

CABINET

MONDAY 4 DECEMBER 2017

10.00 AM

Bourges/Viersen Room - Town Hall

Contact – philippa.turvey@peterborough.gov.uk, 01733 452460

AGENDA

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*Any agenda item highlighted in bold and marked with an * is a 'key decision' involving the Council making expenditure or savings of over £500,000 or having a significant effect on two or more wards in Peterborough.*

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CABINET	AGENDA ITEM No. 3
4 DECEMBER 2017	PUBLIC REPORT

Report of:	Marion Kelly, Interim Director of Resources	
Cabinet Member(s) responsible:	Councillor David Seaton, Cabinet Member for Resources	
Contact Officer(s):	Marion Kelly, Interim Corporate Director: Resources Peter Carpenter, Service Director Financial Services	Tel: 01733 452520 Tel: 01733 384564

MEDIUM TERM FINANCIAL STRATEGY 2018/19 to 2020/21

RECOMMENDATIONS	
FROM: Cabinet Member for Resources	Deadline date: N/A
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1. Have regard to the consultation feedback received to date and statutory advice detailed in the report when determining the phase one budget proposals, noting that consultation remains open until 30 November 2017, and an addendum will be provided prior to the Cabinet meeting. 2. Note the timetable for the phase two consultation and formal approval of the 2018/19 to 2020/21 Medium Term Financial Strategy as detailed at section 5; 3. Note that budget proposals considered by Council on the 13 December 2017 will form part of the Medium Term Financial Strategy but will not form part of the second stage of consultation or Council debate on 5 March 2018. 	

1. ORIGIN OF REPORT

- 1.1 This report comes to Cabinet as part of the council's formal budget process as set out within the constitution and as per legislative requirements to set a balanced and sustainable budget for the 2018/19 to 2020/21 period.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The report is presented to Cabinet as part of the council's Budget and Policy Framework, which enables Cabinet to consider the feedback from the consultation undertaken to date with residents, partner organisations, businesses and other interested parties, to recommend approval of the budget proposals to set a balanced and sustainable budget for the financial years 2018/19 to 2020/21.
- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.1 which states to take collective responsibility for the delivery of all strategic Executive functions within the Council's Major Policy and Budget Framework and lead the Council's overall improvement programmes to deliver excellent services.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	YES	If yes, date for Cabinet meeting	4 DECEMBER 2017
Date for relevant Council meeting	13 DECEMBER 2017	Date for submission to Government Dept.	N/A

4. EXECUTIVE SUMMARY

- 4.1 In total since 2010 the council has made significant savings, however this is still not enough and government continues to cut funding to local government. Therefore the city council will be required to make further savings, which may well impact on a range of services, because by law the council has to set a balanced budget.
- 4.2 Savings currently totalling £35.2million over the next three years are still needed to be made - and this is likely to involve some difficult decisions about the services the council is able to provide to residents.
- 4.3 The council has worked incredibly hard to cope with the cuts made to council funding however the challenges we face continue to increase in terms of population growth, the alarming rate that central government funding (Revenue Support Grant) is falling, high levels of deprivation in parts of the city, the increasing demand on high-cost council services and our relatively low levels of reserves
- 4.4 To address this the council has been reviewing all budgets over the three year period of the MTFs to ensure that all known issues have been taken into account. As part of the process care has been taken to fully assess all one off savings and their applicability as the underlying concern has been to make sure budgets are sustainable over time.
- 4.5 Any reserves being used to support the 2018/19 budget have been added back into the position and over the three year period an additional £10million of pressures have been identified. Rebasings pressures include a number of budgets across the council where after careful analysis initiatives will not be delivered and as such it has been prudent to adjust the base budget accordingly.
- 4.6 Demographic and demand pressures includes £1.7million rising to £5.7million in relation to housing homeless families and £0.6million rising to £2.6million by 2020/21 for adult social care. Although there are no expected demand pressures for Children's Services this area should also be flagged as a potential risk.
- 4.7 Initial savings proposals have been tabled and these amount to £8.3million, £6.5million and £4.5million in the respective three year period, resulting in the overall deficit figure reducing to £35million at the end of the three year period.
- 4.8 Full detail of the proposals are set out in the following Appendices to the 20 November Cabinet report and summarised in **Table 1 and 2**. Some of the key headline proposals included are:
- **Rising numbers of homeless households** - Over the past two years the fastest growing financial pressure on the council has been the dramatic and unprecedented rise in homeless households in the city. Similar increases are being seen across the UK. Peterborough has seen a 200 per cent rise in demand, this has meant that the council is supporting 328 families in temporary accommodation, creating a rising budget pressure of £1.7million in 2018/19.
 - **Rising demand on adult social care services** - This service is facing unprecedented financial pressures resulting from reducing budgets, rising costs of care, increasingly complex needs and an ageing population. Growth in Peterborough's population between 2016 and 2036 will be 12.9 per cent, and is anticipated to be highest among older age groups, with predicted increases of 159 per cent in over 85s, 75.8 per cent in the 75-84 age group and 45.6 per cent in residents 65-

74. Therefore an investment in 2018/19 and future years is proposed to manage increasing costs and demand on these services.

- **The Better Care Fund (BCF)** is, in part, used to offset the reduction in government grants to the local authority, ensuring the council can continue to provide vital services for those who need its care and support. Therefore as BCF is continuing the council can offset funding totalling £1.7million against the council's budget in each of the next two years. This is the same process that took place in 2017/18.
- **Peterborough Highway Services** - Peterborough Highway Services is a ten year partnership with Skanska to provide highway maintenance services. The council is currently in discussions with a number of councils to allow them access to the Peterborough Highway Services contract. This will allow these councils to contract Skanska using the city council's framework which will save them money on procurement costs. For allowing access to the framework there will be a fee due to the city council. Skanska will also pay the city council an annual fee. In addition, further efficiencies have been identified in the Peterborough Highway Services budget generating an annual saving of £0.340million from 2018/19.
- **Corporate Resources budget review** - A review of budgets held by the Resources directorate has identified a number of savings that do not result in changes to council services. This review has also identified previous savings, or income targets, that need to be updated. In total this review has identified a saving of £3.221million for 2018/19.
- **People and Communities budget review** - Ahead of the 2018/19 budget setting process there has been a comprehensive review of directorate budgets. This review has looked at changes in legislation, refreshing demographics and other changes required to services. The review has highlighted an ongoing annual funding pressure of £0.776million across the council's largest directorate - People and Communities - which includes services such as Children's Services, adult social care and education.
- **Agile working** - Previously, in the 2016/17 budget setting process, a £0.5million savings target was set against the roll-out of agile working across the council. However it is now clear that the benefits from agile working are more improvements to staff flexibility, work/life balance and an increased ability for officers to cope with growing workloads as demands on services increase. The council is now proposing to remove this saving which creates an ongoing pressure of £0.5million.
- **Estimated 2017/18 council tax surplus** - There will be growth in council tax income for the current financial year above predictions because of the city's rising population and construction of new homes. This has identified that the council can expect to receive a further £1.005million in 2017/18, which can be rolled forward to protect services during 2018/19.

Table 1- Budget Summary position

	2018/19 £000	2019/20 £000	2020/21 £000
2017/18 MTFS Gross Expenditure	443,728	450,948	461,447
2017/18 MTFS Income	(296,449)	(298,044)	(297,548)
2017/18 MTFS Net Budget	147,279	152,904	163,899
Total Funding	(132,492)	(131,658)	(135,046)
2017/18 MTFS Budget Gap	14,787	21,246	28,853
Add back use of Grant Equalisation Reserve	4,250		
Budget Gap without the Use of Reserves	19,037	21,246	28,853

Phase 1			
Rebasing the Budget and Pressures	2,390	2,333	2,218
Demographic and Demand Pressures	2,279	4,112	8,460
Legislative and Other Changes	188	197	205
Revised Budget Gap	23,894	27,888	39,736
Budget Reductions	(8,194)	(6,528)	(4,526)
Revised Deficit after Accounting for Phase One Budget Pressures and Reductions	15,700	21,360	35,210
Incremental Budget Gap	15,700	5,660	13,850

Table 2- Individual budget pressures and reductions

	2018/19 £000	2019/20 £000	2020/21 £000
CCTV upgrade project	(29)	(28)	(27)
Commercial Property Rental Income	(150)	(150)	(150)
SEND Funding update	144	144	144
Demand Management in Adults Social Care	604	1,442	2,616
Verge Parking	22	22	22
Rising Number of Homeless Households and Housing Needs	1,735	2,660	5,764
Estimated Council Tax surplus	(1,005)	-	-
METAL	50	50	-
Corporate Resources Budget Review	(3,221)	(2,666)	(2,342)
Coroner Service Budget	70	75	80
Agile Working Pressure	500	500	500
Legal Services Pressure	94	94	94
Pupil Referral Unit Budget Pressure	239	239	239
St George's Hydrotherapy Pool	14	2	2
People and Communities Senior Management Restructure	(180)	(180)	(180)
People and Communities Budget Review	776	776	776
Better Care Fund	(1,933)	(1,933)	(244)
Peterborough Highway Services - contract efficiencies	(340)	(340)	(340)
Peterborough Highway Services - commercial opportunities	(300)	(175)	(175)
Academisation	(149)	(125)	(105)
Mausoleum units sale	(64)	(64)	(64)
Public Health Budget	(208)	(223)	(247)
Environmental Health Food Safety	94	94	94
Planning Services	(100)	(100)	(100)
Grand Total	(3,337)	114	6,357

5. CONSULTATION

- 5.1 Cabinet's approach to seek feedback on phase one budget proposals was outlined within the 20 November 2017 Cabinet report.
- 5.2 The Budget Consultation questions were outlined within the Budget Consultation document in **Appendix F to the 20 November Cabinet report**. This formed part of the hard copies available and the online survey.
- 5.3 Final decisions on phase one proposals are to be approved and recommended to Council on 13 December 2017, taking into consideration all of the consultation feedback received by that date
- 5.4 The opportunity to provide feedback on the phase one proposals have been in the public domain since 10 November 2017, confirmed by Cabinet on 20 November 2017 and will run until 30 November. The budget conversation received to date includes 28 responses via the online survey.
- 5.5 Given the timing of the agenda despatch for this meeting, it is not possible to include feedback from all consultation in this report. Further feedback received, will be included as an addendum to this report, and will be publically available prior to Cabinet on 4 December 2017.
- 5.6 The Council will look to repeat the consultation approach with the phase two proposals released on 5 January 2018 and recommended by Cabinet for approval by Council on 7 March 2018. This timeline is outlined in the following table:

	Phase 1	Phase 2
Consultation start date	10 November 2017	05 January 2018
Cabinet	20 November 2017	15 January 2018
Budget Joint Scrutiny Committee	29 November 2017	08 February 2018
Cabinet	04 December 2017	26 February 2018
Consultation close date	30 November 2017	22 February 2018
Council	13 December 2017	07 March 2018

Stakeholder groups

- 5.7 The following stakeholder groups have been contacted to gather feedback on the budget, to enable residents, partner organisations, businesses and other interested parties to feedback on budget proposals and council priorities:
- Joint Budget Scrutiny Committee
 - Discussion with the trade unions
 - Discussion with the business community
 - Borderline Peterborough Local Commissioning Group
 - Peterborough Housing Partnership
 - Disability Forum
 - Connect Group
 - Schools Forum
 - Parish Councils
 - Peterborough Community Assistance Scheme
 - Youth Council
 - Interfaith Council
 - Muslim Council of Peterborough
 - Older Peoples Partnership board
 - Carers Board
 - Churches Together

- Cambridgeshire Police and Crime Commissioner
- Cambridgeshire Fire and Rescue Service
- The Hospital and the CCG's

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 Following the release of the first phase of budget proposals to address the financial gap, and outlining Peterborough's challenges and successes, Cabinet is to consider the results of the consultation feedback received to date, to approve and recommend to Council prior to the formal budget approval process the phase one budget proposals. The approval of phase one budget proposals will enable the Council to implement savings at the earliest opportunity, either under Director Delegation, Cabinet Member Decision Notice or a further report to Cabinet.
- 6.2 The Council must set a balanced budget for 2018/19 within the financial resources it will have next year and the feedback received will help inform Cabinet in considering budget proposals within the second phase.
- 6.3 These budget proposals will be included as an addendum to the Medium Term Financial Strategy 2018/19 to 2020/21, noted as arrived by Council on 13 December 2017, but will not be debated again by Council on 7 March 2018

7. REASON FOR THE RECOMMENDATION

- 7.1 The Council must set a lawful and balanced budget. The approach outlined in this report work towards this requirement.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 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.

9. IMPLICATIONS

Elected Members

- 9.1 Members must have regard to the advice of the Chief Finance (Section 151) Officer. The Council may take decisions which are at variance with this advice, providing there are reasonable grounds to do so.
- 9.2 Section 106 of the Local Government Finance Act 1992 applies whereby it is an offence for any Members with arrears of council tax which have been outstanding for two months or more to attend any meeting of the Council or its committees at which a decision affecting the budget is made, unless the Members concerned declare at the outset of the meeting they are in arrears and will not be voting on the decision for that reason.

Legal Implications

- 9.3 In terms of the Council's executive arrangements, the adoption of the Council's Budget is a role shared between the Cabinet and the Council, whereby the Cabinet (Leader) is responsible for formulating the budget proposals and full Council is responsible for then approving (or not) those proposals and setting the budget and council tax requirement.
- 9.4 For the remainder of the year, the principal purpose of the Budget is to set the upper limits of what the executive (Leader, Cabinet or officer under delegated executive authority) may decide to spend the Council's resources on. The Council cannot through the budget overrule an executive decision as to how

to spend money, but the Budget will require the Cabinet to exercise their responsibilities for decision making so as not to make a decision where they are 'minded to determine the matter contrary to, or not wholly in accordance with the authorities budget'. This means that a decision that leads to excess expenditure, a virement from one budget heading to another over the amount allowed by Council in the Budget Book or expenditure of unexpected new money outside the Budget is required to have approval of the Council before the Leader and the Cabinet can make that decision.

- 9.5 When it comes to making its decision on 7 March 2018, 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.
- 9.6 The principle of fairness applies to consultation on the budget proposals, both consultation required under s65 of the Local Government Finance Act 1992 and more generally as proposed here, which operates as a set of rules of law. These rules are that:
- Consultation must be at a time when proposals are still at a formative stage;
 - The proposer must give sufficient reasons for any proposal to permit intelligent consideration and response;
 - Adequate time must be given for consideration and response; and
 - The product of consultation must be conscientiously taken into account in finalising any statutory proposals.
- 9.7 Added to which are two further principles that allow for variation in the form of consultation which are:
- The degree of specificity with which, in fairness, the public authority should conduct its consultation exercise may be influenced by the identity of those whom it is consulting; and
 - The demands of fairness are likely to be somewhat higher when an authority contemplates depriving someone of an existing benefit or advantage than when the claimant is a bare application for a future benefit.

Equalities Impact Assessments

- 9.8 All budget proposals published in the first phase of the budget process have been considered with regards to equalities issues and where appropriate equality impact assessments have been completed and available on the council's website.

10 BACKGROUND DOCUMENTS

- 10.1 The following links to the items which went to cabinet on 20 November 2017:

Medium Term Financial Strategy 2018-19 to 2020-21

<http://democracy.peterborough.gov.uk/documents/s32847/7.%20Medium%20Term%20Financial%20Strategy%202018-19%20to%202020-21%20Consultation.pdf>

Appendix A – Phase 1 Budget Pressures

<http://democracy.peterborough.gov.uk/documents/s32839/7.%20Appendix%20A%20-%20Medium%20Term%20Financial%20Strategy%202018-19%20to%202020-21%20Consultation.pdf>

Appendix B – Phase 1 Savings Proposals

<http://democracy.peterborough.gov.uk/documents/s32840/7.%20Appendix%20B%20-%20Medium%20Term%20Financial%20Strategy%202018-19%20to%202020-21%20Consultation.pdf>

Appendix C – 2018/19 MTFs detailed position

<http://democracy.peterborough.gov.uk/documents/s32841/7.%20Appendix%20C%20-%20Medium%20Term%20Financial%20Strategy%202018-19%20to%202020-21%20Consultation.pdf>

Appendix D – 2018/19 MTFS by department and service

<http://democracy.peterborough.gov.uk/documents/s32842/7.%20Appendix%20D%20-%20Medium%20Term%20Financial%20Strategy%202018-19%20to%202020-21%20Consultation.pdf>

Appendix E – Capital Programme Schemes

<http://democracy.peterborough.gov.uk/documents/s32843/7.%20Appendix%20E%20-%20Medium%20Term%20Financial%20Strategy%202018-19%20to%202020-21%20Consultation.pdf>

Appendix F – Budget Consultation Document

<http://democracy.peterborough.gov.uk/documents/s32844/7.%20Appendix%20F%20-%20Medium%20Term%20Financial%20Strategy%202018-19%20to%202020-21%20Consultation.pdf>

11 APPENDICES

- 11.1 Medium Term Financial Strategy 2018-19 to 2020-21- 20 November Cabinet Report
 - Appendix A – Phase 1 Budget Pressures
 - Appendix B – Phase 1 Savings Proposals
 - Appendix C – 2018/19 MTFS detailed position
 - Appendix D – 2018/19 MTFS by department and service
 - Appendix E – Capital Programme Schemes
 - Appendix F – Budget Consultation Document
 - Appendix H – Consultation feedback

CABINET	AGENDA ITEM No. 7
20 NOVEMBER 2017	PUBLIC REPORT

Report of:	Marion Kelly, Interim Director of Resources	
Cabinet Member(s) responsible:	Councillor David Seaton, Cabinet Member for Resources	
Contact Officer(s):	Marion Kelly, Interim Corporate Director: Resources Peter Carpenter, Service Director Financial Services	Tel: 01733 452520 Tel: 01733 384564

MEDIUM TERM FINANCIAL STRATEGY 2018/19 TO 2020/21 CONSULTATION

RECOMMENDATIONS	
FROM: Cabinet Member for Resources	Deadline date: N/A
<p>It is recommended that Cabinet approves the phase one budget proposals, outlined in Appendix C and D, as the basis for public consultation. This includes a 4.99 per cent council tax increase, as built into the 2017/18 Medium Term Financial Strategy.</p>	

1. ORIGIN OF REPORT

- 1.1 This report comes to Cabinet as part of the council's formal budget process as set out within the constitution and as per legislative requirements to set a balanced and sustainable budget for the 2018/19 to 2020/21 period.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The report is presented to Cabinet as part of the council's Budget and Policy Framework, which requires Cabinet to initiate and propose budget proposals to set a balanced and sustainable budget for the financial years 2018/19 to 2020/21. There is a legal requirement to set a balanced budget for 2018/19. The purpose of this report is to:
- Recommend that Cabinet approve the first phase of budget proposals for consultation to contribute towards closing the budget gap, which reaches £40million by 2020/21.
 - Outline the approach for the remaining budget process
 - Outline the financial challenges facing the council in setting a sustainable and balanced budget for 2018/19
- 2.2 The council is facing a very serious budget challenge due to increasing demands for services and government grants including RSG reducing from £55million in 2013/14 to £10million in 2019/20.
- 2.3 In agreeing a balanced budget for 2017/18 one-off resources of £19.7million were used, £7.2million of reserves and £12.5million of one-off capital receipts. Over the medium term ongoing savings will need to be identified to cover this amount in addition to the grant reductions and service pressures.
- 2.4 Although the council has an adequate level of reserves for 2018/19 it will not in 12 months' time unless

significant savings are identified.

- 2.5 The council has £25.6million of useable reserves, £8.2million of which is committed, and the general fund balance of £6million. The remaining balance of £11.4million includes the Grant Equalisation Reserve. These are lower than the average percentage of net expenditure compared to other councils.
- 2.6 The council has a large amount of fixed costs in its budget, for example capital financing charges and the pension deficit contribution.
- 2.7 The council has an estimated budget gap of £24million before savings on its 2018/19 budget, £40million to 2020/21.
- 2.8 Efficiencies and one-off reductions of £8.3million have been identified for 2018/19 leaving £15.7million of additional savings to be identified.
- 2.9 The development and delivery of a fundamental review of the council's service offer and how the council operates is crucial to deliver a sustainable position from 2018/19 onwards. However, it will not be possible to deliver a fully balanced budget in 2018/19 without the use of reserves. Therefore the council is moving to a three-year Medium Term Financial Strategy (MTFS) which will need to show how the council will achieve an ongoing, sustainable, position.

3. **TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	YES	If yes, date for Cabinet meeting	20 NOV 17 & 4 DEC 17
Date for relevant Council meeting	13 DEC 17	Date for submission to Government Dept.	N/A

4. **BACKGROUND**

- 4.1 This report sets out the process being followed for the delivery of the three year Revenue (2018/19-2020/21) and 10 Year Capital Programmes (2018/2019-2027/28) for the council. As with previous years the budget process is divided into two distinct phases. This report sets out the outcomes for the first phase of the process along with the following:

- An outline of the overall process to be followed and associated timescales;
- The overall context for the budget and previous performance in Peterborough;
- Revenue funding assumptions;
- The existing Medium Term Financial Strategy;
- New revenue pressures and savings proposals included within phase one;
- Capital programme assumptions;
- Possible initiatives coming to phase two of the process.

4.2 **2018/19-2020/21 MTFS Process**

The MTFS process is divided into two phases:

Phase one which is contained within this report, and, sets out the work that has been taking place in terms of reviewing all base assumptions and initial savings proposals. Subject to Scrutiny feedback and comments from residents, partner organisations, businesses and other interested parties, Cabinet will recommend budget proposals to council on 13 December 2017 to implement at the earliest opportunity.

Phase two which will be recommended to Cabinet on 15 January 2018 will set out:

- Any changes in funding/requirements from the Local Government Settlement;
- New savings proposals required to balance the budget for 2018/19 and to help close the budget gaps in following years.

Proposals will be agreed by Cabinet at its meeting on 26 February and then will be recommended to Council on 7 March for approval.

4.3 **Budget context**

Since the government's austerity programme began in 2010 the amount of funding that all councils receive has fallen at an alarming rate.

The main central government grant, the Revenue Support Grant (RSG), which supports a range of services delivered by the council has reduced by 80 per cent over a seven year period. To some extent the loss has been offset by a share of National Non-Domestic Rates (NNDR) since 2013.

This is the challenge which has faced the city council and all local authorities in recent years - a challenge that shows no sign of reducing. The council has cut back on the services that it has an option to provide and is now faced with the difficult task of having to provide the services that it legally has to, which residents rely upon, with an ever reducing budget.

In 2013/14 the council received £55million in RSG and this will reduce to £15million in 2018/19 and £10million in 2019/20. When you consider that it costs the council £46million every year to provide Adult Social Care Services for the city, it's easy to see the size of the challenge.

Other funding streams, such as the New Homes Bonus which financially rewards councils for housing growth in their area, have also been reduced.

In balancing the 2017/18 budget, £19.7million of one off funding was used that will need to be replaced by ongoing, sustainable savings in 2018/19 that add to the pressure of reducing grant.

At the same time demand on council services and the city's population has increased at an unprecedented rate with no additional funding forthcoming from government. Demands on services such as:

- A 200 per cent rise in the number of homeless families requiring temporary accommodation in just the last two years. As of the end of September 2017, the city council was supporting 328 households in temporary accommodation. The situation Peterborough faces is the same for councils across the country because of a national shortage of social housing, changes to the way benefits are paid and private landlords supporting fewer tenants on benefits. The impact on the council's budget is huge as the council has a legal duty to provide housing for all those who meet the criteria for support. So far this financial year the cost of this is £1.6million.
- At the end of August 2017 the council was supporting 414 adults in residential or nursing care homes and 2,012 adults were supported to live independently in their own home. In the past three years the council has seen an increase of 7.3 per cent and 2.1 per cent on these services. The Chancellor of the Exchequer announced within his budget speech in July 2015 that the National Living Wage would be phased in between April 2016 and April 2020. The introduction of this is having an enormous cost effect on council homecare services, generating a £1.6million budget pressure by 2020/21.
- Additional children coming into care. The council is currently supporting 373 children in care, and in 2011/12 was supporting 340, an increase of 9.7 per cent. The cost per week for a child in care ranges between £350 and £3,500, dependant on whether they are being cared for in-house by a foster carer or in a residential placement, the latter being significantly more expensive.

- The need to create extra school places for a school population that has increased by 13 per cent between 2013-2017, which is the equivalent to an additional 81 classes of 30 pupils each (2,424 students).

4.4 **Growing pressures on council finances**

In total since 2010 the council has made significant savings, however this is still not enough and government continues to cut funding to local government. Therefore the city council will be required to make further savings, which may well impact on a range of services, because by law the council has to set a balanced budget.

Savings currently totalling £35.2million over the next three years are still needed to be made - and this is likely to involve some difficult decisions about the services the council is able to provide to residents.

The council has worked incredibly hard to cope with the cuts made to council funding however the challenges we face continue to increase in terms of population growth, the alarming rate that central government funding (Revenue Support Grant) is falling, high levels of deprivation in parts of the city, the increasing demand on high-cost council services and our relatively low levels of reserves as explained below:

- **Demand on services** - Demand growing at unprecedented rate, due to population increase and complexity of care and support needed over long periods of time.
- **Population** – Peterborough is one of the fastest growing council areas in the country. Between 2001 and 2011 the population increased by 17.7 per cent to 183,600. In 2016 the city's population was estimated at 198,100.
- **Revenue Support Grant (RSG)** - As with the rest of local government the Council's RSG is falling at an alarming rate. The government's funding formula does not take into account today's level of demand on services and population data.
- **Deprivation** - Peterborough has some of the most deprived areas in the UK, ranking the 14th highest deprived unitary authority area. This brings increased demand for service provision, creating budget pressures. This is highlighted by the upward trend in the number of households becoming homeless and needing temporary accommodation.
- **Council tax income levels** - Although the council has protected residents from annual council tax rises it has increased our budget gap. By not raising council tax for a number of years this has reduced the amount of money the council has to spend on services. Peterborough has one of the lowest average council tax rates per dwelling. For example, if the council charged the average unitary authority council tax per dwelling then an additional £16million would be generated to support services.
- **The capital programme** is large and ambitious and if delivered the revenue costs of servicing the debt will increase on an annual basis.
- **Reserves** – The council's General Fund minimum balance is £6million, Grant Equalisation Reserve is £7.8million and other earmarked reserves are £3.6million. In addition there are earmarked reserves of £8.2million which are already committed. These are lower than the average percentage of net expenditure compared to other councils. Earmarked reserves are funds which are kept or built up to meet a known or predicted need.
- **Lack of clarity from government on future funding for councils** - There is great uncertainty

amongst councils about how they will be funded going forward. Legislation that aimed to answer this question, the Local Government Finance Bill, was dropped following the General Election earlier this year.

4.5 **Delivering services for our residents**

The council continues to see an unprecedented demand for services and it remains fully committed to supporting those most in need.

The council has minimised the need for cuts in services in recent years and continues to provide a wide range of services for residents:

- At the end of August 2017 the council was supporting 373 children in care - an increase of almost 10 per cent since 2011/12
- During 2016/17 there were 2,755 referrals to Children's Social Care and 3,193 social care assessments were completed
- The council maintains 578 miles of road, over 350 bridge structures, 24,000 street lighting columns, 719 miles of footpaths and 155 miles of off-road cycle ways. Since 2012/13 the council is now responsible for an additional 12 miles of cycle routes (9 per cent rise), 23 miles of road network (3 per cent rise)
- The city has over 200 playgrounds, four parks and open spaces, two BMX tracks and seven skate parks
- At the end of August 2017 the council was supporting 414 adults in residential or nursing care homes and 2,012 adults were supported to live independently in their own home. In just the past three years the council has seen an increase of 7.3 per cent and 2.1 per cent on these services.
- More than 7,000 households have received help from the council's Care and Repair service in the past 12 months - adapting older and disabled people's homes, for example installing grab rails and even building extensions
- At the end of September 2017 the council was supporting almost 330 homeless households in the city by providing temporary accommodation. Following national welfare benefit changes and private landlords supporting fewer tenants on benefits this figure has increased from 97 households being supported just two years ago
- The council's planning team processes more than 1,400 planning applications every year
- A Selective Licensing scheme launched in December 2016 to improve standards of accommodation in the private rented sector and tackle rogue landlords
- During 2016/17 the council's Public Health team commissioned:
 - health visitor checks for over 3,000 new babies
 - health checks for cardiovascular risk for over 5,000 adults aged 40-74
 - 23,000 appointments for contraception and sexual health services
 - drug and alcohol treatment services for over 1,500 people
 - and helped over 600 people to stop smoking
- The Healthy Peterborough campaign generated 127,252 page views on its dedicated website - providing evidence-based advice on how to stay healthy for longer, with links to local events and services

4.6 **Successes**

However even during the most challenging circumstances the city council has ever faced it has remained committed to its priorities and Peterborough has made huge strides in recent years. These successes include:

- Over the past five years the council has invested £127.7million into building, extending and improving schools; £48.6million of this was met from council resources.
- 88 per cent of city pupils attend a school rated good or outstanding by Ofsted
- Attracting significant external funding to support the growth of the city and the regeneration of the city centre
- The council, as part of a joint venture, has led the comprehensive £120million Fletton Quays redevelopment project. This includes investment in an arts hub on site.
- Opportunity Peterborough assisted 14 businesses moving into the city, creating 1,903 jobs.
- A total of 2,685 jobs were created in the city in 2016/17
- Unemployment levels fell to 1,775 (1.4 per cent), over the same period the national rate went up from 1.8 per cent to 1.9 per cent.
- Developed a successful partnership with CityFibre to develop the city's full fibre networks, offering internet speeds 100 times faster than the UK average.
- Set up Vivacity which has increased the leisure and cultural offer in the city
- All the council's libraries remain open with extended opening hours. The council has also funded improvements to the city's museum and sports facilities and a new swimming pool at Hampton.
- Partnered with a highly-respected energy company to offer residents competitive energy tariffs saving city households a combined £1.5million since 2015.
- Constructed an Energy Recovery Facility which diverts up to 99 per cent, 85,000 tonnes annually, of non-recyclable domestic waste from landfill
- Completed a number of major highway projects to support the city's growth including Junction 20 of the Paston Parkway, Fletton Parkway and the Bourges Boulevard Corridor
- A new innovative approach to keeping children and families safe, the Family Safeguarding Service, will be piloted in Peterborough thanks to a successful bid for £2.6million from the Department for Education
- Jointly commissioned a new Integrated Lifestyle service with the NHS, which helps people reduce their risk of serious illness by changing to healthier behaviours.
- Launched the SaferPeterborough Prevention and Enforcement Service and established two Public Space Protection Orders to combat anti-social behaviour in the city
- Supported a devolution deal for Cambridgeshire and Peterborough which has already resulted in a multi-million investment to help establish an independent university in the city and support to build 200 much-needed affordable homes.
- One of the best areas of the country for housing stock growth - with more than 4,600 new homes built between 2011-16. To support this further the council, working with Cross Keys Homes, has set up company to build more homes in the city.
- Invested in community facilities such as The Green Backyard and Dementia Resource Centre.

4.7 **Supporting the council's residents through lower council tax**

Council tax has risen over the past two years in Peterborough, primarily to keep up with the increasing demand on the council's adult social care services due to the city's growing elderly population. The population for the aged over 65 category increased by 16 per cent between 2010 and 2016. This directly relates to increased spending on providing care home placements and supporting people in their own home. In just the past three years the council has seen an increase of 7.3 per cent and 2.1 per cent on these services.

However the council has made a concerted effort to keep council tax low to support residents who may also be facing difficult financial circumstances. To that end, council tax was frozen in four out of the past

seven years and means that Peterborough residents are paying one of the lowest council tax rates for a unitary authority in the country.

Residents in Peterborough pay £123 a year less in council tax than the average across other unitary authority councils (based on Band D).

4.8 **Revenue funding assumptions**

Table 1 sets out the funding assumptions agreed during the 2017/18 MTFS process:

- General council tax is assumed to increase at 1.9 per cent per year throughout the life of the MTFS.
- The full Adult Social Care Precept of 3 per cent will be levied in 2018/19 only. This would make the total Council tax increase in 2018/19 4.99 per cent, within referendum limit;
- Council tax base is increased to reflect the growth of the city, this equates to an average of 1,000 new homes built each year. There are a number of variables also taken into consideration for the tax base such as council tax support, council tax benefit and the banding of properties, of which Peterborough is largely weighted towards band A and B properties.
- NNDR are assumed to increase at 2.8 per cent in 2018/19, 3.5 per cent in 2019/20 and 2.1 per cent in 2020/21;
- RSG is assumed to reduce by 25 per cent of 2017/18 levels in 2018/19, and 32 per cent over 2018/19 levels in 2019/20

Table 1 – 2017/18 MTFS Funding analysis as at March 2017

	2018/19 £000	2019/20 £000	2020/21 £000
Council Tax	72,553	74,966	77,361
National Non-Domestic Rates *	44,883	46,446	47,439
Revenue Support Grant	15,056	10,246	10,246
Total Funding	132,492	131,658	135,046

*If S31 grants were added to this, then this figure would agree to the figure in Table 2, these have not been included as they are know figures rather than assumptions.

4.9 **Existing Medium Term Financial Strategy**

A full review has been carried out by service departments on the makeup of the base budgets contained in the 2017/18 MTFS for the 2018/19 to 2020/21 financial years.

Table 2 sets out the council's gross expenditure and income budgets over this period as well as the makeup of the growth and savings initiatives approved at council on 8 March 2017. This has formed the starting point for the work that is being carried out on the 2018/19 MTFS.

Table 2 - 2017/18 MTFS Budget

	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000
CORPORATE FUNDING				
National Non-Domestic Rates (inc section 31 Grants)	(42,911)	(45,275)	(46,854)	(47,834)
Revenue Support Grant	(19,821)	(15,056)	(10,246)	(10,246)
Council Tax	(68,361)	(72,553)	(74,966)	(77,361)
New Homes Bonus	(6,548)	(5,122)	(4,544)	(3,991)
Improved Better Care Fund	(354)	(2,986)	(5,345)	(5,345)
Additional funding for Adult Social Care	(3,523)	(2,260)	(1,121)	-
2017-18 Adult Social Care Support Grant	(797)	-	-	-
TOTAL CORPORATE FUNDING	(142,315)	(143,252)	(143,076)	(144,777)
PLANNED EXPENDITURE				
Net Service Expenditure	124,044	135,730	135,395	138,221
Pay Award	401	405	409	413
Inflation	1,331	1,313	1,363	1,859
Pressures	9,988	1,703	2,800	3,453
Departmental Budget Reductions	(6,386)	(1,601)	(522)	(792)
One Off Items	6,371	(2,154)	(1,224)	(1,120)
NET SERVICE EXPENDITURE	135,749	135,396	138,221	142,034
Treasury Management	12,434	25,567	24,775	30,270
Contribution to/from (-) Reserves	(7,194)	(4,250)	0	0
Parish Precepts	713	713	713	713
Drainage Board Levy	613	613	613	613
TOTAL CORPORATE EXPENDITURE	6,566	22,643	26,101	31,596
TOTAL PLANNED EXPENDITURE	142,315	158,039	164,322	173,630
DEFICIT/(SURPLUS)	0	14,787	21,246	28,853

4.10 **New revenue pressures and savings proposals included within phase one**

The council has been reviewing all budgets over the three year period of the MTFS to ensure that all known issues have been taken into account. As part of the process care has been taken to fully assess all one off savings and their applicability as the underlying concern has been to make sure budgets are sustainable over time.

Any reserves being used to support the 2018/19 budget have been added back into the position and over the three year period an additional £10million of pressures have been identified. Rebasing pressures include a number of budgets across the council where after careful analysis initiatives will not be delivered and as such it has been prudent to adjust the base budget accordingly.

Demographic and demand pressures includes £1.7million rising to £5.7million in relation to housing homeless families and £0.6million rising to £2.6million by 2020/21 for adult social care. Although there are no expected demand pressures for Children's Services this area should also be flagged as a potential risk.

Initial savings proposals have been tabled and these amount to £8.3million, £6.5million and £4.5million in the respective three year period, resulting in the overall deficit figure reducing to £35million at the end of the three year period.

Full detail of the proposals are set out in the following Appendices and summarised in **Table 3 and 4:**

Appendix A – Phase 1 Budget Pressures

Appendix B – Phase 1 Savings Proposals

Some of the key headline proposals included are:

- **Rising numbers of homeless households** - Over the past two years the fastest growing financial pressure on the council has been the dramatic and unprecedented rise in homeless households in the city. Similar increases are being seen across the UK. Peterborough has seen a 200 per cent rise in demand, this has meant that the council is supporting 328 families in temporary accommodation, creating a rising budget pressure of £1.7million in 2018/19.
- **Rising demand on adult social care services** - This service is facing unprecedented financial pressures resulting from reducing budgets, rising costs of care, increasingly complex needs and an ageing population. Growth in Peterborough's population between 2016 and 2036 will be 12.9 per cent, and is anticipated to be highest among older age groups, with predicted increases of 159 per cent in over 85s, 75.8 per cent in the 75-84 age group and 45.6 per cent in residents 65-74. Therefore an investment in 2018/19 and future years is proposed to manage increasing costs and demand on these services.
- **The Better Care Fund (BCF)** is, in part, used to offset the reduction in government grants to the local authority, ensuring the council can continue to provide vital services for those who need its care and support. Therefore as BCF is continuing the council can offset funding totalling £1.7million against the council's budget in each of the next two years. This is the same process that took place in 2017/18.
- **Peterborough Highway Services** - Peterborough Highway Services is a ten year partnership with Skanska to provide highway maintenance services. The council is currently in discussions with a number of councils to allow them access to the Peterborough Highway Services contract. This will allow these councils to contract Skanska using the city council's framework which will save them money on procurement costs. For allowing access to the framework there will be a fee due to the city council. Skanska will also pay the city council an annual fee. In addition, further efficiencies have been identified in the Peterborough Highway Services budget generating an annual saving of £0.340million from 2018/19.
- **Corporate Resources budget review** - A review of budgets held by the Resources directorate has identified a number of savings that do not result in changes to council services. This review has also identified previous savings, or income targets, that need to be updated. In total this review has identified a saving of £3.221million for 2018/19.
- **People and Communities budget review** - Ahead of the 2018/19 budget setting process there has been a comprehensive review of directorate budgets. This review has looked at changes in legislation, refreshing demographics and other changes required to services. The review has highlighted an ongoing annual funding pressure of £0.776million across the council's largest directorate - People and Communities - which includes services such as Children's Services, adult social care and education.
- **Agile working** - Previously, in the 2016/17 budget setting process, a £0.5million savings target was set against the roll-out of agile working across the council. However it is now clear that the benefits from agile working are more improvements to staff flexibility, work/life balance and an increased ability for officers to cope with growing workloads as demands on services increase. The council is now proposing to remove this saving which creates an ongoing pressure of £0.5million.
- **Estimated 2017/18 council tax surplus** - There will be growth in council tax income for the current financial year above predictions because of the city's rising population and construction of new homes. This has identified that the council can expect to receive a further £1.005million in 2017/18, which can be rolled forward to protect services during 2018/19.

Table 3- Budget Summary position

	2018/19 £000	2019/20 £000	2020/21 £000
2017/18 MTFS Gross Expenditure	443,728	450,948	461,447
2017/18 MTFS Income	(296,449)	(298,044)	(297,548)
2017/18 MTFS Net Budget	147,279	152,904	163,899
Total Funding	(132,492)	(131,658)	(135,046)
2017/18 MTFS Budget Gap	14,787	21,246	28,853
Add back use of Grant Equalisation Reserve	4,250		
Budget Gap without the Use of Reserves	19,037	21,246	28,853
Phase 1			
Rebasing the Budget and Pressures	2,390	2,333	2,218
Demographic and Demand Pressures	2,279	4,112	8,460
Legislative and Other Changes	188	197	205
Revised Budget Gap	23,894	27,888	39,736
Budget Reductions	(8,194)	(6,528)	(4,526)
Revised Deficit after Accounting for Phase One Budget Pressures and Reductions	15,700	21,360	35,210
Incremental Budget Gap	15,700	5,660	13,850

The following appendices outline further details on the budget position:

Appendix C- 2018/19 MTFS detailed position

Appendix D- 2018/19 MTFS by department and service

Table 4- Individual budget pressures and reductions

	2018/19 £000	2019/20 £000	2020/21 £000
CCTV upgrade project	(29)	(28)	(27)
Commercial Property Rental Income	(150)	(150)	(150)
SEND Funding update	144	144	144
Demand Management in Adults Social Care	604	1,442	2,616
Verge Parking	22	22	22
Rising Number of Homeless Households and Housing Needs	1,735	2,660	5,764
Estimated Council Tax surplus	(1,005)	-	-
METAL	50	50	-
Corporate Resources Budget Review	(3,221)	(2,666)	(2,342)
Coroner Service Budget	70	75	80
Agile Working Pressure	500	500	500
Legal Services Pressure	94	94	94
Pupil Referral Unit Budget Pressure	239	239	239
St George's Hydrotherapy Pool	14	2	2
People and Communities Senior Management Restructure	(180)	(180)	(180)
People and Communities Budget Review	776	776	776
Better Care Fund	(1,933)	(1,933)	(244)
Peterborough Highway Services - contract efficiencies	(340)	(340)	(340)
Peterborough Highway Services - commercial opportunities	(300)	(175)	(175)
Academisation	(149)	(125)	(105)
Mausoleum units sale	(64)	(64)	(64)
Public Health Budget	(208)	(223)	(247)
Environmental Health Food Safety	94	94	94
Planning Services	(100)	(100)	(100)
Grand Total	(3,337)	114	6,357

4.11 Capital Programme assumptions 2018/19-2027/28

The council's capital programme is viewed over a 10 year period to ensure correct stewardship of assets and efficient use of budgets. The council is proactive in attracting external funding for as many schemes as is possible. An officer-led Capital Review Group has been set up to oversee the council's capital requirements. In the past the council has had a very aspirational capital programme and in reality delivery has been in the magnitude of £80million per annum of schemes in recent years. This delivery level is reflected in the revised programme.

The present programme has been reviewed and **Table 5** below sets out the programme for the 10 year period split by Rolling Programme, One Off Schemes and Invest to Save Schemes.

Appendix E gives more detail on schemes detailed within the Asset Investment Programme Budget for 2018/19 - 2027/28

Table 5

Year	Rolling Programme £000	Core Programme £000	Invest to Save Programme £000	Total Spend £000
2018/19	28,820	99,495	23,485	151,800
2019/20	17,497	53,426	17,550	88,473
2020/21	17,262	13,197	-	30,459
2021/22	17,665	1,840	-	19,505
2022/23	16,946	700	-	17,646
2023/24	15,184	700	-	15,884
2024/25	15,473	700	-	16,173
2025/26	16,172	700	-	16,872
2026/27	16,172	700	-	16,872
2027/28	16,172	700	-	16,872

Any approved capital programme, depending on external resources, will require funding from council resources.

4.12 **Strategic approach to closing the budget gap**

The council will continue to review its budget pressures. The current budget gap contains a pressure of £5.8million for additional homelessness costs over three years. The gap does contain a direct pressure in excess of £4million of debt charges over five years to fund the additional circa £80million of borrowing over and above government grant to fund school places.

In order to close the remaining budget gap, the council will seek to:

- Become more commercial - identify more opportunities to generate revenue within the city even if it means borrowing capital to do so within the proposed restrictions included within the new prudential code, i.e. these must have a benefit to the council's purpose and cannot purely be for yield.
- Deliver services more efficiently and innovatively. For example, The Adolescent and Children's Trust (TACT) now manages all the council's fostering and adoption services. The partnership aims to reduce reliance on higher cost independent fostering and residential placements as well as provide improved training and 24/7 support for Peterborough foster carers. Sharing of services with neighbouring councils in the way already in place in areas such as trading standards, planning and children and adult services.
- Maximise external funding to deliver projects in the city. Examples of this already include the Family Safeguarding Service which is being piloted in Peterborough thanks to a successful bid for £2.6million from the Department for Education. The council can also maximise its use of s106 planning agreements.

Lastly the council will need to propose a series of budget reductions. Some of these will be in phase two of the budget, but it is anticipated that significant cuts will be proposed for 2019/20 in next year's budget process.

5 **CONSULTATION**

- 5.1 Cabinet has been working over a period of five months and several meetings with the Cross-Party Budget Working Group to seek views on all Cabinet budget proposals, including the opportunity to make alternative suggestions. As part of these meetings, the Budget Working Group explored options to commence consultation at the earliest opportunity.

The budget process will have two phases for Cabinet to put forward budget proposals, recommending

these proposals to two separate Council meetings. The first meeting held in December will be to consider the first phase of budget proposals. The second meeting will be the formal process to set out a lawful and balanced budget for the remaining budget proposals to be published on 5 January 2018 and recommended by Cabinet for approval by Council on 7 March 2018. This timeline is outlined in the following table:

	Phase 1	Phase 2
Consultation start date	10 November 2017	05 January 2018
Cabinet	20 November 2017	15 January 2018
Budget Joint Scrutiny Committee	29 November 2017	08 February 2018
Cabinet	04 December 2017	26 February 2018
Consultation close date	30 November 2017	22 February 2018
Council	13 December 2017	07 March 2018

5.2 **Stakeholder groups**

The following stakeholder groups will be contacted and offered a briefing on the budget position during the phase one consultation period, to enable residents, partner organisations, businesses and other interested parties to provide feedback on budget proposals and council priorities:

- Joint Budget Scrutiny Committee
- Discussion with the trade unions
- Discussion with the business community
- Borderline Peterborough Local Commissioning Group
- Peterborough Housing Partnership
- Disability Forum
- Connect Group
- Schools Forum
- Parish Councils
- Peterborough Community Assistance Scheme
- Youth Council
- Interfaith Council
- Muslim Council of Peterborough
- Older Peoples Partnership board
- Carers Board
- Churches Together
- Cambridgeshire Police and Crime Commissioner
- Cambridgeshire Fire and Rescue Service
- The Hospital and the CCG's

5.3 Hard copies of this report and all appendices including the phase one budget proposals and the Budget Consultation document will be available in all libraries and Town Hall and Bayard Place receptions. The council will also receive responses via an on-line survey on its website.

A copy of the phase one budget proposals will be published on the website, and will be available to all staff to enable them to provide responses.

The council will also promote the Budget Consultation through the local media and through the council's Facebook and Twitter accounts to encourage as many people as possible to have their say.

The council will look to repeat this approach with the phase two proposals to be released in early January 2018.

The Budget Consultation questions are outlined within the Budget Consultation document in **Appendix F**. This will form part of the hard copies available and the online survey.

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 Following the release of the first phase of budget proposals to address the financial gap, and outlining Peterborough's challenges and successes, Cabinet is seeking the opinions of all residents, partner organisations, businesses and other interested parties to understand which council services matter most. The Council must set a balanced budget for 2018/19 within the financial resources it will have next year and the feedback received will help inform Cabinet in considering budget proposals within the second phase.

7. REASON FOR THE RECOMMENDATION

- 7.1 The Council must set a lawful and balanced budget. The approach outlined in this report work towards this requirement.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 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.

9. IMPLICATIONS

Elected Members

- 9.1 Members must have regard to the advice of the Chief Finance (Section 151) Officer. The Council may take decisions which are at variance with this advice, providing there are reasonable grounds to do so.
- 9.2 Section 106 of the Local Government Finance Act 1992 applies whereby it is an offence for any Members with arrears of council tax which have been outstanding for two months or more to attend any meeting of the Council or its committees at which a decision affecting the budget is made, unless the Members concerned declare at the outset of the meeting they are in arrears and will not be voting on the decision for that reason.

Legal Implications

- 9.3 In terms of the Council's executive arrangements, the adoption of the Council's Budget is a role shared between the Cabinet and the Council, whereby the Cabinet (Leader) is responsible for formulating the budget proposals and full Council is responsible for then approving (or not) those proposals and setting the budget and council tax requirement.
- 9.4 For the remainder of the year, the principal purpose of the Budget is to set the upper limits of what the executive (Leader, Cabinet or officer under delegated executive authority) may decide to spend the Council's resources on. The Council cannot through the budget overrule an executive decision as to how to spend money, but the Budget will require the Cabinet to exercise their responsibilities for decision making so as not to make a decision where they are 'minded to determine the matter contrary to, or not wholly in accordance with the authorities budget'. This means that a decision that leads to excess expenditure, a virement from one budget heading to another over the amount allowed by Council in the Budget Book or expenditure of unexpected new money outside the Budget is required to have approval of the Council before the Leader and the Cabinet can make that decision.

- 9.5 When it comes to making its decision on 7 March 2018, 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.
- 9.6 The principle of fairness applies to consultation on the budget proposals, both consultation required under s65 of the Local Government Finance Act 1992 and more generally as proposed here, which operates as a set of rules of law. These rules are that:
- Consultation must be at a time when proposals are still at a formative stage;
 - The proposer must give sufficient reasons for any proposal to permit intelligent consideration and response;
 - Adequate time must be given for consideration and response; and
 - The product of consultation must be conscientiously taken into account in finalising any statutory proposals.
- 9.7 Added to which are two further principles that allow for variation in the form of consultation which are:
- The degree of specificity with which, in fairness, the public authority should conduct its consultation exercise may be influenced by the identity of those whom it is consulting; and
 - The demands of fairness are likely to be somewhat higher when an authority contemplates depriving someone of an existing benefit or advantage than when the claimant is a bare application for a future benefit.

Equalities Impact Assessments

- 9.8 All budget proposals published in the first phase of the budget process have been considered with regards to equalities issues and where appropriate equality impact assessments have been completed and available on the council's website.

10 BACKGROUND DOCUMENTS

- 10.1 None.

11 APPENDICES

- 11.1 Appendix A – Phase 1 Budget Pressures
Appendix B – Phase 1 Savings Proposals
Appendix C – 2018/19 MTFS detailed position
Appendix D – 2018/19 MTFS by department and service
Appendix E – Capital Programme Schemes
Appendix F – Budget Consultation Document

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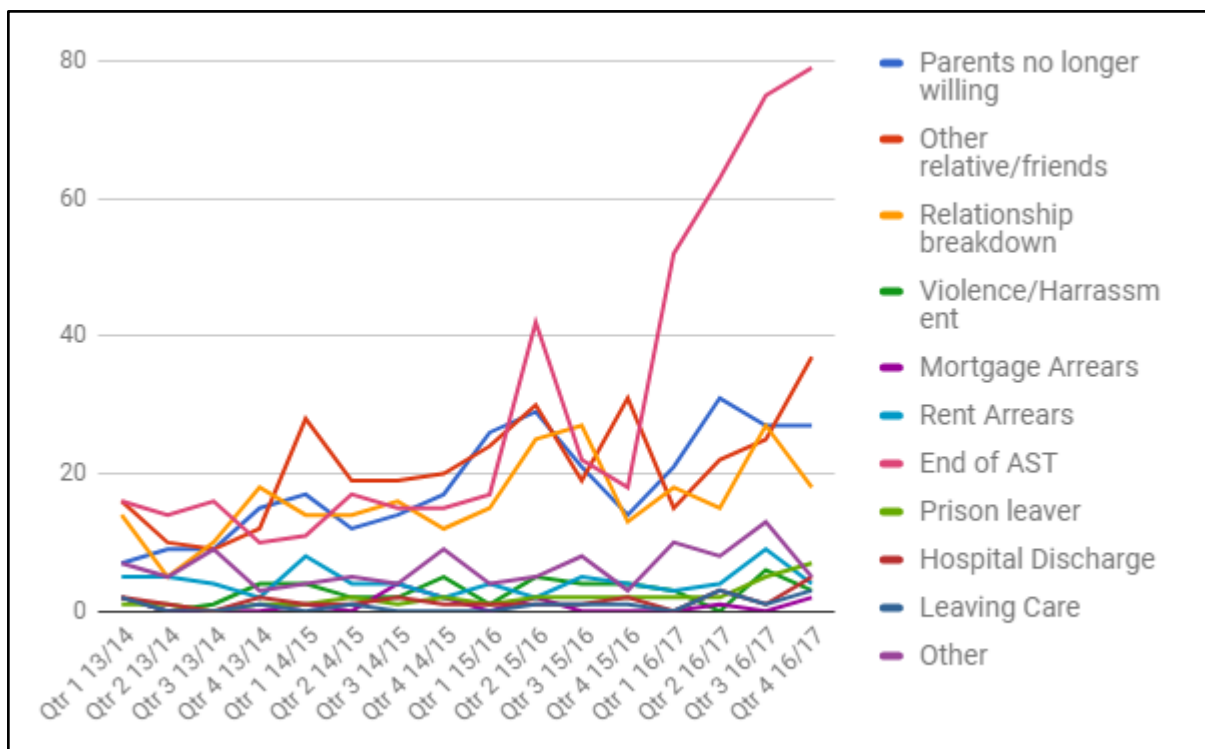
Appendix A - Phase One Budget Pressures

People and Communities

Rising numbers of homeless households

Over the past two years the fastest growing financial pressure on the council has been the dramatic and unprecedented rise in homeless households in the city. Similar increases are being seen across the UK.

Historically the main reason for becoming homeless had been the breakdown of a relationship or family/friends no longer willing to accommodate households while they secure suitable permanent accommodation. However currently the main reason for homelessness in Peterborough, and nationally, is private assured shorthold tenancies (AST) being ended by a landlord.



Vertical axis - The number of households accepted as homeless

As well as using social landlords to secure permanent properties for homeless households to whom the council accepts a full housing duty, since 2011 local authorities have been able to secure suitable accommodation in the private sector. Previously this combination of social and private landlords has met demand from homeless households, however this is no longer the case for a number of reasons:

- Recent increases in private rental costs while Local Housing Allowance rates have been frozen by the government has meant the majority of rental properties are no longer affordable for those households that claim benefits
- An increasing reluctance from landlords to accept households who are in receipt of support with housing benefits and Universal Credit. This is mainly because these benefits are paid in arrears
- Changes to taxation rules mean landlords with smaller portfolios no longer see it as profitable and are selling their properties

The use of private accommodation as suitable permanent accommodation for homeless families has therefore fallen to a very low level.

Other factors that have reduced permanent accommodation options include the government's right to buy policy and significant reductions in government funding to build new affordable homes. This means that at a time when the demand from households requiring assistance has been increasing, the availability of permanent accommodation options have been decreasing.

Therefore the use of temporary accommodation, in order to house homeless households until a permanent home can be secured, has increased and households are staying for longer. At the end of September 2017 the council was accommodating 328 households in temporary accommodation, compared to 97 just two years ago. This is currently exerting a significant financial pressure on the council.

Until recently the council used hostel accommodation to house homeless households until suitable permanent accommodation was secured. B&B-type accommodation was used as a short-term emergency placement, however as the number of homeless households presenting to the council has increased use of this type of accommodation has risen.

Responding to these pressures the council has increased the amount of temporary accommodation in the city and now has 216 units available. These increases include properties at St Michael's Gate (84) and Elizabeth Court (53).

Forecasts based on last year's demand indicate that, even with these increases to temporary accommodation in the city, there will still be a need for around 110 households to be accommodated in B&B type accommodation in 2017/18 at any one time. As well as being unsuitable accommodation for households, the use of B&Bs or equivalent is much more expensive for the council.

It is highly likely that the city will continue to see an increase in the number of households presenting to us for assistance. Reasons for this include:

- Universal Credit - being rolled out in Peterborough in November 2017 and pilot areas are reporting a 12 per cent increase in eviction action due to rent arrears. Therefore we are forecasting a similar increase from January 2018
- Homelessness Reduction Act 2017 - anyone accepted by the council as being threatened with homelessness within 56 days will be owed the new prevention duty which could include placing them into temporary accommodation at an earlier point in the process than is presently required. Government forecasts expect the Act, which becomes law on 1 April 2018, will increase demand by a further 26 per cent.

The government is providing a pot of funding (for the city council - £123,435 in 2017/18, £113,066 in 2018/19 and £129,943 in 2019/20) to councils to contribute towards the additional demands associated with the Homelessness Reduction Act.

The council is placing significant focus on increasing the supply of accommodation in the city to ease the current pressure. Through NPS Peterborough and Medesham Homes, both council joint venture property companies, the council is identifying a pipeline of units throughout the city which could be used for either temporary or permanent accommodation.

However even with potential new units, the growing number of factors set to further increase the number of households presenting as homeless to the council means it is necessary to significantly invest into this service to ensure the council is able to support those most in

need. This includes forecasting the continued use of B&B type accommodation over the next three years.

The council will continue to identify ways to reduce the predicted financial pressure and additional proposals may come forward in phase two of the 2018/19 budget setting process.

Pressure	2018/19 £k	2019/20	2020/21
Rising numbers of homeless households	1,605	2,595	5,764

Housing Needs

There is a need to increase staffing levels in the council's Housing Needs team given the unprecedented rise in the number of homeless households in the city.

Pressure	2018/19 £k	2019/20	2020/21
Housing Needs	130	65	-

Rising demand on adult social care services

Nationally adult social care is facing unprecedented financial pressures resulting from reducing budgets, rising costs of care, increasingly complex needs and an ageing population. The city council has not escaped these issues and itself is facing an enormous financial challenge in terms of providing care for those most vulnerable in our city.

Cambridgeshire Research Group's [population growth estimates](#) suggest overall growth in Peterborough between 2016 and 2036 will be 12.9 per cent, from 198,130 to 240,830 residents. Growth is anticipated to be highest among older age groups, with predicted increases of 159 per cent in over 85s, 75.8 per cent in the 75-84 age group and 45.6 per cent in residents aged 65-74.

In 2017/18 the council approved an increase to the adult social care budget by just over £2.3million to meet demands. However these demands have increased further and therefore adult social care will require more investment in order to cope with current and future pressures.

There continues to be a significant rise in in the number of self-funding residents (those that met the financial threshold) becoming fully funded by the council which contributes to the increased pressure on budgets in the city.

Other rising costs on the service relate to young people moving into adult social care services who often require high cost services to respond to complex needs.

One of the most significant financial pressures is the impact of the National Living Wage on homecare agencies which has increased rates the council is paying for services at a time when funding to councils has reduced dramatically.

Therefore an additional investment of £604,000 in 2018/19 is proposed to manage increasing costs and demand on adult social care services and to ensure residents receive the care that they need. This will then rise to £2.616million by 2020/21.

Pressure	2018/19 £k	2019/20	2020/21
Rising demand on adult social care services	604	1,442	2,616

St George's Community Hydrotherapy Pool

The St George's Community Hydrotherapy Pool has recently re-opened after investment by the city council and contributions from Inspire Peterborough and the Friends of St George's. The council remains committed to the pool and for 2018/19 a budget pressure of £14,000 has been identified after forecast fee income is taken into account. The city council has committed to build a brand new facility in the city to be open in 2019.

Pressure	2018/19 £k	2019/20	2020/21
St George's Community Hydrotherapy Pool	14	2	2

Pupil Referral Service

The city council has a statutory responsibility to provide education for pupils who are permanently excluded from school. In Peterborough there is a maintained Pupil Referral Service (PRS) that is responsible for this provision.

The PRS does not have planned admission numbers as it is not possible to specify how many pupils will attend at any one time. However to aid future planning purposes it is necessary to agree a notional number of pupils and to identify a new funding model for the service. This model has been benchmarked against costs from other councils.

The new arrangement includes all salary costs and will enable PRS to operate as a school and manage its own budget going forward. The process of creating this new funding model has identified an annual pressure of £239,000 for the service.

Pressure	2018/19 £k	2019/20	2020/21
Pupil Referral Service	239	239	239

SEND funding

The government introduced the SEND (Special Educational Needs and Disabilities) grant to provide additional support to local authorities following changes made by the 2014 SEND code of practice.

The notification of the grant is given at the end of the financial year and this creates a potential funding pressure on the council if it is discontinued by government. If this grant is discontinued then the council would support these activities and therefore potentially creates an additional annual revenue cost of £144,000.

Pressure	2018/19 £k	2019/20	2020/21
SEND funding	144	144	144

People and Communities budget review

Ahead of the 2018/19 budget setting process there has been a comprehensive review of directorate budgets. This review has looked at changes in legislation, refreshing demographics and other changes required to services.

The review has highlighted an ongoing annual funding pressure of £776,000 across the council's largest directorate - People and Communities - which includes services such as children's services, adult social care and education.

These pressures include:

- Education Support Grant (ESG) - ESG is funding that councils receive to fulfil statutory education duties. These services include school improvement and education welfare. Increasing numbers of schools converting to academies in the city has resulted in a reduction in ESG which needs to be reflected in the council's overall budget
- Care Act Funding - The Care Act placed a series of new duties and responsibilities on local authorities in relation to care and support for adults. These included providing information and advice and making sure the services people receive prevent their care needs from becoming more serious. The funding for Care Act responsibilities were only factored into the council's Medium Term Financial Strategy for one year which now need to be replicated in future years to ensure the council meets its obligations
- Changes in staff terms and conditions - This has meant that some residential staff are now entitled to shift premiums

Pressure	2018/19 £k	2019/20	2020/21
People and Communities budget review	776	776	776

Resources

Metal

The council intends to continue its support to arts organisation Metal by providing annual funding of £50,000 until 2019/20. At this point the group will be resident in the new arts hub, the former Whitworth Mill building on Fletton Quays, and will not require any future funding from the council.

To access the funding Metal must deliver a number of community arts projects in 2018/19 including at least one large scale public project in the city, bringing together a diverse range of local residents to participate.

Pressure	2018/19 £k	2019/20	2020/21
Metal	50	50	-

Environmental health - food safety

The council's Food and Health & Safety team carries out statutory food safety and health and safety regulatory compliance work. One of its roles is to inspect premises to check food hygiene standards and operating practices are safe.

Due to the city's growth there has been an increase in the number of businesses that require inspection. It is therefore proposed that the council recruits two additional environmental health officers to undertake food safety work at an ongoing annual cost of £94,000.

Pressure	2018/19 £k	2019/20	2020/21
Environmental health - food safety	94	94	94

Coroner Service

Coroner services for Peterborough and Cambridgeshire were merged in November 2015. Since then the service has seen an increase in caseload as the population and subsequently the number of registered deaths has increased.

From 2014 to 2016 the number of deaths registered across the area increased by 22.4 per cent. This mirrors an upward trend that has been seen nationally. Therefore to manage this rise it is proposed to increase funding to the service as set out.

Pressure	2018/19 £k	2019/20	2020/21
Coroner Service	70	75	80

Agile working

Since 2016, the city council has adopted an agile working programme to improve employee efficiency. The council will also be re-locating staff to Fletton Quays in 2018 and therefore there is a need to have embedded agile working ahead of this.

Previously, in the 2016/17 budget setting process, a £500,000 savings target was set against the roll-out of agile working across the council. However it is now clear that the benefits from agile working are more improvements to staff flexibility, work/life balance and an increased ability for officers to cope with growing workloads as demands on services increase. The council is now proposing to remove this saving which creates an ongoing pressure of £500,000.

Pressure	2018/19 £k	2019/20	2020/21
Agile working	500	500	500

Growth and Regeneration**Verge parking**

In March 2017 the Growth, Environment and Resources scrutiny committee endorsed the Verge and Pavement Parking Policy Document and agreed that any associated funding requirements be given priority.

In order to implement this scheme, additional funding of £22,000 per year is required from 2018/19. This will pay for the establishment of a city-wide Traffic Regulation Order (TRO), associated signage and additional Prevention and Enforcement Service officer capacity to enforce the TRO once individual areas of the city are activated.

Pressure	2018/19 £k	2019/20	2020/21
Verge parking	22	22	22

Governance**Legal services**

Legal services provides in-house advice and support across all departments at the city council. It also generates income by providing advice to other organisations in order to reduce the overall cost of the department. There has been an increase in costs to the department due to a 30 per cent increase in children's safeguarding work over the past year. These pressures, alongside a rise in the level of support required for special educational needs and disabilities (SEND) tribunals, are mirrored nationally.

Pressure	2018/19 £k	2019/20	2020/21
Legal services	94	94	94

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Appendix B - Phase One Savings Proposals

People and Communities

Academisation

In the 2017/18 budget process it was agreed to introduce a charge of £5,000 for every school converting into an academy to contribute towards the associated costs. This was based on benchmarking against a number of local authorities.

Since last year the academy agenda has accelerated nationally. The number of academy conversions has increased in Peterborough and will result in a financial pressure on the council if charges are kept at the current rate.

The council has a statutory duty to ensure that there is a TUPE consultation and that the land and/or buildings are leased to the incoming trust.

The Department for Education provides each school with a grant of £25,000 to cover the costs relating to conversion. Earlier this year however, the city council was turned down by the government for a grant to support academy conversion costs advising that funding had been allocated to councils with a larger number of converters.

It is now proposed to increase the charge to £10,000 per conversion from the start of 2018. Currently the council is forecasting that 16 schools will convert in 2018/19, 13 in 2019/20 and 11 in 2020/21. The figures below account for additional staff expenditure due to the volume of work and previously budgeted income from 2017/18.

Income generation	2018/19 £k	2019/20	2020/21
Academisation	(149)	(125)	(105)

People and Communities - senior management restructure

In June 2017 it was agreed, by a joint employment committee, that the Executive Director, Service Director and Assistant Director roles within the People and Communities directorate could be shared across the city council and Cambridgeshire County Council.

These new arrangements have resulted in increased capacity as well as a significant saving for the council of £180,000 annually.

Saving	2018/19 £k	2019/20	2020/21
People and Communities - senior management restructure	(180)	(180)	(180)

Better Care Fund

Peterborough's Better Care Fund (BCF) supports health and social care services to work closely together in the city. The BCF was announced in 2013 and introduced in April 2015.

The BCF budget is used predominately by Cambridgeshire and Peterborough Clinical Commissioning Group (CCG) and the city council to provide health and social care services in the city.

The BCF is, in part, used to offset the reduction in government grants to the local authority, ensuring the council can continue to provide vital services for those who need our care and support. Therefore as BCF is continuing the council can offset funding totalling £1,689,000 against the council's budget for each of the next two years. This is the same process that took place in 2017/18.

In addition the city council receives an Improved Better Care Fund (IBCF) - this funding is non-recurring, over three years and decreases over that period.

Therefore it's proposed to loan £2million of the 2017/18 IBCF funding to the council's joint venture housing development company, Medesham Homes. This would be used to purchase accommodation suitable for residents with a specified set of care needs. The use of this accommodation will reduce the cost of care packages to the council. In addition the council will receive commercial rate loan interest from the joint venture company.

Saving/income generation	2018/19 £k	2019/20	2020/21
Better Care Fund	(1,933)	(1,933)	(244)

CCTV upgrade project

In 2016 approval was given to upgrade the city council's existing CCTV system. The benefits of upgrading the system include improving the quality of images captured, reductions in maintenance charges and energy consumption as well as creating a more effective monitoring service. In order for CCTV to optimise the use of the CityFibre network there is a need to upgrade existing hardware.

The cost of the system upgrade is more than offset by the savings in maintenance. This will produce an annual saving to the council compared to current costs whilst improving the city's CCTV system.

Saving	2018/19 £k	2019/20	2020/21
CCTV upgrade project	(29)	(28)	(27)

Resources

Estimated council tax 2017/18 surplus

There will be growth in council tax income for the current financial year above predictions because of the city's rising population and construction of new homes. This has identified that the council can expect to receive a further £1.005million in 2017/18, which can be rolled forward to protect services during 2018/19.

The council is required to finalise the council tax collection fund position in January so any further updates will be included in phase two of the budget setting process.

Saving	2018/19 £k	2019/20	2020/21
Estimated council tax 2017/18 surplus	(1,005)	-	-

Mausoleum units sale

It is proposed to construct new mausoleum units for sale, to meet demand and generate income. The proposal follows a successful project at Fletton Cemetery with all units sold.

It is believed that future demand can be met on land identified at both Eastfield and Fletton cemeteries.

Income generation	2018/19 £k	2019/20	2020/21
Mausoleum units sale	(64)	(64)	(64)

Resources budget review

A review of budgets held by the Resources directorate has identified a number of savings that do not result in changes to council services. This review has also identified previous savings, or income targets, that need to be updated. In total this review has identified a saving of £3,221,000 for 2018/19 which includes the following proposals:

- Inclusion of income generated through a council loan to construct Fletton Quays hotel
- A local lottery for Peterborough will now not go ahead and previous savings need to be removed from the budget. This is because the council needs to focus its effort on strategic items, such as social care provision and homelessness, and therefore the timing is no longer right for this project to go ahead
- Following a review of the council's capital programme (borrowing to predominantly fund infrastructure costs), the amount set aside in the budget to meet financing costs has been reduced
- Part of the budget set aside for pension auto-enrolment is no longer anticipated to be required and therefore some of this is being released to ease the council's budget pressures. There has also been an underspend in the council's pension strain budget - which compensates for lost contributions when a member of staff (55+) takes redundancy - which again will be used to help tackle the council's financial challenges

- It is proposed to reduce the council's inflation contingency budget - with funds released to support financial pressures
- As the review into the Amey contract is ongoing the £100,000 saving highlighted in 2017/18 is being removed. Savings targets for bin sponsorship have also been removed

Saving/income generation	2018/19 £k	2019/20	2020/21
Resources budget review	(3,221)	(2,666)	(2,342)

Growth and Regeneration

Peterborough Highway Services - commercial opportunities

The council is currently in discussions with a number of councils to allow them access to the Peterborough Highway Services contract. This will allow these councils to contract Skanska using the city council's framework which will save them money on procurement costs. For allowing access to the framework there will be a fee due to the city council. Skanska will also pay the city council an annual fee.

Currently the council expects this to generate £300,000 in 2018/19 and £175,000 in subsequent years until 2022/23. Any changes to this proposal will be reflected in phase two.

Income generation	2018/19 £k	2019/20	2020/21
Peterborough Highway Services - commercial opportunities	(300)	(175)	(175)

Peterborough Highway Services - contract efficiencies

Peterborough Highway Services is a ten year partnership with Skanska to provide highway maintenance services. At the start of the partnership in October 2013, efficiency savings totalling £7.5million over ten years were agreed, totalling £750,000 per year.

Further efficiencies have been identified and the revenue budget can be reduced by a further £280,000 annually from 2018/19. A further £10,000 will be saved from the ongoing ancillary budget. These proposals would increase efficiency savings to more than £10million over the course of the Peterborough Highway Services contract.

The city council maintains over 350 bridge structures and a review has identified a recurring underspend of £50,000 on the annual maintenance budget which will now be removed to support other services.

Saving	2018/19 £k	2019/20	2020/21
Peterborough Highway Services - contract efficiencies	(340)	(340)	(340)

Planning services

In March 2017 the government set out proposals to increase council planning fees by 20 per cent. This was offered by the Department of Communities and Local Government as part of a housing white paper released a month earlier, and is expected to be implemented shortly.

As a condition is to re-invest additional income in the service there will be increased expenditure in the department, for example staff costs. However, there will be a saving for the council against departmental overhead costs of £100,000 annually whilst at the same time strengthening planning services offered.

Saving	2018/19 £k	2019/20	2020/21
Planning services	(100)	(100)	(100)

Commercial property rental income

The council owns a number of commercial properties in the city which it rents out to generate income to protect services.

A review of income levels shows that the council's commercial property has performed better than previously forecast and therefore it is proposed to increase the income target by £150,000. These increased income levels are already being achieved.

Income generation	2018/19 £k	2019/20	2020/21
Commercial property rental income	(150)	(150)	(150)

Public Health

Public health budget

Peterborough City Council receives a ring-fenced health grant to fund a range of public health commissioned services. The level of grant received in 2017/18 was £11,196,000 and the forecast reduction for 2018/19 is 2.6 per cent which equates to £291,000.

Peterborough also receives less grant per head compared to the national average. The grant must be spent on preventative activities of which the primary purpose is to improve health.

The city council has protected public health funding as this specific grant has been cut previously, however savings now need to be identified.

Some of the larger public health contracts have savings built in, such as the drug and alcohol misuse contract and the Solutions for Health contract. These total £94,000 in 2018/19 increasing to £150,000 in 2020/21.

Other ongoing savings totalling £136,000 have also been identified which include removing a recurring underspend, reducing public health marketing spend on print advertising, identifying new streams of funding for projects and ongoing efficiencies of the city council and county council running a joint public health team.

There is also a financial pressure against the public health grant due to expanding the provision of free of charge emergency contraception from pharmacies, which is factored into the savings below.

Saving	2018/19 £k	2019/20	2020/21
Public health budget	(208)	(223)	(247)

Appendix C - Detailed MTFs

	Dept	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
NNDR		(42,911)	(45,274)	(46,854)	(47,834)
Revenue Support Grant		(19,821)	(15,056)	(10,246)	(10,246)
Council Tax		(68,361)	(73,558)	(74,966)	(77,361)
New Homes Bonus		(6,548)	(5,122)	(4,544)	(3,991)
Improved Better Care Fund		(354)	(2,986)	(5,345)	(5,345)
Additional funding for Adult Social Care		(3,523)	(2,260)	(1,121)	-
2017-18 Adult Social Care Support Grant		(797)	-	-	-
TOTAL CORPORATE FUNDING		(142,315)	(144,256)	(143,076)	(144,777)
PLANNED EXPENDITURE					
Net Service Expenditure		124,044	135,749	134,497	139,177
Pay Award	ALL	401	405	409	413
Inflation	ALL	1,331	940	1,363	1,859
Budget Pressures identified:					
Arboriculture- Tree and woodland h&s	G&R	422	(272)	-	-
Adult Social Care Cost Drivers & Demog	P&C	2,972	1,515	1,856	2,036
Homelessness	P&C	-	1,735	925	3,104
National Fund'g Formula- removal of ESG	P&C	1,142	(149)	24	20
National Living Wage (NLW)	P&C	561	565	564	1,566
Dedicated Schools Grant	P&C	500	-	-	-
Home to School Transport	P&C	446	(89)	(19)	-
Pressure to Public Health Grant	PH	283	291	284	-
ICT	RES	796	(305)	(37)	67
Other Growth Bids	ALL	2,866	2,336	1,003	964
Budget Reductions:					
Concessionary Fares	G&R	(486)	48	60	60
Energy from Waste	G&R	(451)	(68)	(156)	(570)
Peterborough Highway Services	G&R	-	(640)	125	-
Managing Demand - Front Door Project	P&C	(2,700)	-	-	-
Perm Service / children's placement costs	P&C	(650)	(250)	-	-
Clare Lodge	P&C	(250)	-	-	-
Direct Revenue Funding (DRF) Review	P&C	(519)	22	24	23
Serco - Insight & Analytics / Front Door	P&C	(48)	(421)	189	-
Shared Mgmt Structure with CCC	P&C	(45)	(135)	-	-
Public Health Savings	PH	-	(208)	(15)	(24)
Pension Auto-enrolment	RES	-	(751)	-	-
Vivacity	RES	(70)	(170)	-	(50)
Peterborough Serco Strategic Partnership	RES	123	(5)	-	(11)
Terms & Conditions	ALL	(174)	-	8	6
Other Savings	ALL	(1,116)	(1,559)	(703)	(59)
One Off Items:					
Peterborough Highway Services	G&R	240	210	-	-
Better Care Fund	P&C	2,562	(1,599)	-	1,689
Adult Social Care Additional Funding	P&C	3,523	(1,263)	(1,139)	(1,121)
Unaccompanied Asylum Seeking Children	P&C	600	(600)	-	-
Customer Experience Prog- Resourcing	P&C	(507)	(967)	-	-
Housing stock survey	P&C	-	85	(85)	-
Private enforcement- Kingdom	P&C	(47)	47	-	-
NET SERVICE EXPENDITURE		135,749	134,497	139,177	149,149
CORPORATE EXPENDITURE *		6,566	25,459	25,259	30,838
TOTAL PLANNED EXPENDITURE		142,315	159,956	164,436	179,987
Revised Deficit/(Surplus) after accounting for Phase One Budget Pressures and reductions		0	15,700	21,360	35,210

*Corporate Expenditure includes treasury management, that will be further reviewed in Phase 2.

Nb the budget pressures and reductions are not incremental, they are year on year.

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Appendix D – MTFs detailed by Department

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
NNDR	(42,911)	(45,274)	(46,854)	(47,834)
Revenue Support Grant	(19,821)	(15,056)	(10,246)	(10,246)
Council Tax	(68,361)	(73,558)	(74,966)	(77,361)
New Homes Bonus	(6,548)	(5,122)	(4,544)	(3,991)
Improved Better Care Fund	(354)	(2,986)	(5,345)	(5,345)
Additional funding for Adult Social Care	(3,523)	(2,260)	(1,121)	-
2017-18 Adult Social Care Support Grant	(797)	-	-	-
TOTAL CORPORATE FUNDING	(142,315)	(144,256)	(143,076)	(144,777)
PLANNED EXPENDITURE				
Chief Executives	1,591	1,607	1,607	1,607
Governance	4,359	4,523	4,528	4,533
Growth & Regeneration	24,916	23,546	24,104	24,280
People & Communities	82,416	82,040	84,366	91,685
Public Health	206	289	558	534
Resources	22,261	22,492	24,014	26,510
NET SERVICE EXPENDITURE	135,749	134,497	139,177	149,149
CORPORATE EXPENDITURE *	6,566	25,459	25,259	30,838
TOTAL PLANNED EXPENDITURE	142,315	159,956	164,436	179,987
Revised Deficit/(Surplus) after accounting for Phase One Budget Pressures and reductions	0	15,700	21,360	35,210

*Corporate Expenditure includes treasury management, that will be further reviewed in Phase 2.

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Appendix E- Asset Investment Programme Budget & Funding Summary 2018/19 to 2027/28

Project	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2018 to 2023 Total 5 Yrs		2018 to 2028 Total 10 Yrs	
	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Corp. Res. £000	3rd Party Inc. £000	Corp. Res. £000	3rd Party Inc. £000
Rolling Programme														
Disabled Facilities Grant	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	2,355	4,645	4,710	9,290
Supporting the Council's MTFP - Asset Disposals - Programme Delivery - QUARTERLY REPORTS	500	500	500	500	500	500	500	500	500	500	2,500	-	5,000	-
Local Transport Plan & Integrated Transport Programme	2,342	2,113	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	3,015	7,179	5,545	14,214
Strategic Property Portfolio Asset Management Plan	2,335	197	235	581	375	369	541	440	440	440	3,037	687	4,355	1,598
ICT Projects	4,371	2,598	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	14,469	-	26,969	-
Other Council Building Spend	3,593	1,165	1,190	1,247	1,283	1,278	1,395	1,325	1,325	1,325	8,655	177	15,303	177
Repair Assistance	1,240	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	5,320	-	10,420	-
Structural Bridge Works	3,930	330	330	330	330	330	330	330	330	330	5,167	83	6,817	83
Schools Capital Reserve	800	800	800	800	250	250	250	250	250	250	3,450	-	4,700	-
Schools Direct Spend	458	458	458	458	458	458	458	458	458	458	-	2,290	-	4,580
Leisure Trust - Property	1,225	350	350	350	350	350	350	350	350	350	2,625	-	4,375	-
Health & Safety Adaptations - Disabled Access	150	150	150	150	150	150	150	150	150	150	750	-	1,500	-
Play Areas Improvement Programme	185	185	185	185	185	185	185	185	185	185	925	-	1,850	-
Aids and Adaptations	216	216	216	216	216	216	216	216	216	216	1,080	-	2,160	-
Waste Management Strategy	80	80	80	80	80	80	80	80	80	80	400	-	800	-
Highways Capitalisation	250	250	250	250	250	-	-	-	-	-	1,250	-	1,250	-
PCC Footway Slab Replacement Programme 2015/2016 (Ring Fenced)	230	170	170	170	170	170	170	170	170	170	910	-	1,760	-
Peterborough Delivery partnership projects	500	500	500	500	500	500	500	500	500	500	2,500	-	5,000	-
Street Lighting column replacement programme	-	-	-	-	-	-	-	870	870	870	-	-	2,610	-

APPENDIX E

Project	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2018 to 2023 Total 5 Yrs		2018 to 2028 Total 10 Yrs	
	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Corp. Res. £000	3rd Party Inc. £000	Corp. Res. £000
PCC Capital Highway Maintenance Schedule	5,015	5,015	5,015	5,015	5,015	3,515	3,515	3,515	3,515	3,515	11,145	13,930	14,790	27,860
Rolling Programme Total	28,820	17,497	17,262	17,665	16,946	15,184	15,473	16,172	16,172	16,172	69,552	28,637	119,914	57,448
Core Programme														
Street Lighting LED Project	2,400	-	-	-	-	-	-	-	-	-	2,400	-	2,400	-
Jack Hunt Expansion	2,742	-	-	-	-	-	-	-	-	-	1,792	950	1,792	950
Nene Park Academy Expansion	2,750	-	-	-	-	-	-	-	-	-	-	2,750	-	2,750
Clare Lodge	59	-	-	-	-	-	-	-	-	-	-	59	-	59
Bourges Boulevard Phase 2	1,000	-	-	-	-	-	-	-	-	-	-	1,000	-	1,000
OBA Expansion	2,750	-	-	-	-	-	-	-	-	-	-	2,750	-	2,750
New School Places	1,824	550	500	500	-	-	-	-	-	-	2,774	600	2,774	600
New build of a Household Recycling Centre in Peterborough	700	-	-	-	-	-	-	-	-	-	700	-	700	-
Oakdale Primary 1 FE Expansion	2,500	-	-	-	-	-	-	-	-	-	463	2,037	463	2,037
Capital Maintenance on Schools	600	600	400	800	400	400	400	400	400	400	2,200	600	4,200	600
Fletton Quays Site Development and Preparation	1,010	-	-	-	-	-	-	-	-	-	1,010	-	1,010	-
Second extension to Heltwate Special School	9,880	2,000	-	-	-	-	-	-	-	-	7,880	4,000	7,880	4,000
Aquisition of Whitworth Mill	3,568	-	-	-	-	-	-	-	-	-	2,068	1,500	2,068	1,500
Paston Reserve School	1,000	5,000	967	-	-	-	-	-	-	-	339	6,627	339	6,627
Public Realm	10,357	4,000	-	-	-	-	-	-	-	-	14,357	-	14,357	-
Future Primary MTFs	9,000	4,000	-	-	-	-	-	-	-	-	11,052	1,948	11,052	1,948
Woodston Phase 2	3,500	500	-	-	-	-	-	-	-	-	4,000	-	4,000	-
North Westgate Development	4,000	10,000	-	-	-	-	-	-	-	-	14,000	-	14,000	-
ROADS & BRIDGES (including footpaths)	51	-	600	-	-	-	-	-	-	-	651	-	651	-

APPENDIX E

Project	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2018 to 2023 Total 5 Yrs		2018 to 2028 Total 10 Yrs	
	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Corp. Res. £000	3rd Party Inc. £000	Corp. Res. £000
Other Schools	167	167	214	167	-	-	-	-	-	-	715	-	715	-
Future Secondary MTFS	7,300	7,047	-	-	-	-	-	-	-	-	1,315	13,032	1,315	13,032
St Georges Refurb	1,200	-	-	-	-	-	-	-	-	-	700	500	700	500
Growth & Regeneration - Other Infrastructure	4,907	-	-	-	-	-	-	-	-	-	4,907	-	4,907	-
Marshfields School	2,500	-	-	-	-	-	-	-	-	-	900	1,600	900	1,600
Schools Private Finance Initiative (PFI)	200	200	200	200	200	200	200	200	200	200	1,000	-	2,000	-
Adults Social Care Transformation	151	-	-	-	-	-	-	-	-	-	151	-	151	-
Adults Social Care ICT	735	-	-	-	-	-	-	-	-	-	735	-	735	-
LTP CMDN Bridges Annex 3	350	-	-	-	-	-	-	-	-	-	278	72	278	72
Car Parks	100	100	100	100	100	100	100	100	100	100	500	-	1,000	-
PCC Capital Highway Maintenance 2016/2017	230	-	-	-	-	-	-	-	-	-	-	230	-	230
MTFS A1139 Frank Perkins Parkway	400	250	-	-	-	-	-	-	-	-	650	-	650	-
Werrington Brook	20	-	-	-	-	-	-	-	-	-	-	20	-	20
UTMC and Urban traffic Control route	160	-	-	-	-	-	-	-	-	-	140	20	140	20
Hampton Gardens Primary No 1 of 2	5,940	2,000	-	-	-	-	-	-	-	-	1,000	6,940	1,000	6,940
Academies	25	-	-	-	-	-	-	-	-	-	25	-	25	-
Great Haddon	-	100	4,342	-	-	-	-	-	-	-	2,494	1,948	2,494	1,948
Roxhill Primary	3,000	500	-	-	-	-	-	-	-	-	-	3,500	-	3,500
KS2 Pupil Referral Unit relocation	500	-	-	-	-	-	-	-	-	-	500	-	500	-
Paston Reserve Secondary	5,000	15,000	5,839	-	-	-	-	-	-	-	13,890	11,948	13,890	11,948
Crematoria/Cemeteries Development	-	1,412	35	73	-	-	-	-	-	-	1,520	-	1,520	-
Phase 2 London Road Community Stadium Project - Design/Technical Study London Road Terrace	982	-	-	-	-	-	-	-	-	-	982	-	982	-
Street Lightning	5,939	-	-	-	-	-	-	-	-	-	5,939	-	5,939	-

Project	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2018 to 2023 Total 5 Yrs		2018 to 2028 Total 10 Yrs	
	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Corp. Res. £000	3rd Party Inc. £000	Corp. Res. £000
Total Core Programme	99,495	53,426	13,197	1,840	700	700	700	700	700	700	104,026	64,631	107,526	64,631
<u>Invest to Save Programme</u>														
Customer Experience (Part I2S)	2,235	-	-	-	-	-	-	-	-	-	2,235	-	2,235	-
Invest to Save	14,000	-	-	-	-	-	-	-	-	-	14,000	-	14,000	-
8 x 8 Telephony Service	1,000	-	-	-	-	-	-	-	-	-	1,000	-	1,000	-
Invest to Save - AXIOM	5,250	17,550	-	-	-	-	-	-	-	-	22,800	-	22,800	-
IOT and Assistive Technologies - Invest to Save	1,000	-	-	-	-	-	-	-	-	-	1,000	-	1,000	-
Total Invest to Save	23,485	17,550	-	-	-	-	-	-	-	-	41,035	-	41,035	-
Total Existing Budget	151,800	88,473	30,459	19,505	17,646	15,884	16,173	16,872	16,872	16,872	214,613	93,268	268,475	122,079

*Some line items include rounding issues of £1k

Appendix F - Budget Consultation

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

People will be able to give their opinions by completing an online survey on the city council website - www.peterborough.gov.uk/budget. Hard copies of the consultation document will also be available from the receptions of the Town Hall, Bayard Place and all city libraries.

The consultation will close on Thursday 30 November 2017. Cabinet will consider comments on Monday 4 December and Full Council will debate the phase one proposals on Wednesday 13 December 2017.

The consultation will ask the following questions:

1. Do you have any comments to make about the phase one budget proposals?

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2. Having read the phase one proposals document, how much do you now feel you understand about why the council must make total savings of almost £24million in 2018/19 and almost £40million by 2020/21? Tick the answer you agree with.

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

3. If you have any specific ideas about how the council can save money or generate additional income to protect services, please state these here:

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

Are you?

- Male

- Female

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

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

Which of these age groups do you fall into?

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

What is your ethnic group?

- A White**
English/ Welsh/ Scottish/ Northern Irish/ British
Gypsy or Irish Traveller
Any other white background
- B Mixed/ multiple ethnic groups**
White and Black Caribbean
White and Black African
White and Asian
Any other mixed/ multiple ethnic background
- C Asian/ Asian British**
Indian
Pakistani
Bangladeshi
Chinese
Any other Asian background, write in
- D Black/ African/ Caribbean/ Black British**
African
Caribbean
Any other Black/ African/ Caribbean background
- E Other ethnic group**
Any other ethnic group

Do you consider yourself to have a disability?

Yes.....

No

Thank you for taking the time to complete this survey

Please hand this completed questionnaire into either the reception desks of the Town Hall or Bayard Place. Alternatively they can be returned by post to: Communications Team, Peterborough City Council, Town Hall, Bridge Street, Peterborough, PE1 1HG.

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Consultation Feedback

- 1.1. This document contains:
- A summary of consultation responses received to date
 - A list of all consultation responses received to date.

Consultation Response

- 1.2. This note contains all Phase 1 Consultation responses received as at 20 November 2017. A summary of the 28 responses received to date is given in this section.
- 1.3. **Question 1** - 7 respondents answered question 1 which was '*Do you have any comments to make about the first round budget proposals?*'

Response	Number of Responses
Positive	3
Neutral	8
Negative	13
Total	24

- 1.4. **Question 2** – Respondents were asked, after having read the consultation document, how much they understood the Council's proposals. Answers can be broken down as follows:

Response	Number of Responses
A great deal	6
A fair amount	16
Not very much	2
Nothing at all	3
Blank	1
Total	28

- 1.5. **Question 3** – Of the 28 responses received, 23 answered question, which was '*If you have any specific ideas about how the council can save money and protect services, please state these here:*'. A list of subjects raised is given below.

Response Theme
Council Tax Increase
Officer Pay and Councillor Allowances
Sale of property and use of empty properties
Homelessness and Temporary accommodation
Reduction in spending
System Efficiency

Feedback from the Budget Conversation Survey

1.6. The table below details the feedback received from the online survey and cabinet responses

	Do you have any comments to make about the first phase budget proposals?	Having read the phase one proposals document, how much do you now feel you understand about why the council must make total savings of almost £24million in 2018/19 and almost £40million by 2020/21?	If you have any specific ideas about how the council can save money or generate additional income to protect services, please state these here:
1	Think they need to be looked at again.	Not very much	Look at the top and go down. do we really need to pay a chief exec the current amount.
2	Council tax should not go up 5% only 2%. I am an O A P and my income does not go up. If you knew how to run a business what you should do is get all your debts in. You do not follow up debts just write them off. It is disgusting.	Not very much	Get in money owed, ring up people and arrange payments monthly. How many car fines etc are not paid.
54 3	Making cuts in public health is ridiculous. Having good public health campaigns helps reduce admission to hospital. It encourages people to consider even starting to look and make changes to one health.	A fair amount	You can't turn the clock back. Council tax should never have been frozen in the past. If this was kept to 1 or 2% you wouldn't have some of the issues you have now. Need to start investment in services not cut backs. Lack of social care causes further admission to hospital. Don't spend money on fancy products. Like Westgate. That money can be ploughed back into much needed services. Looking at more economical and better tendering services for the planned crossing by Rhubarb bridge and just not going with Skasna.
4	Look for excuses for raising taxes instead of looking for savings. In the next election find another job- you are thieves!!!		liquidate the corruption in the city council
5		A fair amount	Pay councillors less

6	<p>Would be nice to have the comparison alongside this budget vs. the last one to see the difference.</p>	<p>A fair amount</p>	<p>Sell land to build on. There's a lot of land near Castor that would be ideal.</p>
7	<p>Every year people like me who don't have her own house who have salary around 18000 annual , who have family , are experiencing continuous increases .This situation when you cannot buy something for child because ,you need to choice or buy food or pay bills. Because this is how life begins to look like, you have to choose wisely. Prices in stores are rising, energy prices are rising, fuel is rising, children are growing and clothes for them do not become cheaper or even grow with them . And now Council expecting that we will be pay more . Then why I pay tax in my income . Now is the time to think about how to stop squeezing people out of money . Maybe you need stop investing on something . People are tired . Very tired .</p>	<p>Nothing at all</p>	<p>First look on your spending, first try sell some buildings or places they stand empty or not used . It may be time for families or children to become interested in their parents' fate .</p>
8	<p>There is a lot of detail and it's not easy to 'see the woods for the trees'; that is without spending a good deal of time assessing each element. A major drain on resources appears to be the increase in homelessness. In addressing this, the Council will no doubt give as much attention to the causes as to the effects; that is on the basis that a study of the former can be done with intention to solve / remove, and the latter from compassion on the affected.</p>	<p>A fair amount</p>	<p>The Council could combine with other Councils around the country to address to Government the evident deficiencies surrounding entitlement of the ordinary person to hold decent accommodation securely. Security may come with ownership of land / property as one method, but an increasing number cannot afford the deposit attaching to such method. It should not be beyond wit of those assuming authority on behalf of the greater whole to come up with another method of secure holding of property and a roof over one's head [Assured Shorthold Tenancy (AST) in the hands of private landlords not - from the budget graphs - being a good 'other method']. Suggestion is made that Councils (including Peterborough) advocate upon Government, and urge acceptance - between themselves as Councils Together Making Common Cause for Reducing Homelessness, the imposition of a LAND TAX, annually taxing land (and thereby any property sitting upon it) so long as that land is characterised by being held for purposes of private speculation out of use, or not</p>

56			<p>sensibly developed for use; and that such tax be graduated from high to lower level on the basis that the longer any assured tenancy is granted to any tenant by whatever private landlord is involved, the lower the tax will be the longer the tenancy term. If any landlord is not able to accept such tax (whether for long or short tenancy), and seeks to dispose of / sell his property to escape the tax, then the relevant Council should have right of first refusal to pay off that landlord to reduced reasonable extent, take over the land / property, and let it out at sensible rate, imposing instead the tax on the tenant who could stay therein for however long as the taxes and associated services are paid, the tenant being under obligation to maintain the property in good condition (who would through the entire conception have real interest in staying resident and keeping the property up to standard). In this embracing way, longer tenancies would arise and tax / income would arise for the relevant Council and community. It is to be supposed that that local Councils cannot raise such a tax - but with the problems recited in the budget proposals being no doubt typical of other Councils besides Peterborough, any sensible Councillor should be willing to unionise effort through working with other area and city Councils to rebel against the notion that poverty of an unfortunate group in our midst is part and parcel of life. It is an abhorrence to be addressed instead of trying to budget for it as if it were part of the nature of community life.</p>
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APPENDIX H

9	As long as my CT bill is reduced I'm not fussed.	A great deal	Cut every service. Do away with the council. You can't expect CT payers to keep on funding rubbish schemes.
10	Is it fair to ask residents to pay extra for homeless/ unemployed when they themselves rely on us to pay their dues. Someone needs to walk around the town centre on any given weekday to see the extent of the problem. Surely some effort should be made to re employ them and not expect us to pay.	A fair amount	Employ the homeless/unemployed to clean the town as recompense for the house we are paying for, thereby saving on street cleaning etc
57 11	It's good to see some areas recognised as valuable and under resourced, like Environmental Health who keep the food we eat safe, but I think there is insufficient focus on the broad inefficiencies in many areas - for example the process for mileage claims relies on form filling, printing, unhelpful rejections for bureaucratic reasons and wasted officer time that costs much more than the claim. Changing systems to be more efficient rather than losing staff should be the focus.	A fair amount	Change inefficient systems.
12	The Council is stuck between a rock and a hard place.	A fair amount	
13	I do not feel that this council who are mostly the same as the Government Conservatives. are not making this situation clear to them and requesting more. This country is not Broke we give so much to countries abroad, not those affected by Natural Disasters. But others who are not in as much need. We give Billions and then we are told we have to cut back. fight for yourselves and your residents who are constantly being told we have to cut back.	A fair amount	Get it from central government cut back what we are giving in to those who are not in dire need. Otherwise put our Rates up!!!

14	I don't agree with council tax increase!	A fair amount	
58 15	<p>firstly, budget by your means. secondly, prioritise - what is NEEDED and what is "WANTED". but thirdly, with regard to homelessness, the stats show this is due to short hold tenancies and people unable to afford "private market". I am curious as to whether the council have looked in detail at the costs of increasing housing benefit for those who are willing to go through a private landlord? i feel this could be a cheaper alternative to buying many houses at market price. It seems right now, savings are needed and while people live in poverty council tax will continue to rise forcefully by 4.99% each year just to avoid that referendum knowing the council would lose. Why can the council choose where money is spent and at times "wasted" BUT the families you hit with £50 PLUS on an increased council tax bill have no choice? If the families you are hitting with these increases are already struggling, you could potentially make them homeless, make them ill and force MORE strain on your own systems. Personally i believe your budget is flawed and is a massive vicious circle. Also your stats suggest council tax in Peterborough is LOW but in brackets for band D - so basically the rich gets cheaper rates? makes sense?</p>	A fair amount	<p>Increase housing benefit for those who will accept private rented accommodation, this will remove the strain on higher payments for "short term emergency accommodation", it will also cut the waiting list for social housing. Increase council tax for the "band D" properties since you like to brag they get a cheap deal. PRIORITISE.....what is more important? Budget to what you say you can afford. Get criminals cleaning roads, fixing pot holes etc that will save some money. and so many other things but I wrote most in the top box.</p>
16	The report should be available in simple bullet point formats to say exactly where the savings will be so that it is accessible to all.	A fair amount	<p>Stop sending out bailiffs to people who cannot afford council tax in the first place never mind the increased fees added on each time you instruct. Work with this people and find out their situation, work with their landlords, provide support. Stop being evasive and elusive to those vulnerable people who are entitled to extra help. If it were offered in the first place, court costs and admin costs would be avoided. Help those who are living on the streets connect with family and friends to help them recover and get off the streets. Give them access to an address so they can claim benefits and be given a chance to start again. Work better with the housing associations to find out from the people working with</p>

APPENDIX H

			tenants what the real issues are. Help people get back into work. Govern work agencies so they must offer a minimum amount of work so it makes work pay
17	As an Organisation instead of telling us ur financial restrictions etc. We pay your high salaries to INFORM us on What PCC is doing with Our money; e.g. where are then new Council Houses for rent or the Care Homes to ease PCH pressures-we know there r insufficient council houses but why aren't u providing more instead of paying private hotels etc to temporarily house ppl & why aren't there more social care places in this Fast expanding City??	A fair amount	Put money into Solving CURRENT homes for rent & social care places PROBLEMS.
18		A fair amount	
19	I think the proposals are clear and reflect the fact that whilst Peterborough is a small Local Authority, it has a very diverse and challenging population which has become increasingly difficult to provide cost effective services.	A great deal	I think we should consider how staff best use their time particularly in the joint working across Peterborough & Cambridgeshire. We need less travel and more innovative ways to hold meetings which are focused on key outcomes/actions
20	i have read the proposals but am still unclear exactly how sor where savings will be made	A fair amount	Adult Social Care: reduce use of locum staff - triage referrals and requests for assessments and work smarter with colleagues so that work is not duplicated or done unnecessarily
21	I would like to know, because I leave the house every day to work, I have to every year, take more money from my pocket, to help many people who do not want to work, say that there is no job here is a lie, I I'm a foreigner, I've been in England for 10 years, even without speaking English correctly, I've never been without a job and I stopped paying my bills on time. If I have a lot of English I can also, in the place I work, Amazon always needs people to work with. I do not have salary increase, because every year I have to decrease my	Nothing at all	It puts the healthy people to work, instead of giving money for free, to pay the bills, as the government does. In case this will once again come out of my pocket, I go out to work every day.

	consumption power, to pay Social Care and etc. This is the government's problem, not mine.		
22	There was no mention of funding from the new Mayor of Cambridgeshire & Peterborough or was that under a different name?	A fair amount	If the council has properties that are raising income then does it have properties not being used, which could be suitable for temporary accommodation? It seems ridiculous that the council is paying an extortionate amount housing families etc... in hotels. Perhaps seek advice from Shelter, YMCA, Hope into Action.
23	Keep raising the council tax is not going to solve the problem, you need to stop wasting money on failed projects and pointless expenses that cost money.	Nothing at all	reduce the pay of Chief Executives.
24	Increase above 5% to protect services	A great deal	Increase council tax by 10% and yes I do pay council tax
25	A 5% increase of council tax needs to be seriously thought about. You wish to tackle the problem of the homeless yet an increase will be a cause of further cases not a solution. Families are struggling to pay costs currently, and this will further hinder their efforts. Costs are going up everywhere related to household bills. You will be seeing more cases of depression, ill health as people go without heating, individuals contemplating suicide, families splitting up as the financial strain takes its toll - and these are to name but a few!	A fair amount	
26		A great deal	
27		A great deal	
28	At some point, homeowners will be just unable to pay council tax	A great deal	1)Time to give up on the Unitary authority and consolidate back into Cambridgeshire County Council to gain economies of scale. 2) buy homeless people/immigrants one way tickets out of County. 3) stop all discretionary spending

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CABINET	AGENDA ITEM No. 4
4 DECEMBER 2017	PUBLIC REPORT

Report of:	Marion Kelly, Interim Director of Resources	
Cabinet Member(s) responsible:	Councillor David Seaton, Cabinet Member for Resources	
Contact Officer(s):	Marion Kelly, Interim Corporate Director: Resources Peter Carpenter, Service Director Financial Services	Tel: 01733 452520 Tel: 01733 384564

SEPTEMBER 2017 BUDGETARY CONTROL REPORT UPDATE

RECOMMENDATIONS	
FROM: Cabinet Member for Resources	Deadline date: N/A
It is recommended that Cabinet notes the update on the monitoring position reported to Cabinet on the 20 November 2017.	

1. ORIGIN OF THE REPORT

1.1. This report is submitted to Cabinet following discussion by the Corporate Management Team.

2. PURPOSE AND REASON FOR REPORT

- 2.1. This report comes to Cabinet as part of the Council's agreed process within the Budget and Policy framework that requires Cabinet to initiate and consider financial strategy and budget proposals in order to set a balanced budget for the forthcoming financial year.
- 2.2. This report provides Cabinet with an update on capital receipts. This follows the September 2017 Budgetary Control position reported to 20 November 2017 Cabinet.
- 2.3. This report is 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 Council's Major Policy and Budget Framework and lead the Council's overall improvement programmes to deliver excellent services' and 3.2.5 'To review and recommend to Council changes to the Council's Constitution, protocols and procedure rules'.

3. TIMESCALE

Is this a Major Policy Item/ Statutory Plan	NO	If yes, date for Cabinet meeting	N/A
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4. SUMMARY

- 4.1. The year-end outturn, based on reported departmental information at September 2017 and reported to 20 November 2017 Cabinet was forecast to be a £1.3m over spend. This reflected £3m of pressures in People and Communities over half of which related to homelessness costs. The pressure was offset by Growth and Regeneration and Resources savings. The overall revenue position at September 2017 is set out in Table 1.
- 4.2. A break even position was being reported within the capital financing budget in Resources.. The capital financing budget assumes £12.7m capital receipts income. Non-delivery of the income has been identified as a key financial risk. The £12.7m Capital Receipts include £2.2m rolled forward from uncompleted disposals in 16/17. The revenue forecast assumed that 100% of green receipts and 50% of amber receipts would be achieved.
- 4.3. The position on two strategic disposals that form the bulk of the receipts forecast has progressed satisfactorily since the November Cabinet report. There is now greater certainty that the receipts forecast will be achieved.

Table 1 – Revenue Budget Position – September 2017

	Budget 2017/18	Cont. from reserve	Revised Budget 2017/18	Forecast Spend 2017/18	Cont. to reserve	Forecast Variance 2017/18	Forecast Variance 2017/18
Directorate	£000	£000	£000	£000	£000	£000	%
Chief Executives	1,619	217	1,836	1,796	0	(40)	-2%
Governance	4,336	115	4,451	4,464	0	13	0%
Growth & Regeneration	24,886	281	25,167	24,226	180	(761)	-3%
People & Communities	82,009	107	82,116	85,092	0	2,976	4%
Public Health	207	0	207	206	0	(1)	-1%
Resources	36,236	2,232	38,468	37,596	0	(872)	-2%
Total Expenditure	149,293	2,952	152,245	153,380	180	1,315	1%