

EXTRAORDINARY PARISH COUNCIL LIAISON MEETING

WEDNESDAY 15 FEBRUARY 2017

6.30 PM

Bourges Viersen Room, Town Hall

AGENDA

Page No

1. **Apologies for Absence**
2. **Budget Phase 2 Consultation including Scrutiny Co-opted Members Feedback** 3 - 14

To receive a presentation on the Budget Phase 2 Consultation from Steven Pilsworth and an update from the co-opted Members following attendance at recent Scrutiny meetings.

3. **Date of next meeting - 29 March 2017**



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 Karen Dunleavy on 01733 452233 as soon as possible.

Emergency Evacuation Procedure – Outside Normal Office Hours

In the event of the fire alarm sounding all persons should vacate the building by way of the nearest escape route and proceed directly to the assembly point in front of the Cathedral. The duty Beadle will assume overall control during any evacuation, however in the unlikely event the Beadle is unavailable, this responsibility will be assumed by the Committee Chair.

Committee Members:

Councillors: Sylvester and I Walsh (Chairman)

Further information about this meeting can be obtained from Karen Dunleavy on telephone 01733 452233 or by email – karen.dunleavy@peterborough.gov.uk

This page is intentionally left blank

Phase 2 Budget Proposals 2017/18

3



We remain committed to:-

- Growth, regeneration and economic development of the city to bring new investment and jobs
- Improved educational attainment and skills for our children & young people
- Safeguarding children and vulnerable adults
- Pursuing the Environment Capital agenda to position Peterborough as a leading city in environmental matters
- 4 • Supporting our Culture and Leisure Trust to continue to deliver our culture, arts and sport in the city
- Keeping our communities safe and cohesive and healthy
- To achieve the best health and wellbeing for the city

Achievements – just a sample

- One of the fastest growing cities in the UK
- The city council's energy tariff, Peterborough Energy, has saved residents who have switched a combined £1.4million. More than 6,000 households get their gas and electricity from Peterborough Energy
- City centre regeneration has continued to attract new businesses and investment to Peterborough. Projects are currently underway on Lower Bridge Street and Bishop's Road.
- UK's 1st Gigabit city – some of the fastest internet speeds in the UK
- Unemployment continues to fall as new jobs are created. The number of residents claiming Job Seekers' Allowance is 5,000 lower than just 4 years ago.
- More than 90% of schools are now rated good or outstanding by Ofsted - above the national average & the highest ever achieved in the city

Scale of the financial challenge

- In the seven years to 2017/18, the Council has had its grants reduced by £57m, over 50% of its grant.
- Provisional Finance Settlement received on 15th December 2016 reduced New Homes Bonus for next year
- Financial pressures (see later slides)
- Total budget gap for next year of £28m

Overall budget approach

- Investment in our city
- Protecting vulnerable people through investing in adult social care
- No service reductions for next year
- Covered by efficiency savings, asset sales, income from growth, parking fee increases and council tax

Investments

- Schools Organisation Plan- £58m of capital spend over 5 years
 - Challenge of meeting demand for school places
 - Peterborough has 3rd highest in the country of school admissions
 - Assumes successful in bidding for government funding for the construction of new schools
- Transport Projects - £13m of capital spend over 5 years
 - Junction 18 Rhubarb Bridge
 - Public realm - Broadway, Midgate and Northminster
 - Parkway resurfacing
- ∞ • Can Do area - £7.5m of capital spend over 5 years
 - Target issues in the Gladstone, Millfield and New England neighbourhoods
 - improvements and investment in community buildings and open spaces
- Street cleansing hit squad and targeted cleansing around Gladstone Street and Lincoln Road

Pressures

- Adult Social Care Cost Pressures - £2,337k
- Early Years Funding Formula- £149k, rising to £430k by 2018/19
- Home to School Transport- £524k
- 6 • Further loss of Business Rates from academisation of schools £107k rising to £110k by 2021/22
- Arboriculture- Tree and Woodland Health and Safety- £422k falling to £150k in 2018/19

Savings

- Business Rates Growth - £1,000k rising to £5,300k by 2021/22
- Interest rates on Capital programme - £3,588k saving by 2021/22
- Sale of investment properties (less future rent lost) - £4,928k converting to a pressure of £449k from 2020/21
- Charging schools for Educational Services following grant reduction - £1,100k
- Parking Review (see next slide) - £168k rising to £242k by 2021/22
- Social Care Platform - £31k rising to £209k by 2021/22
- Vivacity - £170k from 2018/19
- Kingdom Private Enforcement- £47k in 2017/18
- Amey Contract - £100k from 2018/19
- Schools capitalisations- £519k falling to £427k by 2021/22

Council Tax

- Out of 56 unitary authorities across the country, Peterborough has the fifth lowest council tax (some £121 lower year lower than the average, and £344 lower than the highest)
- Council tax frozen in four out of last six years (Council tax freeze grant is no longer available)
- Current approved MTFS proposed 2% increase in 2017/18, and in \Rightarrow years after for planning purposes
- Above this requires referendum:
 - Government sets questions and governs publicity
 - Costs of referendum plus rebilling – around £250k
- Phase 1 approved a 2% Council tax increase and 2% Adult Social Care precept (see following slide)

Adult Social Care (ASC) Precept

- In 2016/17 the Council levied a 2% precept on council tax for ASC (95% of councils raised the ASC Precept in 2016/17)
- In the Provisional Settlement in December the government increased flexibility allowing councils to raise a ASC precept of 3% in 2017/18 and 2018/19
- The Council Proposes to levy a 3% ASC Precept on council tax in 2017/18 and 2018/19
The band D and band B impact is outlined in the following tables:
- In 2017/18 the council has included proposals within the budget to invest, in excess of the ASC precept.

12

Band D council tax charge would rise from £1,173.04 to £1,231.57 per year.

- The average property in Peterborough is in Band B, meaning council tax would rise from £912.37 to £957.88 per year

Band B	4%-increase inc in Phase 1	1%- Additional ASC Precept	5% Total precept
Annually	£36.39	£9.12	£45.51
Weekly	70p	18p	88p

Band D	4%-increase inc in Phase 1	1%- Additional ASC Precept	5% Total precept
Annually	£46.80	£11.73	£58.53
Weekly	90p	23p	£1.13

Overall Budget position at Phase 2

- The phase 2 Budget position is currently balanced with the use of £7.2m of the Grant Equalisation reserve
- The revised budget gap in 2018/19 is £14.8m
- Budget gap doubles almost £29m by 2020/21, as further grant reductions and financial pressures are factored in
- 13 • Significant challenges in future years

Next steps

- Monday 6th February - Cabinet (launch budget consultation on Friday 27 January, when Papers are released)
- Wednesday 8th February – Joint Scrutiny
- Monday 27th February - Cabinet (make recommendation to Council on Phase 2 proposals)
- Wednesday 8th March– Full Council consider Phase 2 proposals and the MTFS