

JOINT MEETING OF THE SCRUTINY COMMITTEES AND COMMISSIONS

**WEDNESDAY 10 FEBRUARY 2016
6.00 PM**

Council Chamber - Town Hall

AGENDA

Page No

1. Apologies

2. Declarations of Interest and Whipping Declarations

At this point Members must declare whether they have a disclosable pecuniary interest, or other interest, in any of the items on the agenda, unless it is already entered in the register of members' interests or is a "pending notification " that has been disclosed to the Solicitor to the Council. Members must also declare if they are subject to their party group whip in relation to any items under consideration.

3. Minutes of Meeting held on 26 November 2015

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4. Medium Term Financial Strategy (MTFS) 2016/17 - 2025/26

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MEMBERS ARE REMINDED TO BRING THEIR COPY OF THE MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2016/17 – 2025/26 PROPOSALS DOCUMENT FROM CABINET DATED 8 FEBRUARY 2016 TO THE MEETING IN ADDITION TO THIS AGENDA PACK.

Recording of Council Meetings: Any member of the public may film, audio-record, take photographs and use social media to report the proceedings of any meeting that is open to the public. A protocol on this facility is available at:

<http://democracy.peterborough.gov.uk/documents/s21850/Protocol%20on%20the%20use%20of%20Recording.pdf>

Committee Members:

Councillors: K Aitken, C Ash, L Ayres, R Bisby, R Brown, P Faustino, R Ferris, L Forbes, D Fower, J A Fox, F Fox, J R Fox, C Harper, D Harrington, A Iqbal, M Jamil, N Khan, S Martin, E Murphy, J Okonkowski, D Over, J Peach, B Rush, B Saltmarsh, D Sanders, N Sandford, A Shaheed, J Shearman, J Stokes, J Whitby and J Yonga



There is an induction hearing loop system available in all meeting rooms. Some of the systems are infra-red operated, if you wish to use this system then please contact Paulina Ford on (01733) 452508 as soon as possible.

Education Co-optees: Paul Rossi, (Roman Catholic Church Representative),
Miranda Robinson,(Church of England Representative),
Andrew Reed, (Director of Education & Training), Diocese of Ely
Stuart Francis, Parent Governor Representative

Independent Co-opted Members:

Joe Dobson, Helpston Parish Council
Keith Lievesley, Ufford Parish Council
Henry Clark, Peakirk Parish Council
Philip Nuttall, Marholm Parish Council
Alistair Kingsley

Substitutes: Councillors: G Nawaz, P Thacker, M Nadeem, K Sharp, A Miners, R Herdman,
J Johnson, N Shabbir, S Lane, J Davidson

Further information about this meeting can be obtained from Paulina Ford on telephone (01733) 452508 or by email – paulina.ford@peterborough.gov.uk

Emergency Evacuation Procedure – Outside Normal Office Hours

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**MINUTES OF THE JOINT MEETING OF THE SCRUTINY COMMITTEES AND
COMMISSIONS
HELD IN THE COUNCIL CHAMBER- TOWN HALL
ON 26 NOVEMBER 2015**

Present: Councillors N Sandford (Chairman), K Aitken, R Bisby, R Brown, P Faustino, R Ferris, L Forbes, D Fower, JA Fox, JR Fox, F Fox, D Harrington, C Harper, M Jamil, J Johnson, N Khan, Nadeem, S Martin, A Miners, J Okonkowski, J Peach, B Rush, B Saltmarsh, A Shaheed, J Stokes, J Whitby, J Yonga

Also Present: David Whiles, Healthwatch
Steward Francis, Co-opted Parent Governor Representative
Co-opted Members for Scrutiny Commission for Rural Communities:
Jo Dobson, Keith Lievesley, Henry Clark, Philip Nuttall
Councillor Holdich, Leader of the Council and Cabinet Member for Education, Skills and University, and Communications
Councillor Fitzgerald, Deputy Leader and Cabinet Member for Integrated Adult Social Care and Health
Councillor North, Cabinet Member for Communities and Environment Capital
Councillor Seaton, Cabinet Member for Resources
Councillor Hiller, Cabinet Member for Growth, Planning, Housing and Economic Development
Councillor Casey, Cabinet Advisor to the Cabinet Member for City Centre Management, Culture and Tourism (Culture and Recreation)
Councillor Lamb, Cabinet Member for Public Health
Councillor Coles, Cabinet Member for Children's Services
Councillor Serluca, Cabinet Member for City Centre Management, Culture & Tourism

Officers Present: Gillian Beasley, Chief Executive
John Harrison, Corporate Director of Resources
Kim Sawyer, Director of Governance
Simon Machen, Corporate Director of Growth and Regeneration
Lou Williams, Service Director Childrens Services & Safeguarding
Dr Liz Robin, Director of Public Health
Adrian Chapman, Service Director, Adult Services & Communities
Steven Pilsworth, Service Director, Financial Services
Paulina Ford, Senior Democratic Services Officer

The Chair welcomed everyone present and explained that the purpose of the meeting was to provide an opportunity for all Members of each Scrutiny Committee and Commission to scrutinise Phase 1 of the 2016/17 Budget, Medium Term Financial Strategy to 2025/26 and the Council Tax Support Scheme as part of the formal consultation process before being presented to Cabinet on 7 December 2015 and Full Council on 17 December 2015.

1. Apologies for Absence

Apologies were received from Councillors Ayres, Iqbal, Over, Sanders, Ash, Shearman, and Knowles. Councillors Nadeem, Miners and Johnson were in attendance as substitutes for Councillors Sanders, Ash and Shearman. The following co-opted members also sent apologies: Alistair Kingsley, Miranda Robinson and Andrew Read.

Apologies for absence were also received from Councillor Maqbool, Cabinet Adviser for Children's Safeguarding, Councillor Elsey, Cabinet Member for Digital, Waste and Street Scene and Wendi Ogle-Welbourn, Corporate Director for People and Communities.

2. Declarations of Interest and Whipping Declarations

No declarations of interest or whipping declarations were received.

3. Budget 2016/17 and Medium Term Financial Plan to 2025/26

Members were given an overview of the Medium Term Financial Strategy and Budget by the Cabinet Member for Resources. The following key points were highlighted:

- Overview of current commitments
- Achievements
- Financial Challenges
- Budget conversation approach
- Approach to savings
- Spending Review 2015
- Next steps

Each section of the budget was then taken in order according to how it was presented in the Budget Book. Each section was introduced by the relevant Cabinet Member or Corporate Director before taking questions from the Committee.

Questions and observations were made around the following areas:

Item	Section of the Budget	Questions / Comment	Response from relevant Cabinet Member / Corporate Director
3	Introduction of the Budget and Overall Budget Strategy including approach and timeline	A key headline of the Chancellors spending review was the opportunity for councils to have an increase of up to 2% on their council tax to pay for adult social care. Has this been considered?	This has not been considered yet as the announcement has only just been made.
		National and local economy is improving. Has this been factored into the budget figures.	There was an existing set of assumptions and these will be moving to take into account these changes in the 2016/17 budget in phase two of the process.
The Committee noted the presentation made by the Cabinet Member for Resources.			
4.	People and Communities Appendix 2 (Pages 10 – 16)	Had the concept of using SMS as a mode of communication been considered and in particular for service users to be able to contact service's by text.	Using SMS will be an integral part of the front door arrangements. The SMS service will be used to push texts out to citizens, partners and businesses in a targeted way but is not yet in place. Assisted web based technology would also be used to assist vulnerable people in their own homes.
		Members sought assurance that there would be plenty of review points throughout the implementation of the Front Door Project to ensure that some of the more vulnerable people would not become disenfranchised.	Members were assured that existing channels of access to services would not be replaced. The Front Door Project would enhance the customer experience.
		How would savings be made if the Front Door Project meant increasing services.	Getting people to access services at the right point, in the right place at the right time was the first principle. People with varying needs often enter the health

Item	Section of the Budget	Questions / Comment	Response from relevant Cabinet Member / Corporate Director
			<p>service or council services at the wrong point. This project will enable people to receive the right service at the right time in the right place. It will ensure that wherever or how ever people access a service the response they get will be the same. The next phase will be to ensure that whoever is supporting the customer with their enquiry find the most cost effective solution for that person. Part of the solution is investing more in community services.</p>
		<p>Did the council pay full time social workers more money now than a year ago.</p>	<p>Children's services social workers were not paid more now than a year ago. A paper would be presented to Cabinet in January proposing to increase the recruitment and retention bonuses that are paid. If approved this would be implemented from March 2016. Peterborough currently paid more for full time social workers than neighbouring authorities.</p>
		<p>Members sought clarification with regard to savings quoted on page 13 regarding the development of a permanency service and page 22, investments – revenue and procurement relating to children's foster care. Should the figures quoted under procurement be subtracted from the figures quoted for savings.</p>	<p>The figures quoted for procurement are as a result of the Serco contract. If there is a level of addressable spend Serco would guarantee a level of savings. The procurement figure was therefore not all in relation to the fostering service.</p>
		<p>Clarification was sought as to how much of the procurement pressure within resources was due to the proposed changes in the permanency service.</p>	<p>Members were advised that the information would be provided outside of the meeting as it was not available at the meeting.</p>

Item	Section of the Budget	Questions / Comment	Response from relevant Cabinet Member / Corporate Director
		<p>Following the recent announcement that the Education Support Grant was to be scrapped how will that affect the income generated through the schools improvement service represented in the budget. Will it have an effect on the income expected to be generated through the schools improvement service if the council did not provide a school improvement programme. Will it be necessary to provide transitional costs in to this year's budget.</p>	<p>The Education Services Grant had been reduced each year. It was not clear if the government were intending to actually abolish it or if the aim was to convert every school to an academy which would mean that a grant would not be needed to be paid out. The educational team will monitor what the likely transfer arrangements will be for academies.</p>
		<p>Councillor Sandford recommended that the Corporate Director for Resources provide the Committee with figures to show how much of the procurement pressure within Resources is due to the proposed changes in the Permanency Service in People and Communities.</p> <p>All Members unanimously agreed to this recommendation.</p> <p>Councillor Ferris seconded by Councillor Forbes recommended to Cabinet that the relevant scrutiny committee is provided with a regular report on the progress of the Front Door Project.</p> <p>The recommendation was put to the vote and unanimously agreed.</p>	

Item	Section of the Budget	Questions / Comment	Response from relevant Cabinet Member / Corporate Director
	<p>Councillor Fower seconded by Councillor Sandford recommended that Cabinet explore the use of SMS as a communications tool across services but in particular as part of the Front Door Project.</p> <p>The recommendation was put to the vote and unanimously agreed.</p>		<p>The Committee noted this section of the budget and made the following recommendation to Cabinet.</p> <p>RECOMMENDATIONS</p> <ol style="list-style-type: none"> 1. That the Corporate Director: Resources provide the Committee with figures to show how much of the procurement pressure within Resources is due to the proposed changes in the Permanency Service in People and Communities. 2. That the Corporate Director for People and Communities provide the relevant scrutiny committee with a regular report on the progress and implementation of the 'Front Door' project. The frequency of the report to be decided on presentation of the first report. 3. That Cabinet explore the use of SMS as a communications tool across council services and in particular as part of the Front Door project.
5.	<p>Resources including Strategic Commissioning and Partnerships Appendix 3 (Pages 17 – 23)</p>	<p>Clarification was sought regarding the amount of savings to be made.</p> <p>New homes bonus grant. What will happen if the government decide over the next year to stop the grant.</p>	<p>£2M would be saved this year and £2M next year.</p> <p>It was unclear exactly what the government was proposing but it was clear that it was not about abolishing the grant. The grant would be paid over a</p>

Item	Section of the Budget	Questions / Comment	Response from relevant Cabinet Member / Corporate Director
			four year period instead of six years, there was therefore a risk of losing two years' worth of money in the next financial year. The government have said however that they will invest more in social care. This will be made clearer in Phase 2 of the budget.
		Page 19. Peterborough Hardship Fund. Is it possible to work with Peterborough Energy to get a better deal on pre-paid energy cards.	Peterborough Energy provider OVO provide a pay as you go tariff which is approximately £70 cheaper than any other pay as you go tariff and this will be actively promoted. There is also the possibility of installing smart meters in people's homes which would also provide savings.
		Capital debt. Longer life assets will incur increased maintenance costs. Has this been taking into account.	All presumptions are based on the councils existing policy to maintain the assets at the appropriate level.
		Hardship Fund and Empower Communities project scheme. If someone is having difficulty paying council tax on a regular basis would it be possible/feasible to install solar panels to generate some funds over an agreed period. This may then help justify a reduction of council tax and the potential for the council to make some money.	The installation of solar panels is not a means tested scheme. If people have the right shaped roof in the right direction and building society approval anyone can sign up for the scheme. The only issue would be if the government changed the feed in tariffs which would mean that those installations would not be cost effective. The administration of such a system would be complex.
		How is the expansion of the solar PV panel's scheme progressing. Are the anticipated savings going to be achieved.	The latest figures received for the current installations including Axiom Housing association have indicated that the savings will be achieved. Installations will continue to increase and will therefore improve the

Item	Section of the Budget	Questions / Comment	Response from relevant Cabinet Member / Corporate Director
		Further detail was sought on the future delivery of property services.	financial benefits for Phase 2 of the budget. The council currently has its property functions over various areas of the council. The work is delivered by Serco, Amey and through the Resources department. There is therefore scope to rationalise the delivery of property services. The partner of choice to deliver this service is NPS Property Consultants (NPS) who are part of the Norse Group who are a substantial property services company owned by Norfolk County Council. This is a public to public partnership not outsourcing and will build resilience.
		Capital debt realignment. What are the consequences of the 17 years of interest that we will have to pay? Has a lower rate of interest been negotiated now and what would happen if the interest rate were to rise.	The councils debt is fixed around different maturity positions, The extra cost of interest is built into the savings and there would be a penalty for paying the debt back early.
		The incinerator energy from waste plant is currently being tested and will soon come on line. Councillors were informed that in the medium to long term this would deliver potential savings. When should we expect to see these savings.	Savings are already built into the budget as a result of the energy recovery facility going live.
The Committee noted this section of the budget.			
6.	Growth and Regeneration Appendix 4 (Pages 24 – 25)	Clarification was sought on why Skanska had agreed to pay for the position of Head of Peterborough Highways	Skanska and PCC were involved in long negotiations over a three month period and as part of those negotiations an agreement was reached regarding the

Item	Section of the Budget	Questions / Comment	Response from relevant Cabinet Member / Corporate Director
		Services.	Head of Peterborough Highways Services. Skanska sees Peterborough as a very good authority to work with.
		Clarification was sought as to how soon the Westgate development would be started.	The council was totally committed to make the development happen. However the developer only owns one third of the site. The council were working with the developer in a joint venture to ensure it happened.
		Savings – highway patching. How can this be classed as capital.	The council work very closely with other authorities who also do this and it can be legitimately classed as capital. Our accountants have approved this.
		7.15pm Councillor Shaheed left the meeting at this point.	
		There is no mention of increasing car parking charges. Can we expect to see this in Phase 2 of the budget.	Charges in general may come in Phase 2 of the budget but not necessarily car parking.
		If the council is moving into trading then the council should start to look at profit and loss. Would the councils accounting system be able to cope with this.	The accounting system has the flexibility to cope with accounting for profit and loss.
		Clarification was sought on how the Skanska contract worked and how the authority could make money by having this contract and what income had been generated so far.	The contract was constructed with the intention to deliver highway services anywhere within the country. Because it is delivered through Peterborough Highways Services which is an EU procurement contract other local authorities can use Peterborough

Item	Section of the Budget	Questions / Comment	Response from relevant Cabinet Member / Corporate Director
		<p data-bbox="636 513 1182 776">Councillor Sandford recommended that Cabinet provide the Sustainable Growth and Environment Capital Scrutiny Committee with a briefing note listing which council services were being sold to generate income and what income had been generated from the sale of these services.</p> <p data-bbox="636 816 1182 873">All Members unanimously agreed to this recommendation.</p>	<p data-bbox="1203 313 1911 378">without having to go through the cost of an EU procurement process.</p> <p data-bbox="1203 410 1911 475">Members were informed that the council had been selling its services to other authorities for many years.</p>
<p data-bbox="189 886 1486 911">The Committee noted this section of the budget and made the following recommendation to Cabinet:</p> <p data-bbox="189 951 478 976">RECOMMENDATION</p> <ol data-bbox="237 1016 1911 1081" style="list-style-type: none"> 1. That Cabinet provide the Sustainable Growth and Environment Capital Scrutiny Committee with a briefing note listing which council services are being sold to generate income and what income had been generated from the sale of these services. 			
7.	Governance Appendix 5 (Page 26 – 27)	Members noted the change in frequency that taxi drivers and operators had to replace their licenses from annually to every three years for taxi drivers and every five years for operators. Was the authority restricted to how many licenses could be allocated each year.	The Governance Director did not have the information available at the meeting but would provide a copy of the policy after the meeting.

Item	Section of the Budget	Questions / Comment	Response from relevant Cabinet Member / Corporate Director
	<p>Coroner's Services. Clarification was sought regarding the merger of the three coronial areas and assurance was sought that the excellent service that was currently being provided to the Muslim communities in Peterborough would not suffer due to the merger.</p> <p>How well were the arrangements for the shared Chief Executive role between Cambridgeshire and Peterborough working?</p> <p>The Chairman commented that it would be useful to hear the Chief Executives views on the two different styles of governance systems.</p>	<p>The coroner was committed to continuing the provision of this service to the Muslim community and also to take this practice in to Cambridgeshire. The requirements of this service were built into the service level agreement.</p> <p>Both Cambridgeshire County Council and Peterborough City Council were satisfied with the way the arrangement was working.</p>	
<p>The Committee noted this section of the budget.</p> <p>ACTION The Director of Governance to provide details of the policy for taxi licensing, particularly regarding the limits placed upon the number of licences being issued.</p>			
8.	<p>Public Health Appendix 6 (Page 28)</p>	<p>Members referred to the sexual health services contract and the 0-5 years old public health services contract. Clarification was sought on how value for money would be judged in those contracts. Could an example be provided of what efficiencies would be</p>	<p>The efficiencies on the sexual health contract had already occurred. The services were re-procured and won by Cambridgeshire Community Services. The saving had therefore already been made. The 0-5 services would be a total contract of approximately £3m. PCC also had its own 0-5 services and there was confidence that with the use of transformation</p>

Item	Section of the Budget	Questions / Comment	Response from relevant Cabinet Member / Corporate Director
	<p>made on both contracts.</p> <p>Had clarification been received on whether the reduction in funding of the Public Health grant would continue in future years. The Government autumn statement had suggested that the money being put into the health service may not be new money and that this may come from further cuts in Public Health.</p>	<p>and the working together of those services that the savings would be made without adversely affecting the services to children.</p> <p>There had been a government statement that there would be a 3.9% annual reduction in the Public Health grant. What is not clear is whether the base line is starting from this year's in year reduction or from the Public Health funding from the beginning of this year, this is still to be confirmed. From next year Public Health may no longer be ring-fenced.</p>	
The Committee noted this section of the budget.			
9.	<p>Staff Implications Appendix 7 (Pages 29)</p>	No comments or questions were made on this section of the budget.	
The Committee noted this section of the budget.			
10.	<p>Council Tax Support Scheme Page 15 Appendix B of covering report in the Agenda Pack published on 18 November.</p>	No comments or questions were made on the Council Tax Support Scheme.	
The Committee noted this section of the budget.			

Item	Section of the Budget	Questions / Comment	Response from relevant Cabinet Member / Corporate Director
11	General Comments, any overall recommendations and Conclusion		
	There were no further comments or questions.		

The Chair thanked all members of the Scrutiny Committee and Commissions for attending the meeting and the Cabinet Members and Directors for attending and responding to the questions.

RECOMMENDATIONS

People and Communities

1. That the Corporate Director for Resources provide the Committee with figures to show what impact the extra spending on procurement within Resources will have on the savings proposed on the Permanency Service in People and Communities.
2. That the Corporate Director for People and Communities provide the relevant scrutiny committee with a regular report on the progress and implementation of the 'Front Door' project. The frequency of the report to be decided on presentation of the first report.
3. That Cabinet explore the use of SMS as a communications tool across council services and in particular as part of the Front Door project.

Growth and Regeneration

1. That Cabinet provide the Sustainable Growth and Environment Capital Scrutiny Committee with a briefing note listing which council services are being sold to generate income and what income had been generated from the sale of these services.

ACTION

The Director of Governance to provide a copy of the Licensing Policy to Members of the Committee.

CHAIRMAN

The meeting began at 6.00pm and ended at 7.45 pm

JOINT MEETING OF THE SCRUTINY COMMITTEES AND COMMISSIONS	AGENDA ITEM No. 4
10 FEBRUARY 2016	PUBLIC REPORT

Cabinet Member(s) responsible:	Cllr David Seaton	
Contact Officer(s):	John Harrison, Corporate Director Resources Steven Pilsworth, Service Director – Financial Services	Tel. 452520 Tel. 384564

Medium Term Financial Strategy (MTFS) 2016/17 – 2025/26

1. BACKGROUND

- 1.1. This report comes to the Joint Meeting as part of the Council's agreed process for budget setting.

2. RECOMMENDATIONS

- 2.1. That the Joint Meeting considers 2016/17-2025/26 Medium Term Financial Strategy, and make any appropriate recommendations.
- 2.2. Any recommendations made by the Joint Meeting of the Scrutiny Committees & Commissions will be reported to Cabinet on 29th February 2016 for a response.

3. BACKGROUND

- 3.1. The Cabinet meeting on 8th February 2016 is expected to consider their proposals for the 2016/17-2025/26 Medium Term Financial Strategy following the provisional local government settlement which was announced on 17th December 2015.

- 3.2. Recommendations for consideration at this meeting are that Cabinet:

- a) Notes the advice of the Chief Finance Officer per Schedule a, the continuing uncertainty of national public finances, and the risks surrounding forecasts and budget proposals.
- b) Notes that all grant figures are provisional pending the Final Settlement in February.
- c) Approves the approach to the Phase 2 budget consultation.
- d) Approves for consultation the draft Medium Term Financial Strategy 2016/17 – 2025/26 (including Phase 2 budget proposals) as set out in the Schedules which comprise of:
 - a. Report of the Chief Finance Officer
 - i. Proposes a Council Tax rise of 2% for 2016/17, with indicative increases of 2% for future years for planning purposes.
 - ii. Proposes a Social Care precept of 2% for 2016/17.
 - b. Forecast Revenue Outturn 2015/16
 - c. Budget Proposals, Key Figures & Cash Limits
 - i. Approve for consultation the Fees & Charges proposals as detailed in Schedule C section 12.
 - d. Treasury Strategy & Minimum Revenue Provision Policy
 - e. Capital Strategy, Programme & Disposal 2016/17 – 2025/26
 - f. Asset Management Plan
 - g. Phase 2 Budget Conversation Document
 - h. Delegates authority to the Chief Finance Officer to investigate the government's offer of a four-year finance settlement (see Schedule A) and to take action if necessary

before the next Cabinet meeting. If this delegated authority is exercised, details will be reported at the next scheduled meeting.

The above schedules can be accessed via the following link <http://democracy.peterborough.gov.uk/documents/s26165/7.%20Medium%20Term%20Financial%20Strategy%20MTFS%202016-17%20to%202025-26.pdf>

4. EXECUTIVE SUMMARY

- 4.1. The Medium-Term Financial Strategy outlines the impact of the provisional local government finance settlement and proposals for a balanced budget, including Phase 2 budget proposals, to enable the council tax to be set for 2016/17 and to give an assessment of the financial outlook in future years.
- 4.2. The table below indicates the summary budget proposals for 2016/17 and future years.
- 4.3. The budget for 2016/17 is balanced, however, deficits for future years remain, with gaps in 2017/18, and significant gaps to cover from 2018/19.
- 4.4. The budget for 2016/17 and the indicative MTFS proposes a strategy whereby the Council will:
- a) Seek to vigorously pursue efficiency savings.
 - b) Seek out new forms of service delivery to reduce cost and generate income.
 - c) Seek to be increasingly entrepreneurial in the way it is managed and run.
 - d) Act in a measured way when examining options to balance further budgets.
 - e) Look to deliver in future years an efficiency plan to secure maximum grant funding/
 - f) Ensure the significant risks that the Council is likely to face are proactively managed.
- 4.5. As a result of grant reductions and pressures of £24.1m, the Council has had to make savings, however, these savings have been achieved by increasing income and working more efficiently - the proposed budget contains no key reductions to services.

4.6. *Summary Budget Position*

Phase 1

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Opening budget gap at Phase 1	7,390	11,330	14,710	17,760	19,510
Phase 1 forecast grant reductions	9,680	16,750	19,050	14,900	14,900
Phase 1 pressures	2,540	3,130	3,800	4,360	5,910
Updated Budget Gap Phase 1	19,610	31,210	37,560	37,020	40,320
Savings - phase 1	- 9,430	- 11,260	- 12,650	- 12,810	- 13,380
Carry forward of 2015/16 savings	- 2,660	-	-	-	-
Budget Gap at end of Phase 1	7,520	19,950	24,910	24,210	26,940

Phase 2

	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000
Opening budget gap at Phase 2	7,520	19,950	24,910	24,210	26,940
Phase 2 grant adjustments	30	- 610	1,830	7,990	7,990
Phase 2 Pressures	3,770	3,170	2,400	2,570	2,540
Phase 2 Investments	640	660	650	640	640
Updated Budget Gap Phase 2	11,960	23,170	29,790	35,410	38,110
Phase 2 Savings	- 12,477	- 7,907	- 5,656	- 4,641	- 4,651
Carry forward of 2015/16 savings	- 9,477				
Contributions to/(from) reserves	9,994	- 9,994			
Revised Budget Position	-	5,269	24,134	30,769	33,459
Incremental Savings Required	-	5,269	18,865	6,635	2,690

- 4.7. The Council has undertaken a two stage approach to balance the budget with Cabinet working throughout with a Cross-Party Budget Working Group to share and discuss budget proposals. Cabinet has presented budget proposals over two phases with:
- Phase 1 - savings proposals of £12.1m approved by Council on 17th December 2015;
 - Phase 2 – savings proposals of £12.0m to be considered by Cabinet for consultation on 8th February 2016.
- 4.8. Unlike in previous years, Council Tax freeze grant will no longer be available in 16/17. Freeze grants were in place to mitigate the impact of foregone Council tax, allowing Councils to freeze Council Tax whilst still receiving an increased level of income. As this is no longer an option, alternative positions must be considered.
- 4.9. Given the scale of the challenges that the Council faces going forward, the desire to keep Council Tax bills low must be offset against the need to protect vital services.
- 4.10. Therefore, having fully considered the level of pressures identified and savings required, the Cabinet is proposing that Council raise Council Tax by 2%, and levy a Social Care Precept of 2%, meaning that the Band D Council Tax will change from £1,128.03 to £1,173.15, a change of 87p per week.
- 4.11. This MTFS document which can be accessed via the following link: <http://democracy.peterborough.gov.uk/documents/s26165/7.%20Medium%20Term%20Financial%20Strategy%20MTFS%202016-17%20to%202025-26.pdf> also outlines the statutory requirements to set a lawful and balanced budget and

supplementary relevant information to support the medium term financial strategy as follows:

- a) Report of the Chief Finance Officer
- b) Forecast Revenue Outturn 2015/16
- c) Budget Proposals, Key Figures & Cash Limits
- d) Treasury Strategy & Minimum Revenue Provision Policy
- e) Capital Strategy 2016/17 – 2025/26
- f) Asset Management Plan
- g) Phase 2 Budget Conversation Document

4.12. The financial and technical aspects underpinning Cabinet’s report takes into consideration the report of the Chief Financial Officer, which includes advice on the adequacy of reserves and provisions and the robustness of budget estimates as part of the annual budget process. The report is attached at Schedule a.

5. BUDGET CONVERSATION

- 5.1. Phase 2 proposals are detailed in full in Schedule C of the Medium Term Financial Strategy document. The budget conversation begins on January 29th 2016 and will close on 5pm on March 7th 2016, with a decision on the Budget to be taken by Council on March 9th 2016, taking into consideration all of the consultation feedback received by that date.
- 5.2. The conversation document will be available on the Council’s website, and in hard copy form at Council offices and in libraries.
- 5.3. The table below indicates the groups that will be asked for feedback on the phase two proposals.

Forum
Borderline and Peterborough Executive Partnership Board
Disability Forum
Schools Forum
Greater Peterborough Partnership City Leader’s Forum
Peterborough Community Assistance Scheme
Youth Council
Bondholder Breakfast
Peterborough Housing Partnership
Connect Group
Parish Council
Discussion with Trade Unions Joint Consultative Forum (JCF)

6. Human Resource Implications

- 6.1. The Phase 2 budget proposals do not recommend any redundancies. Details of proposals relating to changes in staff terms and conditions are detailed in the Phase 2 budget conversation document.
- 6.2. The impact of Phase 1 proposals was reported to Council on 17th December 2015 as follows:

Staff implications	Total
Total number of affected posts	12
Less vacant posts to be deleted	(4)
Posts be to affected through redundancies	8

7. Equality Impact Assessments

- 7.1. All budget proposals published in this first tranche have been considered with regards to equality issues and where appropriate equality impact assessments have been completed and are available on the council's website.

8. BACKGROUND DOCUMENTS

The documents comprising the attached Medium Term Financial Strategy are as follows and can be accessed via the following link:

<http://democracy.peterborough.gov.uk/documents/s26165/7.%20Medium%20Term%20Financial%20Strategy%20MTFS%202016-17%20to%202025-26.pdf>

Contents

Schedule A – Report of the Chief Officer

Schedule B – Revenue Outturn Forecast

Schedule C – Budget Proposals, Key Figures & Cash Limits

Schedule D - Treasury Strategy, Prudential Code & Minimum Revenue Provision

Schedule E - Capital Strategy, Programme & Disposal 2016/17 – 2025/26

Schedule F – Asset Management Plan

Schedule G - Phase 2 Budget Conversation Document

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