,949)
Services Grant	(1,699)	(293)	(293)	(293)
Improved Better Care Fund	(7,480)	(7,480)	(7,480)	(7,480)
Social Care Grant	(12,287)	(16,204)	(16,341)	(16,488)
ASC Market Sustainability and Improvement Fund	(1,858)	(3,472)	(3,553)	(3,582)
Discharge Support Grant ringfenced	(1,049)	(1,748)	(1,799)	(1,817)
Core Funding	(202,634)	(220,310)	(230,442)	(240,653)

Council Tax:

- Assumed annual Council Tax increase of 4.99% in all years (2.99% general Council Tax and 2.0% Adult Social Care precept).
- **Band D rate will increase to £1,666.27 in 2024/25, £1,749.42 in 2025/26 and £1,836.72 in 2026/27.**
- The Council Tax base for 2024/25 was set at 62,103.69, as outlined within a report to [Cabinet](#) on 18 December 2023 and forecast to increase by 1,100 homes in 2025/26, and 1,200 homes in 2026/27.
- The budget assumes that the Council will charge the maximum Council Tax premium, in line with the legislation for long term empty properties and second homes, changes to which will come into effect from 1 April 2024 and 1 April 2025 respectively.
- The Strategy reflects the limitations on the ability of local authorities to raise local funding. The Council is currently restricted to a 3% increase on core Council Tax, before the requirement for a city-wide referendum. Any authority proposing an increase in council tax above the referendum limit must hold a local referendum and obtain a 'yes' vote before implementing the increase. If a referendum is held after the beginning of the relevant financial year, the higher rate of council tax will be payable unless and until it is overturned by a 'no' vote in the referendum. Should referendum limits be increased by Government this could help to meet the reported budget gap.

NNDR (Business Rates):

- Business Rates Pool: Assumed based on the performance of Cambridgeshire Local Authorities
- Business Growth of 3% included, this is based on the average increase in gross rates over the last four years.
- Cap compensation will be paid to the council for lost income arising from the Government's decision to freeze the small business rating multiplier.

- Bad debt: A loss on non-collection equivalent to 1% of gross rates.
- Appeals: The appeals provision is forecast to equate to roughly 1% of the Councils total RV.

Grants:

- Revenue Support Grant increasing in line with CPI
- New Homes Bonus – The current scheme is being phased out, with a new scheme still to be confirmed by the Government. In the absence of the new scheme the government has continued to pay a grant based on the most recent year’s housing performance, therefore allocations have been assumed to continue for 2024/25 to 2026/27.
- Services Grant continues to operate in the same way as in 2023/24 but with a significant reduced overall amount (down from £483m to £77m) the reduction in grant has been redistributed to fund the small business rates multiplier compensation and the funding guarantee.
- Improved Better Care Fund - remains at the same level as per 2023/24 allocation.
- The following grants are assumed to increase in future years in line with CPI:
 - ASC Market Sustainability and Improvement Fund
 - Social Care grant
 - Discharge Support Grant

6. Future Sustainable Council – Strategic Direction

In October 2022, members approved a [Sustainable Future City Council](#) strategy which sets out how the Council will deliver long-term improvements and meet the changing needs of residents. [Our City Priorities](#) document set out the proposed direction of travel for the Council to deliver this vision which includes building a Sustainable Future City Council which requires us to have an organisational structure that is built around needs, fixes the basics and delivers excellent customer services using a ‘OneCity – OnePartnership’ approach. This means looking at all aspects of not only what we do but how we do it, together with our City partners.

Officer led Portfolio Boards have been established covering the four key themes from our Corporate Strategy. These boards will identify and drive the opportunities for improvement, particularly where there are cross-cutting opportunities and will focus on the following programmes:

The Portfolio Boards are:

- Economy & inclusive Growth: to grow the economy attracting well paid jobs, enable more affordable homes, ensure Peterborough is attractive with a healthy environment.
- Prevention, Independence and Resilience: to better understand our community and links, and to focus on young people and those with social care needs.
- Creating a sustainable future city council: which enables the governance to ensure the council’s priorities are met and a sustainable budget is delivered.

These Boards will identify and drive the opportunities for improvement, particularly where there are cross-cutting opportunities. These Boards will make services more efficient; creating savings in the medium-term which are mostly not yet quantified and so are not included in the MTFS but will create solutions to help tackle the budget gap in the medium-term. As transformation initiatives mature and a more comprehensive understanding of the benefits (savings, cost avoidance and better outcomes) emerges, these will be fed into the MTFS accordingly. Transformation will be essential to drive a sustainable budget over the MTFS.

Sustainable Future City Council board <i>'Adjust how we work, serve and enable, informed by strong data and insight capability'</i>	
Programme	<ul style="list-style-type: none"> Key Messages/Progress
SERCO Contract	<ul style="list-style-type: none"> Changes scheduled to be delivered by 1st April 2024 Options appraisal concluded - Expert advice received and being considered along with options appraisal
Strategic Sustainability Framework (MTFS)	<p>Develop and embed a fit for purpose Budget Setting Process that ensures Value for money and a sustainable budget</p> <ul style="list-style-type: none"> Balanced budget for 2024/25 achieved by end of December 2023 Q3 updated MTFS projections to be reported in January 2024 Engagement with councillors and stakeholders progressing well for 2024/25 budget setting process
Locality review	<p>To review assets held, to rationalise those assets to ensure a fit for purpose estate where the services are delivered from appropriate buildings that are properly funded and maintained. To release surplus assets for disposal.</p> <ul style="list-style-type: none"> Disposals plan approved, financial implications included in the MTFS (capital and revenue) Debt reduction and investment in retained assets. Review in scope community assets by 1 April 2024 Update reports to Scrutiny Committee in January and Cabinet in February 2024
People & Culture Programme	<p>Redefining our approach to people and culture to improve how we identify, attract, retain, develop and grow the workforce that we need in order to improve the delivery of high value, high quality services and deliver against our priorities.</p> <ul style="list-style-type: none"> Programme of change involving capacity, capability and culture projects and design of other Portfolio Transformation initiatives Staff survey completed – feedback of results in progress, design regarding next steps and action plans Leadership & Curriculum of Learning design
Governance and Companies	<p>Embedding improved governance into the Council, ensuring that decision-making is lawful, informed by objective advice, transparent and consultative.</p> <ul style="list-style-type: none"> Delivered by Q4 2024/25 Plan in place for implementation of recommendations from a governance review, changes to audit committee terms of reference and update of the constitution Review of governance of council corporate entities, closure of dormant companies, training of all members involved in the work of companies to be delivered by Q2 2024/25 Shareholder Committee Terms of Reference changes to make the committee more robust approved 6 December 2023 Ongoing review of each company and member/director training of roles and responsibilities progressing
Digital, Data & Analytics	<p>Actively using data and digital solutions to inform and develop the delivery of services to meet the needs of residents today and help plan for tomorrow</p> <ul style="list-style-type: none"> Three primary areas: Future Innovation (the foundation), Digital for Workforce & Organisation (Ensuring we have the right tools), Customers & Citizens (Optimised customer journey and experience) Digital Board setup and active

- *Customer Experience Transformation Business Case submitted*
- *AI / Co-pilot Transformation Business case submitted*

The Economy & Inclusive Growth

'Maximise economic growth and prosperity in an inclusive and environmentally sustainable way'

Programme	Key Message/Progress
City Council & Citywide net zero plan	<p>Achieve net zero carbon as an organisation by 2030 and support the city to become net zero, through a reduction of emissions produced, local energy generation and an increase in carbon capture</p> <ul style="list-style-type: none"> • <i>Five initial projects delivered by Q4 2025/26.</i> • <i>Grant funding of £2.75m secured to deliver test projects from our Local Area Energy Plan that are then investable from the private sector.</i> • <i>Commenced the procurement of the specialist organisation to develop the full business case for the PIRI scheme.</i> • <i>Launch of the citywide Carbon Literacy training programme, initially focussed on supporting Parish Councils.</i> • <i>Recycling rates continuing to improve.</i>
New Local Plan and Housing Strategy	<p>To prepare and adopt a new Local Plan and Housing Strategy for Peterborough that is up-to-date and will deliver inclusive growth and sustainable development across the city</p> <ul style="list-style-type: none"> • <i>New Local Plan to drive up housing growth.</i> • <i>Call for sites assessment work commenced.</i> • <i>Cross party Member working group has been launched.</i> • <i>New Housing strategy scheduled for adoption in 2024.</i> • <i>Cross party Scrutiny workshop held with a sole focus on housing strategy and homelessness.</i> • <i>Engagement with registered providers now escalated.</i> • <i>Removal of the requirement for bed and breakfast-type accommodation.</i>
Major Growth & Regeneration	<p>Provide new homes and jobs from incoming private sector investment.</p> <ul style="list-style-type: none"> • <i>Secure grant funding for public sector interventions to stimulate growth and break cycles of deprivation.</i> • <i>Delivery of a major growth and regeneration pipeline, securing a target gross development value of £1bn.</i> • <i>Deliver major jobs and homes growth projects, including Station Quarter, Middleholme, City Centre projects, University, and Regional Pool.</i> • <i>Grant funding received for a Housing Capacity Study to identify opportunities for continued housing growth in urban areas.</i>
Skills and Employment Partnership programme	<p>To be relentless in our approach to deliver an extraordinary learning experience, producing a high quality and productive local workforce, through our motivated residents, that have been inspired by our city, our employers and our providers.</p> <ul style="list-style-type: none"> • <i>Creation of a new Peterborough Skills Strategy and delivery plan to drive up earnings, address challenges in hard to recruit sectors, and create a joined-up skills landscape.</i> • <i>Specialist support for the development of the Skills Strategy currently being procured.</i>

Economic Development	<ul style="list-style-type: none"> • <i>Creation of a new Economic Growth Strategy due for completion by March 2024, to create 400+ net new quality jobs per annum, and halve youth unemployment.</i> • <i>Solid progress continues to be made in the development of the Visitor Economy Strategy and the commissioning of the Economic Growth Strategy. These will provide the foundations for all work going forward.</i> • <i>Economic Growth Strategy consultants appointed.</i>
People in Peterborough are Safer	<i>Programme recently added to portfolio – under review.</i>

Prevention, Independence & Resilience
'Help and support our residents early on in their lives and prevent them from slipping into crisis'

Programme	Key Message/Progress
Targeted Prevention Programme	<p><i>We aim to develop new support mechanisms to engage with our most vulnerable in society, providing more timely intervention to improve lives, reduce future demand on acute services.</i></p> <ul style="list-style-type: none"> • <i>Year 1 priority defined December 2023.</i> • <i>Key risks – Capacity to Deliver, Shift in Integrated Care Board (ICB) Priorities.</i> • <i>Mitigation – Resource augmentation, Stakeholder alignment.</i>
Integrated Neighbourhoods	<p><i>Intervene early to support our residents to prevent them from slipping into crisis. Ensuring a community-based early intervention and prevention offer will ensure effective resident conversations to help them define their idea of a better life (support to reduce debt, income maximisation, better housing, and employment, reduced social isolation and independent living.</i></p> <ul style="list-style-type: none"> • <i>Year 1 priority defined Dec 2023.</i> • <i>Service mapping completed across children's early help, adults early help, mental health and wellbeing, housing and homelessness and income maximisation.</i> • <i>Agreement across ICB, Public Health and PCC to prioritise Peterborough for work on integrated infrastructure and commissioning framework.</i> • <i>Work to map out current spend on contract and grant across key areas has commenced with ICB already sharing their data.</i>
Education and Skill in Learning Disability & Mental Health (LD & MH)	<p><i>Developing higher education opportunities that are then linked to securing employment and ensuring that apprenticeships and placements are inclusive and capable of supporting all. To work more collaboratively and focus on co-design with key partners to ensure there are no barriers to education, lifelong learning and employment, including for people with a learning disability or mental health issues.</i></p> <ul style="list-style-type: none"> • <i>Year 1 priority defined December 2023</i> • <i>Mapping exercise to identify gaps in route to employment for people with LD and MH completed.</i>
Improve our use of Digital and Assistive Technology	<p><i>Further developing our digital response to improve resident experience in a cost-effective way including self- assessment/financial assessment, resident and provider portals, shared care record, electronic provider record, and a brokerage management system. Also, to further the development of our Assistive Technology care offer to improve independence and reduce the need for more traditional care.</i></p> <ul style="list-style-type: none"> • <i>Year 1 priority defined by December 2023.</i> • <i>Digital and Assistive Technology framework completed highlighting key required deliverables across the programme.</i>
Community Engagement	<i>Programme recently added to portfolio – under review.</i>

7. National Context & Risks

Local Government Final Settlement and Autumn Statement:

The Autumn Statement was issued on 22 November 2023 with very few new measures for local government. No new funding was announced beyond the increases that were expected and there was no change in the overall planned increase in Resource Departmental Expenditure Limits (RDEL), increases of 1% in real terms over the medium term, which imply real-terms cuts for unprotected local government services.

The Local Government Provisional Settlement was published in a written statement on 18 December 2023, confirming the details outlined within the Autumn Statement. Most of the decisions announced for 2024-25 were in line with our expectations. Some decisions had been effectively announced in last year's Policy Statement, others were announced in last year's Autumn Statement.

In a [written statement](#) on 24 January, £600m of additional funding for local government was announced, of which £500m has been made available for social care. The Local Government Final Settlement published on 5 February 2024 confirmed the allocation to the Council to be £1.6m, all other grant allocations were more or less as outlined in the provisional settlement in December, with a minor (£0.026m) increase in the level of services grant.

The final settlement confirmed a substantial cash-terms increase in councils' core spending power (CSP) next year of £4.5 billion, or 7.5%, however much of this uplift relies on council tax rises which continues to mean that the Council is increasingly reliant on council tax as its main source of income to deliver services. For most of this year inflation has also been considerably higher than 7.5%, with rates only starting to decline in the latter part of the year, meaning that council funding will not have kept pace.

The key headlines (along with the impact on the Council's MTFs) include:

- Social Care Grants - increases in social care funding was announced in the Autumn Statement 2022, and 2024-25 is the second year of these increases. The Adult Social Care (ASC) Workforce Fund allocations will be rolled into the larger ASC Market Sustainability and Improvement (MSIF) grant.
- Revenue Support Grant (RSG) uplifted in line with the Consumer Price Index - 6.62% (increased by £0.8m)
- New Homes Bonus continuing in 2024-25, with the removal of legacy payments, however a benefit has arisen due to increased housing growth (£0.5m increase in grant)
- Council Tax core threshold of a maximum increase of 2.99% and the ASC precept will be 2% in 2024/25.
- 3% Funding Guarantee Grant - the Council will not receive this as overall Core Funding is over the 3% increase.
- Services Grant – substantial cuts have been made to this grant in 2024-25 (£1.4m reduction in grant)
- Public Health Grant - indicative allocations for 2024-25 have been announced (£0.2m increase)
- Business Rates:
 - De-coupling of the business rates multipliers (small and standard multipliers will be set independently of each other).

- The small business rating multiplier will be frozen in 2024-25 (it will remain at 49.9p). Cap compensation will be paid to compensate for lost income arising from the decision to freeze the small business rating multiplier.
- The standard multiplier (payable by businesses with premises valued at more than £51,000) will increase from 51.2p to 54.6p, previously frozen since 2020-21.
- Further retail, leisure and hospitality relief for businesses.

It has been made clear that there is an expectation for local authorities to use reserves to manage spending pressures. The Local Government Policy Statement issued in December 2023 setting out the government's intentions for the Local Government Finance Settlement, included the following statement.

“The government asks authorities to continue to consider how they can use their reserves to maintain services over this and the next financial year, recognising that not all reserves can be reallocated, and that the ability to meet spending pressures from reserves will vary between authorities.” - [\(link to statement here\)](#)

Funding Reforms: The Local Government sector has been anticipating the implementation of major structural changes within the funding system, to reflect changes in relative need, resources and the continuing pressures, such as those most noticeable within Adults and Children's Social Care budgets. There is a renewed commitment from the government to “[improve] the local government finance landscape in the next Parliament”. Any change is going to be after the next General Election and possibly even under a different government. Changes in funding reform could then be very different from those that were proposed by the current government. This means local authorities across the country continue to operate with a high degree of uncertainty around its future funding levels, at the same time the gap between funding levels and need grows increasingly wider. The recently published 2021 census data demonstrates this with the population in Peterborough having increased by 17.5% since 2011, much higher than the national picture at 6.6% and this growth is not being reflected in our current grant funding allocation.

Social Care Reform: The Government recently published ‘Build Back Better: Our Plan for Health and Social Care’ and ‘People at the Heart of Care: Social Care Reform’, which outlined significant legislative changes to Adult Social Care. Whilst the key changes are associated with the introduction of a cap on care costs, changes to financial means testing and the Fair Cost of Care will bring significant new financial implications for the Council. The reforms bring wider changes including Care Quality Commission assurance, carers support, new models for housing and care and a focus on digitalisation and technology. Although the reforms relating to the cap on care costs and changes in financial means testing have been delayed until October 2025, we still face challenges next year to implement the other elements of the reforms, including the Fair Cost of Care and Care Quality Commission Assurance. These changes will be extremely challenging to deliver in terms of both complexity and cost.

Waste Reforms: In October 2023 reforms to household waste and recycling collections were published through the Simpler Recycling Plan with the aim to boost recycling rates and protect the environment. All local authorities, by 31 March 2026, will need to collect the required recyclable waste streams: glass; metal; plastic; paper and card; food waste; and garden waste. The only impact this will have on Peterborough's collection service is a new requirement to expand the weekly food waste collection service to all flats. We expect funding to be available to support this service expansion but the details of this are not yet known. Funding for the management of packaging waste through the Extended Producer Responsibility (EPR) Scheme has been delayed, resulting in local authorities not expecting to receive their first payment until December 2025. The intention, as it is currently understood, is that Local Authorities will receive the full net cost for managing separately collected, in scope, recyclable packaging and the same for in scope materials in residual waste and street litter bins, with the first payment using estimated tonnage now expected in December 2025 rather than 2024. This income will include the value derived from the recycled material, which we already

receive through our current Dry Mixed Recycling (DMR) contract, so that will be netted off from any payments we will receive.

After the initial year where estimates will be used, authority EPR payments will be made in arrears on a quarterly basis using the data from the equivalent quarter from the previous year. It remains unclear how residual waste in scope packaging will be accounted for in this process. It also remains unclear how much money authorities will receive and what service changes might be necessary to comply with the requirement for an “efficient and effective” collection service in the view of the scheme administrator (who is not yet in place). Therefore, at this time, it is unclear how much money we will receive, what an efficient and effective service is and what classification of authority we will be categorised as, which will set out what is expected of us for compliance. A set of defined authority types is to be published which included urban and rural, deprivation and similar metrics to define our funding, we will not be directly compensated for costs through evidence of our actual expenditure.

There are some additional policy changes that will impact on recycling and waste services. These are listed below with current proposed implementation dates:

- Deposit Return Scheme (DRS) – 2025
- Monitoring, Reporting & Verification for implementation of the Emissions Trading Scheme (ETS) – 2025
- Emissions Trading Scheme (ETS) – 2028
- The specific financial implications of DRS and ETS mentioned above are not fully available at this time.

General Election: There is continuing uncertainty over longer term funding and the approach, especially with the possibility of a change in government. An election must be called by the end of 2024, and the prime minister was recently quoted as saying “that it was his “working assumption” the poll would be held in the second half of the year”.

Strategic Risks

The Council assesses the strategic risks to cover the MTF5 period as part of its budget setting process. The Council also invested in a dedicated Risk Manager who oversees this and chairs a Risk Management Board, which is set up to challenge and support risk management across the Council and partner organisations. The output from this Board is considered regularly at Audit Committee. Some of the key risks identified will inevitably have an impact on the Council’s financial position. These include:

- **Inflation:** In the past two years inflation has been at an all-time high. In the current year and within the proposed budget the Council has reviewed its inflationary assumptions and taken measures to manage expenditure. Although rates are now forecast in the right trajectory there is still a risk that the reduction slows, or the economy continues to influence costs such as energy or pay
- **Funding:** The Council is becoming increasingly reliant on local taxation, with Council Tax and NNDR now equating to 79% of the Council’s core funding. This means in challenging economic times, where businesses and households are struggling with the cost of living, the Council bears the greater risk of reduced income levels.
- **Rising Service Demand:** As mentioned within the report the Council is facing rising demand across a number of services including Adults, Children’s, Education and Housing. Assumptions for increasing demand have been incorporated within the proposed budget, however there is still a risk demand may outstrip this and put further pressure on the budget.

- **Funding uncertainty** – there is significant uncertainty around funding with the continuing single year settlements. There has been no further consultation on multi-year settlements, and it is now highly likely to be postponed until at least 2025/26, after the next General Election.
- **NHS integration** - Integrated Care System (ICS) and the risk resulting from health service who are also looking to make savings.
- **Climate Change**- balancing the need to reduce the Council’s carbon footprint and deliver financial sustainability.
- **Interest Rate risk** - the risk of the Council’s budget being affected by changes in interest rates when refinancing maturing debt.

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Appendix B - Final Revenue & Capital Budget Report 2024/25

Peterborough City Council

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1. Overview

Strategic Overview

The Council's Strategic Framework helps us to make decisions, improvements and manage performance. Our Priorities are the Council's response to our City's challenges and explain our overall approach to public service and translates this approach into tangible activity through a single Performance & Improvement Framework. The Priorities Plan and Performance & Improvement Framework shape and are shaped by the Medium-Term Financial Strategy (MTFS). The Priorities Plan, including the Performance & Improvement Framework, and our Medium-Term Financial Strategy (MTFS) in turn shape the Commissioning Mandates, Business Plans and other documents through which we plan the activity of each service and delivery block within the Council's system. These then drive frontline Service Delivery and Individual Performance Management.

The most challenging time for the council is setting the annual balanced budget, the financial expression of the council's priorities, against the pressures of reduced funding and increased demand. As important as setting a budget, is the need to ensure that it stands up to scrutiny, is transparent and is seen to be accountable.

Financial Overview

Over the course of the year, the financial position of the Council has become more challenging due to the sustained high interest rates and rising demand for key services such as Adults and Children's Social Care, Housing and Home to School Transport. This resulted in a downturn in our financial position with a £6.4m projected overspend being reported for the current financial year and an estimated budget gap of £6.1m also being reported for 2024/25. These were both reported to [Cabinet](#) in November 2023.

A huge amount of effort and focus has been placed on managing the risks, pressures and reducing expenditure and agency use. In addition, we are developing savings and transformation plans to best achieve long term sustainability.

Improvement has been seen in the current year position, with the 2023/24 projected overspend now down to £3m, and a balanced budget position for 2024/25 being presented, as summarised in table 1.

Table 1: Revenue budget summary 2024/25

	Gross Expenditure Budget £000	Income Budget £000	Net Expenditure Budget £000
Children and Young People	201,153	(146,961)	54,192
Adult Social Care	105,187	(30,469)	74,718
Corporate Services	124,254	(54,011)	70,243
Place & Economy	58,180	(36,707)	21,473
Public Health	12,162	(12,478)	(316)
Total Service Expenditure	500,936	(280,626)	220,310
Core Funding	7,089	(227,399)	(220,310)
Net Budget Gap	508,025	(508,025)	-

The following sections provide a summary of the key revenue pressures, savings and investments included within this budget, with further detail on the Council's budgets and proposals outlined in section 6.

Key Revenue Pressures

In addition to the proposals for savings and transformation, as outlined within this report, the Council has been proactive in developing strategies and actions to manage the pressures materialising because of rising demand and Inflation.

Rates of inflation have been sustained at higher levels and continue to put a strain on finances through 2024/25 and into 2025/26, with costs of contracts, energy, salaries and supplies and services all increasing. The forecast trajectory for the CPI (Consumer Price Index) forecast is looking more positive, with rates confirmed at 3.9% in December 2023.

Where able to the Council is managing this by controlling expenditure levels, reviewing and renegotiating contracts and implementing the [Market Sustainability Plan](#) for our Social Care contracts, which enable us to move towards implementing a Fair Cost of Care, alongside managing inflationary pressures. This will involve negotiating on a case-by-case basis with our providers and will involve closely managing risks of market sustainability.

There are some instances where we have little leverage in terms of influencing costs due to external factors. These include:

- Pay award, which for 2024/25 has been nationally agreed at a higher rate than expected.
- Energy costs, which have risen significantly in recent years, and due to contractual arrangements are not expected to reduce until October 2024.
- National Living Wage, which will increase by 9.98% from 1 April 2024, affecting a range of contracts.
- Contracts which are indexed linked.

All inflationary and pay assumptions have been reviewed, with an additional £10.6m being factored into the 2024/25 budget, over the amounts already included within the base. For any unexpected and unavoidable inflationary implications, the Council has an inflation reserve which can be used to smooth the immediate pressure.

Services such as adults, children's and housing continue to face rising demand, which adds pressures to the budget. This has been well documented during the year within the Budgetary Control Report ([Q2 BCR Report](#)) and the performance report ([Q2 Report](#)). As part of the budget setting process a full detailed review of demand led service budgets has taken place. The review focussed on using recent local demand data, available Census 2021 data and local knowledge to inform revised forecasts. An additional £6.3m has been factored into the budget for service demand in 2024/25 with £18.3m being included in the Capital Programme over the period 2023/24 to 2026/27 for housing related schemes. The key drivers for the rise in demand can be summarised as:

- Children's - increase in the complexity of need, coupled with a rise in the number of looked after children.
- Adult Social Care - increased numbers in accommodated (residential or nursing) and community care.
- Housing- increased number of homelessness presentations (25% increase in presentations in the current year)
- SEND & Home to School Transport - rise in the number of children with Educational Health Care Plans (EHCP's), and therefore children requiring transport to school.

Further details on these projections are outlined in section 6 and within Appendix A (Medium Term Financial Strategy update) to the main report.

Key Revenue Savings, Transformation and Investments:

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

Supporting Residents

- Through technology enabled care and reablement services, continuing to increase the support for more people to remain independent for as long as possible.
- Developing a Shared Lives scheme to support adults with learning disabilities, mental health problems or other needs which make it harder for them to live on their own.
- Developing a social work academy to support the recruitment and retention of social workers.
- Investing more money into Children's Services to be able to meet the rising demand and improve the services that we offer children and families.
- Supporting families through the Family Hubs model which has attracted significant Government funding.
- Developing three new hubs to meet the needs of children with Autism and Social, Emotional, Mental Health (SEMH) needs.
- Supporting the city to become net zero (no longer adding to the total amount of greenhouse gases in the atmosphere), which will help to reduce fuel poverty, improve physical and mental health, improve air quality, stimulate our economy, and provide jobs for the local area.
- Reducing reliance on costly temporary accommodation for homeless households, with increased housing supply via successful grant application and capital investment as well as increasing our efforts to work with residents who are in housing difficulty at the earliest possible opportunity, to prevent them becoming homeless.

Enabling Economic Growth and Regeneration

- Bringing forward development plans for several sites across the city, including the Station Quarter, the former TK Maxx building and the area known as Middleholme. As outlined in the our exciting [new investment prospectus](#) and [video](#), launched in January.
- Continuing to develop our new Local Plan, which will set out our strategy and policies to deliver growth, alongside our new Housing Strategy.
- Increasing efforts to attract new employers into Peterborough, including those who can offer better paid and permanent employment opportunities.
- Refocussing the adult skills service, delivered by City College Peterborough, so that it helps people with few or no formal qualifications or work experience to gain employment.

Delivering best value from our Assets, Resources and People

- Delivering a range of measures to drive energy efficiencies across our estate.
- Continuing to maximise the return from our assets by increasing the return and selling surplus assets in line with the Asset Disposal Plan.
- Ensuring the Council has internal services best suited to support front line services by investing in our Human Resources department and restructuring our Legal services department.
- Maximising investment income in line with a refreshed Treasury Management Strategy.
- Getting the best out of our contract arrangements. Services provided by SERCO will be provided in house from April 2024.

Capital Programme Summary

The Council recognises it needs to invest in the city to encourage economic development, provide vital council services and improve the way it works. However, it is also recognised the need to reduce the current level of debt

and the resulting ongoing cost of borrowing which puts a strain on the revenue budget. The MTFs assumes that capital receipts, third party funding and savings generated because of investment will be used to fund the programme. Other than refinancing of maturing loans, new borrowing will only be undertaken where absolutely necessary over next three years.

Table 2: Capital Programme 2024/25 Summary	£m
Capital Programme	120.44
Funded by:	
Third Party Funding	60.54
Corporate Resources*	36.88
Revenue	0.83
Corporate Resources (funded by Invest to Save)	22.20
Total Funding	120.44

**Capital Receipts and Borrowing*

The proposed capital and transformation bids for 2024/25 to 2026/27 are shown in the Capital and Investment Strategy (Appendix F to the main report).

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

Additional third-party funding may become available during the year, so the Capital Programme could, with member approval, be subject to further change. Any slippage from the 2023/24 capital programme will be reviewed for continuation in the Capital Programme.

2. Section 25 (Robustness) Statement

Requirement

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

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

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

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

It has been made clear that there is an expectation for local authorities to use reserves to manage spending pressures. The following statement was included within the Local Government Policy Statement issued in December.

“The government asks authorities to continue to consider how they can use their reserves to maintain services over this and the next financial year, recognising that not all reserves can be reallocated, and that the ability to meet spending pressures from reserves will vary between authorities.” - [\(link to statement here\)](#)

Despite this, the CFO has to ensure reserves balances are adequate and can therefore not allow them to be used to meet day to day spending pressures if it reduces them to an unreasonable level, which is contrary to government advice.

This report has been prepared by the CFO as part of fulfilling her duty and gives the required advice relating to the Council’s current and next year's financial position, including a consideration of the proposed budget as a whole and all the financial risks facing the Council. It identifies the Council’s approach to budget risk management and assesses the risks associated with the current year and 2024/25 budget to inform the advice on robustness.

Robustness of Estimates

In setting the budget it is important to ensure that estimates are based on the best available information at the time. The accuracy and reliability vary, and where there are uncertainties, the Council has taken a balanced approach, not being overly pessimistic or optimistic. The revenue budget has been formulated having regard to several factors including risks, opportunities, pressures and resources available, all outlined within this report. The CFO has formed the **over-arching conclusion is that the budget estimates contain a moderate degree of risk**. The risks are summarised in the following section:

- **Funding:** The Council is becoming increasingly reliant on local taxation, with Council Tax and NNDR now equating to 80% of the Council’s core funding. This means in challenging economic times, where businesses and households are struggling with the cost of living, the Council bears the greater risk of reduced income levels.
- **Rising Service Demand:** As mentioned within the report the Council is facing rising demand across a number of services including Adults, Children’s, Education and Housing, as highlighted in the current year BCR. Assumptions for increasing demand have been incorporated within the proposed budget,

however there is still a risk demand may outstrip this and put further pressure on the budget during the year.


- **Inflation:** In the past 2 years inflation has been at an all-time high. In the current year and within the proposed budget the Council has reviewed its inflationary assumptions and taken measures to manage expenditure. Although rates are now forecast in the right trajectory there is still a risk that the reduction slows or the economy continues to influence costs such as energy or pay.
- **Deliverability:** The 2024/25 budget includes £11m of new savings and transformation plans. Detailed Service Delivery and Improvement Plans are in development, and these will be both crucial and vital in outlining how services will be delivered within their budget envelope and in line with the corporate priorities. A multi-disciplinary Capital and Transformation Board (with responsibility for reserves investments, capital and savings delivery) has been embedded over the past 2 years in recognition that delivering savings can often be tricky and require close scrutiny to ensure delivery remains on track or mitigating actions are identified where savings are delayed or doubtful. This will remain in place during 2024/25 to continue providing this challenge and reassurance.
- **Capacity:** There's a risk that the Council doesn't have the capacity and/or capability to deliver the scale of savings and transformation programme required. Recruitment to specialist and core roles has been challenging and reflects issues being faced in the national labour market. The Council has established a Corporate Delivery Unit, where roles have been successfully recruited. These are positive steps in the right direction, with the permanent structure for this area currently under way.
- **Legislative:** In November the Council underwent an Ofsted inspection ([report](#)), of its Children's Services, where it was rated inadequate overall. Plans to improve the service had already started during 2023, but further work and capacity will be required in this area to boost these efforts and add pace. This is likely to require additional investment, which at present isn't reflected within the budget.





Adequacy of Reserves





The review of the level of reserves the Council holds is an important part of the budget setting process. The review must be balanced and reasonable, factoring in the current financial standing of the Council, the funding outlook into the medium term and beyond, and most importantly, the financial risk environment the Council is operating in.

There is no set formula for deciding what level of reserves is adequate, so the adequacy of reserves is subjective and a matter of judgement for the Chief Financial Officer. The assessment of the level of reserves balances is based on following factors recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the risk assessment completed within the Reserves Strategy and Policy in Appendix D.

Table 4: CIPFA Reserves Factors for consideration

Factor and direction of travel	Assessment
Assumptions regarding inflation and interest rates 	Inflation is now at 3.9% and forecast to reduce further during the remainder of the year and into 2024/25. Inflation assumptions have been reviewed as part of the budget setting process and incorporated within estimates. There are some specific inflationary risks relating to the pay award, National Living Wage (NLW) and energy. These are being closely monitored and an inflation reserve with £2.4m of capacity is available to mitigate any immediate financial implications.

Factor and direction of travel	Assessment
	<p>Interest rates are largely determined by the Bank of England base rate which has risen sharply to 5.25% (below 1% up until May 2022). Now that rates of inflation are falling it's expected that the base rate should also start to gradually reduce, but unlikely to return to the extraordinary low rates. The Council is aiming to keep external borrowing to a minimum by generating capital receipts and using internal balances effectively. But there is c£79m of debt maturing in the next year which may require refinancing at higher rates. At the same time the Council is also looking at investment opportunities to generate investment income.</p>
<p>Estimates of the level and timing of capital receipts</p> <p style="text-align: center;"></p>	<p>As outlined in the Capital Strategy our aim is to only borrow where appropriate, and therefore to rely on capital receipts to fund part of the capital programme.</p> <p>The Council's Asset Disposal Plan identifies a pipeline of potential capital receipts. There is, however, a risk that these receipts aren't delivered in a timely manner, due to the reliance on the external parties.</p> <p>During 2023/24, we have experienced delays mainly due to market changes and unforeseen circumstances, including purchasers reneging on agreed transactions. However, the anticipated capital receipt forecast for 2024/25 is currently significantly higher than the 2023/24 financial year and has been risk rated and profiled considering the likelihood and probability of the receipts.</p>
<p>The capacity to manage in-year demand led pressures & The authority's record of budget management</p> <p style="text-align: center;"></p>	<p>Despite having been one of the Councils which has sought Exceptional Financial Support from the Government, the capitalisation direction was not utilised. The Council has maintained a strong record of financial management; a final overspend position has only being reported once in the past 10 years. Where an overspend has been forecasted during the year, the whole organisation has risen to the challenge and driven down expenditure to deliver a balanced position. This has become more challenging over the years, the current year forecast is projecting an overspend of £2.1m (down from £6.4m in September), and the proposed 2024/25 budget contains a higher degree of risk than previous years. This makes it more difficult to mitigate delays in savings or manage unforeseen expenditure within the overall budget envelope.</p>
<p>Ability to activate contingency plans if planned savings cannot be delivered</p> <p style="text-align: center;"></p>	<p>It is made clear within this report that there is a degree of risk within this budget. An element of that is due to detailed Service Delivery and Improvement Plans still being finalised. These are underway, and will be reviewed and monitored to provide the Corporate Leadership Team with assurance on the delivery of budgets and outcomes.</p> <p>The Council will also continue to provide monthly challenge to the savings programme delivery via an officer led board, this approach has proven to be very effective over the past 2 years.</p> <p>The Council has engaged a consultant to carry out an evaluation of compliance with the Financial Management Code as part of a wider review of financial Management. Once the review is completed, this risk will be reassessed.</p>
<p>Risks inherent in any new partnerships, outsourcing arrangements, and major capital developments</p> <p style="text-align: center;"></p>	<ul style="list-style-type: none"> • The Council's LATCo, Peterborough Limited operates a range of services for the Council and after a period of overseeing the operation of culture and leisure services on an interim basis, the award of the contract on permanent basis was approved by Cabinet in September. This provides operational stability for these services going forward. • The contract with Serco for a range of support services has been terminated with effect from April 2024. This will give the Council greater flexibility to transform services. • The Council continues to work closely with the NHS, and the Integrated Care Board (ICB). However the pressure on the health system is evident. Savings targets placed on the NHS are being indirectly passed to the Council, with the Council having to pick up a greater proportion on Health and social care costs. • The Capital Programme for 2024/25 is proposed at £120m, reflecting ambitious aspirations. Despite action taken to limit borrowing 49% of the programme is to be funded by corporate resources (capital receipts or borrowing), which the Council will struggle to maintain at this level in the future, as the cost of borrowing continues to put pressure on the revenue budget.

Factor and direction of travel	Assessment
	<p>Capital receipts are being generated through asset disposal, but these are reliant on market conditions. Slippage within individual projects remains an issue leading to lower than planned spending in the short-term but potentially higher medium to long term costs due to inflation. In addition, slippage defers borrowing rather than reducing it.</p>
<p>Financial standing of the authority (level of borrowing, debt outstanding, and use of reserves)</p> <p style="text-align: center;"></p>	<p>This Council's overall debt remains relatively high at £462m in comparison to other local authorities, with Oflog noting debt servicing costs are over double comparator authorities. Much of this is long term, but £65m (14%) is due to mature in the next 12 months, which presents a risk with higher interest rates.</p> <p>The Council's reserves balances are low in comparison to other local authorities, this has been highlighted by DLUHC and in the new Oflog published data. The latest forecast for reserves balances also shows them reducing by 41% from £70m to £41m. Meaning the Council's overall financial resilience is weakened, and the scope to replenish and build reserves balances is limited. Although the Council has been able to balance its budget without needing to directly use reserves, the overall financial risk has increased, and financial resilience appears to have been weakened at this stage.</p>
<p>Virement and year-end procedures in relation to under and overspends</p> <p style="text-align: center;"></p>	<p>The Council continues to adhere to the financial governance and virement procedures set out in its financial regulations. There is a finance transformation programme underway which includes a plan to strengthen financial management and governance arrangements, including revising the financial regulations.</p> <p>There are issues nationally with completing local authority audits. The Councils Statement of Accounts for 2020/21 were signed off at the end of January 2024, but 2021/22 remain unaudited. The 2022/23 draft Statement of Accounts are also due to be published imminently. The Council has experienced resourcing issues in the technical team during 2023/24, but the team is now fully recruited to following the restructure of the Finance Team. These resourcing challenges are also a national issue, and the Council is part of a LGA working group to support the future workforce development in this area.</p>
<p>The general financial climate</p> <p style="text-align: center;"></p>	<p>Local government finances have been eroded with funding levels failing to keep pace with the rising demand for services. Additionally, there is significant uncertainty around future funding levels. The Local Government Settlement left the Council with less grant than expected. With a number of pending reforms such as fairer funding and Adult Social Care, the end of a spending review and a pending general election, the uncertainty will continue for the foreseeable future.</p> <p>The Pandemic and economic climate has affected household finances and the cost of running Council services. It has also resulted in increased levels of national debt, meaning austerity is likely to continue.</p>
<p>The adequacy of insurance arrangements</p> <p style="text-align: center;"></p>	<p>The Council utilises a mix of external insurance and an internal reserve to deliver best value for money whilst ensuring that major risks are covered. Our brokers check the external insurances in place annually to ensure they are appropriate, and the internal fund is reviewed by a firm of Actuaries every three years to ensure it is adequate. The excesses on the external insurance policies are very low, ranging from £10,000 for property to £50,000 for liabilities, to keep the Council's exposure to a minimum. From this, the Council's insurance arrangements are considered to be adequate.</p>

In considering the ten factors listed above, as well as the risks associated with the budget, the CFO is of the opinion that the reserves balances estimated as at 1 April 2024 are **adequate for the year ahead, but beyond 2024/25, without additional funding or further significant transformation, there is a risk that reserves balances may not be sufficient to bridge any budget gaps or unexpected events or emergencies.**

Reserves Balances

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

Table 5: Summary of Reserves	2022/23	2023/24	2024/25	2025/26	2026/27
	Balance at 31.03.23	Est Bal at 31.03.24	Est Bal at 31.03.25	Est Bal at 31.03.26	Est Bal at 31.03.27
	£000	£000	£000	£000	£000
General Fund	9,942	10,342	10,742	11,492	12,242
Earmarked Reserves					
Innovation Fund Reserve	23,784	8,949	6,190	5,878	5,878
Departmental & Grant Related Reserves	10,300	6,778	4,994	3,304	2,678
Tax Income Risk Reserve	9,555	7,191	2,323	2,323	2,323
Inflation Risk Reserve	11,532	3,357	2,357	2,357	2,357
Usable Reserves	55,170	26,275	15,863	13,861	13,235
Insurance Reserve	2,322	2,778	2,778	2,778	2,778
Schools Capital Expenditure Reserve	561	561	561	561	561
Parish Council Burial Ground Reserve	59	57	57	57	57
Hackney Carriage Reserve	221	222	222	222	222
Public Health Reserve	1,720	1,092	476	370	370
Ring-Fenced Reserves	4,883	4,710	4,094	3,988	3,988
TOTAL Earmarked and General Fund Balance	69,996	41,327	30,699	29,341	29,465

3. Detailed Revenue Service Budgets- Breakdown of 2024/25 changes

Table 6: new 2024/25 budget changes by Directorate	Base Budget 2024/25 £000	Pay award £000	Inflation £000	Savings & Efficiencies £000	Service Demand £000	Cost & Income Pressures £000	Service Transformation £000	Income Generation £000	Proposed Budget 2024/25 £000
Children and Young People									
Executive Director of Children's Services	734	-	-	-	-	-	-	-	734
Education	9,110	-	533	-	1,039	473	-	-	11,155
Children's - Operations	14,921	-	56	-	1,853	-	-	-	16,830
Children's Commissioning	21,660	-	1,267	-	3,427	-	(1,600)	-	24,754
Commercial Operations	719	-	-	-	-	-	-	-	719
Children and Young People Total	47,144	-	1,856	-	6,319	473	(1,600)	-	54,192
Adult Social Care									
Adults - Commissioning	62,435	-	2,529	(1,785)	(249)	-	-	-	62,930
Adults and Safeguarding	10,144	-	-	-	-	-	-	-	10,144
Executive Director Adult Social Care	1,556	-	-	(350)	-	-	-	-	1,206
Performance & Strategic Development	214	-	-	-	-	-	-	-	214
Principal Social Worker	224	-	-	-	-	-	-	-	224
Total Adult Social Care	74,573	-	2,529	(2,135)	(249)	-	-	-	74,718
Corporate Services									
HR & Workforce Development	1,493	-	-	(5)	-	180	-	-	1,668
Director of Corporate Services	298	-	-	-	-	-	-	-	298
Financial Services	2,339	-	-	-	-	-	-	-	2,339
Corporate Items	10,061	1,729	164	1,515*	-	-	-	-	13,469
Peterborough Serco Strategic Partnership	6,224	-	-	-	-	-	(300)	-	5,924
Digital, Data & Technology Services	7,519	-	-	(974)	-	947	-	-	7,492
Cemeteries, Cremation & Registrars	(1,630)	-	-	-	-	25	-	(254)	(1,859)
Corporate Property	(1,143)	-	2,700	(1,750)	-	91	(450)	(87)	(639)
Marketing & Communications	550	-	-	(10)	-	-	-	-	540
Health & Safety	197	-	-	43	-	-	-	(1)	239
Internal Audit and Insurance	1,718	-	160	(28)	-	-	-	-	1,850
Chief Executive	321	-	-	-	-	-	-	-	321
Director of Legal & Governance	(73)	-	-	(100)	-	386	-	-	213
Legal Services	2,007	-	-	-	-	-	-	-	2,007
Information Governance	201	-	-	-	-	23	-	-	224
Constitutional Services	2,047	-	-	(29)	-	29	-	-	2,047

Table 6: new 2024/25 budget changes by Directorate	Base Budget 2024/25 £000	Pay award £000	Inflation £000	Savings & Efficiencies £000	Service Demand £000	Cost & Income Pressures £000	Service Transformation £000	Income Generation £000	Proposed Budget 2024/25 £000
Total Corporate Services	32,129	1,729	3,024	(1,338)	-	1,681	(750)	(342)	36,133
Place & Economy									
Director Place & Economy	42	-	-	-	-	-	-	-	42
Infrastructure & Environment - Highways & Transport	5,603	-	397	(497)	-	-	-	(47)	5,456
Growth & Regeneration - Planning & Building Control	1,974	-	-	(100)	120	-	-	(392)	1,602
Infrastructure & Environment - Environment & Climate Change	10,620	-	845	(741)	68	-	-	(126)	10,666
Infrastructure & Environment - Westcombe Engineering	61	-	-	-	-	-	-	(25)	36
Housing & Communities - Domestic Abuse Partnership	109	-	-	-	-	-	--	-	109
Growth & Regeneration - Growth & Economic Development	184	-	-	(115)	-	-	-	-	69
Housing & Communities - Stronger Communities	4,964	-	-	(1,181)	-	-	-	-	3,783
Housing & Communities - Safer Communities	(1,248)	-	-	(109)	-	485	-	(746)	(1,618)
Infrastructure & Environment - Regulatory Services	1,711	-	-	(280)	-	-	-	(242)	1189
Housing & Communities - Emergency Planning	139	-	-	-	-	-	-	-	139
Total Place & Economy	24,159	-	1,242	(3,023)	188	485	-	(1,578)	21,473
Public Health									
Children 0-5 Health Visitors	3,736	-	-	-	-	-	-	-	3,736
Children 5-19 Health Programmes	1,001	-	-	-	-	-	-	-	1,001
Sexual Health	2,095	-	-	-	-	-	-	-	2,095
Substance Misuse	2,407	-	-	-	-	-	-	-	2,407
Smoking and Tobacco	268	-	-	-	-	-	-	-	268
DPH Office & Intelligence Team and Projects	1,398	-	-	336	-	-	-	-	1,734
Health Check Services	155	-	-	-	-	-	-	-	155
Healthy Lifestyles & Publicity	274	-	-	-	-	-	-	-	274
Weight Management and Obesity	296	-	-	-	-	-	-	-	296
Public Health Grant	(11,946)	-	-	(366)*	-	-	-	-	(12,282)
Total Public Health	(316)	-	-	-	-	-	-	-	(316)
Capital Financing	34,110	-	-	-	-	-	-	-	34,110
Total	211,799	1,729	8,651	(6,496)	6,258	2,639	(2,350)	(1,920)	220,310
Funding									(220,310)
Surplus/Deficit									-

4. Detailed Revenue Service Budgets Breakdown- by subjective detail (general fund)

Table 7: 2024/25 Service Budget by subjective	Employees £000	Premises £000	Transport £000	Supplies and Services £000	Support Services £000	Third Party Payments £000	Transfer Payments £000	Grant Income £000	Other Income £000	Capital Financing £000	Budget 2024/25 £000
Children and Young People											
Executive Director of Children's Services	600	9	9	376	-	(47)	-	-	(213)	-	734
Education	4,916	1,122	7,020	11,156	-	235	-	(6,270)	(7,024)	-	11,155
Children's - Operations	16,662	225	228	1,574	-	1,411	77	(2,243)	(1,104)	-	16,830
Children's Commissioning	141	85	-	3,039	-	(189)	22,915	(309)	(928)	-	24,754
Commercial Operations	6,197	822	35	5,613	657	-	-	-	(12,605)	-	719
Children and Young People Total	28,516	2,263	7,292	21,758	657	1,410	22,992	(8,822)	(21,874)	-	54,192
Adult Social Care											
Adults - Commissioning	3,034	7	159	70,633	-	5,495	13,236	(348)	(29,286)	-	62,930
Adults and Safeguarding	10,487	5	182	182	-	123	-	-	(835)	-	10,144
Executive Director Adult Social Care	768	-	18	420	-	-	-	-	-	-	1,206
Performance & Strategic Development	210	-	1	3	-	-	-	-	-	-	214
Principal Social Worker	222	-	1	1	-	-	-	-	-	-	224
Total Adult Social Care	14,721	12	361	71,239	-	5,618	13,236	(348)	(30,121)	-	74,718
Corporate Services											
HR & Workforce Development	1,728	-	2	16	-	14	-	-	(92)	-	1,668
Director of Corporate Services	293	-	2	3	-	-	-	-	-	-	298
Financial Services	2,308	-	4	52	-	(25)	-	-	-	-	2,339
Corporate Items	4,411	868	-	6,203	-	2,137	-	-	(150)	-	13,469
Peterborough Serco Strategic Partnership	-	-	-	(1,562)	-	10,288	38,521	(985)	(40,338)	-	5,924
Digital, Data & Technology Services	3,093	-	6	4,937	-	-	-	-	(544)	-	7,492
Cemeteries, Cremation & Registrars	1,161	658	11	178	-	-	-	-	(3,867)	-	(1,859)
Corporate Property	1,805	3,551	-	(1,392)	-	111	-	-	(4,714)	-	(639)
Marketing & Communications	692	13	1	109	-	-	-	-	(275)	-	540
Health & Safety	244	-	-	-	-	-	-	-	(5)	-	239
Internal Audit and Insurance	617	1,294	1	531	-	-	-	-	(593)	-	1,850
Chief Executive	304	-	1	16	-	-	-	-	-	-	321
Director of Legal & Governance	175	-	-	38	-	-	-	-	-	-	213
Legal Services	2,141	-	2	522	-	-	-	-	(658)	-	2,007
Information Governance	234	-	-	3	-	-	-	(13)	-	-	224

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Table 7: 2024/25 Service Budget by subjective	Employees £000	Premises £000	Transport £000	Supplies and Services £000	Support Services £000	Third Party Payments £000	Transfer Payments £000	Grant Income £000	Other Income £000	Capital Financing £000	Budget 2024/25 £000
Constitutional Services	814	53	15	1,236	-	-	-	(66)	(5)	-	2,047
Total Corporate Services	20,020	6,437	45	10,890	-	12,525	38,521	(1,064)	(51,241)	-	36,133
Place & Economy											
Director Place & Economy	327	-	3	(288)	-	-	-	-	-	-	42
Infrastructure & Environment - Highways & Transport	1,882	1,764	36	3,829	-	-	-	-	(2,055)	-	5,456
Growth & Regeneration - Planning & Building Control	2,920	1	25	1,086	-	-	-	-	(2,430)	-	1,602
Infrastructure & Environment - Environment & Climate Change	608	3,399	5	8,235	-	10,940	-	-	(12,521)	-	10,666
Infrastructure & Environment - Westcombe Engineering	796	168	11	1,122	-	-	-	-	(2,061)	-	36
Housing & Communities - Domestic Abuse Partnership	237	-	5	(220)	-	422	-	(335)	-	-	109
Growth & Regeneration - Growth & Economic Development	825	(3)	-	223	-	-	-	(32)	(944)	-	69
Housing & Communities - Stronger Communities	3,494	3,699	45	625	-	3,600	-	(3,876)	(3,804)	-	3,783
Housing & Communities - Safer Communities	1,921	904	45	813	-	64	-	-	(5,365)	-	(1,618)
Infrastructure & Environment - Regulatory Services	3,298	-	35	1,141	-	-	-	-	(3,285)	-	1,189
Housing & Communities - Emergency Planning	133	-	1	5	-	-	-	-	-	-	139
Total Place & Economy	16,441	9,932	211	16,571	-	15,026	-	(4,243)	(32,465)	-	21,473
Public Health											
Children 0-5 Health Visitors	-	-	-	3,736	-	-	-	-	-	-	3,736
Children 5-19 Health Programmes	-	-	-	165	-	836	-	-	-	-	1,001
Sexual Health	-	-	-	73	-	2,022	-	-	-	-	2,095
Substance Misuse	-	-	-	0	-	2,483	-	-	(76)	-	2,407
Smoking and Tobacco	-	-	-	117	-	151	-	-	-	-	268
DPH Office & Intelligence Team and Projects	602	-	3	1,123	-	6	-	-	-	-	1,734
Health Check Services	-	-	-	-	-	155	-	-	-	-	155
Healthy Lifestyles & Publicity	-	-	-	5	-	269	-	-	-	-	274
Weight Management and Obesity	-	-	-	-	-	417	-	-	(121)	-	296
Public Health Grant	-	-	-	-	-	-	-	(12,282)	-	-	(12,282)
Total Public Health	602	-	3	5,219	-	6,339	-	(12,282)	(197)	-	(316)
Capital Financing	10	-	-	51	-	-	-	-	(1705)	35,754	34,110
Total	80,310	18,644	7,912	125,728	657	40,918	74,749	(26,759)	(137,903)	35,754	220,310
Funding											(220,310)
Surplus/Deficit											-

* figures include Public Health grant uplift of (£0.3m) and additional social care grant (£1.6m) announced on 5 February

5. Funding & Council Tax Summary

Council Tax

The 2024/25 provisional local government finance settlement published on 18 December 2023 includes an explanatory note which defines “Core Spending Power (CSP)” as a measure of the resources available to local authorities to fund service delivery. It sets out the money that has been made available to local authorities through the Local Government Finance Settlement (LGFS).” One of the constituent parts of the CSP calculation is the level of income expected to be raised from Council Tax. The Explanatory note says that “For 2024-25, the figures (Council tax income) have been estimated by:

- Applying each local authority’s average annual growth in their council tax base between 2018-19 and 2023-24 to project growth in tax base for 2024-25; and
- Assuming local authorities increase their Band D council tax in line with the maximum allowable level set out by the council tax referendum principles for 2024-25. That is a 3% core principle, 2% Adult Social Care precept, the greater of 3% or £5 cash principle for shire districts, and the greater or 2% or a cash principle of £10 for the Greater London Authority, and the greater or 2% or a cash principle of £10 police element of the Greater London Authority.”

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

Table 8: Council Tax Summary	2024/25
Council Tax increase	2.99%
ASC precept increase	2.00%
Total Increase %	4.99%
Council Tax Band D	£1,666.27
Council Tax Base - Band Ds	62,103.69
Council Tax Requirements (Band D x Council Tax Base)	(103,481,515)
Parish Precept	(784,880)
Total Council Tax Income	(104,266,395)
Collection Fund Deficit	1,984,922
Use of Local Taxation Reserve	(1,984,922)
Total Council Tax	(104,266,395)

As outlined within the [Council Tax base report](#) presented to Cabinet on 18 December, the Council Tax collection fund is in a deficit position, with the Councils share equating to £1.985m. In line with the reserves policy and strategy it is proposed that the Local Income Tax Reserve is used to mitigate the budgetary impact of this.

Table 9 demonstrates how the Council takes account of our funding and expenditure budgets to arrive at our Council Tax requirement, and in turn our Band D rate of Council Tax:

Table 9: Council Tax Requirement and Band D Calculation	Gross Expenditure Budget £000	Income Budget £000	Net Expenditure Budget £000
Children and Young People	201,153	(146,961)	54,192
Adult Social Care	105,187	(30,469)	74,718
Corporate Services**	124,254	(54,011)	70,243
Place & Economy	58,180	(36,707)	21,473
Public Health	12,162	(12,478)	(316)
Total Service Expenditure	500,936	(280,626)	220,310
NNDR (including the Business rates Pool)			(73,475)
Core Grant Funding			(43,385)
Parish Precepts			(785)
Collection Fund Position			817*
Council Tax Requirement (excluding Parishes)			103,482
Council Tax base 2024/25			62,103.69
Council Tax Band D Rate (Council Tax requirement/ Council Tax base)			£1,666.27

*Partially reduced via use of Local Taxation Reserve

**Includes the cost of Capital Financing

The Council continues to support those most impacted by the national cost of living challenge in several ways, including through the council tax hardship and household support funds. Also, following a suggestion from Members of the Green Party, we will liaise with Lewes and Eastbourne councils to see if we can learn from them. Officers have spoken to counterparts at those Councils and we are considering an additional system that uses existing data sets to better identify low-income households, to help ensure we are targeting our resources to support those most in need.

Core Funding

Table 10 summarises the Council's core funding. Further details around the key assumptions and the multi-year impact are outlined within Appendix A (Medium Term Financial Strategy update) to the main report.

Table 10: Core Funding & Grants	2024/25 £000
NNDR (Business Rates)	(70,765)
Revenue Support Grant (RSG)	(12,920)
Council Tax	(104,266)
New Homes Bonus	(1,268)
Business Rates Pool	(1,894)
Services Grant	(293)
Improved Better Care Fund	(7,480)
Social Care Grant	(16,204)
ASC Market Sustainability and Improvement Fund	(3,472)
Discharge Support Grant ringfenced (AS22)	(1,748)
TOTAL CORPORATE FUNDING	(220,442)

Annex A- Service Overview & Proposal Detail

Corporate Services

There are essential professional support services the council needs to keep it operating effectively. They provide vital support to services across the council to allow them to function. The areas which make up the corporate services include:

Finance - ensures there is an effective system of financial control to manage budgets and monitor spending and is responsible for ensuring the council prepares statutory accounts - something it is legally required to do. It also prepares the Medium-Term Financial Strategy which sets out how the council plans to spend its money to deliver council priorities.

Legal - provides legal advice to the council's departments and to councillors and represents the council in court. It also takes legal action on behalf of the authority, such as trading standards and fly-tipping prosecutions.

HR and development – support with changes in staffing, the effective recruitment and development of our people and managing their performance, as well as ensuring our policies and processes are compliant with employment legislation, easy to understand and supportive.

Communications – provides information for the public about council services, public information and campaigns. It also engages with staff and external stakeholders. The team manages the council's website and social media channels and liaises with the media on council issues and initiatives.

Commercial property and asset management - responsible for managing the day-to-day activities across the council's estate and manages all landlord and tenant activities. It supports the council in bringing forward large regeneration, development and construction projects and looks after our properties making sure they are compliant, in good condition and fit for purpose. The newly developed Asset Management Plan sets out how we will invest in assets which support our Corporate Plan and dispose of those that do not with a view to reducing the level of the capital programme and associated borrowing costs.

Commercial and procurement – responsible for all the Council's procurement activities (buying goods and services) and provides strategic guidance and oversight on key commercial contracts. It leads the Annual Procurement Plan which aims to make sure the goods and services we procure are fit for purpose and at the best possible price.

Health and safety – ensures the Council maintains up-to-date policies and procedures, provides training, audits service delivery and manages incidents.

IT and digital – the enabler for all services within the Council, supporting them in achieving their own aims and requirements while prioritising the customer journey. Everything our staff do requires access to IT in a secure and compliant manner.

Constitutional and democratic services – supports around 80 public meetings each year and the organisation of civic events, such as Remembrance events and flag raising ceremonies. Electoral Services is responsible for running local elections which includes managing and publishing an up-to-date and accurate register of voters so everybody entitled to vote can do so.

Over the last year, we have redesigned our finance, HR, Procurement, Property and Communication teams to ensure they are able to meet the demands of the council and can support it to deliver the

priorities of the Corporate Strategy. The Legal team is currently being redesigned and the IT service will be un-coupled from the CCC partnership during 2024/25.

Table 11: Corporate Services Budget Changes

Title	Description	24/25 £000	25/26 £000	26/27 £000
Pay award- Council wide impact	<p>The nationally agreed pay award for 2023/24 has now been confirmed and includes:</p> <ul style="list-style-type: none"> • An increase of £1,925 (pro rata for part time employees) on pay points 2 to 43 inclusive. • An increase of 3.88% on all pay points SCP 44 to 54 inclusive. • An increase of 3.88% on all NJC allowances. • An increase of 3.5% on senior officer pay scales. <p>This is above our budget assumption for 2023/24 and therefore causes an ongoing budget pressure on salary budgets across the organisation going forward. The base budget assumption for the 2024/25 pay award is 3%, which is consistent with other Councils we have spoken to.</p>	1,200	1,400	1,600
Energy inflation- Council wide impact	<p>Inflation with the Council's electricity and gas supply has far exceeded existing budgets during 2023/24. This pressure is being managed in-year on a one-off basis via the inflation reserve, but the base budget for 2024/25 requires adjusting to account for this pressure.</p>	2,700	2,700	2,700
Energy efficiency plan	<p>The Council contracts for gas and electricity supply end in March 2028 and October 2027 respectively. There are several ongoing initiatives that will reduce the council's energy cost including the Localities Asset Review, completing lettings at Sand Martin House and moving data storage to the Cloud. These will deliver significant savings as they are rolled out. Further savings are available but will either require investment (spend to save) or strategic decisions being taken. An example of this is the potential to reduce energy costs at the Lido next year by reducing the temperature of the pool.</p>	(1,000)	(1,000)	(1,000)
Additional cost of borrowing	<p>The Council needs to borrow money to pay for large infrastructure projects such as new buildings and road schemes. Interest is paid on such borrowing, in the same way that a homeowner pays interest on a mortgage to purchase a home. The Council has made a commitment to keep new borrowing to a minimum. Higher Bank of England interest rates increase the costs of borrowing, which will require additional budget in 2024/25.</p>	750	750	750

Title	Description	24/25 £000	25/26 £000	26/27 £000
Treasury management-income	Higher Bank of England interest rates mean that additional interest income can be achieved on the Council's investment balances.	(750)	(750)	(750)
IT & Digital Services	Due to changes that have been implemented, or are in the process of implementation, several IT systems and infrastructure have been identified that are no longer required. The cost for any alternate solution has already been factored into the budget or will be as part of the additional pressure proposal.	(27)	(100)	120
Pension costs	Following correspondence with LGSS Pensions, the council is expecting an increase in pension payments to individuals of 10.1% which creates an additional pressure on our budget.	65	65	65
Insurance contract	A tender exercise for the council's insurance contract, which went live on 1 April 2023, created an ongoing saving. However, there will be future pressures for the contract from two sources – namely the indexation increase, as well as an inflationary increase. Consultation has taken place with Zurich to establish any existing market trends together with forecasts for future years.	132	130	113
Health and safety service	A review of the service has identified that savings can be made in the training and supplies and services budget. Several schools pay the council to lead on their health and safety responsibilities and there is a plan to offer this to additional schools. The review also identified a need to create a new post of Head of Health and Safety and to upskill the current team.	42	43	44
Communications	This will be achieved by reviewing supplies and services and securing advertisement income from the council tax booklet.	(10)	(10)	(16)
Drainage Board levy increase	Each year the Environment Agency and drainage boards, which cover the council area, charge a levy. Following previous trends, the expected increase in levies due exceeds the current budget by £40k.	40	40	40
Corporate property income generation and asset review	In September 2022, Cabinet approved a disposal plan, which forms part of the new Asset Management Plan, and is now being delivered. The disposals plan seeks to dispose of those assets (land or buildings) which do not provide value for money or where assets could be put to better use, in the best interests of residents. In addition to the Disposals Plan, Cabinet have approved the first Phase of the Localities Asset Review which also seeks to repurpose (invest, develop, dispose etc) assets deemed surplus to requirements. Receipts from asset disposals will be used to benefit the	(396)	(377)	(430)

Title	Description	24/25 £000	25/26 £000	26/27 £000
	Council and its residents, for example to reduce borrowing costs or to invest in other council assets. The sale of these assets will result in a projected loss of income streams, but this will be significantly less than the savings associated with reduced borrowing costs.			
HR Redesign	<p>A review of the council’s HR function took place to ensure it was able to meet the demands of the organisation and support in the delivery of the priorities set out in the Corporate Strategy. Review and benchmarking of the service revealed that it was under resourced and there was a need for extra investment. The redesign of the HR service has identified the need for funding for three additional roles:</p> <ul style="list-style-type: none"> • Head of Service – this role is urgently needed to facilitate the adoption and growth of the new service model. • Equality Diversity & Inclusion (EDI) Advisor –to lead the focus of EDI to ensure that we effectively distribute accountability and responsibility for promoting positive EDI practices within the council. • Workforce Planning Advisor (analyst) - aimed at establishing a strong foundation and data-driven approach to support future decision-making in workforce planning. 	175	175	188
External audit fees increase	In autumn 2023 the PSAA (Public Sector Audit Appointments) consulted on the proposed scale of audit fees payable by bodies in respect of the audit of 2023/24 accounts. The scale fee for the main audit for Peterborough has now been set at £322k. Given the current delays to the auditing programme, the uplift of fees has been accounted for from 2025/26.	-	173	173
Cremation and bereavement services	<p>A review of the fees and charges for the services provided by the bereavement and registration service has been undertaken and an increase is proposed as a result. This is to take account of the increase in costs to provide these services.</p> <p>In addition, the Council is awaiting the outcome of a planning application to construct a further 81 mausolea at Fletton Cemetery, adjacent to the 324 mausolea which were constructed more than 10 years ago and are all now sold. Construction work is intended to commence early next year if planning</p>	(229)	(200)	(214)

Title	Description	24/25 £000	25/26 £000	26/27 £000
	permission is granted, which will generate an additional income.			
Removal of terms and conditions saving	A prior year savings target attached to employee terms and conditions has been removed, therefore creating a pressure on the Council's budget.	529	529	529
Serco Contract Termination	The Council has been reviewing its contracts and partnerships over the past two years to ensure the arrangements continue to meet the needs of the council and are providing best value for residents. Agreement has been reached with Serco that the current contract will end in April. At this time all services will return to the Council, along with staff under TUPE - Transfer of Undertakings (Protection of Employment) arrangements. This will generate a recurring saving.	(300)	(300)	(300)
Oxygen Early Payment Programme	The Oxygen Early Payment Programme is an incentive for suppliers to the council to receive payments for invoices ahead of contractual terms i.e. 5 or 10 days, instead of the usual 30. In exchange, the Council will receive a rebate/ discount against the value of the invoice i.e. 1%. A net income of £50k for 2024/25 is an initial estimate.	(50)	(100)	(100)
Legal and Governance Services - staffing investment	There is a proposed reduction in the spend on external legal fees which should lead to a saving of around £100k. In addition, discussions are ongoing with a neighbouring authority about a shared role which could create a budget pressure of £23k. A savings target of £386k was attributed to the legal service in the last financial year which has not been achieved.	309	309	309
Election costs	Costs have increased for polling station staff (Government initiative for all councils to pay the same fee), polling station hire charges, printing, and postage. Elections in 2024 are due to combined with Police and Crime Commissioner elections and 2025 is a fallow year.	-	-	300
Procurement initiatives and savings	Procurement will undertake a programme of work to support the supply chain to decarbonise in line with the council's commitment to incrementally reduce the emissions arising from purchased goods and services. Procurement savings will be derived from several different sources including: <ul style="list-style-type: none"> • Contracts ending that may be renegotiated, extended or terminated • Traditional procurement activity. 	750	750	750

Title	Description	24/25 £000	25/26 £000	26/27 £000
	<ul style="list-style-type: none"> Receipt of extra income either from income generating existing contracts or from concessions opportunities. 			

Savings, efficiencies and income shown in brackets

Place & Economy Services

Our role is to create a place where everyone has opportunities to learn, work, relax, and thrive, whilst living in warm, safe and affordable housing in communities which are connected, resilient, and sustainable.

Housing and Communities

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

We know that many people are finding it hard to make ends meet, and we know there are groups of people who need our support more than ever. For example, people who are at risk of becoming homeless, and those who are victims of domestic abuse or other crimes. We are so grateful to our many voluntary, community and faith sector partners, without whom the level of practical help and support we would be able to offer our residents would be far less significant.

This year, our pilot project to bring together key public and advice services into a single location has delivered some encouraging results, including increasing household income for those who accessed its services by an average of £1,000 per household. We plan to continue with this approach to make it easier for people who need help to get to it quickly and easily by expanding the pilot into other areas of Peterborough.

Requests for help from people in housing crisis are continuing to rise. Last year we predicted a 25% increase in the number of people coming to us at risk of becoming homeless, and this has indeed been the case this year. However, we have worked hard to find ways to prevent homelessness and reduce the need for people to sleep rough on our streets, and, despite demand for help increasing we are making good progress.

In the coming year we will further increase our efforts to work with residents who are in housing difficulty at the earliest possible opportunity, to prevent them becoming homeless in the first place. Where this is not possible and there are no other options, we will continue to provide accommodation for those who are homeless.

We will need to reduce the funding we provide to some of our partner organisations who provide housing related support to people in temporary accommodation or who are unable to secure a tenancy of their own. There are many ways to make sure everyone gets the support they need, and we will work with other council services, such as Adult and Children's Services, as well as our voluntary sector partners, to make sure that support is provided.

In the coming year we will continue to focus our efforts on the city centre, making sure it is a place which is vibrant and where people feel and are safe. We will increase our workforce in the city centre to make sure that the issues that matter to people, such as anti-social behaviour, street drinking, littering, and graffiti are tackled.

We will also increase the number of stalls in the new city market and deliver a programme of pop-up markets and other events on Cathedral Square and elsewhere in the city centre. We will need to increase some of our parking charges although we will make sure they remain competitive and affordable.

Our leisure, libraries and heritage services – such as the Museum and Flag Fen, will continue to be delivered by Peterborough Ltd. We need to reduce the costs associated with delivering some of these services and will work with our operator to increase the commercial success of our leisure services to make sure they do not require any council funding. We will also work with our partners to review our libraries and heritage services to make sure they are impactful and cost-effective. This might include, for example, placing more public services in our library buildings.

Our Regulatory Services including trading standards, licensing, and environmental health, ensure the safety of our residents and provide advice and support to businesses. We will make small changes to the ways in which these services operate to make savings as well as generate more income. We also deliver services to a neighbouring council for which they pay a contract fee. That fee has not been reviewed for some time and no longer represents best value for the council. We will therefore negotiate to increase the fee to cover the full cost of providing those services.

Growth and Regeneration

Our Growth and Regeneration teams are responsible for growing our city in ways that create opportunities for everyone – existing as well as new residents – to thrive and prosper.

In 2023, the council invested £1m in creating a Growth and Regeneration Service, and already we are bringing forward development plans for several sites across our city. We are also progressing at pace with the transformation of our Station Quarter, having secured £48m of Government funding and continuing to develop the university campus and working hard to bring forward plans to regenerate the North Westgate area.

We have already transformed our planning service, and, because of increased growth and a national increase in the fees that councils will need to charge developers, we predict an increase in fee income which will be used to make sure the pace of our growth and regeneration activity can continue. We will also transform our building control service, so it becomes the service of choice for developers. This will generate more fee income which can be used to support the increased demand we will face.

We will be making more effort to attract new employers into Peterborough, including those who can offer better paid and permanent employment opportunities. To help those employers see that Peterborough is a good place to invest, we will be refocussing our adult skills service, delivered by City College Peterborough, so that it helps people with few or no formal qualifications or work experience to gain employment. We will do this alongside our partners at Peterborough College and ARU Peterborough.

We will continue to develop our new Local Plan, which will set out our strategy and policies to deliver growth, alongside our new Housing Strategy ([item 4](#)). The Housing Strategy will set out our plans to increase housing in the city to help address the homelessness challenges we face as well as establish new communities and higher value homes for those that want them.

Infrastructure and Climate

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

We maintain and develop the highway network which includes over 930km of roads, 24,000 streetlights, 366 structures (like bridges) as well as footways, cycle paths, traffic signs and signals, bollards, and drainage gullies. This includes carrying out emergency work to repair potholes, broken

paving, streetlights, and cleaning gullies to keep roads draining well. Over the winter months, we grit main routes to ensure people can get around safely.

We promote cycling and walking and deal with issues such as speeding and parking problems where needed.

Our highways services are provided by Milestone Infrastructure Ltd, and we will continue to make sure that contract, as well as our Highways and Transport service overall, delivers value for money for our residents.

We recycle 40% or 32,800 tonnes of the total waste collected through the kerbside collections and Household Recycling Centre. We maintain and clean over 1,685km of highway, pathways, cycleways, and pedestrianised areas and respond to around 12,000 reports of fly tipping and collect more than 300 tonnes of litter each year from street bins.

The costs to treat the waste that is collected have increased, largely because of inflation, and so we will need to spend more money to make sure those services can continue. This includes the costs to treat recycled materials, general waste, food waste, and the costs to deliver our Household Recycling Centre. We will continue to drive up our recycling rates, which is good for our climate but also economically good for the council as treating recycled waste is far cheaper than treating general waste. We will also withdraw from a countywide waste partnership with other councils, as we believe it offers us little added value.

The council has also committed to become a net zero authority by 2030. Reducing our carbon emissions will bring several vital benefits, including reducing our costs. We are also committed to supporting the city to become net zero, which will help to reduce fuel poverty, improve physical and mental health, improve air quality, stimulate our economy, and provide jobs to the local area.

As a result of the uncertainty in the financial markets globally and the changing climate which is leading to more unusual weather patterns, for example extreme heat in the summer and a higher prevalence of torrential downpours, the council needs to be prepared to support its residents and to plan for emergency situations. We will continue to focus on emergency planning to ensure we are prepared as possible for those situations which are outside of our control.

Table 12: Place & Economy Services Budget Changes

Title	Description	24/25 £000	25/26 £000	26/27 £000
Highways contract inflation	The council has a contract with Milestone Infrastructure Ltd to manage and maintain our highways, this is an increase to reflect inflationary pressures.	397	794	1,191
National highway cleansing	Road cleansing on routes which are not part of the council's highways network is the council's responsibility, however, no additional funding is received to support this. We are therefore investing in this service to ensure those roads are maintained.	68	71	75
Highways services	This proposal is to reduce costs and increase income across our highways services, specifically: <ul style="list-style-type: none"> Reviewing our contract with Milestone to identify efficiencies and reduce costs. 	(505)	(514)	(572)

Title	Description	24/25 £000	25/26 £000	26/27 £000
	<ul style="list-style-type: none"> Ensuring that the salaries of staff working on third party funded capital projects are charged to the capital projects they are delivering. Increasing the amount of fee income generated through an increase in growth and regeneration activity. We are also proposing to achieve other financial efficiencies across our highways service, through transformation and efficiencies. 			
School crossing patrols	The council currently funds a school crossing patrol service at five schools. We are proposing to carry out a review of this service which will be specific to each location, looking at changes if the relevant data shows that some form of safety intervention is still required. These changes could include engineering solutions, partnering with the relevant schools, and local volunteering schemes. These will only be introduced where circumstances allow as maintaining the safety of schoolchildren remains our utmost priority.	(39)	(39)	(39)
Sale of Wellington Street car park	We are proposing to sell the Wellington Street and Dickens Street car parks to help regenerate this area. We need to account in the service area for the anticipated loss of income that will result from disposing of the car parks. However, we will actively work to direct current car park users to other council-owned car parks and to develop new parking provision nearby.	139	139	139
Parking Services - cash collection service	The amount of cash that residents use to pay for their pay and display parking in council car parks has reduced significantly over recent years, with more people paying via card or our parking app. We are proposing to make savings in the cash collection service.	(25)	(25)	(25)
Recap membership	The council is a member of the waste partnership for Cambridgeshire, known as RECAP. We will review the benefits of being a member of this partnership and look to reduce the net cost of membership as a result.	(41)	(41)	(41)
Waste treatment inflation	The costs associated with treating the waste we collect from households has increased due to inflation and we need to increase our budget accordingly.	585	1,092	1,497
Household Recycling Centre - permit income	We are proposing to introduce a scheme to limit access to the Household Recycling Centre (HRC) to Peterborough residents only. This will ensure that Peterborough residents are prioritised for HRC access, as well as reducing the council's waste treatment costs.	0	(63)	(83)
Waste management charge increases	The council has agreed to increase charges for brown bin collections and for replacement or extra brown bins. This is the amount of additional income we expect to achieve.	(126)	(126)	(126)
Aragon Direct Services (Peterborough	The council has a contract with Peterborough Ltd to manage waste collection, street scene and landscaping services, which is subject to an increase to reflect inflationary pressures.	260	426	612

Title	Description	24/25 £000	25/26 £000	26/27 £000
Ltd) contract inflation				
Peterborough Ltd	We are proposing to achieve financial efficiencies across the services that are delivered via the council's contract with Peterborough Ltd. These include waste collection, street cleansing, grounds maintenance, and maintaining parks and open spaces. The saving is based on securing a reduction on current costs through transformation activity.	(700)	(700)	(700)
Westcombe Engineering	Westcombe Engineering is a precision engineering component specialist, which provides employment for adults with disabilities. It continues to grow and diversify following investment earlier this year in new machinery. We are increasing its income target, but we will support the service to achieve it through commercial advice and guidance.	(25)	(26)	(27)
Regulatory Services	Our Regulatory Services team delivers Trading Standards, Environmental Health, and Licensing services. We are proposing a range of measures to reduce costs and increase income, specifically: <ul style="list-style-type: none"> Increasing the value of the contract we charge to an adjoining authority for the delivery of their regulatory services. Increasing training and traded activity Removing long term vacant staffing hours from the establishment. Reducing supplies and services costs. We are also proposing to achieve other financial efficiencies across our regulatory service functions, specifically trading standards, environmental health, and licensing.	(523)	(542)	(561)
Housing related support	The council currently awards grant funding to a range of external organisations who deliver housing related support to different groups of people. We are proposing to review these arrangements as part of the broader transformation and remodelling of our approach to preventing homelessness. We will work closely with the current grant recipients to consider whether different arrangements may provide better value whilst still ensuring support for vulnerable groups is maintained.	(900)	(900)	(900)
Housing needs	Our housing needs service priorities include preventing homelessness, reducing rough sleeping, and managing the allocation of social housing. The service has changed and evolved as different demands have come forward, and there is a need to review the ways in which the service delivers its functions and achieves its objectives. This proposal is to achieve savings through transformation activity without adversely affecting frontline delivery.	(100)	(105)	(110)
Gladstone Park Community Asset Transfer	Gladstone Park Community Centre is the only community centre that is managed and run by council staff. This proposal aims to transfer the centre to a third party via some form of asset transfer, removing the staffing and associated costs	(50)	(50)	(50)

Title	Description	24/25 £000	25/26 £000	26/27 £000
	currently incurred by the council. We will work closely with local ward councillors and relevant community groups to ensure the most appropriate outcome for the centre and the communities it serves is achieved.			
Market income	We are proposing to expand the new city market, which will enable a more diverse market offer.	(50)	(50)	(50)
City centre events and lights	This proposal relates to the costs the council currently pays to deliver events in the city centre, including the Christmas lights and the switch-on event. We will work with local businesses and others to secure sponsorship for these important and popular events, which the council will continue to organise.	(65)	(65)	(65)
Increased parking charges	This proposal is to increase the charges the council makes for parking in its car parks and other council-owned assets, specifically: <ul style="list-style-type: none"> • Introduction of a surcharge (£20 pa) for additional and visitors permits. • Increase in the first residential permit charges from £44pa to £50pa for first permits, and £70pa for others. • Removal of the off-street evening rate, and introduction of flat rate charging 7am-8pm. • Extension of on-street charging to 8pm (from 6.30pm) to align with off-street charges. • Changes to daytime off-street rates (including removing some charging options). • Changes to daytime on-street rates (including removing maximum stay periods). • Introduction of new charges for bay suspensions (e.g., utilities works, development etc). • Introduction of a fee for parking dispensations (e.g., access to pedestrianised areas/parking on double yellow lines for works). 	(326)	(426)	(426)
Citizens Advice Peterborough	The council awards an annual grant to Citizens Advice Peterborough (CAP) for the provision of advice and guidance to anyone in need. Having worked closely with CAP this year on our pilot cost-of-living hub project, we recognise the work that CAP delivers inevitably positively impacts demand coming into the council. We therefore propose to reflect this in council budgets and achieve a saving equivalent to the grant provided to CAP, effectively making the grant cost neutral.	(130)	(130)	(130)
Cathedral Square fountains	During 2023 the council asked the public whether the Cathedral Square fountains should be repaired and switched on or not. Most respondents wanted the council to spend money on other priorities and as a result, this proposal looks to keep the fountains switched off permanently. We will develop a plan aimed at making the best use of Cathedral	(20)	(20)	(20)

Title	Description	24/25 £000	25/26 £000	26/27 £000
	Square including community events, pop-up markets, and festivals.			
Fly tipping - fixed penalty notices	Following changes in national guidance, councils can now charge a higher fine for people caught fly-tipping and littering. We will adopt this new guidance, further enforcing our work to tackle fly-tipping and littering in our communities.	(29)	(29)	(29)
City centre enforcement	Ensuring our city centre is a safe, welcoming, and attractive place to spend time is an important priority for the council. This will help existing businesses to thrive and attract new businesses here, increasing our visitor numbers. This proposal will double the size of the current city centre team who are responsible for maintaining safety at an additional cost of £346k and generate similar levels of income from enforcement and other activity to cover their costs. The figure shown here represents the net value of the proposal (i.e. costs after income).	5	5	5
Refugee grant funding	The council receives grant funding to support asylum seekers and refugees that are settled into Peterborough through the various national schemes. This funding is time limited, with this proposal acknowledging an income loss as some of those grants taper off.	116	116	116
Planning Services	This proposal is to generate additional planning fee income.	(200)	(215)	(230)
Reduction in budget for growth and regeneration studies	A budget is held in the Growth and Regeneration service to fund specialist reports or studies where required. This proposal is to reduce that budget as we begin to build internal expertise through experience instead.	(15)	(15)	(24)
Opportunity Peterborough	Staff working at Opportunity Peterborough, the council's economic regeneration company, transferred into the council earlier in 2023. We will be refocussing the team's work towards inward investment activity to bring good quality jobs to the city and will reduce the overall costs associated with the service as a result.	(100)	(100)	(100)
Building Control additional income generation	The council's building control service provides a range of fee-earning services and is increasingly becoming more successful in securing business. This proposal is to set an increased income target for the service.	(72)	(72)	(72)
Trees maintenance	We spend around £1m each year maintaining our tree stock, which is an asset to the city and supports our climate targets. This proposal seeks to identify different ways to offset our core budget with other forms of funding, including from developers and grants, and from identifying efficiencies across our contracted services. Although this will achieve a saving in our core budget, the amount the council spends on this important function overall is not planned to reduce.	(100)	(100)	(100)

Savings, efficiencies and income shown in brackets

Adult Services

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

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

- **Early intervention and prevention** – supporting people early with targeted information and advice and low-level and community support. For example, targeted short-term reablement support at home, or equipment that can help people manage at home.
- **Long-term care and support** which is personalised and keeps people connected to their communities. For example, regular care coming into the home or residential/nursing care placements.
- **Adults at risk are safeguarded** from harm in ways that meet their desired outcomes. This year we have responded to an average of 241 safeguarding concerns each month.
- **Supporting people with care and support when they come out of hospital**. This includes designing, delivering and commissioning localised, person-centred, and sustainable care services to meet their needs. This year, we are supporting an average of 251 discharges from hospital each month.

Across the country, councils are finding it increasingly difficult to meet the needs of their adult population and Peterborough is no different. The level of demand, the complexity of the care which is required, and the rising cost of care have set the bar even higher.

Demand for Adult Social Care services has been increasing for several years and is showing no sign of slowing down. More and more people are living longer and will require care and support. This year, we have received an average of 3,514 contacts per month to our Adult Early Help Team, a 3% increase on last year.

There has also been a 59% increase in accommodated care, such as residential care or nursing care homes, and a 46% increase in community care since 2020. In addition, the care that people require is becoming more complex. This may be an impact of the Covid-19 pandemic where people delayed asking for help and support to meet their needs.

The Adult Social Care sector is also impacted by the ongoing high rates of inflation and coupled with the increase in the National Living Wage, at £11.44 from 1 April 2024, the cost of meeting people's needs is rising.

Our focus in the coming year is to look for further opportunities to deliver more prevention and intervention through the following areas:

- **Developing a clear Digital Strategy and implementation plan**, focusing on areas such as automation of back-office functions such as invoicing and more modernised self-service. For example, by improving the information we offer online so people can assess themselves what they are entitled to. We will also continue to improve the use of technology enabled care (TEC) to support people with their care and support needs. This could be things such as lifeline alarms, medication reminders and fall sensors. By increasing the use and range of

TEC, we can increase people’s confidence to live independently and delay the need for more costly long-term provision of care.

- **Working with health colleagues to develop integrated** neighbourhoods that will enable prevention work to be targeted to the needs of the neighbourhood, recognising that one size does not fit all. Data and insight will be better used to understand the needs of a neighbourhood so that services can then be commissioned based on local need.
- **Reablement** - this delivers short term, goal-oriented support for up to six weeks to help people regain their independence when they have been in hospital. We will recruit more frontline workers which will enable us to expand the service to support more people in their own homes, preventing the escalation of need for long-term care which is more costly.

We also plan to develop a Shared Lives scheme to support adults with learning disabilities, mental health problems or other needs which make it harder for them to live on their own. The scheme matches someone who needs care with an approved carer. The carer shares their family and community life and gives care and support to the person with care needs. Shared lives schemes are available across the country and are an alternative to traditional kinds of care, such as care homes.

Within the next 12 months, we are anticipating an inspection by the Care Quality Commission (CQC). Therefore, we will be focussing on how we can improve the services that we offer and better support our providers to ensure a stable care market, as a result.

Table 12: Adult Services Proposed Budget

Title	Description	24/25 £000	25/26 £000	26/27 £000
Redesign of adult day services	We are proposing to review, redesign and potentially relocate adult day services. We are also looking to provide other related services more flexibly to meet the needs of individuals.	(235)	(335)	(335)
Disability Related Expenditure review	Disability related expenses (DRE) are extra costs that a person may have to pay because of their disability or care need. Currently we provide three DRE payments of £10, £15 and £20 which are allocated to clients based upon the level of disability benefit received by that individual. We are one of a few local authorities that allocates DRE payments in this way. We are proposing to undertake a public consultation to remove these automated payments and set up a means tested system, as adopted by most other local authorities.	(50)	(90)	(90)
Adults Placements- Review of Direct Payments	We make direct payments to people who receive adult services to give them the freedom to buy in the services they need to meet their individual needs. Any unspent funding is returned to the council. Based upon previous years we expect to receive back £325,000 more each year than originally budgeted for so we can reduce the budget.	(325)	(325)	(325)
Utilisation of grant funding	Additional external grant funding for adult social care has allowed us to reduce our net council spend in some adult service areas.	(400)	(650)	(900)

Title	Description	24/25 £000	25/26 £000	26/27 £000
Adults Placements- Review High-Cost Placements	We are proposing to review users of adult services who have the highest needs to make sure the services we are providing for them give the best care for those individuals, help them maintain their independence and represent value for money.	(200)	(325)	(375)
Adults Placements- Transition case review	We are proposing to review the way we transition young people from children's support services to adult support services. Like the review of adult placements, the aim of the review is to ensure we are consistently providing services that meet every individual client's needs, enabling them to live independently. This review will also assess the services they access to ensure they are providing value for money.	(150)	(225)	(250)
Adults Placements- Quality & Outcomes Panel for care planning	We are proposing to set up a quality and outcomes panel for all new assessments, reassessments and reviews to ensure the care we are providing meets individual's needs, encourages independence and provides value for money.	(325)	(425)	(500)
Adults care package inflation	Each year, we build inflationary rises into the budget to ensure we can continue to meet the cost of the adult care packages we provide. We anticipate that inflationary rises, the increase in the National Living Wage and council pay increases will create a pressure up to £8.26 million by 2026/27.	2,527	5,255	8,262
Adults Placement demand	Demand for adult services increases year on year. This proposal has the most recent review of demand requirements considered using past and current year trend analysis. From 2025/2026 onwards demand for services due to the continued increase seen in both residential and community-based care from hospital discharges and community referrals is expected to grow to a level more than originally anticipated creating a budget pressure.	(249)	652	3,406

Savings, efficiencies and income shown in brackets

Children's Services

We have a legal duty (statutory responsibility) to support vulnerable children and their families across Peterborough. Our key aim is to protect children and to support families, helping them to meet their development goals.

The impact of the Covid-19 pandemic and the cost-of-living crisis on vulnerable children and families means the landscape in which we operate has changed significantly. Demand for our services has risen sharply and the complexity of the care required for some children and young people has increased. This is a trend being seen by many other local authorities and we expect it to continue.

In the past 12 months, the number of children who are subject to a child protection plan has increased (currently 237 and rising) – these are children that need protection, help and support from the council. At the same time, the number of children in our care has increased (currently 414) . This is placing a significant financial pressure on the council's budget.

In the current financial year, the council has invested in Children's Services and additional investment is planned in 2024/25. This additional funding will be used to meet the aims of the council's action plan to improve the services offered to children and families following Ofsted's focused visit in March 2023. During the visit Ofsted assessed the quality of the council's multi-agency safeguarding arrangements and found areas for improvement. This is a multi-agency service managed by the council, police and NHS and is the first point of contact when there are concerns about a child.

Following the Ofsted visit during 2023, an Improvement Notice was issued by the Department for Education and the council was required to establish an Independent Children's Improvement Board. The board is overseeing and driving improvements to services provided to children by the council and its partners.

In the coming financial year, we will continue to separate those services which we have previously run jointly with Cambridgeshire County Council, where it is in our best interests to do so. Peterborough now has its own newly appointed dedicated Executive Director of Children's Services and most of our staff are now focused on providing services for Peterborough children and families.

Plans are progressing to separate the fostering service and the Multi-Agency Safeguarding Hub (MASH). Significant investment is needed in the MASH to build a team that can manage demand and ensure children are protected.

We recognise the responsibility we have to children in care, and we want them to live in homes with loving families who can meet their needs. For some children this will be with a foster carer. That is why we are investing heavily in our fostering service, to find safe and loving homes for children who can no longer live with their birth families. We will continue to look to increase the number of council fostering placements, enabling us to reduce the number of children placed in more expensive agency placements. We recognise the need to review the offer we can make to encourage people to become foster carers.

The recruitment and retention of staff in Children's Services remains challenging, as it does for many councils. There is a national shortage of social workers. This means the council is using more agency staff than it would ideally like to, which is more costly. To address this, there are plans to develop a social work academy to support the recruitment and retention of social workers. The academy

would provide wrap-around support for newly qualified social workers, giving them real life experience and the chance to learn from their peers, whilst keeping caseloads manageable. Once established this should reduce the council's need for agency social workers.

We will continue to benefit from the significant Central Government grants being offered to promote the development of Family Hubs over the next financial year. Family Hubs are part of a national programme to ensure babies, children and families have the support they need, when they need it. This funding is being used to invest heavily in early help services to support families to get the right help in the right place at the right time.

We remain committed to offering care leavers the best start to their adult life. We want to work with housing providers in the city to strengthen the accommodation offer made to care leavers. We will also continue to focus our efforts with partners on making sure the health needs of these young people are met and that they get the support they need to secure education, employment and training opportunities.

Education

We have a legal duty (statutory responsibility) to provide education for every young person in Peterborough in schools, colleges and further education. Our key aim is to support them to achieve expected national standards.

There are currently 63 primary schools within the authority area, along with 15 secondary, eight special schools and three further education colleges. There were 41,546 pupils in education locally at the end of the 2022/23 academic year. This is almost one fifth of the population of Peterborough.

Our education service has faced some unprecedented challenges in recent times, most notably working to support early years settings, schools and colleges following the Covid-19 pandemic, which stretched resources to the very maximum.

A key challenge remains, which is providing enough places for every pupil living here as Peterborough's population continues to grow rapidly and significant numbers of families with school age children move into Peterborough. In the academic year 2022-2023, our School Admissions Team processed a total of 5,901 applications for school places – that is 2,100 more applications than the previous academic year. A high number of children and families moved into Peterborough over the school summer holidays this year which is continuing to place pressure on our schools. Additional spaces are needed now and demand for places is likely to continue to grow in the future.

This rising school population is also creating an increased demand for school transport which places an additional financial pressure on the local authority. In certain circumstances, free home-to-school transport is provided for some children who cannot attend their nearest school and the school they attend is above a certain distance or is unsafe to walk from their home. We also provide transport for eligible children with an education, health and care plan, and some children with free school meals or with parents/carers on benefits and on some religious/faith grounds. Peterborough currently provides school transport for around 2,400 children, of which 870 are children with special educational needs.

We have expanded the school transport team and continue to review contracts to ensure they are providing the best service and value for money. However, we are spending more than we budgeted for due to the statutory requirements to provide transport for some children to get to school.

Special Educational Needs and Disability (SEND) numbers are expected to increase over the next five years, as they are in many parts of the country. We are developing three new hubs in the city to meet the needs of children with Autism and Social, Emotional, Mental Health (SEMH) needs. We will be visiting those schools that have shown an interest in becoming a hub. Several capital projects (new buildings) are also in the pipeline that will, in the long-term, increase capacity in the city for children with SEND needs.

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

There are similar successes in our primary schools. The progress pupils make in their learning between the ages of 7 and 11 years has improved significantly. Consequently, this year Peterborough has moved up the league tables by 16 places in reading, 11 places in writing and 27 places in mathematics.

We have built strong relationships with all our early years settings, schools and colleges, proactively setting up head teacher groups to ensure regular dialogue and effective problem solving.

There has been a fall in the number of annual births, which has led to a lower demand for early years and younger primary school places. In the spring budget, the Government announced an expansion of the childcare offer, offering funded childcare places for children from nine months old, for working parents, with a phased introduction over the next two years, which will increase the demand for childcare places.

We have invested in the Statutory Assessment and Monitoring Service team (SAMS) and Educational Psychology Service Team (EPS) to ensure capacity to respond to significant increases in demand and fulfil the council's statutory duties for SEND children to assess their needs and where appropriate coordinate plans to meet those needs.

Table 13: Childrens Services Service & Budget Changes

Title	Description	24/25 £000	25/26 £000	26/27 £000
Services commissioned by Children's Services	<p>Child and family centres The council has seven child and family centres across Peterborough which are one-stop shops providing a wide range of groups and services for parents-to-be and families with children pre-birth to 5 years. The contract for these centres is a jointly commissioned service with Cambridgeshire County Council and will require a contractual increase in 2024/25.</p> <p>Translation The translation contract is due to end in March 2024 and will be retendered. Demand for translations within Children's services is increasing significantly. For the 2024/25 year, it is expected the cost of translation services will rise by 5% due to inflation.</p> <p>Young carers The young carers service provides services to young people who are identified as young carers and is due to be retendered to go live in 2024. This service is expected to cost more because of the rise in inflation.</p> <p>Advocacy service Sometimes children and young people require an appropriate adult to advocate on their behalf, in an official capacity, to liaise with services. The advocacy service is due to be retendered and will go live in 2024. This service is expected to cost more because of the rise in inflation.</p>	37	56	76
		88	179	274
		4	10	18
		2	5	8
Children's placements	<p>Fostering and residential placements The council uses an online system of approved suppliers to provide fostering and residential placements (and independent special education providers). The initial term of the contract concludes at the end of March 2024, and a two-year extension (per contract) is proposed, which will require an increase in the cost of some services.</p> <p>Supported accommodation Supported accommodation is for children over the age of 16 who are starting to live independently. All providers of supported accommodation now need to be registered, following a change in Government policy and because of this we are expecting an increase in our provider costs.</p> <p>High Level Family Support This is the support given to families who need a higher level of support, to stop their children coming into care, or ordered as part of the court process.</p>	3,967	5,283	6,636
		236	261	287

Title	Description	24/25 £000	25/26 £000	26/27 £000
	Due to rising demand and more complex needs, there is an increase in costs for this service.			
Shared arrangements with the county council concluding.	<p>In the coming financial year, we will continue to separate those services which we have previously run jointly with Cambridgeshire County Council, where it is in our best interests to do so. Peterborough now has its own newly appointed dedicated Executive Director of Children’s Services, and most of our staff are focused on providing services for Peterborough children and families.</p> <p>Multi-Agency Safeguarding Hub (MASH) and exploitation As a direct result of the Ofsted focused visit which took place on 1 and 2 March 2023, the council was given two priority actions to focus on:</p> <ol style="list-style-type: none"> 1. The multi-agency safeguarding hub (MASH) response to enquiries about children 2. The multi-agency exploitation response <p>Significant investment is needed in the MASH to build a team dedicated to Peterborough that can manage demand and ensure children are protected. Additional capacity is also proposed to tackle exploitation.</p> <p>Fostering Plans are progressing to separate the fostering service from CCC and therefore investment will be needed in the fostering team. We will continue to look to increase the numbers of council fostering placements, enabling us to reduce the numbers of children placed in more expensive agency placements. We recognise the need to review the offer we can make to encourage people to become foster carers</p> <p>Education Peterborough now has a dedicated education services team and investment has therefore been needed to ensure there is the capacity to meet demand.</p>	1,414	1,414	1,414
		439	439	439
		117	117	117
Emergency Duty Service	The Emergency Duty Team, which is available out of hours for concerns to be raised about a child, is a shared service with Cambridgeshire County Council. The cost of the service to the city council has not increased since around 2016 and needs to increase its contribution, so it is fair for both councils and reflects the current cost of service.	109	119	129
Regional adoption agency service	The council is part of a Regional Adoption Agency with Cambridgeshire County Council. It involves both councils working together to pool resources and provide a more efficient adoption process.	56	92	129

Title	Description	24/25 £000	25/26 £000	26/27 £000
	We are contractually obliged to pay salary uplifts which are based on local authority agreed pay rates and this creates a pressure on our budget in future years.			
Children and young people with disabilities - inflation and pressures	<p>Direct Payments Some children and families receive direct payments to pay for the care that they need, thereby commissioning their own care package. The current direct payment rate for children and young people was increased for the current financial year, 2023-24, to £14.39 so that it is in line with the national living wage (NLW). This creates an ongoing pressure in the council's budget and requires additional investment to be made. Data shows that the demand in this area is increasing as well as the complexity of need.</p> <p>Home and Community Support For those children and families who do not use direct payments, the council commissions services on their behalf. These services will cost more in 2024/25 due to the rise in the National Living Wage.</p> <p>Short Breaks Community short breaks involve group sessions for children and young people to spend time away from their families. There is currently a tender underway to recommission these services which is likely to lead to increased costs, due to inflation and the National Living Wage.</p> <p>Social Care Equipment The Integrated Community Equipment Service (ICES) contract includes equipment categorised as either standard or specialist. With standard equipment, when it is no longer required and the equipment is returned to store, 80% of the cost is refunded. With specialist equipment, no refund is received. It is this equipment that the council needs the most. When a piece of equipment is returned to store it joins a pool which is then accessed by services provided by the council and health. This service is now costing more to provide because of the rise in inflation.</p>	106	265	457
Increased demand - home to school transport	The council provides transport for eligible children with an education, health and care plan, and some children with free school meals or with parents/carers on benefits and on some religious/faith grounds. In certain circumstances, free home-to-school transport is also provided for some children who cannot attend their nearest school and the school they attend is above a certain distance or is unsafe to walk from their home. School transport is currently provided for around 2,400 children, of which 870 are children with special educational needs	131	240	356
		-	36	76
		16	28	41
		783	783	783

Title	Description	24/25 £000	25/26 £000	26/27 £000
	<p>Directed Primary In the academic year 2022/23, our School Admissions Team processed a total of 5,901 applications for school places – that is 2,100 more applications than the previous academic year. A high number of children and families moved into Peterborough over the school summer holidays this year which is continuing to place pressure on our schools. Additional spaces are needed now and demand for places is likely to continue to grow in the future.</p> <p>The council has had to offer school places to children which are further from their home address than it would like to. This creates a financial pressure for the council as home to school transport must be offered to these children.</p> <p>Plans are progressing to increase the places available at some schools so that more children can be offered a place at their local school.</p> <p>SEN Out of Area Placements There has been a significant increase in the number of SEN students who are placed outside of the local authority area. These are high-cost transport routes, both due to distance and the severity of need of pupils being transported. In many cases pupils are either unable to travel with others or require a passenger assistant to ensure the safety of themselves and the driver.</p> <p>Social care An increase in the use of ‘out of area’ foster carers has led to increased transport costs. A review of transport in this area is being undertaken and to promote independent travel where appropriate.</p>			
PFI contract inflation	Private Finance Initiative (PFI) is a procurement method where the private sector finances, builds and operates infrastructure and provides long term services and facilities management. This was a key part of the government strategy at the time to reduce borrowing and when other routes for school builds were limited. The inflation element is contractually agreed each year, which the council must pay, and therefore creates a pressure on our budget.	533	533	533
School infrastructure and attendance	<p>School infrastructure Previous grants from Government that the council had used to build schools have now ended. However, there is still a requirement for the council to look ahead and ensure there is the level of school places needed in the future and how we will deliver those places if not, therefore revenue funding will be required which creates a pressure.</p> <p>Elective Home Education Officer</p>	78 24	78 24	78 24

Title	Description	24/25 £000	25/26 £000	26/27 £000
	<p>Parents can choose to educate their children at home if they choose to. The local authority has a legal duty to ensure these children are receiving the education they receive is of the required standard. Post Covid the number of children registered to home educated significantly rose and there is a requirement to make this a full-time post.</p>			
<p>Increased in service demand for statutory assessment</p>	<p>The Statutory Assessment & Monitoring Service (SAMS) is responsible for the services the council must provide by law (statutory functions) regarding assessments for children and young people with special educational needs and disabilities (SEND) and the review of Education, Health & Care Plans (EHCPs).</p> <p>The service is responsible for ensuring that statutory work and deadlines are met for the 2,500 children in Peterborough with an EHCP. The EHCP for each child must be reviewed at least annually. Statutory assessments are facilitated by this team, of which there can be 300 - 400 each year.</p> <p>Both the demand for assessment and the number of EHCPs being maintained have increased significantly. The reason for the high demand is due to several factors, including:</p> <ul style="list-style-type: none"> • A high number of early years children that are struggling to attend pre-school for even a very short period, because of the pandemic. • A rise in mental health needs, again caused by the pandemic. • The cost-of-living crisis has increased the social deprivation we are seeing in the city and this has an effect on children and young people. 	232	377	377
<p>Direct revenue funding</p>	<p>This is the correction of an accounting entry that removes the funding from the capital programme and returns the charge to revenue. The capital programme was reviewed last year with an aim to make it a more affordable and to reduce borrowing. This is because it costs the council to borrow the money, in the same way that a homeowner pays interest on a mortgage to buy a home.</p>	277	277	277
<p>Children's Services transformation work</p>	<p>The council has several programme boards which are focussed on how services can be transformed so they can meet demand and provide the services residents need, within budget. In Children's Services, these projects include:</p> <ul style="list-style-type: none"> • Plans to address recruitment issues, particularly social workers, including exploring international recruitment, and the development of a Social Care Academy to provide a new social work offer to Newly Qualified Social Workers. The academy would provide wrap-around support for newly qualified social workers, giving them real life experience and the chance to learn from their peers, whilst keeping caseloads manageable. 	(1,600)	(1,600)	(1,600)

Title	Description	24/25 £000	25/26 £000	26/27 £000
	<p>Once established this should reduce the council's need for agency social workers.</p> <ul style="list-style-type: none"> • The House Project which proposes establishing a council-lead local housing project run for young people (16-18) who are leaving care. It is designed to ensure young people leaving care experience this together. The peer group will collectively develop the practical and emotional skills they need to live independently. Young people will work on houses which become their homes to live in. • We will continue to separate those services which we have previously run jointly with Cambridgeshire County Council, where it is in our best interests to do so, including the fostering service. We will look to increase the numbers of council fostering placements, enabling us to reduce the numbers of children placed in more expensive agency placements. We recognise the need to review the offer we can make to encourage people to become foster carers. • We will continue to reunite children with their birth families where it is safe to do so. 			

Savings, efficiencies and income shown in brackets

Public Health

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

We buy in services from other organisations that support healthier lifestyles, identify issues early and prevent problems escalating which includes:

- School nurses and health visitors (Healthy Child Programme) – last year, we funded approximately 10,000 visits to children and families by health visitors. This program enables all families with a new baby to get support to improve health and wellbeing and identify any issues early.
- There were nearly 5,000 contacts with young people through Chathealth (a confidential text messaging service for children and young people aged 11-19) and approximately 4,000 calls and 3,500 texts to our Healthy Child Programme (0-19) duty desk in 2022/23.
- Help to stop smoking – 1203 people set quit dates and we helped 433 people quit smoking last year.
- Improving sexual and reproductive health through information and support – in 2022/23, people in Peterborough attended 15,195 sexual health clinic appointments and regular outreach sessions were available for adults and young people reaching nearly 4000 people.
- Reducing drug and alcohol misuse – 1,638 adults and 124 young people aged 12-18 used these services during 2022/23.
- NHS health checks – 4053 NHS health checks were delivered by our providers in 22/23. These checks are for people aged between 40 and 74 to assess an individual's general health including their weight, blood pressure and cholesterol. The NHS health check is designed to spot early signs of stroke, kidney disease, heart disease, type 2 diabetes or dementia.
- Weight management – 417 people lost 5% or more of their weight through a Tier 2 Adult Weight management course last year - considerably higher than the national average.

Investing in public health services not only provides health benefits to those who engage with us but reduces pressure on other public services and saves money in the long term.

Public Health funding is a key challenge with Peterborough residents receiving less per head in the public health (PH) grant than they should, based on need. The total PH grant for Peterborough is currently £11.9m or £55.22 per head, compared to £73.12 per head for other similar sized local authorities. The council is lobbying MPs and government departments for support in improving the funding for Peterborough.

Many of our residents – across all ages, but particularly in deprived areas – benefit from these public health services. Our population increase means demand is likely to grow further in the future. For instance, there has been a 24% increase in children under 15 over the past 10 years, many with a high level of need, for example, 38.5% of our Year 6 children are overweight or obese and a quarter of our children live in relative poverty.

To address these issues, the Health and Wellbeing Integrated Care Strategy has highlighted three main goals by 2030:

- Increase the number of years people spend in good health.
- Reduce inequalities in preventable deaths before the age of 75.

- Achieve better outcomes for our children.

How do we do this?

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

This requires us to work with all our partners and our residents to provide the support and opportunities needed by our communities.

There are no changes for pressures and savings to the overall Public Health budget.

Peterborough City Council

Appendix K- Council Tax Resolution 2024/25

Following consideration of the report to this Council on 21st February 2024 and the setting of the revenue budget for 2024/25, the Council is requested to pass the resolution below to set the council tax requirement.

RESOLVED

1. THAT the Revenue Budget in the sum of **£175,898,172 (being £292,164,386 less School Funding of £116,266,214** now presented be approved).

2. THAT it be noted that at its meeting on 18th December 2023 the Cabinet calculated the following amounts for the year 2024/25 in accordance with regulations made under Section 31B(3) of the Local Government Finance Act 1992 (the Act) (as amended) and that these were confirmed under delegated authority by the Corporate Director: Resources following decision on the Council Tax Support Scheme by Council on 6 March 2019:

(a) **62,103.69** being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended), as its council tax base for the year.

(b) Part of the Council's Area

Ailsworth	241.29
Bainton & Ashton	155.04
Barnack	482.80
Bretton	3,289.86
Castor	364.00
City (non-parished)	39,257.01
Deeping Gate	222.30
Etton	52.16
Eye	1,630.49
Glington	623.16
Hampton	3,898.80
Helpston	469.29
Marholm	82.13
Maxey	324.27
Newborough & Borough Fen	662.93
Northborough	500.96
Orton Longueville	3,260.56
Orton Waterville	3,725.06
Peakirk	187.88
Southorpe	72.76
Sutton	70.32
Thorney	992.59
Thornhaugh	94.16
Ufford	134.39
Wansford	250.99
Wittering	822.58
SUB TOTAL	61,867.78
The Council tax base total for areas of which no special items relate	235.91
TOTAL	62,103.69

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 2024/25 in accordance with Sections 31A, 31B and 34 to 36 of the Local Government and Finance Act 1992 (as amended):

(a) **£508,024,881** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) (a) to (f) of the Act. (Gross expenditure including repayments of grants to government 31A (6) (a), Parish Precepts and Special Expenses 31A (6) (b))

(b) **£403,758,486** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act. (Revenue Income)

(c) **£104,266,395** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with section 31A (4) of the act as its council tax requirement for the year.

(d) **£1,678.91** being the amount at 3(c) above divided by the council tax base at 2(b) above in accordance with section 31B (1) of the Act, as the basic amount of its council tax requirement for the year

(e) **£784,880** being the aggregate amount of all special items referred to in Section 35 (1) of the Act. (Parish Precepts).

(f) **£1,666.27** being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by the amount at 2(a) above, calculated by the Council in accordance with section 34(2) of the Act, as the basic amount of its Council tax requirement for the year for dwellings in those parts of its area to which no special item relates

(g) Parts of Council's Area

Parish Of:	Band D	
Ailsworth		£1,701.44
Bainton & Ashton		£1,748.35
Barnack		£1,702.27
Bretton		£1,724.27
Castor		£1,747.27
Deeping Gate		£1,694.77
Etton		£1,711.80
Eye		£1,702.07
Glington		£1,709.77
Hampton		£1,690.38
Helpston		£1,692.78
Marholm		£1,683.92
Maxey		£1,701.50
Newborough & Borough Fen		£1,728.13
Northborough		£1,708.82
Orton Longueville		£1,677.19
Orton Waterville		£1,686.39
Peakirk		£1,716.36
Southorpe		£1,706.32
Sutton		£1,765.54
St. Martin's Without		£1,666.27
Thorney		£1,703.68
Thornhaugh		£1,728.90
Ufford		£1,732.68
Upton		£1,666.27
Wansford		£1,717.93

Wittering
Wothorpe

£1,733.59
£1,666.27

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

(h) Part of the Council's Area								
	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Ailsworth	1,134.30	1,323.34	1,512.39	1,701.44	2,079.54	2,457.64	2,835.74	3,402.88
Bainton & Ashton	1,165.57	1,359.83	1,554.09	1,748.35	2,136.87	2,525.40	2,913.92	3,496.70
Barnack	1,134.85	1,323.99	1,513.13	1,702.27	2,080.55	2,458.84	2,837.12	3,404.54
Bretton	1,149.52	1,341.10	1,532.69	1,724.27	2,107.44	2,490.62	2,873.79	3,448.54
Castor	1,164.85	1,358.99	1,553.13	1,747.27	2,135.55	2,523.84	2,912.12	3,494.54
Deeping Gate	1,129.85	1,318.16	1,506.46	1,694.77	2,071.38	2,448.01	2,824.62	3,389.54
Etton	1,141.20	1,331.40	1,521.60	1,711.80	2,092.20	2,472.61	2,853.00	3,423.60
Eye	1,134.72	1,323.83	1,512.95	1,702.07	2,080.31	2,458.55	2,836.79	3,404.14
Glington	1,139.85	1,329.82	1,519.80	1,709.77	2,089.72	2,469.67	2,849.62	3,419.54
Hampton	1,126.92	1,314.74	1,502.56	1,690.38	2,066.02	2,441.67	2,817.30	3,380.76
Helpston	1,128.52	1,316.61	1,504.69	1,692.78	2,068.95	2,445.13	2,821.30	3,385.56
Marholm	1,122.62	1,309.72	1,496.82	1,683.92	2,058.12	2,432.33	2,806.54	3,367.84
Maxey	1,134.34	1,323.39	1,512.45	1,701.50	2,079.61	2,457.73	2,835.84	3,403.00
Newborough & Borough Fen	1,152.09	1,344.10	1,536.12	1,728.13	2,112.16	2,496.19	2,880.22	3,456.26
Northborough	1,139.22	1,329.08	1,518.95	1,708.82	2,088.56	2,468.30	2,848.04	3,417.64
Orton Longueville	1,118.13	1,304.48	1,490.84	1,677.19	2,049.90	2,422.61	2,795.32	3,354.38
Orton Waterville	1,124.26	1,311.64	1,499.01	1,686.39	2,061.14	2,435.90	2,810.65	3,372.78
Peakirk	1,144.24	1,334.95	1,525.65	1,716.36	2,097.77	2,479.19	2,860.60	3,432.72
Southorpe	1,137.55	1,327.14	1,516.73	1,706.32	2,085.50	2,464.69	2,843.87	3,412.64
Sutton	1,177.03	1,373.20	1,569.37	1,765.54	2,157.88	2,550.23	2,942.57	3,531.08
St. Martin's Without	1,110.85	1,295.99	1,481.13	1,666.27	2,036.55	2,406.84	2,777.12	3,332.54
Thorney	1,135.79	1,325.09	1,514.38	1,703.68	2,082.27	2,460.88	2,839.47	3,407.36
Thornhaugh	1,152.60	1,344.70	1,536.80	1,728.90	2,113.10	2,497.31	2,881.50	3,457.80
Ufford	1,155.12	1,347.64	1,540.16	1,732.68	2,117.72	2,502.77	2,887.80	3,465.36
Upton	1,110.85	1,295.99	1,481.13	1,666.27	2,036.55	2,406.84	2,777.12	3,332.54
Wansford	1,145.29	1,336.17	1,527.05	1,717.93	2,099.69	2,481.46	2,863.22	3,435.86
Wittering	1,155.73	1,348.35	1,540.97	1,733.59	2,118.83	2,504.08	2,889.32	3,467.18
Wothorpe	1,110.85	1,295.99	1,481.13	1,666.27	2,036.55	2,406.84	2,777.12	3,332.54
Total Non-Parished Areas	1,110.85	1,295.99	1,481.13	1,666.27	2,036.55	2,406.84	2,777.12	3,332.54

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

4. THAT it be noted that for the year 2024/25 the Police and Crime Commissioner for Cambridgeshire, the Cambridgeshire & Peterborough Fire Authority and the Cambridgeshire & Peterborough Combined Authority have stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

THAT the following amounts be now calculated by the Council for the year 2024/25 in accordance with Sections 31A, 31B and 34 to 36 of the Local Government and Finance Act 1992 (as amended):

	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Police and Crime Commissioner for Cambridgeshire	190.32	222.04	253.76	285.48	348.92	412.36	475.80	570.96
Cambridgeshire & Peterborough Fire Authority*	54.84	63.98	73.12	82.26	100.54	118.82	137.10	164.52
Cambridgeshire & Peterborough Combined Authority	24.00	28.00	32.00	36.00	44.00	52.00	60.00	72.00
TOTAL	269.16	314.02	358.88	403.74	493.46	583.18	672.90	807.48

**Figures proposed, to be finalised on 15th February*

5. THAT having calculated the aggregate in each case of the amounts at 3 (h) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2024/25 for each of the categories of dwellings shown below:

	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Ailsworth	£1,403.46	£1,637.36	£1,871.27	£2,105.18	£2,573.00	£3,040.82	£3,508.64	£4,210.36
Bainton & Ashton	£1,434.73	£1,673.85	£1,912.97	£2,152.09	£2,630.33	£3,108.58	£3,586.82	£4,304.18
Barnack	£1,404.01	£1,638.01	£1,872.01	£2,106.01	£2,574.01	£3,042.02	£3,510.02	£4,212.02
Bretton	£1,418.68	£1,655.12	£1,891.57	£2,128.01	£2,600.90	£3,073.80	£3,546.69	£4,256.02
Castor	£1,434.01	£1,673.01	£1,912.01	£2,151.01	£2,629.01	£3,107.02	£3,585.02	£4,302.02
Deeping Gate	£1,399.01	£1,632.18	£1,865.34	£2,098.51	£2,564.84	£3,031.19	£3,497.52	£4,197.02
Etton	£1,410.36	£1,645.42	£1,880.48	£2,115.54	£2,585.66	£3,055.79	£3,525.90	£4,231.08
Eye	£1,403.88	£1,637.85	£1,871.83	£2,105.81	£2,573.77	£3,041.73	£3,509.69	£4,211.62
Glington	£1,409.01	£1,643.84	£1,878.68	£2,113.51	£2,583.18	£3,052.85	£3,522.52	£4,227.02
Hampton	£1,396.08	£1,628.76	£1,861.44	£2,094.12	£2,559.48	£3,024.85	£3,490.20	£4,188.24
Helpston	£1,397.68	£1,630.63	£1,863.57	£2,096.52	£2,562.41	£3,028.31	£3,494.20	£4,193.04
Marholm	£1,391.78	£1,623.74	£1,855.70	£2,087.66	£2,551.58	£3,015.51	£3,479.44	£4,175.32
Maxey	£1,403.50	£1,637.41	£1,871.33	2,105.24	£2,573.07	£3,040.91	£3,508.74	£4,210.48
Newborough & Borough Fen	£1,421.25	£1,658.12	£1,895.00	£2,131.87	£2,605.62	£3,079.37	£3,553.12	£4,263.74
Northborough	£1,408.38	£1,643.10	£1,877.83	£2,112.56	£2,582.02	£3,051.48	£3,520.94	£4,225.12
Orton Longueville	£1,387.29	£1,618.50	£1,849.72	£2,080.93	£2,543.36	£3,005.79	£3,468.22	£4,161.86
Orton Waterville	£1,393.42	£1,625.66	£1,857.89	£2,090.13	£2,554.60	£3,019.08	£3,483.55	£4,180.26
Peakirk	£1,413.40	£1,648.97	£1,884.53	£2,120.10	£2,591.23	£3,062.37	£3,533.50	£4,240.20
Southorpe	£1,406.71	£1,641.16	£1,875.61	£2,110.06	£2,578.96	£3,047.87	£3,516.77	£4,220.12
Sutton	£1,446.19	£1,687.22	£1,928.25	£2,169.28	£2,651.34	£3,133.41	£3,615.47	£4,338.56
St. Martin's Without	£1,380.01	£1,610.01	£1,840.01	£2,070.01	£2,530.01	£2,990.02	£3,450.02	£4,140.02
Thorney	£1,404.95	£1,639.11	£1,873.26	£2,107.42	£2,575.73	£3,044.06	£3,512.37	£4,214.84
Thornhaugh	£1,421.76	£1,658.72	£1,895.68	£2,132.64	£2,606.56	£3,080.49	£3,554.40	£4,265.28
Ufford	£1,424.28	£1,661.66	£1,899.04	£2,136.42	£2,611.18	£3,085.95	£3,560.70	£4,272.84
Upton	£1,380.01	£1,610.01	£1,840.01	£2,070.01	£2,530.01	£2,990.02	£3,450.02	£4,140.02
Wansford	£1,414.45	£1,650.19	£1,885.93	£2,121.67	£2,593.15	£3,064.64	£3,536.12	£4,243.34
Wittering	£1,424.89	£1,662.37	£1,899.85	£2,137.33	£2,612.29	£3,087.26	£3,562.22	£4,274.66

Wothorpe	£1,380.01	£1,610.01	£1,840.01	£2,070.01	£2,530.01	£2,990.02	£3,450.02	£4,140.02
Total Non-Parished Areas	£1,380.01	£1,610.01	£1,840.01	£2,070.01	£2,530.01	£2,990.02	£3,450.02	£4,140.02

Parish Precepts

The following parish precepts have been levied on Peterborough City Council (comparable figures are shown for 2023/24).

	2023/24 Precept £	2024/25 Precept £	2024/25 Council Tax Band D Equivalent £
Ailsworth	7,723	8,487	£35.17
Bainton & Ashton	12,005	12,725	£82.08
Barnack	16,593	17,381	£36.00
Bretton	165,445	190,805	£58.00
Castor	29,318	29,484	£81.00
Deeping Gate	5,649	6,336	£28.50
Etton	2,159	2,375	£45.53
Eye	56,375	58,375	£35.80
Glington	25,513	27,107	£43.50
Hampton	94,000	94,000	£24.11
Helpston	12,442	12,442	£26.51
Marholm	1,410	1,450	£17.65
Maxey	10,530	11,424	£35.23
Newborough & Borough Fen	38,375	41,009	£61.86
Northborough	25,830	21,314	£42.55
Orton Longueville	34,790	35,598	£10.92
Orton Waterville	59,267	74,965	£20.12
Peakirk	7,688	9,412	£50.09
Southorpe	2,610	2,914	£40.05
Sutton	5,075	6,980	£99.27
St. Martin's Without	-	-	-
Thorney	35,200	37,130	£37.41
Thornhaugh	5,563	5,897	£62.63
Ufford	8,820	8,925	£66.41
Upton	-	-	-
Wansford	12,348	12,965	£51.66
Wittering	50,771	55,380	£67.32
Wothorpe	-	-	-
Total	725,498	784,880	

6. The Council notes that, in accordance with the Section 52ZB of the Local Government Finance Act 1992, the basic amount of its Council Tax for 2024/25 is not excessive and that no referendum to approve the basic amount of Council Tax is required.

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