

CABINET

FRIDAY 9 FEBRUARY 2018
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. These items have been advertised previously on the Council's Forward Plan (except where the issue is urgent in accordance with Section 15 of the Council's Access to Information rules).*

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**MINUTES OF THE CABINET MEETING
HELD AT 10:00AM, ON
MONDAY, 15 JANUARY 2018
BOURGES/VIERSEN ROOM, TOWN HALL, PETERBOROUGH**

Cabinet Members Present: Councillor Holdich (Chair), Councillor Ayres Councillor Elsey, Councillor Fitzgerald, Councillor Hiller, Councillor Lamb, Councillor Seaton, Councillor Smith, and Councillor Walsh

Cabinet Advisors Present: Councillor Allen and Councillor Stokes

47. APOLOGIES FOR ABSENCE

No apologies for absence were received.

48. DECLARATIONS OF INTEREST

Agenda Item 5 – Acquisition of Accommodation to Reduce Homelessness

Councillor Hiller declared that he was a Board Member of Medesham Homes and would not be taking part in debate.

49. MINUTES OF THE CABINET MEETINGS HELD ON:

(a) 20 November 2017

The minutes of the meeting held on 20 November 2017 were agreed as a true and accurate record.

(b) 4 December 2017 – Budget Meeting

The minutes of the meeting held on 4 December 2017 were agreed as a true and accurate record.

(c) 18 December 2017 – Extraordinary Meeting

The minutes of the meeting held on 18 December 2017 were agreed as a true and accurate record.

50. PETITIONS PRESENTED TO CABINET

There were no petitions presented to Cabinet.

STRATEGIC DECISIONS

51. ACQUISITION OF ACCOMMODATION TO REDUCE HOMELESSNESS

The Cabinet received a report in relation to the demand for accommodation created as a result of the increase in homelessness.

The purpose of the report was to set out and obtain approval for the recommended funding mechanisms, which in the earliest instances would see the increase in the number of properties to help alleviate homelessness in Peterborough, and to reduce the financial pressure being experienced as a result of higher than normal volumes of households being accommodated in bed and breakfast or hotel accommodation.

The Housing Needs Manager introduced the report and explained that the report contained details of the mechanics for funding Medesham Homes to purchase homes in order to reduce reliance on Bed and Breakfast accommodation for homeless individuals. These homes would also then be available for use as affordable housing.

Cabinet debated the report and in summary, key points raised and responses to questions included:

- Officers were confident that the action requested would enable them to reduce the current use of Bed and Breakfast accommodation down to zero.
- It was expected that the first hand over of units would take place in July, with the rest following in the next 18 months. This did not include work starting on site.
- The greatest demand on the Council was for two bedroom accommodation, which would make up the majority of the acquisitions. It was intend that rent would be set at the local housing allowance rate, so would be affordable to those in need.
- The Housing Needs team had gained four new members, supporting its aims to prevent situations of homelessness at an earlier stage. More work was to be undertaken to keep individuals in the houses the currently had.
- It was noted that considerable investment had already been made by Council in relation to homelessness provision and affordable housing. Affordable housing provision had doubled in the last month and the rate of homelessness was reducing.

Cabinet considered the report and **RESOLVED** (unanimous) to:

1. Approve in principle the funding mechanisms and processes discussed in this report for managing the investment of previously agreed funding into Medesham Homes LLP for the purposes of increasing the supply of housing, helping address the demand for accommodation created as a result of the increase in homelessness;
2. In respect of the specific proposal in relation to Midland Road properties Cabinet delegated to the Corporate Director for Growth and Regeneration and the Service Director for Communities and Safety (in consultation with the Corporate Director of Resources and the Leader of the Council) the authority to approve funding of up to £4m to Medesham Homes LLP subject to the submission of an acceptable business case by Medesham Homes LLP through the process defined in this report;
3. In respect of the specific proposal in relation to providing funding for Midland Road, Cabinet delegated to the Director of Law and Governance the authority to finalise and put in place any agreements and legal documentation necessary to give effect to these proposals, in consultation with the Corporate Director of Growth and Regeneration and the Corporate Director, Resources.

REASONS FOR THE DECISION

The Cabinet Report that established Medesham Homes specifically did not deal with the mechanisms and processes associated with investment into the joint venture; these were reserved for a future paper.

Continuing to provide temporary accommodation at the current rates was not sustainable for the Council nor was it sustainable for homeless households. These proposals sought to enable the Council to take greater control over the provision of accommodation for homeless households.

ALTERNATIVE OPTIONS CONSIDERED

Doing nothing – this option was discounted as the previous Cabinet Report that established Medesham Homes required funding mechanisms to be put forward through the Council's governance. These mechanisms and approach would also help reduce the continued use of temporary accommodation that, coupled with the continued increase in demand, was not sustainable.

52. COUNCIL TAXBASE, BUSINESS RATES, AND COLLECTION FUND DECLARATION 2018/19

The Cabinet received a report in relation to the calculation of the Council Tax Base for 2018/19 and the estimated positions of the Collection Fund in respect of Council Tax and Business Rates as at 31 March 2018.

The purpose of the report was to form part of the preparation for setting the council's budget. It needed to be considered so that figures for the tax base, the Collection Fund and the amount of business rates to be collected could be used in setting the Council Tax and business rate income and could be notified to other affected authorities.

The Cabinet Member for Resources introduced the report and advised that this report was a standard annual requirement for Cabinet. The calculations contained within took into account council tax support, collection fund surplus and deficits within the business rates. It was noted that this deficit was, in part, due to the collection rate. It was proposed to delegated authority to officers to complete and provide these returns to the Secretary of State. The Cabinet Member advised that the second sentence within 4.2 should read, "the proposed tax base for 2018/19 has therefore reduced ...".

Cabinet debated the report and in summary, key points raised and responses to questions included:

- It was noted that under legislation the Council received 83% of the Council Tax income, and the police and fire receive the remaining.
- In relation to Business Rates, the Council receives 49%, the government receives 50% and the Fire Authority receives 1%.

Cabinet considered the report and **RESOLVED** (unanimous) to:

1. Propose the calculation of the Council Tax Base for 2018/19 set at a level of 56,259.29 Band D equivalent properties based on the existing council tax support scheme of 30%;
2. Note the estimated position on the Collection Fund in respect of Council Tax as at 31 March 2018 being:

£1.431m surplus

3. Note the estimated position on the Collection Fund in respect of Business Rates as at 31 March 2018 being:

£0.194m deficit

4. Delegate to the Interim Corporate Director Resources authority for approving the final estimated position on the collection fund balance and for returning the final NNDR1 return to the Secretary of State by 31 January 2018 to include any further revision to the business rates position 2017/18 and Business Rate income 2018/19.

REASONS FOR THE DECISION

The Council Tax Base could be set at a higher or lower level. However, this could have the effect of either inflating unnecessarily the amount of Council Tax to be set or setting the tax at a level insufficient to meet the Council's budget requirements. A similar position could arise if the surplus or deficit were set at a higher or lower level.

The calculation and return of the information included in the NNDR1 was a statutory requirement which could be formally delegated to an officer. As with council tax if the amount of business rates estimated to be collected was increased or reduced or the surplus or deficit was set at a higher or lower level then the amount of income available to the council would change with the consequent effect on service provision or council tax levels.

ALTERNATIVE OPTIONS CONSIDERED

The report covered calculations that were all prescribed by regulations with the effect that no other options needed to be considered.

53. NOVEMBER 2017 BUDGET CONTROL REPORT

The Cabinet received a report 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.

The purpose of the report was to provide the Cabinet with an update in relation to the Council's November 2017 Budgetary Control position.

The Cabinet Member for Resources introduced the report and advised that the Council were currently facing pressures around homelessness. Risks had also been flagged in relation to the selling of assets. It was expected that the budget for 2017/18 would now result in a surplus position, as it was not considered that the projected capital spend would be met.

Cabinet debated the report and in summary, key points raised and responses to questions included:

- Concern was expressed that the level of capital receipts received was still a significant risk.

- The Cabinet were advised that this was monitored on a weekly basis and officers were confident that future projects would enable the target to be reached.

Cabinet considered the report and **RESOLVED** (unanimous) to note the Budget Control Position for 2017/18 set out in the report.

REASONS FOR THE DECISION

The report provided Cabinet with an update on capital receipts.

ALTERNATIVE OPTIONS CONSIDERED

There were no alternative options considered.

54. TREE AND WOODLAND STRATEGY

The Cabinet received a report in relation to the Tree and Woodland Strategy.

The purpose of the report was to present the City Council's updated Tree and Woodland Strategy for the Cabinet to approve for public consultation.

The Cabinet Member for Growth, Planning, Housing and Economic Development introduced the report and the reports for the four subsequent agenda items. The Cabinet Member advised that all the documents before Cabinet were in draft form, to be agreed for public consultation. The documents supported the overarching growth aims of the Council, to ensure Peterborough continue to grow in the correct manner. It was expected that the strategies and supplementary planning documents could be adopted by the end of 2018.

The supporting documents to the Local Plan provided a framework for growth, protection, and developer involvement. Each of the documents were already in existence, as such the proposal before Cabinet had resulted from a review of the strategies and supporting documents currently in place.

All the documents before Cabinet had been endorsed by the Growth, Environment and Resources Scrutiny Committee. It was noted that where references to wards were out of date, because of recent ward boundary changes, updated text would be included where data using the new ward boundaries was available.

Cabinet debated the report and in summary, key points raised and responses to questions included:

- It was clarified that the new Local Plan currently subject to public consultation had been strengthened to ensure that the appropriate level of tree coverage would be provided where needed.
- Following queries in relation to the Council's expenditure on tree provision officers acknowledge that the Council's stock was large. This stock, however, was not yet mature and required extensive management not only for the benefit of the trees, but in terms of repairing damages to paths and buildings. This was required in order for the Council to, amongst other matters, fulfil its duties under health and safety legislation.
- Budgeting around trees was carefully monitored. The new strategy set out clear priority and areas that the Council would not be addressing.
- In comparison to other Local Authorities, Peterborough was in a favourable position in terms of expenditure.

- It was noted that the Council's tree stock provided air quality benefits as well as wider environmental and landscape benefits to the locality.
- Queries were raised in relation to how trees were selected for particular areas. Officers confirmed that this was managed on a case by case basis and that these would be located where suitable for the surroundings, as well as having regard for the future growth of the tree.
- The possibility of selling felled wood was suggested. Officers has considered this, however, concluded that such a scheme was not viable. The option would continue to reviewed for the future, however.

Cabinet considered the report and **RESOLVED** (unanimous) to approve the Tree and Woodland Strategy for public consultation.

REASONS FOR THE DECISION

The strategy would help deliver the city's Environment Capital priority by providing clear strategic direction for the management of the council's tree resource and setting targets with which the progress of the strategy would be measured.

ALTERNATIVE OPTIONS CONSIDERED

The alternative option of not producing an updated strategy would mean that there would be no clear vision and targets associated with the management of the Council's Trees and Woodland, making progress difficult to monitor and the effective allocation of resources challenging. Therefore the alternative option of not updating the strategy was rejected.

55. DRAFT PETERBOROUGH CITY COUNCIL BIODIVERSITY STRATEGY FOR CONSULATION

The Cabinet received a report in relation to the Biodiversity Strategy.

The purpose of the report was to present the draft Biodiversity Strategy to Cabinet, with a recommendation to approve it so that it could proceed to public consultation.

Cabinet debated the report and in summary, key points raised and responses to questions included:

- A greater emphasis had been placed on habitat creation and managing wildlife environment to connect them together.

Cabinet considered the report and **RESOLVED** (unanimous) to approve the draft Biodiversity Strategy for public consultation.

REASONS FOR THE DECISION

In exercising its functions, the Council had a duty under section 40 of the Natural Environment and Rural Communities Act 2006 to have regard, so far as was consistent with the proper exercise of those functions, to the purpose of conserving biodiversity. It was important therefore that the Council set out a clear strategy to ensure biodiversity was considered in all Council strategies, plans, programmes and practices. The Council's constitution determined that the Strategy was a 'major policy item', and therefore could only be adopted in due course by Full Council. Prior to that, Cabinet was able to approve a draft for consultation.

ALTERNATIVE OPTIONS CONSIDERED

Do not update the 2010 Biodiversity Strategy. This would represent a missed opportunity to: refresh the now outdated list of actions; present information in a clearer format; and reflect current Government advice. As such, this was not the preferred option.

56. PETERBOROUGH FLOOD AND WATER MANAGEMENT SUPPLEMENTARY PLANNING DOCUMENT

The Cabinet received a report in relation to the Peterborough Flood and Water Management Supplementary Planning Document (SPD), which was adopted by the Council as part of the Peterborough Planning Policy Framework on 10 December 2012.

The purpose of the report was to approve the draft Flood and Water Management SPD for the purpose of public consultation. The SPD would provide guidance to developers on flood and water management in Peterborough. It would expand on overarching headline policy contained in the council's emerging Local Plan.

Cabinet debated the report and in summary, key points raised and responses to questions included:

- The document was drafted at a technical level as it was aimed at developers, agents and planners to assist them in their work.
- Surface water drainage was being address in a variety of ways depending on the area in question and the type of ground present.

Cabinet considered the report and **RESOLVED** (unanimous) to approve the draft Flood and Water Management Supplementary Planning Document for public consultation.

REASONS FOR THE DECISION

There was no statutory duty to prepare this SPD. However, without it, developers could be confused or misinformed as to how they can deliver fit-for-purpose development schemes in Peterborough that meet flood and water management requirements. This could have an impact on development coming forward as additional time would need to be spent on applications where flood or water management issues occur.

The existence of policy and guidance that all of Peterborough's water management partners support would improve current and future service delivery through the more efficient processing of planning applications and future drainage application approvals

ALTERNATIVE OPTIONS CONSIDERED

Do not update the document, policies remain outdated, links broken and missed opportunity to simplify the process for those involved in managing flood risk through development, as such this was not the preferred option.

Remove the SPD from circulation. This would result in a loss of a valuable resource for both planners and developers and carried the risk of flood risk not being consistently managed, as such this was not the preferred option.

Full rewrite. There was little likelihood of a significantly changed document being produced and the associated demand on resources made this an ineffective option.

57. DEVELOPER CONTRIBUTIONS SUPPLEMENTARY PLANNING DOCUMENT UPDATE

The Cabinet received a report in relation to the Developer Contributions Supplementary Planning Document (SPD). This was an update to the existing SPD which was adopted in April 2015, which itself was prepared to coincide with the introduction of the Community Infrastructure Levy in Peterborough.

The purpose of the report was to approve the draft Developer Contributions SPD for the purpose of public consultation. The SPD expanded on overarching headline policy contained in the council's emerging Local Plan.

Cabinet debated the report and in summary, key points raised and responses to questions included:

- It was clarified that the introduction of the SPD did not bring in any contributions, that contributions were received through planning applications. The document simply made clear to developers what was expected of them.
- It was confirmed that the Council could only ask from contributions to support the impact of the proposed development. No contribution could be asked for to mitigate against existing issues.
- The Council worked closely with parish councils to adapt this requirement to be as beneficial as possible. For example, improving an existing play area rather than providing an entirely new one.

Cabinet considered the report and **RESOLVED** (unanimous) to approve the Developer Contributions Supplementary Planning Document for public consultation.

REASONS FOR THE DECISION

There was no statutory duty to prepare this SPD. However, without it, there would be a lack of clarity for developers about what contributions to infrastructure would be sought by the council. Without the SPD there could be a detrimental impact on development coming forward and the ability of the council to deliver new and improved infrastructure to support growth.

ALTERNATIVE OPTIONS CONSIDERED

Remove the SPD from circulation. This would result in a loss of a valuable resource for both planners and developers and carries the risk of infrastructure not being delivered in support of new development, as such this was not the preferred option.

58. PETERBOROUGH GREEN INFRASTRUCTURE AND BIODIVERSITY SUPPLEMENTARY PLANNING DOCUMENT

The Cabinet received a report in relation to the Green Infrastructure and Biodiversity Supplementary Planning Document (SPD).

The purpose of the report was to present the Green Infrastructure and Biodiversity SPD in order for Cabinet to approve it for public consultation.

The Cabinet Member for Growth, Planning, Housing and Economic Development advised that the Growth, Environment and Resources Scrutiny Committee had endorsed the SPD, subject to the amendment of the supporting map to reference urban areas. This had been actioned and included in the supplementary report before Cabinet.

Cabinet debated the report and in summary, key points raised and responses to questions included:

- Work was undertaken with Frog Life and Bug Life, amongst others, prior to the drafting of the document. They were also able to respond to the consultation.
- Resources were available to manage open spaces. Officers were mindful that where wildlife habitats were proposed, these would need to be achievable. Such spaces would not necessarily cost more and could be managed in an efficient manner.
- It was advised that future open spaces were not expected to be managed by the Council, but maintained by the developers. Most developers were willing to take this responsibility on.

Cabinet considered the report and **RESOLVED** (unanimous) to approve the Green Infrastructure and Biodiversity Supplementary Planning Document for the purpose of public consultation, subject to the amended map appropriately referencing urban areas.

REASONS FOR THE DECISION

There was no statutory duty to prepare this SPD. However, without this “one stop shop”, developers could be confused or misinformed in relation to appropriate consideration and implementation of biodiversity and green infrastructure requirements in Peterborough. This could have an impact on development coming forward as additional time would need to be spent on applications where biodiversity and green infrastructure issues occur.

In addition, this SPD provided a focus for identifying and driving forward delivery of priority green infrastructure projects in partnership with a wide range of environmental organisations and community groups within Peterborough.

ALTERNATIVE OPTIONS CONSIDERED

Do not update the 2006 Green Grid Strategy and various biodiversity guidance notes available on the Council’s website. This would represent a missed opportunity to simplify the process for those requiring advice in relation to both biodiversity and green infrastructure, as such this was not the preferred option.

MONITORING ITEMS

59. OUTCOME OF PETITIONS

The Cabinet received a report in relation to the outcome of an E-petition submitted to the Council and a petition presented to Council officers.

The purpose of the report was to update Cabinet on the progress being made in response to petitions submitted to the Council.

Cabinet considered the report and **RESOLVED** (unanimous) to note the actions taken in respect of petitions.

REASONS FOR THE DECISION

As the petitions presented in this report had been dealt with by Cabinet Members or officers, it was appropriate that the action taken was reported to Cabinet.

ALTERNATIVE OPTIONS CONSIDERED

There had been no alternative options considered.

Chairman
10:00am – 11:04am
15 January 2018

CABINET	AGENDA ITEM No. 5
9 FEBRUARY 2018	PUBLIC REPORT

Report of:	Marion Kelly, Interim Corporate Director: 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

R E C O M M E N D A T I O N S	
FROM: Cabinet Member for Resources	Deadline date: N/A
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1. Notes the statutory advice of the Chief Finance Officer outlined in section 6, The Robustness Statement. This is required to highlight the robustness of budget estimates and the adequacy of the reserves. 2. Notes all the grant figures which are provisional, pending the Final Settlement in late February 2018. 3. Approves the Phase Two budget proposals, outlined in Appendix H, as the basis for public consultation. This includes a 5.99 per cent council tax increase, assumed in the 2017/18 Medium Term Financial Strategy and a change in service delivery for the 0-25 Provider service. 4. Approves the Medium Term Financial Strategy 2018/19-2020/21 as the basis for consultation, as set out in the body of the report and the following appendices: <ul style="list-style-type: none"> • Appendix A – Budget Context highlighted in Phase One, MTFS for 2018/19-2020/21 • Appendix B – 2018/19 MTFS detailed position • Appendix C – 2018/19 MTFS by department • Appendix D – 2018/19 MTFS by Service • Appendix E – Capital Schemes • Appendix F – Council Grants • Appendix G – Fees and Charges • Appendix H – Budget Proposals (consultation document) • Appendix I – Equality Impact Assessments 	

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 2018/19.

2. PURPOSE AND REASON FOR REPORT

Purpose

- 2.1 The report coming to Cabinet forms part of the council's formal Budget and Policy Framework. This requires Cabinet to initiate and put forward 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 second phase of budget proposals for consultation to contribute towards closing the budget gap of £43.5million by 2020/21, before accounting for proposed savings.
- Outline the financial challenges facing the council in setting a sustainable and balanced budget for Medium Term Financial Strategy (MTFS) 2018/19 to 2020/21.
- Outline the approach the Council are taking to close the budget gap over the three year budget planning horizon to deliver a sustainable budget.
- Outline the required statement of the robustness of the budget estimates and the adequacy of the financial reserves included within the MTFS.

2.2 The Council is facing a very difficult budget challenge due to increasing demands for services and reductions in government grants. Revenue Support Grant (RSG) will have reduced from £55million in 2013/14 to £10million in 2019/20, along with previous reductions, dating back to the initial Spending Review announced in June 2010. This is why the council launched the Stand up for Peterborough campaign as part of the budget process in November, to lobby for funding in specific high risk areas which include:

- Additional funding for Homelessness
- Additional funding for the provision of School Places
- Access to transitional funding to allow the Council to move to its longer term sustainable model.

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 The level of reserves is considered adequate on the basis that although the budget balances in 2018/19 and there are plans to enhance council processes, detailed plans to deliver a sustainable budget are to be formulated, and unless they deliver significant savings, reserves will not be at the adequate level.

2.5 The Council has a large amount of fixed costs in its budget, for example previous capital investment leading to capital financing charges and the pension deficit contribution, which cannot be reduced.

2.6 The Phase One proposals, included efficiencies and one-off reductions of £8.2million for 2018/19, leaving £15.7million of additional savings to be found in Phase Two. Over the three year period, this left an additional £35.2m of ongoing savings to be identified.

2.7 This report sets out further budget pressures of £2.5million and reductions of £13.5million which have been identified in addition to those included within Phase One of the process. These newly identified budget proposals brings the gap down to £4.6million for 2018/19. Reserves will need to be used in order to set a balanced budget. This will reduce the Council's reserves, which will need to fund the cost of downsizing and transforming the organisation.

2.8 The budget gap has reduced to £19.2million in 2020/21. Even though the budget gap has been reduced to £4.9million in 2018/19 and there are substantial budget reductions and additional income items in 2018/19, a high proportion of these remain one-off (£12.7million), such as the use of capital receipts, the Minimum Revenue Provision (MRP) re-provision and Council Tax surplus. The council still remains in a difficult financial position and will need to continue making decisions on how it can reduce the costs of its operations.

2.9 The scale of the task facing the council means that a sustainable budget can only be achieved by fundamentally reducing the nature of the services it offers and the cost of how it operates. However, the council must manage its services in available resources.

- 2.10 This is not a unique financial context for a Unitary Council. Indeed, this is the reality facing the sector. That context is challenging undoubtedly, especially given both the pressures and gearing of adult social care, homelessness and school places on a relatively small Unitary Council.

3. **TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	YES	If yes, date for Cabinet meeting	9 FEB 18 & 26 FEB 18
Date for relevant Council meeting	7 MARCH 18	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 Budget and Capital Programme (2018/19-2020/21) for the council. Like in previous years the budget process has been divided into two distinct phases. This report sets out the outcomes from the second phase of the process for consultation along with the Council's plans for bridging any remaining budget gaps.

The report also includes the draft Robustness Statement of the Council's Chief Finance (section 151) Officer setting out the how sustainable the Council's financial position is over time.

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

The MTFS process is ordinarily divided into two phases:

Phase One has been through a consultation process and approved at Council on 13 December 2017.

Phase Two sets out:

- Changes in funding/requirements from the Provisional Local Government Finance Settlement;
- Newly identified budget pressures and required reductions to balance the budget for 2018/19 and to help close the budget gap in following years.
- The Council's Plans for closing the budget gap, which reduces to £19.2million at the end of the three year period.
- The Robustness Statement, which outlines the advice given from the Council's Chief Finance (section 151) Officer, setting out the robustness of estimates included within the budget, the adequacy of the reserves, as well as the sustainability of the council's financial position over the planning horizon.

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**

In total since 2010 the Council has made significant savings, however this is still not enough and Central Government continues to cut funding to Local Government. Therefore the 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.

As part of the Phase One budget consultation for the 2018/19 MTFS, which was presented to Cabinet on the 20 November, the Council set out in detail the pressures it faces, along with some of the successes the council has been able to achieve throughout such a difficult time. These are outlined in **Appendix A**.

However, the main points underlying the council's position include:

- A reduction in Government Revenue Support Grant Funding of £45million between 2013/14 and 2018/19; in addition to funding reductions received prior to this, dating back to the spending review in June 2010;
- A 200 per cent increase in Homeless Families requiring temporary accommodation in two years;
- Increasing demand for Adult Services;
- An increasing amount of children coming into care, with numbers peaking at 381 in July 2017;
- Creating extra school places for a school population that has increased by 13 per cent between 2013 and 2017.

Despite these pressures the Council has:

- Invested £127.7million in school building schemes and school improvements in the last five years;
- Led on the Fletton Quays scheme to regenerate this part of the City Centre;
- Helped create 2,685 jobs in the City in 2016/17;
- Helped create 4,600 new homes for residents between 2011 and 2016.

4.4 **Local Government Provisional Finance Settlement 2018/19**

On 19 December DCLG issued the Local Government Provisional Finance Settlement. The most significant change was permitting county and unitary councils to increase their 2018/19 council tax by an additional 1 per cent, with the possibility of a further 1 per cent in 2019/20 following Government approval, the latter has not been built in to the budget.

The referendum threshold for core council tax was increased from 2 per cent to 3 per cent and the Adult Care Social Care precept maximum increase remain at 3 per cent. It is proposed that the Council increase Council Tax by this additional 1 per cent. This will contribute circa £0.7million of income to the budget.

Grant funding was as anticipated and did not change from that set out in 2016 as part of the multi-year settlement for 2016/17 – 2019/20.

From 2020/21 councils will be allowed to retain 75 per cent of their business rates. This increase though will be used to incorporate existing grants, including the Revenue Support Grant which is £10million in 2019/20 and the Public Health Grant of £11million.

However, from 2020/21 a new fair-funding mechanism will be introduced with consultation starting on relative needs and resources in the New Year and at this stage there is no information to project a positive or negative impact to the council's funding.

Business rates will be "reset" from 2020/21 so any growth or loss up to this point will be removed and the overall sum will be redistributed according to the outcome of the new needs assessment through top-ups and tariffs.

4.5 **Revenue funding assumptions**

The funding assumptions included in the 2018/19 MTFS process:

- General Council Tax is assumed to increase at 1.99 per cent per year for years two and three of the MTFS, which is below the original referendum limit.
- Following on from The Local Government Provisional Finance Settlement flexibility was given to local authorities, allowing them to increase general council tax by 2.99 per cent, in 2018/19 and 2019/20. The MTFS has been updated to include the additional 1 per cent increase in 2018/19.
- The full Adult Social Care Precept of 3 per cent will be levied in 2018/19 only. This is the maximum the council can levy and there has been no assumption made for future increases.

- This makes the total Council tax increase in 2018/19 5.99 per cent.
- The Council Tax base is increased to reflect the growth in the city and a number of variables, such as Council Tax support, Council Tax exemptions and the banding of properties, of which Peterborough is largely weighted towards band A and B properties. The forecast increase in Council Tax base usually equates to an average of 1,000 new homes built each year. However in 2018/19, as a one off it is estimated that there will be a larger increase in the council tax base due to additional house building and a reduction in the levels of Council Tax support sought.
- NNDR is assumed to increase at the rate of CPI, as announced in the Autumn Budget, this equates to a 3 per cent in 2018/19, 2.2 per cent in 2019/20 and 1.8 per cent in 2020/21. However the council will receive compensation for the difference between RPI and CPI via a government s31 grant.
- 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. The figures for 2018/19 and 2019/20 remain fairly certain following the four year settlement deal secured by the council, covering the period 2016/17-2019/20. Therefore there is risk of further reductions to RSG in 2020/21 as austerity is anticipated to continue.

5 BUDGET DETAIL

5.1 2018/19 MTFS Phase One Summary

Phase One of the budget process for 2018/19 included a full review 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. This has formed the starting point for the work that is being undertaken on the 2018/19 MTFS.

The Council then reviewed all budgets over the three year period of the MTFS to ensure that all known issues had been taken into account. This included a full assessment of all one off savings and their applicability to ensure budgets are sustainable over time.

The 2017/18 MTFS assumed the use of £4.2million from the Grant Equalisation Reserve to support the 2018/19 budget, this has been added back into the position. Over the three year period an additional £10.9million of pressures have been identified, including 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 included £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 currently demand pressures for Children's Services reported within the Budgetary Control Report for 2017/18, these are expected to be mitigated in full by 2018/19, although it will remain a potential risk.

Initial Phase One savings proposals were tabled and these amount to £8.2million, £6.5million and £4.5million in the respective three year period, resulting in the overall deficit figure reducing to £35.2million at the end of the three year period, this is outlined within Table 1.

Table 1- 2018/19 MTFS Phase One Budget Summary

	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
2017/18 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 One			
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 and Additional Income	(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

5.2 **New revenue pressures and savings proposals included within Phase Two**

Following on from phase one the Council has continued to thoroughly review its budget position to ensure all pressures are recognised or mitigated where possible, efficiencies are sought and new budget proposals investigated.

Within this phase, additional budget pressures of £2.5million and reductions of £13.5million have been identified. These newly identified budget proposals brings the gap down to £4.6million for 2018/19, where the balance of the Grant Equalisation Reserve and other reserves will be utilised to deliver a balanced budget. While it is recognised this doesn't deliver a sustainable budget, and reduces the reserves balances, this will allow the council time to fully investigate and implement a service transformation strategy.

The gap has reduced to £19.2million in 2020/21. Even though there are substantial budget reductions and additional income items in 2018/19, a high proportion of these remain one-off, such as the Minimum Revenue Provision (MRP) re-provision, additional capital receipts and council tax surplus, postponing the sustainable resolution of the budget gap to future years.

The consultation document, **Appendix H – Budget Proposal**, details the proposals in the Service Implications section and are summarised in **Tables 2, 3, 4 and 5**:

Some of the key headline proposals included are:

- **Business Rates Forecast**- An increase in the amount of money retained by the council from business rates is expected, compared to what was previously forecast. This is due to a combination of factors, including changes to the way this figure is calculated by government and grants received by the government to address these changes and inflation. The forecast has been revised to also account for areas where we expect to see commercial growth such as Fletton Quays.
- **Council Tax Base, Surplus and additional 1 per cent**- The council tax base is calculated by looking at the amount of properties within the city, and considering other variables which would affect it. Due to the continued growth in the number of households paying council tax in

Peterborough (caused by population growth and house building within the city), the forecast for the amount of council tax has increased by £792k in 2018/19 rising to £1million in 2020/21.

Following the Provisional Local Government Finance Settlement, additional flexibility granted gave councils the ability to increase general council tax by an additional 1 per cent. The council has included this additional 1 per cent increase within the budget for 2018/19, which will generate an additional £693k of income.

In addition to this following phase one an updated estimate on the council tax surplus has been calculated, providing an additional £183k in 2018/19.

- **Minimum Revenue Provision (MRP)** – MRP is effectively the principal repayment of the loans the council takes out to fund the capital programme. During the 2016/17 budget process, the council undertook a major review of its MRP policy, which resulted in the council approving to the reprofiling of the timing of the repayment of its debt. The review also identified that the council had repaid some of its debt early. This proposal is an accounting adjustment which utilises this early repayment to provide the council with a non-repeatable benefit for 2018/19.
- **Capital Receipts**-The asset management plan in 2017/18 assumed that a number of assets would be sold in 2018/19 and the income used to support that year's budget. The list of assets for sale has been revised to reflect an updated position based on new sale timescales and revised values, and from this the council expects to receive an additional £1.822m above what is already included within the Medium Term Financial Strategy.
- **Shared and integrated Services**- The council will be pursuing a programme of transformation to share and integrate services with Cambridgeshire County Council, health and other local authorities. In order to improve outcomes and manage demand on services, the programme will build on successful joint working to date. It would include sharing back office functions, reducing leadership costs, maximising purchase power, reducing the duplication of systems and processes, reducing estate costs and building resilience.

Three work streams would be put in place:

1. Opportunities for shared services in back office functions
2. Further integration of services in the People and Communities directorates of each partner.
3. Additional opportunities for shared or integrated service delivery across each partner.

- **Resources Service Cuts**- This department has reviewed options available to make service reductions from 2018/19 onwards, these include the following:
 - Finance Restructure- The financial services function will be restructured and there will be the removal of 8 vacant posts from the budget which creates a saving of £0.4million per year.
 - Business Transformation- Serco has agreed to making savings in its Transformation team. This will mean that future work completed will focus on corporate initiatives and additional control over resource have already been implemented.
 - Vivacity- reduction in council contribution to the Vivacity budget
 - Registration and Bereavement- The purchase of the register office property will mean a saving of £35k a year, due to a favourable cost model, from the lease it previously held.
- **Homelessness preventative work**- The council has continued to focus attention on the housing function to look at prevention models and housing solutions to reduce the pressure reported within Phase One. Officers now have a pipeline of housing solutions including 29 units at Midland Road and 43 at Bretton Court, and further developments in train. The Housing team has been restructured to allow for additional prevention officer posts, which will work with families to prevent them reaching a position of homelessness. There will also be a commissioner put in place to look at solutions

working closely with letting agents and landlords to source suitable and available rental properties from the market, which may have been out of reach to some of these families. These measures will reduce the pressure by £0.259million in 2018/19, £1.354million in 2019/20 and £4.309million, which reflects the reduced use of Bed and Breakfast.

- **Peterborough Highways Services-** Peterborough Highway Services is a ten year partnership with Skanska to provide highway maintenance services. Since Phase One the council has made further progress with discussions with other councils to allow them access to the Peterborough Highway Services contract. This will allow these councils to contract Skanska using the council's framework for a fee. In addition revenue savings will be created by using capital investment to prevent further revenue maintenance expenditure.
- **0-25 Provider service change-** The Council currently runs two residential/respite homes for children with disabilities. More families are choosing to access non-residential provision and this has significantly reduced occupancy at the Manor respite care unit. The proposal is to stop using the Manor for residential care and increase outreach, direct payments, after school clubs and sports activities.
- **Schools Transport-** The number of children who need home to school transport has increased. Peterborough has one of the highest population growths in the UK and also the fourth highest birth rate. Pupils being taught in secondary and primary schools in the city has increased by 7,360 (26 per cent) since 2006. The pressure of £300k (2018/19) on this budget is due to the high levels of deprivation and child poverty in the city and increases in homelessness, meaning pupils rely much more on the council for home to school transport. In addition, due to the growing demand for school places, has led to a significant rise in the numbers of children being transported due to their nearest available school being over the statutory walking distance.

Table 2- 2018/19 Phase Two Budget Summary Position

	2018/19 £000	2019/20 £000	2020/21 £000
Budget Gap without the Use of Reserves	19,037	21,246	28,853
2018/19- Phase One			
Pressures	4,857	6,642	10,883
Budget Reductions and Additional Income	(8,194)	(6,528)	(4,526)
Revised Budget Gap	15,700	21,360	35,210
2018/19- Phase Two			
Pressures	2,494	3,691	3,779
Budget Reductions and Additional Income	(13,546)	(12,418)	(19,752)
Revised Budget Gap	4,648	12,633	19,237
One-off use of Reserves	(4,648)		
Final Budget Gap	0	12,633	19,237
Incremental Budget Gap	0	12,633	6,604

The following appendices outline further details on the budget position:

Appendix B - 2018/19 MTFS detailed position

Appendix C - 2018/19 MTFS by department

Appendix D - 2018/19 MTFS by service

Table 3- The overall gross and net budget gap for 2018/19- 2020/21

	2018/19	2019/20	2020/21
	£000	£000	£000
2018/19 Final Net Budget Position	4,648	12,633	19,237
2018/19 Phase 1 Budget Reductions and Additional Income	8,194	6,528	4,526
2018/19 Phase 2 Budget Reductions and Additional Income	13,546	12,418	19,752
Gross Budget Gap	26,388	31,579	43,515

Table 4- Phase Two Individual budget pressures

Budget Pressures	2018/19	2019/20	2020/21
	£000	£000	£000
Housing Benefit Administration Subsidy	122	122	122
Energy	338	462	555
House Recycling Centre	152	152	152
Additional office accommodation costs	22	446	298
Terrorism Insurance	39	37	35
Street Lighting inflation	189	110	110
School Transport	300	340	350
Pay Award- 2% in 2018/19 and 2019/20	400	820	820
Loss of Rental Income	932	1,202	1,337
Total Budget Pressures	2,494	3,691	3,779

Table 5- Phase Two Individual budget reductions and additional income

Budget Reductions and additional income	2018/19	2019/20	2020/21
	£000	£000	£000
One-Off (non-repeatable)			
MRP Re-provisioning	(3,700)	164	164
Council Tax Surplus (additional amount)	(183)		
Capital Receipts	(1,822)		
One-Off (non-repeatable) sub-total:	(5,705)	164	164
Additional Income			
Council Tax base	(792)	(853)	(1,004)
Confirmed SEND grant for 2018/19	(127)		
Council Tax- additional 1% in 2018/19	(693)	(716)	(741)
New Homes Bonus	(31)	(46)	(27)
Business Rates Forecast	(935)	(483)	(515)
Peterborough Highways Services	(396)	(681)	(440)
Additional Income sub-total:	(2,974)	(2,779)	(2,727)
Service Changes			
Councillors- Paperless and removal of food and drink budget	(14)	(14)	(14)
Capitalisation	(50)	(50)	(50)
Training and Subscriptions	(200)	(200)	(200)
HR Savings	(12)	(12)	(4)
Serco Variable Spend reduction	(1,000)	(1,000)	(1,000)
Business Support	(100)	(100)	(100)
Capital Programme	(400)	(300)	(300)
Heltwate School (one year deferral)	(102)	(242)	(64)
Homelessness demand re-profile	(259)	(1,354)	(4,309)
Shared and Integrated Services Programme (exc Finance)	(845)	(4,500)	(9,000)
Resources Service Cuts	(740)	(740)	(740)
Events Tourism and Travel Choice Service Cuts	(145)	(167)	(290)
Growth and Regeneration Service Cuts	(585)	(654)	(644)
Public Health Service Cuts	(415)	(470)	(475)
Service Changes sub-total:	(4,867)	(9,803)	(17,190)
Total Budget Reductions and additional income	(13,546)	(12,418)	(19,753)

5.3 Grants

The Council receives a number of Grants such as Revenue Support Grant (RSG), Public Health, New Homes Bonus and Improved Better Care Fund. These are set out in detail in Appendix F.

Some of these grants have been provisionally confirmed as part of the Local Government (LG) Provisional Settlement on 19th December 2018, therefore they could be subject to change. RSG should remain as forecast, this was confirmed as part of the multi-year settlement deal Peterborough secured from the Department of Communities and Local Government last year. In 2018/19 we will be in year three of this deal, with only one year remaining after that, leaving the future of the grant unknown.

All grants should be finally confirmed in late February, when we expect to receive the LG final settlement.

5.4 **Adult Social Care Precept**

Background

In April 2016, Councils had the option of levying a 2 per cent 'Adult Social Care Precept. Then for 2017/18 this flexibility was increased to 6 per cent over the three years 2017/18 to 2019/20. To achieve this a maximum 3 per cent was allowed in 2017/18 and 2018/19.

Key Issues

The funding raised must be spent, and continue to be spent, purely on supporting Adult Social Care. Regulations stipulate that the Council Tax bill must show the precept separately on the face of the statement so that the taxpayer is aware of how much of the tax is ring fenced for Adult Social Care. It is also a requirement that the Council publish specific text in the Council Tax leaflet to explain the purpose of the precept to the taxpayer. Whilst additional text may be added, the prescribed wording must be shown.

For Authorities using the precept power, the Chief Finance (section 151) Officer and the Director of Adult Services (DAS) are required to certify that the precept will be spent only for the benefit of Adult Social Care via a quarterly return to DCLG.

Peterborough and the Adult Social Care Precept

Between 2010 and 2021 it is predicted that the number of people in Peterborough aged 85 and over is set to increase by 52 per cent. As life expectancy increases, older people are living with multiple long-term conditions associated with ageing. For example, supporting people with dementia is a growing pressure on Adult Social Care budgets in the UK.

Like many other Councils, Peterborough has experienced pressure on its Adult Social Care budgets due to a combination of increasing demand for services, including those with more complex needs and also has had its grant funding cut.

It was agreed in the 2017/18 MTFS that Peterborough would levy the 3 per cent Adult Social Care Precept in 2017/18 and 2018/19, this is the maximum that can be levied in each year.

Authorities are required to report the per cent change in the Adult Social Care Budget excluding the precept compared to the per cent change in other non-ringfenced budgets. If the reduction in Adult Social Care was a higher per cent than for other services then more explanation would need to be provided to DCLG. It is expected that because of the use of reserves and one-off measures in 2018/19 the Authority will be able to demonstrate the required differential in budget changes.

If levying 3 per cent rather than 2 per cent Adult Social Care Precept the council must explain how the additional 1 per cent is used to improve adult social care in its area. This is a process that is completed at the beginning of the financial year to which the increase applies through a specific S151 Return form. This form compares the changes to adult social care budgets with those of other non-ring fenced / non-statutory services with the additional Budget funding for adult social care.

5.5 **Cambridgeshire and Peterborough Combined Authority**

From March 2017 Cambridgeshire and Peterborough Combined Authority (CPCA) has been the Local Transport Authority. This is part of the devolution deal for CPCA, the functions comprise:

- Duty to produce a Local Transport Plan;
- Production of a Bus Strategy;
- Rights to franchise local bus services within its area, subject to the completion of the process set out in the Bus Services Act 2017;

- Powers to enter into quality bus partnerships (QBP) and enhanced partnerships;
- Responsibility for the provision of bus information and the production of a bus information strategy;
- Role of Travel Concession Authority;
- Financial powers to enable the funding of community transport
- Powers to support bus services

However, in 2017/18 the functions have continued to be carried out by the council and Cambridgeshire County Council (CCC), under existing arrangements. The CPCA is yet to determine its approach to its transport responsibilities in 2018/19. Options include:

- Delivery in a 'Business as Usual' way by commissioning service delivery from the constituent councils; or
- Delivering services directly by the CPCA; or
- Delivery of the services on behalf of the CPCA through a third party; or
- A hybrid of the above delivery arrangements.

The CPCA does not yet have the powers to charge the Council and CCC a levy for the cost of its transport responsibilities. The draft Statutory Instrument has yet to be approved and the timetable for approval is now uncertain. The Statutory Instrument (SI) determines the amounts of the transport levies to be issued by the CPCA to the council and CCC to deliver the Combined Authority's transport functions. The SI is drafted such that the CPCA shall apportion their estimated relevant expenditure in such a proportion as the upper-tier authorities agree. The default apportionment would be in the same proportion to the amount that each of the upper-tier authorities has spent on the relevant transport function in the financial year ending 31 March 2017. Alternatively the Constituent Authorities may agree that the transport funding can be met by contribution rather than relying upon the levy.

The Councils MTFs does not assume any additional costs from CPCA's transport functions in 2018/19.

The financial impact of any changes in 2018/19 will be clearer following the local government finance settlement and the CPCA decision on how it wishes to carry out its transport responsibilities in 2018/19.

The Council expects to continue to provide some support services to CPCA during 2018/19. The cost is expected to be fully reimbursed under a Service Level Agreement. The services include financial accounting, financial system support, VAT advice and treasury management. These services have already been provided successfully in 2017/18. They build on compatible service arrangements including the same external auditors (Ernst Young LLP) and bankers.

5.6 **Fees and Charges**

As part of the MTFs, the council must review its fees and charges to ensure it is receiving appropriate recompense for the services that it is allowed to charge its stakeholders for. For the majority of charges, the council has latitude to increase or decrease costs appropriately, however there are some services where increases are set nationally.

The full listing of Fees and Charges as set out in Appendix G – the number by department and range of the increases are summarised in the Table 6.

Table 6 – Fee and Charge Increases by Department

Department	Number of Services	Increase Range
Governance	2	0 – 2.6%
Growth and Regeneration	6	0 – 8.3%
People and Communities	16	(0.6) – 3.3%
Resources	27	0 – 6.2%
Total	51	

5.7 **Strategic Approach to closing the Budget Gap**

The council will continue to develop options to deliver a sustainable budget for the three year MTF5 after Phase two has been considered.

The areas of search are outlined in the following section. Some of these areas of search will produce options that may lead to in year additional income or savings in 2018/19.

- In view of this and the seriousness of the council's financial position, it is proposed to put an in depth budget review and any in year options to Cabinet and Council in July 2018. Consultation will take place over the summer, with results put to Cabinet and Council in September 2018. This process will continue on a rolling quarterly basis to ensure that proposals can be agreed, consulted on and implemented quickly.
- A revised Governance process is to be implemented across the Council in quarter one of 2018. A key driver of this change is to ensure that all decisions taken are made with the appropriate level of accountability and responsibility and that all phases of a project or initiative are considered properly in the decision making process. This should support a more focused allocation of resources to services that are the highest priority for the Council.

There are five fundamental areas in which the council will develop options to meet the requirement for a sustainable budget:

1) Expand Commercial Income

The council has a significant track record in delivering commercial income, both through individual projects and the commercialisation of procurement frameworks that have been developed such as Skanska.

The council is developing a new commercial strategy in conjunction with Cambridgeshire County Council (CCC). In advance of that, the council will bring forward plans for debate to invest directly and significantly in property. A draft property strategy is being developed to underpin any investment, using external expertise to both develop and validate the approach. The strategy will have clear objectives, a sound legal and financial basis, identification of delivery mechanisms and clear governance. It will also cover risk appetite.

2) Continue to innovate and develop efficiencies

The largest example of these initiatives being currently assessed is the exploration of shared service opportunities within the local area, building on the successful track record of sharing with CCC and other local authorities. A separate report will be brought back to Cabinet in 2018.

There is significant scope for sharing that could release funding without impacting on the front line, which includes:

- Savings arising from sharing management and leadership costs. The Chief Executive and the Leadership Team of People and Communities is already shared across the council and CCC;
- Back office costs at the council are in excess of £20million. A small number of other authorities have demonstrated that the opportunity to share and transform services such as ICT, Finance, Legal, HR, Business support and Democratic Services can lead to significant efficiencies;
- Procurement efficiencies and property savings, more detailed work will lead to an assessment of scale;
- If the council could share services, an opportunity exists to share transition and other costs. This could lead to significantly less demand on one-off resources to pump prime savings programmes in the future;
- The council will seek the development of new service delivery models and best practice.

3) Mitigation and Control of Service Demand Pressures

Reducing pressures that have been identified within the MTFS are critical to delivering a sustainable budget. The three largest pressures are:

- Homelessness represents the biggest financial risk to the Council and is being treated with the highest priority. In Phase One the budget for 2018/19 contained a pressure of £2million for homelessness, leading to £5.7million in 2021/22. This position has been revised within Phase Two, reducing the total service pressure in 2018/19 to £1.5million, and by 2021/22 it should have reduced to £1.5million. This pressure has been reduced as the council has looked at prevention models and housing solutions. Officers now have a pipeline of housing solutions including 29 units at Midland Road and 43 at Bretton Court, and further developments in train. The Housing team has been restructured to allow for additional prevention officer posts, which will work with families to prevent them reaching a position of homelessness. This still remains a key risk and will be closely monitored by officers.
- Pressures created in the revenue budget caused by borrowing, which is primarily to fund schools places. The pressure from borrowing to fund schools places is estimated to cost the Council £45m over the three years of the MTFS. The People and Communities department continue to review this estimate on an end to end basis to ascertain whether it is possible to reduce this pressure and still deliver the additional school places that Peterborough needs.
- Pressures in social care caused by demographic changes. To mitigate the demographic pressures in social care, service transformation opportunities will continue to be explored

It should be noted that growth of these pressures are not being funded by central government.

4) Continue to seek to maximise funding

The council has identified external funding of £147million (of which council tax and national non domestic rates account for £121million). The council is proposing to increase council tax and the precept by the maximum legally allowable (if it were proposed to increase council tax by more than 2.99 per cent, a referendum would be required).

- In order to ensure that this funding is maximised, the council has asked its service provider, Serco, to consider how the collection of NNDR and Council Tax can be improved. To give an idea of scale, an increased collection rate on Council Tax of 0.5 per cent would improve yield by £0.4million.
- The council has engaged external providers to review business premises. Over time, businesses may expand and that expansion might not have been fully captured. This may yield in the low hundreds of thousands of pounds. Payment to the providers will only be made on identification of new rateable value.
- The same contractor has been engaged to ensure that New Homes Bonus is being fully identified.

Fees and charges will continue to be reviewed, but opportunities to increase or expand fees and charges within the council's control are relatively limited. One exception is car parking. The council will be developing a new car parking strategy.

Additionally, one off sources of funding will continue to be explored as they arise.

5) Budget cuts

The Council has two options for further review:

- One is to review the level of discretionary expenditure within the council. From analysis carried out to date this is £12million and does contain many services which though discretionary, are vital to the city's wellbeing, such as expenditure on culture and the arts.
- The other option is to review service quality within non-discretionary areas. This covers the bulk of the Council's gross expenditure of £300million. The council will be establishing new

governance, commissioning and procurement to test if any better value can be identified. However, savings that arise from that tend to be non-cashable. This leaves service cuts as a last option, with People and Communities and Growth and Regeneration with service budgets of £286million gross.

Taken as a whole, the areas of search do offer very significant opportunities but there is a requirement for work to begin quickly to ensure new savings can be properly delivered as soon as is possible and no later than the start of the 2019/20 financial year.

5.8 Capital Programme

The Council's Capital Programme is viewed over a five 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, and will continue to do so on a fortnightly basis.

The Capital Programme includes estimated project costs and profiling of expenditure whilst detailed business cases and due diligence is completed on individual schemes such as the acquisition strategy.

The Capital Review Group have received early indications from Service Directors of new investment projects that will be required in the future which have not been included in the Asset Investment Strategy. Before these schemes can be agreed further work is required on the development of detailed business cases, to carry out due diligence and then approval through the Council's governance process before they are included. Future Asset Investment projects include; Car Park Strategy, Affordable Housing Strategy, Sports Strategy, ICT Strategy. If further projects are approved, further borrowing costs will need to be built in to the budget.

The following capital programme has been agreed by the group and the Corporate Management Team.

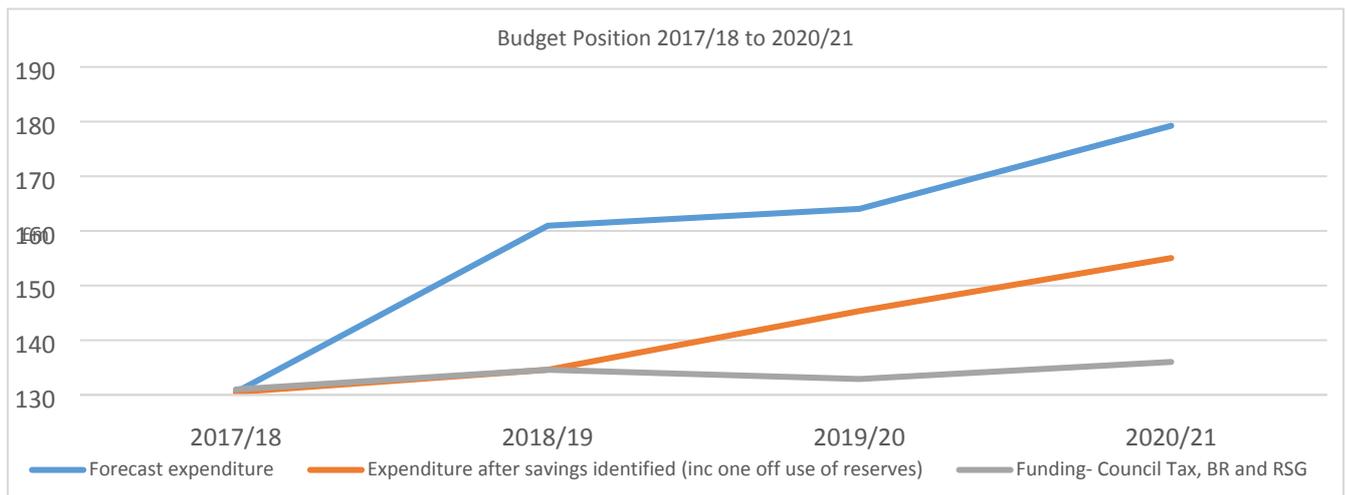
Capital Programme	2018/19	2019/20	2020/21
	Budget	Budget	Budget
	£000	£000	£000
Governance	49	0	0
Growth & Regeneration	48,895	25,398	12,507
People & Communities	55,649	50,759	14,413
Resources	2,433	1,947	1,984
Resources - Invest to Save	43,350	35,000	10,000
Total Capital Programme	150,376	113,104	38,904
Funded By:			
Grants & Third Party Contributions	32,153	32,113	7,133
Capital Receipts	24,200	15,000	-
Capital Financing Requirement (Borrowing)	94,023	65,991	31,771
Total Capital Financing	150,376	113,104	38,904

Appendix E - Capital Schemes, includes more detail on the individual schemes included within the capital programme.

5.9 The Budget Gap

The budget gap, taking account of budget pressures and reductions identified throughout Phase Two of the process stands at £19.2million. The following graph demonstrates the current forecast budget gap

and progress made to close this by 2020/21.



The gap is derived from a number of different areas, some of these having a positive impact, but are outweighed by increased costs and pressures in other areas. The following are the key items contributing to the change in position:

- Council Tax-** Over the period the forecast income generated from Council Tax income is increasing. This is due to the growth in housebuilding and population in the city, improved collection, council tax increases applied over recent years, including the Adult Social Care precept. These factors combined are forecast to increase the income generated by £13m over the period 2017/18- 2020/21.
- Business rates-** Over the period we are expecting growth in business and the economy in Peterborough which translates to an increase of £9million over the period 2017/18-2020/21. Although this isn't reflected in the NNDR figure included within the funding assumptions, the council received s31 grants as compensation for changes DCLG implement to the Business Rates scheme.
- Reduction in Revenue support Grant (RSG)-** The RSG has reduced considerably from £55million in 2013/14 to just £10million by 2019/20. The current forecast for 2020/21 has remained at £10million, until further information is released by DCLG on the fairer funding review and the business reforms, which are scheduled to be introduced that year.
- Demographic and demand pressures-** This included pressures rising to £1.5million in relation to housing homeless families and pressures of £2.6million by 2020/21 for Adult Social Care. The Council is closely monitoring these areas and implementing solutions to reduce these pressures.
- Capital financing and receipts-** The Council incurs high levels of financing (borrowing) cost, in relation to the delivery of the Capital Programme. As the Capital Programme progresses these costs are increasing each year. There has also been a reliance on capital receipts from the sale of assets, to provide one off support to set a balanced budget, £12.5million of these were factored in to the current year's budget, and £2.9million in 2018/19 and £4.3million in 2019/20. However this is a non-recurring solution, and postponed the budget gap to the future years.
- One off use of reserves-** To enable the Council to set a balanced budget reserve balances have been used. This is only a one off action, and not a sustainable or permanent change to the budget, purely postponing the issue until the following year. In 2017/18 £7.2million was used to balance the budget, and in 2018/19 £4.6million is required.

6 ROBUSTNESS STATEMENT

6.1 Background

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

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

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

The Council is required to take this report into account when making that decision.

Section 26 of the same Act, places an onus on the CFO to ensure the Council has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget.

This report has been prepared by the CFO to fulfil this duty and gives the required advice relating to the 2018/19 financial year including a consideration of the budget proposal as a whole and all the financial risks facing the Council. It identifies the Council’s approach to budget risk management and assesses the particular risks associated with the 2018/19 budget to inform the advice on robustness.

6.2 Overall Budget and Medium Term Financial Strategy 2018/19 – 2020/21

The Council is in an difficult financial position and without making immediate decisions on how it can plan to reduce the costs of its operations markedly in the medium term, 2019/20 and 2020/21, expenditure is estimated to exceed income with limited recourse to reserves.

In the opinion of the CFO the 2018/19 estimates are robust and the proposed level of financial reserves are adequate. However, in the absence of detailed savings plans being developed and implemented, concern remains over the sustainability of the budget position over the medium term.

While efficiency is always a preferred solution, the scale of the task facing the council means it can only be achieved if the council fundamentally faces three ways to close the gap, alongside mitigation and control of service demand pressures and expanding alternative income streams:

- a) additional monies from central government, such as through the Green Paper on social care though the budget assumptions do not rely on such funding
- b) new operating models of service delivery
- c) reduction in services delivered

This is not a unique financial context for a Unitary Council. Indeed, this is the reality facing the sector. That context is challenging undoubtedly, especially given both the pressure and gearing of adult social care, homelessness and school places on a relatively small Unitary Council.

6.3 Robustness of the 2018/19 budget estimates

The Medium Term Financial Strategy (MTFS) highlights that the current financial position is untenable. Whilst a balanced budget for 2018/19 has been achieved, it has made use of £12.5million of non-repeatable savings, as summarised in the following table:

Non Repeatable	2018/19 £000	2019/20 £000	2020/21 £000
Capital Receipts	2,922*	4,319	-
MRP Re-provision	3,700	-	-
Council Tax Surplus	1,185	-	-
Use of Reserves	4,648	-	-
Total	12,455	4,319	-

* includes £1,100k already built into the previous MTFS for 2018/19

The revenue budget and capital programme have been formulated having regard to a number of factors including:

- Funding availability
- Risks and uncertainties
- Inflation
- Priorities
- Demography
- Service Pressures
- Commercial opportunities

As the budget and Government funding becomes increasingly complex, especially with the increasing importance of working with strategic partners, risk management is key in the setting of budgets and reserve levels.

The MTFS position has been subject to reviews with the Council's Corporate Management Team, other officers and Members, including Cabinet, Budget Working Group and Scrutiny Committees, and has been out to consultation with the public as part of its two phase budget process.

For 2018/19 a balanced financial position is possible but only with risks and dependencies in delivery.

The Council's General Fund remains at a £6million minimum balance. There is an additional £15.9million of Available Reserves which will facilitate the investment in major transformational change to service delivery. The remaining amount of £7.2million in reserves is ring-fenced for specific purposes such as insurance and so is not available for use.

The position for 2019/20 onwards is dependent upon the development of deliverable saving plans being produced during 2018/19 affecting the base budget for 2019/20. It is noted that there are a number of strategic actions which should aid the delivery of saving proposals for 2019/20 onwards. These include:

- a) The enhancement of the governance structure to be implemented in early 2018. This will further support decisions taken are made with the appropriate level of accountability and responsibility and that all phases of a project are considered properly in this decision making process (staffing, change management, implementation and associated costs, savings, etc);
- b) Implementation of an enhanced budget process whereby the budget model is continually revisited and budget assumptions are revised. This will enable identified saving proposals and actions that mitigate new arising pressures to be implemented throughout the financial period;
- c) Enhanced monitoring and management of risk thorough Audit Committee (per 1.4 above). An updated Risk Strategy will be presented to Audit & Performance in the February reporting cycle;

In summary, the 2018/19 budget is balanced, through use of £12.5million of non-repeatable savings, including £4.6million utilisation of some reserves. In order to balance future years budgets, 2019/20 and 2020/21, significant service transformation and service reductions are required and need to be implemented as soon as possible in order to fully develop a sustainable future budget position. The 2018/19 budget position has enabled the council to put aside reserve amounts to be utilised to facilitate the development of transformational service delivery change. These plans need to be produced in the first half of 2018/19 for implementation to commence in 2019/20 at the latest.

If realistic transformational plans, for reducing the cost of service delivery required to deliver a balanced and sustainable budget for future years, are not developed and implemented during in 2018/19 the CFO may need required to consider the production of a Section 114 report.

Section 114 of the Local Government Finance Act 1988 requires a report to all the authority's members to be made by the s151 officer, in consultation with the Council's Monitoring Officer and Head of Paid Service, if there is likely to be an unbalanced budget. In this event the Council must consider the report within 21 days and decide whether it agrees or disagrees with the views in the report and what action it proposes to take to bring the budget into balance. The publishing of the report starts an immediate 'prohibition period'. This means that all persons that have delegated authority to enter commitments, that such powers are suspended during the prohibition period.

6.4 **Adequacy of Reserves**

Reserves are set aside to fund risks and one-off pressures over a number of years. If the Council minimises the level of reserves future financial planning is hampered. It should be noted that reserves can only be spent once and the possibility of creating new reserves is now very limited.

The council broadly categorises reserves as follows:

- a) A working balance to manage in year risks – the General Fund Balance
- b) Available Reserves – these are reserves for available for future commitments such as transformational investments
- c) Ring Fenced Reserves – to meet known or predicted requirements

The Council's General Fund working balance stands at £6million and ring-fenced reserves at £6.9million. They include the actuarial assessed £4.9million insurance reserve, £1.3million of reserves held on behalf of schools for capital expenditure, Public Health that cannot be used on other activities and £4.6million of reserves that are anticipated to be used in balancing the 2018/19 budget.

General Fund Balance

Councils use two main approaches to determine the required minimum level of its General Fund; either a percentage of the Council's current spending, or an assessment of risks and the impact they will have on the council's overall financial position.

The General Fund balance of £6million is at the very minimum recommended amount given the level of risks and issues being managed in the current financial year and potential magnitude in budget fluctuations.

When compared to other unitary authorities across the country for the 2017/18 financial year 24 per cent have the same percentage of General Fund Balance to net revenue expenditure (4 per cent), whilst 73 per cent have a greater percentage (between 5 per cent-35 per cent).

In summary the £6million General Fund is at a minimum when the following is taken into consideration:

- a) the proportion of volatile budgets, particularly in demand led services in both Adult and Children's Social Care is forecast to be an increasing proportion of the overall budget;
- b) no contingency has been built into the general fund
- c) there is no mechanism for additional funds to contribute to general fund balances or reserves

This level is considered at a minimum on the basis that although the budget balances in 2018/19 and there are plans to enhance council processes, these future years detailed plans are still to be formulated, as noted previously.

Available & Ring Fenced Reserves

It is crucial to bear in mind that the reserves are the only source of financing to which the council has access to fund risks and one-off pressures over a number of years. It should be noted that reserves can only be spent once and the possibility of creating new reserves in an era where budgets are tight and can become overspent, not just individually but corporately, is now very limited.

A forecast underspend of £2.5million on the 2017/18 revenue budget and the application of funds received from Planning Obligations Implementation System (POIS) for capital contributions of £4.2million, has led to a £6.7million estimated contribution to the reserves position.

The balance shown for the Capacity Building Reserve includes an elements for redundancy costs, which are currently estimated to be up to £2million over the life of the MTFs, and for any other investment required by the council to enable transformational change in service delivery.

Table 8 details the remaining level of estimated Available and Ring-fenced Reserves.

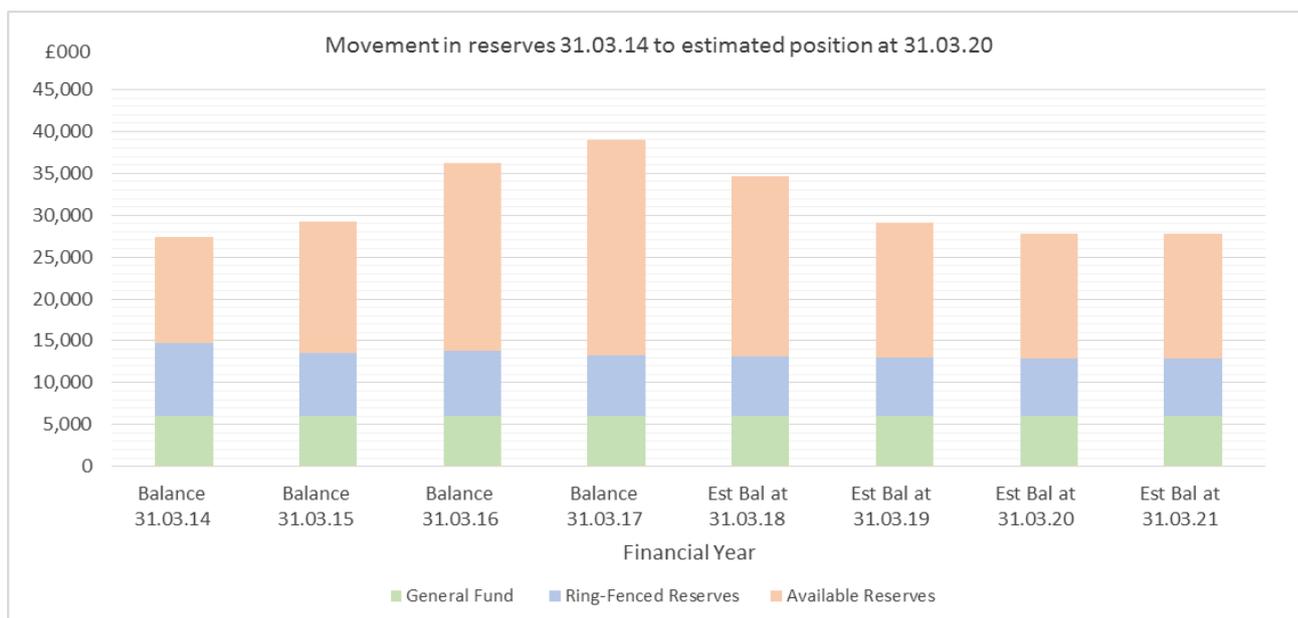


Table 8- Reserves position 2016/17- 2020/21

	2016/17	2017/18	2018/19	2019/20	2020/21
Summary of Reserves	Balance C/Fwd 31.03.17 £000	Estimated Balance at 31.03.18 £000	Estimated Balance at 31.03.19 £000	Estimated Balance at 31.03.20 £000	Estimated Balance at 31.03.21 £000
General Fund Balance	6,000	6,000	6,000	6,000	6,000
Available Reserves:					
Capacity Building Reserve	4,314	10,684	11,204	9,964	9,964
Risk Management Contingency	680	657	657	657	657
Grant Equalisation Reserve	15,639	7,812	3,164	3,164	3,164
Development Equalisation Reserve	1,233	544	0	0	0
Departmental Reserve	3,855	1,575	870	870	870
Subtotal	25,721	21,272	15,895	14,655	14,655
Ring-Fenced Reserves					
Insurance Reserve	4,425	4,936	4,936	4,936	4,936
Schools Capital Expenditure Reserve	1,287	1,287	1,287	1,287	1,287
Parish Council Burial Ground Reserve	53	53	53	53	53
Hackney Carriage Reserve	155	155	155	155	155
School Leases Reserve	336	339	324	274	274
Future Cities Reserve	569	0	0	0	0
Public Health Reserve	428	596	398	398	398
Subtotal	7,253	7,366	7,153	7,103	7,103
TOTAL Reserves	38,974	34,638	29,048	27,758	27,758

7 RISK ASSESSMENT

7.1 Approach to Risk

The Council as part of a recent budget review has considered all risks, which may have implications for the Council's budget. Council Officers have put actions in place to review and mitigate exposure to these risks, these are outlined in Table 9.

The council has recently established a Risk Management Board which will be led by the Director of Growth and Regeneration. This has been established with the purpose of challenging and supporting risk management across the council and partner organisations.

It will ensure that risk management is in line with the overall organisational approach and that the identification of key issues are escalated appropriately and timely. Officer awareness to risk will be improved, with a regular monitoring and reporting process in place.

7.2 **Financial Risk Register**

The most current substantial risks have been identified and considered as part of the budget process. Reasonable mitigation has been made where possible. Table 9 details the budget risks that Cabinet and Council should consider when reviewing the MTFs.

Table 9- Council Budget Risk Register

Risk Area	Detail	Action
Level of Reserves	Impact from low levels of reserves balances.	Reserves are reviewed and monitored during the year to ensure that the application of reserves are valid and appropriate.
Level of one-off (non-repeatable) savings	Impact from non-repeatable budget savings and income items.	To create a sustainable budget.
Service Delivery-Demand Led Services	<p>The Council provides services in a number of areas where the need for support lies outside the Council's direct control, for example in children's, adult social care and homelessness. The demographics will remain under regular review throughout the year.</p> <p>Universal Credit implemented by the DWP became live in Peterborough in November 2017, which could cause financial difficulty for residents due to the delayed first payment. The financial impact is not yet fully known.</p> <p>Being able to provide additional affordable housing and a supply of permanent and temporary housing to meet the increased demand in this service area.</p>	<p>Reviewed through monitoring of budget and management information on a monthly basis</p> <p>Specific provision has been included in the budget plans for estimates of increased demand for Adult social care and homelessness. Demand for Children's Services is monitored through the Placement Model. The Council has implemented an innovative partnership with TACT for delivery of children's placements and foster care. Savings plans are also based intervention and prevention, aiming to reduce need and service demand.</p> <p>The housing team has been recently restructured to allow for additional posts to deliver preventative support to families that require housing and are at risk of homelessness. This should help to reduce the financial pressure on the councils budget and provide a more appropriate setting for these families.</p> <p>Regular reporting to the Corporate Management team will continue to take place throughout the course of the year as well as working groups with officers and members which have been established to help provide solutions.</p>

<p>Savings Delivery (current and new proposals)</p>	<p>The achievement of a balanced budget is reliant on a challenging savings programme and organisational capacity to deal with speed of change. There is a risk that both savings already extracted from budgets and the new savings programme will not be achieved.</p> <p>The council is looking go through a programme of transformation, to share and integrate services with Cambridgeshire County Council. There are a high level of savings built in to the MTFs in future years, however at this point it is in the early stages, therefore there is a risk attached to the timing of the delivery of this.</p>	<p>Progress will be monitored via the monthly budget monitoring process.</p> <p>Specific provision has been made in the budget to support the costs of change needed to provide capacity to deliver these savings.</p> <p>The progress on this will be reported to the Corporate Management Team on a regular basis, as well as regular meetings for management teams at both authorities to discuss progress and resolve any emerging issues directly with the project leads.</p>
<p>Income</p>	<p>Cost of provision of service outstrips returns or a reduced level of sales.</p> <p>Exit strategies associated with these ventures could prove to be costly.</p> <p>There is a financial risk attached to failure of commercial investment, either from default or exposure to wider economic changes.</p>	<p>Evaluation of benefits and outcomes throughout the monitoring of budgets. For example the income generated from car parking fees.</p> <p>Thorough due diligence of any commercial proposal in order for effective decision to be made.</p> <p>Then regular and detailed monitoring of the arrangements once implemented, with immediate action taken whenever concern arises.</p>
<p>Business Rates</p>	<p>Forecasts The council will benefit from any growth in business rates but will also have to share the risk of volatility of collecting business rates, changes to business rates during the financial year and administration costs associated with collecting business rates.</p> <p>Appeals The provision set aside for appeals by the council may not be sufficient. The claim by the NHS trust for mandatory relief if successful will have a major impact on income levels</p>	<p>The finance team will align forecasts using a more detailed approach with planning and revenue and benefit colleagues to monitor business and dwelling growth as part of the budget setting process and at regular intervals during the financial year. On a monthly basis reports will be available to monitor business rates income.</p> <p>The Council sets aside a provision to take account of the risk from appeals, based on a rate of 4%. The recommended rate based on the national average is 4.7%, however due to the high levels of small businesses within Peterborough receiving Small Business rates relief, the lower rate used is well justified. Officers have conducted analysis on this and will continue to monitor this.</p>

Council Tax and Local Council Tax Support	Non-collection rates increase beyond the budget assumptions and / or increase in the levels of Local Council Tax Support eligibility, beyond budget assumptions.	Monthly updates will monitor the collection rates. The council will revise future year forecasts on council tax income accordingly.
Partnership Working/ Contractual Commitments	The council now outsources or contracts out a large proportion of services, on a long term basis to organisations, such as Serco, Amey and Vivacity. There is a risk that the council could be subject to increased costs from these contracts due to inflation or alternatively have little option to generate savings within the current budget due to the level accounted for via these contracts. The terms of the contracts may also restrict this.	The council is reviewing all contracts, with a view to achieving value for money. We will continue to work closely with our partner organisations to deliver the best services to our residents in the most effective and efficient manner.
Capital	<p>Capital Receipts The agreed Minimum Revenue Provision strategy allows the Council to benefit from asset disposal proceeds in the year of sale. This does prevent a risk to the achievement of the bottom line if those receipts are not achieved.</p> <p>Capital Programme The proposed Capital Programme is partially reliant on developer contributions being achieved, as well as successful grant bids. These funding streams are unclear and not guaranteed, they could be impacted by a downturn in development or reduced opportunity for central government funding.</p> <p>One area we heavily rely on grants is for schools, there is a risk that we may not receive grants in the future to fund new school buildings, despite increasing demand for school places.</p>	<p>Regular monitoring of Forecasts for sale completion estimates and valuation changes.</p> <p>Developer contributions to be realised in line with approved policy.</p> <p>Grant bids to be worked up in line with previous successful approach.</p> <p>The capital programme is closely monitored and reported by officers within the monthly monitoring. The council has also established an officer led Capital Review Group, which meets fortnightly to review the progress of the capital programme and evaluate new proposals or opportunities available to the council.</p>

	There is also a risk from asset management, in relation to insufficient resources to maintain adequately the councils existing and planned infrastructure.	Impact on property repairs / highways infrastructure are monitored and coordinated to balanced against any increases in legal claims / compensation issues.
New Accounting Standards	IFRS 9 and IFRS 15 -Potential change in IFRS may impact on General Fund in year, and thus the amount required to be funded from Council Tax.	This is mitigated by staying abreast of technical accounting changes through use of experts, financial bodies, regular training and support of continued professional development of the Council's accountants.
Economic (Treasury) Risk	Inflation- Increases above forecasts assumed within the budget. Interest Rates- a change in interest rates could impact on borrowing costs which may in part be offset by increased investment interest receipts.	Monitor inflation position and forecasts, and review impact on budget through budget monitoring process. Capital financing estimates developed using latest forecasts of interest rates for MTFS (which allow for a level of increase). Existing borrowing undertaken at fixed rates Review capital programme and debt portfolio if rates increase beyond forecast levels

8 BUDGET VIREMENT LIMITS

8.1 The council's Budget and Policy Framework, paragraph 4.9 enables the council to specify the extent of virement within the budget and degree of in-year changes to the Policy Framework which may be undertaken by Cabinet. Virement allows the Council to move spend approved in the budget to another budget in accordance with Financial Regulations.

8.2 Having reviewed the existing framework and the council's Financial Regulations the principle remains that approved budget cannot be moved from one area of spend or project to another unless it meets Financial Regulations. This applies to both revenue and capital budgets.

The virement limits for 2018/19 are as follows:

- 8.3
- Directors, within their own area, can approve virements up to £500k.
 - Virements required across departments can be approved by the relevant departments up to a limit of £250k, any virements in excess of this limit will require Cabinet approval.
 - All budget virements in excess of £500k will require Cabinet approval.
 - All budget virements in excess of £1m will require Council approval

8.4 The virement procedure rules will not apply in the following circumstances:

- Reflecting organisational structure changes e.g changes in reporting lines
- Allocating corporate budgets or savings to departments agreed in the MTFS
- Allocating budgets to individual schemes e.g from school places capital programme or local transport plan projects

8.5 Part 13, section 3 of the constitution enables the Chief Executive to undertake certain action in an emergency:

3.13.2 The Chief Executive is authorised:

(d) to take any action, including the incurring of expenditure, where emergency action is required;

8.6 In the event that this applies to virements, it will be reported to the next relevant meeting in line with the limits in 8.3 above.

9 CONSULTATION

9.1 Cabinet has been working since September on the budget proposals and this has included 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.

Phase Two will be the formal process to set out a lawful and balanced budget for the budget proposals to be published on 1 February 2018 and recommended by Cabinet for approval by Council on 7 March 2018. This timeline is outlined in the following table:

	Phase 2
Consultation start date	01 February 2018
Cabinet	09 February 2018
Budget Joint Scrutiny Committee	20 February 2018
Cabinet	26 February 2018
Consultation close date	05 March 2018
Council	07 March 2018

These proposals will be considered in terms of their impact on service provision to user. Proposals which require consultation will be allocated timeframes appropriate to the level of consultation required. This will ensure stakeholder and resident's feedback is received and considered prior to recommendation to Council.

A revised budget process whereby the budget model is continually revisited and budget assumptions are revised will be implemented for the 2018/19 financial year. This will enable identified saving proposals and actions that mitigate new arising pressures to be implemented throughout the financial period.

9.2 Stakeholder groups

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

Group	Meeting Date	Council Representative
Youth Council	06/02/18	Emma Riding
Parish Councils	07/02/18	Peter Carpenter
Peterborough Living Well Partnership	12/02/18	Oliver Hayward
Peterborough Community Assistance Scheme	13/02/18	Ian Phillips
Discussion with the trade unions	14/02/18	Peter Carpenter/ Mandy Pullen/ Gillian Beasley
Joint Budget Scrutiny Committee	20/02/18	Marion Kelly
Connect Group (Churches Together)	23/02/18	Adrian Chapman/ Gillian Beasley
Disability Forum	27/02/18	Fiona McMillan

The following stakeholder groups will be contacted directly via email with a press release and further details on how they can contribute by providing feedback during the consultation period:

- Interfaith Council
- Muslim Council of Peterborough
- Older Peoples Partnership board
- Carers Board
- Cambridgeshire Police and Crime Commissioner – Electronically distributed
- Cambridgeshire Fire and Rescue Service
- The Hospital and the CCG's
- Opportunity Peterborough
- Greater Peterborough City Leaders Forum (Business Community)
- Schools Forum

9.3 Hard copies of this report and all appendices including the Phase Two budget proposals and the Budget Proposals consultation document (Appendix H) 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 Two budget proposals will be published on Insite, 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 Budget Consultation questions are outlined within the Budget Proposals consultation document in Appendix H. This will form part of the hard copies available and the online survey.

10. ANTICIPATED OUTCOMES OR IMPACT

10.1 Following the release of the second 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.

Therefore approval will enable the council to undertake consultation on its budget plans for 2018/19 and the MTFs covering the period 2018/19- 2020/21.

Cabinet will have a further opportunity to review feedback on the proposals and the MTFs on 26 February 2018, before making a final recommendation to Council.

11. REASON FOR THE RECOMMENDATION

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

12. ALTERNATIVE OPTIONS CONSIDERED

12.1 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.

13. IMPLICATIONS

Elected Members

- 13.1 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.
- 13.2 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

- 13.3 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.
- 13.4 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.
- 13.5 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.
- 13.6 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.
- 13.7 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.
- 13.8 It should be noted that the consultation to be undertaken as a result of this report is on the Budget proposals, and consequently the Cabinet's general approach to the savings requirements, and not on the

various decisions to take whatever actions that may be implicit in the proposals and later adoption of that budget, each of which may or may not require their own consultation process.

- 13.9 By virtue of section 25, Local Government Act 2003, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Chief Finance Officer (CFO), as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

Where the CFO makes a judgement that the council is unable to set or achieve a balanced budget, or there is an imminent prospect of this they have a responsibility to issue a section 114 notice (s114) of the Local Government Act 1988.

Once a s114 notice has been served the council has 21 days to meet and consider the report. During the 21 days the council must not incur any new expenditure unless the CFO has specifically authorised the spend.

This suspension of spending will trigger external scrutiny from the council's auditors. However, failure to act when necessary could result in the council losing its financial independence with its powers potentially passed to commissioners appointed by government.

13.10 Human Resources

There are 7 proposals which will incur staffing implications. The majority of staffing reductions will happen during 2018/19. However, as sharing opportunities develop with Cambridgeshire County Council, there could be further impact in future years. The best estimate is that staff numbers will reduce by 4 during 2018/19, the table outlines the full staffing implications:

Staff Impact	Headcount
Total number of affected post	33
Less vacant posts	10
Less Redeployment	19
Therefore posts anticipated to be redundant	4

The council's approach to minimising any compulsory redundancies will be the same as in previous years, including the deletion of vacant posts and redeployment of affected staff.

This information relates to council staff only. The budget proposals will also impact on the council's partners.

Equalities Impact Assessments

All budget proposals published in Phase Two 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. These have also been included within Appendix I - Equality Impact Assessments

14 BACKGROUND DOCUMENTS

- 14.1 Medium Term Financial Strategy 2018/19 to 2020/21 Consultation – Cabinet 20th November 2017
Medium Term Financial Strategy Phase one consultation response – Cabinet 4th December 2017

15 APPENDICES

- 15.1 Appendix A – Budget Context highlighted in Phase One, MTFS for 2018/19-2020/21
- Appendix B – 2018/19 MTFS detailed position
- Appendix C – 2018/19 MTFS by department
- Appendix D – 2018/19 MTFS by Service
- Appendix E – Capital Schemes
- Appendix F – Council Grants
- Appendix G – Fees and Charges
- Appendix H – Budget Consultation Document
- Appendix I – Equality Impact Assessments

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Appendix A - Budget Context highlighted in Phase One, MTFs for 2018/19-2020/21

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).

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.

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

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

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).

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Appendix B – 2018/19 MTFS Detailed Position

	Dept	2018/19 £000	2019/20 £000	2020/21 £000
NNDR		(46,209)	(47,336)	(48,349)
Revenue Support Grant		(15,056)	(10,246)	(10,246)
Council Tax		(75,226)	(76,536)	(79,106)
New Homes Bonus		(5,153)	(4,590)	(4,018)
Improved Better Care Fund		(2,986)	(5,345)	(5,345)
Additional funding for Adult Social Care		(2,260)	(1,121)	-
TOTAL CORPORATE FUNDING		(146,890)	(145,174)	(147,064)
PLANNED EXPENDITURE				
Net Service Expenditure		135,748	135,748	135,748
Pay Award	ALL	805	1,634	2,047
Inflation	ALL	931	2,294	4,153
Budget Pressures identified:				
Adult Social Care Cost Drivers & Demography	P&C	1,515	3,371	5,407
Home to School Transport	P&C	211	232	242
Homelessness	P&C	1,476	1,306	1,455
National Living Wage (ISP)	P&C	565	1,129	2,695
Pressure to Public Health Grant	PH	291	575	575
Reduction in Rental Income	G&R	932	1,202	1,337
Other Growth Bids	ALL	503	1,549	2,683
Budget Reductions:				
Corporate Resources Budget Review	RES	(1,406)	(1,216)	(928)
Develop a Permanency Service / children's placement costs	P&C	(250)	(250)	(250)
Events, Tourism and Travel Choice Service Cuts	RES	(145)	(167)	(290)
Growth and Regeneration Service Cuts	G&R	(585)	(604)	(594)
Peterborough Highway Services	G&R	(1,161)	(1,366)	(1,081)
Peterborough Serco Strategic Partnership	RES	(1,100)	(1,100)	(1,100)
Public Health Savings	PH	(623)	(693)	(722)
Resources Service Cuts	RES	(660)	(660)	(660)
Serco - Insight & Analytics / Front Door	P&C	(421)	(232)	(232)
Shared and Integrated Services Programme	ALL	(980)	(4,635)	(9,135)
Vivacity	RES	(248)	(244)	(290)
Other Savings	ALL	(3,273)	(5,205)	(5,542)
NET SERVICE EXPENDITURE		132,125	132,668	135,518
CORPORATE EXPENDITURE		14,765	25,139	30,783
TOTAL PLANNED EXPENDITURE		146,890	157,807	166,301
REVISED DEFICIT/(SURPLUS)		0	12,633	19,237

Corporate Expenditure in 2018/19 is at a lower level than future years as it includes the transfer from Reserves of £4.6m and the MRP re-provisioning of £3.7m

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Appendix C – 2018/19 MTFS by Department

	2018/19 £000	2019/20 £000	2020/21 £000
NNDR	(46,209)	(47,336)	(48,349)
Revenue Support Grant	(15,056)	(10,246)	(10,246)
Council Tax	(75,226)	(76,536)	(79,106)
New Homes Bonus	(5,153)	(4,590)	(4,018)
Improved Better Care Fund	(2,986)	(5,345)	(5,345)
Additional funding for Adult Social Care	(2,260)	(1,121)	-
TOTAL CORPORATE FUNDING	(146,890)	(145,174)	(147,064)
PLANNED EXPENDITURE			
Chief Executives	1,620	1,620	1,632
Governance	4,726	4,731	4,736
Growth & Regeneration	24,278	24,659	25,205
People & Communities	82,851	84,249	88,622
Public Health	(126)	88	59
Resources	18,776	17,321	15,264
NET SERVICE EXPENDITURE	132,125	132,668	135,518
CORPORATE EXPENDITURE	14,765	25,139	30,783
TOTAL PLANNED EXPENDITURE	146,890	157,807	166,301
REVISED DEFICIT/(SURPLUS)	0	12,633	19,237

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Appendix D – 2018/19 MTFS by Service

	2018/19	2019/20	2020/21
	£000	£000	£000
NNDR	(46,209)	(47,336)	(48,349)
Revenue Support Grant	(15,056)	(10,246)	(10,246)
Council Tax	(75,226)	(76,536)	(79,106)
New Homes Bonus	(5,153)	(4,590)	(4,018)
Improved Better Care Fund	(2,986)	(5,345)	(5,345)
Additional funding for Adult Social Care	(2,260)	(1,121)	-
TOTAL CORPORATE FUNDING	(146,890)	(145,174)	(147,064)
PLANNED EXPENDITURE			
Chief Executives			
Chief Executive's Office	268	268	268
Human Resources	1,352	1,352	1,364
Total Chief Executives	1,620	1,620	1,632
Governance			
Director of Governance	429	429	429
Legal & Democratic	3,642	3,642	3,642
Performance & Information	655	660	665
Total Governance	4,726	4,731	4,736
Growth & Regeneration			
Director, OP & JV	93	93	93
Development and Construction	135	135	135
Sustainable Growth Strategy	1,434	1,435	1,510
Peterborough Highway Services	9,069	9,035	9,070
Corporate Property	1,483	1,855	2,098
Amey Peterborough & Waste Management	11,971	12,063	12,256
Westcombe Engineering	93	43	43
Total Growth & Regeneration	24,278	24,659	25,205
People & Communities			
Director	1,889	1,588	1,612
Communities	6,910	6,723	6,873
Adults	43,492	45,108	49,193
Children's & Safeguarding	15,922	16,020	16,104
Education	(16,039)	(15,867)	(15,837)
Commissioning and Commercial Operations	30,677	30,677	30,677
Total People & Communities	82,851	84,249	88,622
Public Health	(126)	88	59
Resources			
Director's Office	261	261	261
Financial Services	3,156	3,144	3,142
Corporate Items	2,951	1,691	(571)
Peterborough Serco Strategic Partnership	5,795	5,761	5,691
ICT	5,681	5,736	5,806
Commercial Group	58	58	338
Energy	790	615	690
Vivacity/Cultural Services	2,280	2,284	2,238
Cemeteries, Cremation & Registrars	(1,422)	(1,422)	(1,422)
City Servs & Communications	(774)	(807)	(909)
Total Resources	18,776	17,321	15,264
NET SERVICE EXPENDITURE	132,125	132,668	135,518
CORPORATE EXPENDITURE	14,765	25,139	30,783
TOTAL PLANNED EXPENDITURE	146,890	157,807	166,301
REVISED DEFICIT/(SURPLUS)	0	12,633	19,237

APPENDIX E – Capital Schemes

Capital Project	Project Type	2018/19	2019/20	2020/21	2018/19 Funding		2019/20 Funding		2020/21 Funding	
		Budget £000	Budget £000	Budget £000	Corp. Res. £000	3rd Party Inc. £000	Corp. Res. £000	3rd Party Inc. £000	Corp. Res. £000	3rd Party Inc. £000
Governance										
Legal Case Management System	Core	49	0	0	0	49	0	0	0	0
Total Governance		49	0	0	0	49	0	0	0	0
Growth & Regeneration										
A1139 Frank Perkins Parkway (River Nene Bridge to JCT8)	Core	250	250	0	250	0	250	0	0	0
A47/aa15 Lincoln road junction 18 improvements	Core	5,137	0	0	5,137	0	0	0	0	0
A605 Oundle Road improvement scheme (between Lynch Wood and Alwalton) NPIF	Core	673	0	0	673	0	0	0	0	0
Acquisition of Whitworth Mill	Core	4,758	0	0	3,258	1,500	0	0	0	0
Bourges Boulevard phase 2	Core	1,000	0	0	0	1,000	0	0	0	0
Continuation of Public Realm - MTFS	Core	307	0	0	307	0	0	0	0	0
Corfe Avenue Walton Deck Refurbishment	Core	100	0	0	85	15	0	0	0	0
Fletton Quays Fit Out	Core	1,310	0	0	1,310	0	0	0	0	0
Householders Recycling Centre	Core	1,871	0	0	1,015	856	0	0	0	0
Lolham Bridge No3 Refurbishment	Core	51	0	0	51	0	0	0	0	0
City Centre Public Realm	Core	0	2,500	1,500	0	0	2,500	0	1,500	0
Mountsteven Avenue (Fulbridge Road to Croyland Road) Resurface carriageway	Core	251	0	0	0	251	0	0	0	0
MTFS A1139 Frank Perkins Parkway	Core	188	0	0	188	0	0	0	0	0
North Westgate Development	Core	3,980	11,000	0	3,980	0	11,000	0	0	0
Street Lighting	Core	5,939	0	0	5,939	0	0	0	0	0
Street Lighting LED Project	Core	2,400	0	0	2,400	0	0	0	0	0
Street Signage	Core	50	50	50	50	0	50	0	50	0
Surface Treatment	Core	130	130	130	130	0	130	0	130	0
Urban Traffic Control - UTC	Core	160	0	0	140	20	0	0	0	0
Wansford Bridge Parapet Rebuild	Core	350	0	0	278	72	0	0	0	0
Waste Management Strategy - ALMO	Core	575	0	0	575	0	0	0	0	0
Werrington Brook	Core	20	0	0	0	20	0	0	0	0
Westgate Public Realm	Core	700	0	0	700	0	0	0	0	0

APPENDIX E – Capital Schemes

Capital Project	Project Type	2018/19	2019/20	2020/21	2018/19 Funding		2019/20 Funding		2020/21 Funding	
		Budget £000	Budget £000	Budget £000	Corp. Res. £000	3rd Party Inc. £000	Corp. Res. £000	3rd Party Inc. £000	Corp. Res. £000	3rd Party Inc. £000
Corporate Growth Area - Capital Pot Funding	Rolling	500	500	500	500	0	500	0	500	0
Cost Of Disposals	Rolling	500	250	250	500	0	250	0	250	0
Crescent Bridge Refurbishment	Rolling	118	0	0	35	83	0	0	0	0
Footway Budget	Rolling	230	230	230	230	0	230	0	230	0
Highways	Rolling	5,015	5,015	5,015	1,649	3,366	1,642	3,373	1,642	3,373
Highways Capitalisation	Rolling	250	250	250	250	0	250	0	250	0
Integrated Transport Programme	Rolling	1,813	1,813	1,813	406	1,407	406	1,407	406	1,407
Intelligent transport systems infrastructure	Rolling	50	200	0	50	0	200	0	0	0
Leisure Trust Property	Rolling	400	400	350	400	0	400	0	350	0
Local Safety Scheme 2009/10	Rolling	100	0	0	0	100	0	0	0	0
Longthorpe Footbridge (A1260)	Rolling	275	0	0	275	0	0	0	0	0
Nene Bridge Bearings	Rolling	3,887	0	0	3,887	0	0	0	0	0
Play Areas Improvement Programme	Rolling	185	185	185	185	0	185	0	185	0
Refurbishment of Traffic Signal Sites Nearing End of Life	Rolling	100	100	100	100	0	100	0	100	0
Roads And Bridges	Rolling	330	330	330	330	0	330	0	330	0
Strategic Network Review	Rolling	200	0	0	200	0	0	0	0	0
Strategic Property Portfolio	Rolling	2,533	2,115	1,690	2,533	0	2,115	0	1,690	0
Town Hall Capital works	Rolling	2,001	0	34	2,001	0	0	0	34	0
Westwood Footbridge Pier Top Concrete Refurb	Rolling	129	0	0	85	44	0	0	0	0
Wheelie Bins	Rolling	80	80	80	80	0	80	0	80	0
Total Growth & Regeneration		48,895	25,398	12,507	40,161	8,734	20,618	4,780	7,727	4,780
People & Communities										
Aids And Adaptations	Core	216	216	216	216	0	216	0	216	0
Assistive Technology	Core	97	0	0	77	20	0	0	0	0
Capital Maintenance On Schools	Core	1,150	600	400	550	600	600	0	400	0
Childrens Centre Maintenance	Core	50	50	0	50	0	50	0	0	0
Civil Enforcement Officers Cars	Core	30	0	0	30	0	0	0	0	0
Clare Lodge - Phase 6	Core	59	0	0	0	59	0	0	0	0

APPENDIX E – Capital Schemes

Capital Project	Project Type	2018/19	2019/20	2020/21	2018/19 Funding		2019/20 Funding		2020/21 Funding	
		Budget £000	Budget £000	Budget £000	Corp. Res. £000	3rd Party Inc. £000	Corp. Res. £000	3rd Party Inc. £000	Corp. Res. £000	3rd Party Inc. £000
Disabled Facilities Grant	Core	1,900	1,400	1,400	971	929	471	929	471	929
East Regen Project	Core	440	0	0	0	440	0	0	0	0
Framework I	Core	429	0	0	429	0	0	0	0	0
Future Secondary MTFS	Core	200	0	0	200	0	0	0	0	0
Hampton Lakes Primary No 1 of 2	Core	6,006	2,050	0	3,506	2,500	0	2,000	0	0
Heltwate School	Core	500	10,580	2,000	0	500	6,580	4,000	2,000	0
Improvements Required In Education Systems	Core	200	0	0	200	0	0	0	0	0
Infant free school meals	Core	26	0	0	26	0	0	0	0	0
Jack Hunt Expansion	Core	3,742	0	0	2,792	950	0	0	0	0
John Clare Expansion	Core	115	0	0	15	100	0	0	0	0
Marshfields Expansion	Core	2,920	0	0	1,880	1,040	0	0	0	0
Mobiles Purchase/Lease	Core	900	500	500	400	500	400	100	500	0
MTFS - Operation Can Do	Core	1,570	4,619	1,200	1,570	0	4,619	0	1,200	0
Nene Park Academy Expansion	Core	2,750	0	0	0	2,750	0	0	0	0
Norwood Lane - Fly Tipping	Core	125	0	0	125	0	0	0	0	0
Oakdale Primary 1 FE Expansion	Core	4,150	0	0	913	3,237	0	0	0	0
OBA Expansion	Core	2,750	0	0	0	2,750	0	0	0	0
OFSTED Inspection	Core	200	0	0	200	0	0	0	0	0
Parnwell Expansion	Core	2,880	0	0	932	1,948	0	0	0	0
Paston Reserve Primary	Core	2,070	5,000	967	409	1,661	552	4,448	0	967
Paston Reserve Secondary	Core	1,000	19,000	5,839	0	1,000	8,052	10,948	5,839	0
PFI Condition Works	Core	503	200	200	503	0	200	0	200	0
Repair Assistance	Core	30	10	10	30	0	10	0	10	0
Repair Assistance (Care And Repair)	Core	1,230	1,010	1,010	1,230	0	1,010	0	1,010	0
Replacement CCTV Cameras	Core	5	0	0	5	0	0	0	0	0
Roxhill Primary	Core	50	3,400	0	0	50	0	3,450	0	0
Schools Direct Spend	Core	458	458	458	0	458	0	458	0	458
St Georges Refurb	Core	1,840	0	0	1,840	0	0	0	0	0
Social Car – Liquid Logic	Core	252	0	0	252	0	0	0	0	0

APPENDIX E – Capital Schemes

Capital Project	Project Type	2018/19	2019/20	2020/21	2018/19 Funding		2019/20 Funding		2020/21 Funding	
		Budget £000	Budget £000	Budget £000	Corp. Res. £000	3rd Party Inc. £000	Corp. Res. £000	3rd Party Inc. £000	Corp. Res. £000	3rd Party Inc. £000
Staffing Costs (0.5% Of Capital)	Core	167	167	214	167	0	167	0	214	0
TDA - KS2	Core	500	0	0	500	0	0	0	0	0
Thomas Deacon Academy (1 FE Expansion)	Core	1,700	0	0	1,700	0	0	0	0	0
West Town Playing Fields	Core	324	0	0	324	0	0	0	0	0
Wireless CCTV	Core	46	0	0	46	0	0	0	0	0
Woodston Phase 2	Core	4,050	500	0	4,050	0	500	0	0	0
Future Primary MTFS	Rolling	200	0	0	200	0	0	0	0	0
Ken Stimpson Expansion	Rolling	7,300	1,000	0	5,668	1,632	0	1,000	0	0
System Changes	Rolling	719	0	0	557	162	0	0	0	0
Total People & Communities		55,649	50,759	14,413	32,364	23,285	23,425	27,333	12,060	2,354
Resources										
Capital school reserve	Core	800	800	800	800	0	800	0	800	0
Corp Grant Match Funding Bid	Core	1,000	1,000	1,000	1,000	0	1,000	0	1,000	0
Cremator Relining	Core	0	0	35	0	0	0	0	35	0
ICT Projects	Core	350	0	0	350	0	0	0	0	0
Mausoleum - Build Costs	Core	45	47	49	45	0	47	0	49	0
Off Street Car Parks - Structural Works And Resurfacing	Core	160	100	100	160	0	100	0	100	0
Lawson Avenue	Core	32	0	0	0	32	0	0	0	0
West Town Recreation Ground	Core	46	0	0	0	46	0	0	0	0
Total Resources		2,433	1,947	1,984	2,355	78	1,947	0	1,984	0

APPENDIX E – Capital Schemes

Capital Project	Project Type	2018/19	2019/20	2020/21	2018/19 Funding		2019/20 Funding		2020/21 Funding	
		Budget £000	Budget £000	Budget £000	Corp. Res. £000	3rd Party Inc. £000	Corp. Res. £000	3rd Party Inc. £000	Corp. Res. £000	3rd Party Inc. £000
Resources - Invest To Save										
Telephony Service	I2S	1,000	0	0	1,000	0	0	0	0	0
City Fibre Project	I2S	350	0	0	350	0	0	0	0	0
Housing Joint Venture	I2S	2,000	0	0	2,000	0	0	0	0	0
Invest to Save	I2S	15,000	0	0	15,000	0	0	0	0	0
Housing Acquisition	I2S	15,000			15,000					
Property Acquisition	I2S	10,000	35,000	10,000	10,000	0	35,000	0	10,000	0
Total Invest to Save	I2S	43,350	35,000	10,000	43,350	0	35,000	0	10,000	0
Total Asset Investment Programme										
		150,376	113,104	38,904	118,230	32,146	80,991	32,113	31,771	7,134

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Appendix F – Council Grants

Note – a number of Grants are still to be confirmed with Government Departments

	2018/2019 £000	2019/2020 £000	2020/2021 £000
Additional ASC Funding	(2,260)	(1,121)	tbc
Council Tax Support New Burdens Funding	(46)	(46)	(46)
Dept of Health revenue grant	(249)	(249)	(249)
Dedicated Schools Grant	(101,708)	tbc	tbc
Flexible Homelessness Support grant	(554)	tbc	tbc
Homelessness - New Burdens funding	(113)	(130)	tbc
Housing Benefit	(66,408)	(66,408)	(66,408)
Housing Benefit Admin Grant	(750)	(682)	(620)
Improved Better Care Fund	(2,986)	(5,345)	(5,345)
Independent Living Fund grant	(121)	(117)	(117)
New Homes Bonus	(5,122)	(4,544)	(3,991)
NHS Funding	(2,976)	(2,976)	(2,976)
NHS Funding - Better Care Fund	(661)	(661)	(661)
PFI	(4,731)	(4,731)	(4,731)
Public Health grant	(10,905)	(10,621)	(10,621)
Pupil Premium	(5,350)	tbc	tbc
Revenue Support Grant	(15,056)	(10,246)	(10,246)
S31 Business rate capping grant	(981)	(1,422)	(1,863)
S31 Business rate SBRR/SBRS grant	(2,115)	(2,175)	(2,228)
S31 Rural rate relief	(7)	(7)	(7)
SEND Grant	(127)	0	0
Sixth Form Funding	(1,955)	tbc	tbc
Tackling Troubled Families Grant	(530)	tbc	tbc
Total Other Grants	(225,711)	(111,481)	(110,109)

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Appendix G - Fees and Charges

Directorate	Service Area	Charge	Average % increase in Fees & Charges	Council Lead/Statutory
Governance	Mayoralty/Civic	Civic Room Lettings	2.6%	Council Lead
Governance	Land charges	Search fees	0.0%	Council Lead/Statutory
Growth and Regeneration	Passenger Transport	Queensgate Bus Station	0.0%	Council Lead
Growth and Regeneration	Street Works	Licenses and permits	2.5%	Council Lead
Growth and Regeneration	Asset Management	Street naming & numbering information	8.3%	Council Lead
Growth and Regeneration	Trans and Development	Highways Development	0.5%	Council Lead
Growth and Regeneration	Planning	Planning Fees and Charges	0.0%	Council Lead/Statutory
Growth and Regeneration	Archaeology Service	Archaeology Services	0.2%	Council Lead
People and Communities	St. Georges Hydrotherapy Pool	St. Georges Hydrotherapy Pool	0.0%	Council Lead
People and Communities	Housing & Healthy Living - Communities	Gladstone Park	0.0%	Council Lead
People and Communities	Community Protection	Environmental Enforcement	0.0%	Statutory
People and Communities	Enforcement	Houses of Multiple Occupation License	0.0%	Statutory
People and Communities	Housing & Healthy Living - Housing	Selective Licensing	0.0%	Council Lead
People and Communities	Education	Parental contribution to Bus Passes issued	0.0%	Council Lead
People and Communities	Parking Services	PCN's - Off Street Parking	0.0%	Statutory
People and Communities	Parking Services	PCN's - On Street Parking	0.0%	Statutory
People and Communities	Children & Families	Accommodation charges	0.0%	Council Lead
People and Communities	Childrens Social Care	Unauthorised absence penalty notice	0.0%	Statutory
People and Communities	Independent Sector Placements	Homecare - hourly rate	0.0%	Council Lead
People and Communities	Independent Sector Placements	Extra Care Schemes	-0.6%	Council Lead
People and Communities	Independent Sector Placements	Day services	3.3%	Council Lead
People and Communities	Independent Sector Placements	Direct payment rates	0.4%	Council Lead
People and Communities	Independent Sector Placements	Respite	0.0%	Council Lead
People and Communities	Independent Sector Placements	Meals on wheels	0.0%	Council Lead
Resources	Parking Services	On Street Parking	0.0%	Council Lead

Directorate	Service Area	Charge	Average % increase in Fees & Charges	Council Lead/Statutory
Resources	Parking Services	Off Street Parking	0.0%	Council Lead
Resources	Parking Services	Off Street Parking Season tickets	0.0%	Council Lead
Resources	Parking Services	Staff Parking	0.0%	Council Lead
Resources	Parking Services	Residential Parking	0.0%	Council Lead
Resources	City Centre Services	City Services Street Trading	1.0%	Council Lead
Resources	Tourism	Tickets sold on behalf of event organisers	0.0%	Council Lead
Resources	Licensing	Gambling Act Licensing	1.3%	Statutory
Resources	Licensing	Hackney Carriage Licensing	3.9%	Council Lead
Resources	Licensing	Animal Welfare Licensing	2.6%	Council Lead
Resources	Licensing	Lottery Licensing	0.0%	Statutory
Resources	Business Regulations	Other Environmental Health Licensing	3.4%	Council Lead
Resources	Business Regulations	Construction, Design and Management Fees	1.9%	Statutory
Resources	Business Regulations	Trading Standards	3.8%	LACORS
Resources	Business Regulations	Street Trading Consents (Non Pedestrian Area)	5.8%	Council Lead
Resources	Business Regulations	Other charges	0.9%	Council Lead/Statutory
Resources	Business Regulations	Environmental Protection Act	0.0%	Statutory
Resources	Bereavement Services	Crematorium fees	3.9%	Council Lead
Resources	Bereavement Services	Memorial Sales	3.6%	Council Lead
Resources	Bereavement Services	Cemetery fees	4.7%	Council Lead
Resources	Registration Services	Private Citizenship Ceremonies	2.6%	Council Lead
Resources	Registration Services	Approved Premises/Registration Office	6.2%	Council Lead
Resources	Registration Services	Nationality Checking	5.6%	Council Lead
Resources	Registration Services	Baby Naming/Renewal of Vows	4.4%	Council Lead
Resources	Registration Services	Registration Services – Statutory fees	0.4%	Statutory
Resources	Strategic Property	Property Rents	Varies	Council Lead

Appendix H - Budget Proposal Document

Medium Term Financial Strategy Budget 2018/19 Phase Two Proposals Document from Cabinet

February 2018

**STRICTLY EMBARGOED UNTIL
5pm on 1 February 2018**

Page No.

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1. INTRODUCTION

This document sets out the second set of budget proposals that will be considered by cabinet to ensure Peterborough City Council has a balanced budget for 2018/19.

In total since 2010 the Council has made significant savings, however this is still not enough and Central Government continues to cut funding to Local Government. Therefore the 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.

As part of the phase one budget consultation for the Medium Term Financial Strategy (MTFS) 2018/19- 2020/21, which was approved by Council on 13 December 2017, the Council set out in detail the pressures it faces, along with some of the successes the council has been able to achieve throughout such a difficult time.

The main points underlying the council's position include:

- A reduction in Government Revenue Support Grant Funding of £45 million between 2013/14 and 2018/19; in addition to funding reductions received prior to this, dating back to the spending review in June 2010;
- A 200 Per Cent increase of Homeless Families requiring temporary accommodation in two years;
- Increasing demand for Adult Services;
- An increasing amount of children coming into care, with numbers peaking at 381 in July 2017;
- Creating extra school places for a school population that has increased by 13 per cent between 2013 and 2017.

Despite these pressures the Council has:

- Invested £127.7million in school building schemes and school improvements in the last five years;
- Led on the Fletton Quays scheme to regenerate this part of the City Centre;
- Helped create 2,685 jobs in the City in 2016/17;
- Helped create 4,600 new homes for residents between 2011 and 2016

This is why the council launched the 'Stand up for Peterborough' campaign in November, to lobby for funding in specific high risk areas which include:

- Additional funding for Homelessness;
- Additional funding for the provision of School Places;
- Access to transitional funding to allow the Council to move to its longer term sustainable model;

On 19 December 2017 DCLG issued the Local Government Provisional Finance Settlement. The most significant change was permitting county and unitary councils' to increase their

2018/19 council tax by an additional 1 Per Cent, with the possibility of a further 1 Per Cent in 2019/20 following government approval.

The referendum threshold for core council tax was increased from 1.99 Per Cent to 2.99 Per Cent and the Adult Care Social Care precept maximum increase would remain at 3 Per Cent. It is Proposed that the Council increase Council Tax by this additional 1 Per Cent. This will contribute circa £0.7million of income to the budget.

Grant funding was as anticipated and did not change from that set out in 2016 as part of the multi-year settlement for 2016/17 – 2019/20.

From 2020/21 councils will be allowed to retain 75 Per Cent of their business rates. This increase though will be used to incorporate existing grants, including the Revenue Support Grant which is £10 million in 2019/20 and the Public Health Grant of £11 million.

However, from 2020/21 a new fair-funding mechanism will be introduced with consultation starting on relative needs and resources in the New Year and at this stage no information to project the positive or negative impact to the council's funding has been made

Our current Budget Position leaves us with £19.2million of budget reductions or additional income to achieve, in order to set a balanced and sustainable budget by 2020/21. This will Council still remains in a challenging financial position, work will continue to develop detailed plans on how it can transform service delivers, share and integrate services with other local authorities and health and reduce costs.

We are also committed to delivering improved efficiency ahead of any reduction to services. In the 2016/17 and 2017/18 budgets there were no reductions to services, despite increasing pressure on services and severely reduced Government funding. There are very limited service reductions resulting from the proposals for the 2018/19 budget.

The first set of budget proposals, published on Friday 10 November 2017, set out pressures totalling £4.9million and reductions totalling £8.2million. These were approved by Full Council on 13 December 2017. At this point there was a budget gap of £15.7million for 2018/19, however since then further pressures of £2.5million have been identified, which are included within the phase two budget proposals.

The second set of budget proposals, published on Thursday 1st February 2018, will close the remaining gap in the budget. These proposals include a further £13.5million of budget reductions, along with the use of £4.6million from the Grant Equalisation Reserve, established from additional savings delivered in 2016/17, to balance the budget. The second set of proposals also includes the second year proposal for levying an Adult Social Care Precept of 3 Per Cent on council tax.

These proposals would mean a balanced budget for the council next year.

To be clear, we still have tough challenges ahead. There are further grant reductions, increased demand for services and emerging national social care pressures; this widens the budget gap further. However, with a clear vision for the future and careful financial management, we believe we will see the city continue to develop into the strong and vibrant community we all want. This vision has already achieved the following for the benefit of the city:

2. APPROACH TO TACKLING THE GAP

The council will continue to develop options to deliver a sustainable budget for the three year MTFS after Phase two has been considered.

The areas of search are outlined in the following section. Some of these areas of search will produce options that may lead to in year additional income or savings in 2018/19.

In view of this and the seriousness of the council's financial position, it is proposed to put an in depth budget review and any in year options to Cabinet and Council in July 2018. Consultation will take place over the summer, with results put to Cabinet and Council in September 2018. This process will continue on a rolling quarterly basis to ensure that proposals can be agreed, consulted on and implemented quickly.

There are five fundamental areas in which the council will develop options to meet the requirement for a sustainable budget:

a) Expand Commercial Income.

The council has a significant track record in delivering commercial income, both through individual projects and the commercialisation of procurement frameworks that have been developed such as Skanska. The council is developing a new commercial strategy in conjunction with Cambridgeshire County Council (CCC).

b) Continue to innovate and develop efficiencies.

The largest example of these initiatives being currently assessed is the exploration of shared service opportunities within the local area, building on the successful track record of sharing with CCC and other local authorities.

c) Mitigation and Control of Service Demand Pressures

Reducing pressures that have been identified within the MTFS are critical to delivering a sustainable budget. The three largest pressures are Homelessness, Borrowing, Social Care Demographic pressures.

d) Continue to seek to maximise funding

In order to ensure that this funding is maximised, the council has asked its service provider, Serco, to consider how the collection of NNDR and Council Tax can be improved. Fees and charges will continue to be reviewed, but opportunities to increase or expand fees and charges within the council's control are relatively limited. Additionally, one off sources of funding will continue to be explored as they arise.

e) Budget cuts

The Council has two options for to review items

- Review the level of discretionary expenditure within the council. From analysis carried out to date this is £12million.
- The other option is to review service quality within non-discretionary areas.

Taken as a whole, the areas of search do offer very significant opportunities but there is a requirement for work to begin quickly to ensure new savings can be properly delivered as soon as is possible and no later than the start of the 2019/20 financial year.

3. PRIORITIES

The Cabinet remains firm in its priorities this year against the funding challenges it faces. It is worth reiterating those priorities:

- Growth, regeneration and economic development of the city to bring new investment and jobs. Supporting people into work and off benefits is vital to the city's economy and to the wellbeing of the people concerned.
- Improving educational attainment and skills for all children and young people, allowing them to seize the opportunities offered by new jobs and our university provision, thereby keeping their talent and skills in the city.
- Safeguarding vulnerable children and adults.
- Pursuing the Environment Capital agenda to position Peterborough as a leading city in environmental matters, including reducing the city's carbon footprint.
- Supporting Peterborough's culture and leisure trust, Vivacity, to continue to deliver arts and culture.
- Keeping our communities safe, cohesive and healthy.
- Achieve the best health and wellbeing for the city.

4. COST INCREASES AND PRESSURES

Alongside the unprecedented reductions in funding, we are also experiencing significant financial pressures. We have a range of statutory services that we are required by law to provide, and demand for these services is increasing. In some cases, changes in legislation also brings additional costs. Whilst there are considerable pressures in the budget, nevertheless there is still a strong commitment by the Cabinet to invest in priority areas.

This document, therefore, also outlines the financial pressures we are facing which we need to fund. Some of the most significant are outlined below:

- Increasing demand and cost of Adult Social Care services
- A 200 Per Cent increase of Homeless Families requiring temporary accommodation in two years;
- An increasing amount of children coming into care, with numbers peaking at 381 in July 2017;
- The need to create additional school places
- 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. This growth affects all services.

We remain fully committed to the growth, regeneration and economic development of the city to bring new investment and jobs. We want to build upon the progress we have made in the past year in bringing new companies into the city by continuing to position Peterborough as the destination of choice, not only for our own residents, but also for visitors and investors in the future.

5. IMPLICATIONS ON THE COUNCIL TAX

Council tax bills are made up of council charges and charges from other public bodies to fund their services. The remainder of the bill paid by Peterborough residents funds police, fire and parish councils, with each authority setting its own council tax charge.

We continue to have one of the lowest council tax levels in the country. Out of 56 unitary authorities across the country, Peterborough has the sixth lowest council tax (£123 per year lower than the English average and £361 lower than the most expensive).

Given the scale of the challenges that the council faces going forward, the desire to keep council tax unchanged must be offset against the need to protect vital services. The current MTFs assumes a 1.99 per cent increase in council tax throughout its life. However within the Local Government Provisional Finance Settlement for 2018/19 county and unitary councils' were permitted to increase their 2018/19 council tax by an additional 1 per cent, which has been included within the MTFs, taking the core council tax increase to 2.99 per cent for 2018/19.

Therefore, having fully considered the level of pressures identified and savings required, it is proposed that council tax rises by 5.99 per cent, which includes an Adult Social Care Precept of 3 per cent.

As part of the Local Government Provisional Finance settlement for 2017/18, local authorities were given increased flexibility to 'frontload' the effects of this and levy a 3 per cent precept on residents in both 2017/18 and 2018/19, removing the ability to levy an Adult Social Care Precept in 2019/20. This money can only be spent on Adult Social Care, and must continue to be spent on Adult Social Care in the future, the council fulfills this criteria in the proposed MTFs.

Peterborough is the fourth fastest growing city in the country, with the fourth highest birth rate and a rising population. This increases the demand for housing in Peterborough.

This proposed 5.99 per cent increase would mean that overall the Band D council tax charge would rise from £1,231.57 to £1,305.34 per year - an increase of £1.42 per week. The average property in Peterborough is in Band B, meaning council tax would rise from £957.88 to £1,015.25 per year - an increase of £1.10 per week. The council tax bill that households in Peterborough receive also includes elements from police, fire and in some cases parish councils. The actual increase that households face will depend on decisions taken by these bodies.

The Government continues to set limits on the maximum increase in council tax, known as a referendum limit. As before, if any council proposes an increase higher than two per cent (excluding the Adult Social Care Precept), they are required to put the matter to local taxpayers through a referendum. The final council tax charge will be agreed by Council on 7 March 2018.

It must be noted that where pensioners are in receipt of full council tax support, this support will remain and they will not be impacted by any increase. Other discounts, such as the Single Person Discount, will remain in place.

6. OVERALL BUDGET POSITION

The costs, pressures and investments combined with the grant reductions create a budget gap, which is outlined in the following tables broken down into phases one, two and the overall position for 2018/19.

2018/19 Phase Two Budget Summary Position

	2018/19 £000	2019/20 £000	2020/21 £000
Budget Gap without the Use of Reserves	19,037	21,246	28,853
2018/19- Phase One			
Pressures	4,857	6,642	10,883
Budget Reductions and Additional Income	(8,194)	(6,528)	(4,526)
Revised Budget Gap	15,700	21,360	35,210
2018/19- Phase Two			
Pressures	2,494	3,691	3,779

Budget Reductions and Additional Income	(13,546)	(12,418)	(19,752)
Revised Budget Gap	4,648	12,633	19,237
One-off use of Reserves	(4,648)		
Final Budget Gap	0	12,633	19,237
Incremental Budget Gap	0	12,633	6,604

The reduction in grants and pressures faced, mitigated in part with the use of the Grant Equalisation (GE) reserve, means the council still needs to find savings of nearly £12.6million in 2019/20. By 2020/21 this gap will have increased to £19.2million.

When the council published its phase one proposals, the budget gap was balanced, but only with the use of £15.7million from reserves. Since the first phase of proposals was approved the council has received its provisional finance settlement which saw negligible changes in funding.

In addition, financial pressures of £2.5million have been identified which also need to be addressed during phase two.

The total budget gap we face for 2017/18 will be tackled as follows:

- Phase one - savings proposals of £8.2million approved by Council on 13 December 2017
- Phase two – savings proposals of £13.5million included within this consultation document should contribute towards closing the gap in budget
- Use of £4.6million from the Grant Equalisation Reserve

7. 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 22 February 2018. Cabinet will consider comments on Monday, 26 February 2018 and Full Council will debate the phase two proposals on Wednesday, 7 March 2018

The consultation will ask the following questions:

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

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2. Having read the phase two proposals document, how much do you now feel you understand about why the council must make total savings of almost £26million in 2018/19 and almost £42million 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.

GROWTH AND REGENERATION - SERVICE IMPLICATIONS

Service Overview

Peterborough is one of the fastest growing cities in the country. The Growth and Regeneration directorate is in charge of driving that growth and overseeing major regeneration projects in the city.

Growth and regeneration leads to additional income for the council through the New Homes Bonus and business rates.

The Growth and Regeneration directorate consists of the following:

Peterborough Highway Services

This partnership with Skanska, the council's highways contractor, is responsible for maintaining and improving our roads and street lights, gritting roads in the winter, public transport and planning the future of transport in Peterborough and its surrounding villages.

Planning services

Peterborough City Council was named Local Authority Planning Team of the Year at the 2015 Awards for Planning Excellence. The awards are run by the Royal Town Planning Institute (RTPI).

This service includes surveyors, planners and other technical teams who work with residents and businesses to ensure new development fits with the city's growth plans. The service also works with schools and local communities to help make our city greener and is responsible for our environment capital aspiration.

In recent years the planning team has started to generate income through selling services, such as planning policy and development control expertise, to other local authorities throughout the UK. In total, the planning service now generates approximately £500,000 per year which is used to reduce the running cost of the department. In 2016 we also formed a joint planning service with Fenland District Council.

Opportunity Peterborough

The council's wholly-owned company Opportunity Peterborough supports our agenda to grow the city by 20,000 jobs and 25,500 houses by 2026, by attracting inward investment and marketing the city to businesses.

Housing joint venture company

This partnership with Cross Keys Homes will see all types of housing built in the city including affordable, market rent and outright sale homes. In particular it will help address a shortage of affordable and temporary housing.

Growth joint venture company – Peterborough Investment Partnership

This partnership is supporting the regeneration of city centre sites in the council's ownership including Fletton Quays (also known as South Bank/Riverside Opportunity Area).

Property Services

Corporate property including asset disposals and our property joint venture NPS Peterborough.

Amey

Amey Strategic Partnership which includes refuse collection, street cleaning, parks, trees and open spaces, building cleaning and passenger services

Westcombe Engineering

A specialist in the design and manufacture of precision engineered parts. Owned by Peterborough City Council.

BUDGET REDUCTIONS AND ADDITIONAL INCOME

Travelchoice (sustainable travel promotion)

Peterborough has delivered a programme to encourage smarter travel choices since 2004, following designation as one of three Sustainable Travel Demonstration Towns.

For 2018/19 and subsequent years the council intends to bid for annual funding of £150k from the Combined Authority. If this bid is successful it would allow the council to reduce its revenue budget by £61k per year. If the bid is unsuccessful this would mean the service would need to be removed.

Service Reduction	2018/19 £k	2019/20 £k	2020/21 £k
Travel Choice	-61	-61	-61

Commercialisation Opportunities in core highways functions

This allows the council to capture wider savings and/or income achieved as part of the contract. It includes discussions with other authorities to enable them to access the Peterborough Highways Services contract, forecast to take effect in 2019/20.

Income Generation	2018/19 £k	2019/20 £k	2020/21 £k
Commercialisation Opportunities in core highways functions	0	-300	-75

Highways maintenance reduction

The council has a statutory duty to maintain the highway.

It has already reduced spend in this area by six per cent since 2012/13, even though the highway asset including footpaths, roads and street lights has increased over this period.

A number of additional savings have been identified for the phase two budget proposals, which will involve using capital investment to make revenue savings. These include bidding to fund self-cleansing road signs and treating whole areas of roads rather than patch repairs.

Income generation	2018/19 £k	2019/20	2020/21
Highways Maintenance reduction	-335	-320	-304

Deletion of Housing Strategy Officer & Enabling Vacant Position

This is a part-time vacant post within the team, which will create ongoing revenue savings of £18k a year. The council has invested significantly in its budget to support housing delivery.

Efficiency	2018/19 £k	2019/20	2020/21
Deletion of Housing Strategy & Enabling Vacant Position	-18	-18	-18

Reduction in advertising and licensing costs

Reduce advertising and licensing costs for the department creating ongoing revenue savings of £6k a year.

Efficiency	2018/19 £k	2019/20	2020/21
Reduction in advertising and licensing costs	-6	-6	-6

Increase street naming and numbering fees

By increasing the fees charged to developers and private individuals for street naming and numbering of new addresses, the council will be able to fully cover the costs its administrative costs,

The council has looked at fees charged in other authorities of a similar size and has developed a fee schedule for use in Peterborough.

Income generation	2018/19 £k	2019/20	2020/21
Increase street naming and numbering fees	-30	-30	-30

Increase pre-application advice fees

By increasing the fees charged to developers and private individuals for pre-application planning advice, the council will be able to generate additional income that can be used to balance its budget. National planning fees have recently been increased and this reflects that.

The council has looked at charging models used in other authorities of a similar size and has developed a model for use in Peterborough.

Income generation	2018/19 £k	2019/20	2020/21
Increase pre-application advice fees	-15	-15	-15

Ground Rent increases (industrial Sites)

By increasing the ground rent (development lease) for industrial sites, the council can generate an extra £56k per year.

These rent prices would still be at competitive levels compared to other local authority areas, meaning the city would still be able to attract new business.

Income generation	2018/19 £k	2019/20	2020/21
Ground Rent increases (industrial Sites)	-11	-11	-11

Increase charge for brown bins

The council currently charges households £39 a year for a brown bin, but does not charge households a recurring annual fee for the collection of a second bin.

Under the current contract with Amey, the council is charged for both first and second bin collections. It is proposed to increase the annual charge for all households with brown bins to £45 to cover this deficit and protect the council against future rise in collections.

It is expected that this will bring the council an additional income of £127k a year to cover the cost of delivering this service.

Income generation	2018/19 £k	2019/20	2020/21
Increased Charge for Brown Bin	-127	-127	-127

Charging for replacement bins

There has been an increase in the number of lost or stolen bins in the city. Last year the council spent £144k replacing these. It is predicted that this cost will rise to £170k in 2018/19.

An increasing number of authorities are making the move towards charging for replacement bins, unless there is evidence to prove they were damaged during collection.

A payment of £25 (bins) and £15 (food caddy and set of liners) is being proposed to cover costs and the administration required.

Income generation	2018/19 £k	2019/20	2020/21
Charging for replacement bins	-158	-149	-139

Charging for new bins

The council currently subsidises the provision of a set of bins to new properties. A fixed fee could now be charged to cover the cost of this.

This fee (£25 for each bin and £15 for a food caddy and initial set of liners) would cover the costs for the cost of the delivery and administration.

Income generation	2018/19 £k	2019/20	2020/21
Charging for new bins	-66	-66	-66

Restrict disposal of DIY waste at Household Recycling Centre (HRC)

Currently households who are carrying out home improvements and need to dispose of waste are able to do so freely and with no limits at the HRC.

It is proposed to limit the number of trips, the amount of waste and the number of permits issued. These restrictions have already been introduced by a number of other local councils. These councils have reported 50 per cent reductions in this type of waste and higher levels of private skip hire. They have not experienced increases in flytipping.

It is expected that this would save the council £9k in the first year, due to a mid year launch, but then .the full year impact should generate an annual saving of £17k.

Income generation	2018/19 £k	2019/20	2020/21
Restrict DIY waste at the HRC	-9	-17	-17

Planning Team

This saving is to be achieved through additional income generation or a resource reduction within the Planning Team. This should create a saving of £50k per year. This could be achieved through additional income generation or vacancy management in the team.

Efficiency	2018/19 £k	2019/20	2020/21
Planning Team	-50	-50	-50

Westcombe Engineering- Increased income generation

Westcombe Engineering is owned by Peterborough City Council. It is an established precision engineering component specialist, which fulfills the vision of its founder by actively employing people with disabilities.

There is an opportunity for more income to be made by the business, which would in turn be passed to the council. An extra £50k a year could be generated from this. This income will be the result of additional machinery which has been purchased.

Income Generation	2018/19 £k	2019/20	2020/21
Westcombe Engineering- increased income generation	-	-50	-50

Closure of the Waste Electrical and Electronics Equipment (WEEE) Facility

The closure of the Waste Electrical and Electronics Equipment (WEEE) facility would result in a saving of £39k per year. However in 2018/19 only a part year is recognised.

Current turnover is low and does not cover the costs of running the facility. There is no statutory obligation for the council to run this service.

There is potential to transfer the running of the WEEE facility to charitable organisation. This and other alternative options will be explored before September 2018, at which point if no progress has been made the council will cease to fund the facility.

If the WEEE site was to close then we would need to look at alternatives for residents on lower incomes.

Service Reduction	2018/19 £k	2019/20	2020/21
Closure of the WEEE Facility	-20	-39	-39

Bretton Water Park

The council is proposing to close Bretton Water Park, unless the cost of running the facility can either be taken on by the parish council or recovered through charging for admission. This should generate a saving of £18k per year.

The water park is currently open for three months of the year during peak summer. The council will enter into talks with the parish council to see if they could take over the running of this facility.

Service Reduction	2018/19 £k	2019/20	2020/21
Bretton Water Park	-18	-18	-18

Floral display reduction

Ending the provision of floral displays along Bridge Street, St John's Church and at the Peterborough Crematorium would make £3k of ongoing savings.

There could be a possibility for sponsorship instead.

Service Reduction	2018/19 £k	2019/20	2020/21
Floral display reduction	-3	-3	-3

Closure of public convenience at Northminster Car Park

The closure of the public conveniences at Northminster Car Park and a modest reduction in floral displays would make an annual saving of £57k. There have been current problems of vandalism and anti-social behaviour at the public conveniences in Northminster car park.

This would leave public toilets available in the Town Hall and Car Haven Car Park.

Service Reduction	2018/19 £k	2019/20	2020/21
Close public conveniences and floral display reduction	-57	-57	-57

BUDGET PRESSURES

Street Lighting Inflation

The council lights 27,500 streetlights across the city and is currently partway through a three year 'invest to save' project to upgrade 17,000 streetlights to energy saving LEDs. The remaining lights have already been replaced.

Energy prices have risen by an unprecedented 16 per cent, the revenue cost of street lighting is expected to be over budget for the next three years.

Once the new LED street lights project is completed in 2019, this extra revenue cost is expected to reduce significantly.

Pressure	2018/19 £k	2019/20	2020/21
Street Lighting Inflation	189	110	110

Household Recycling Centre

A new facility will be built in Fengate to replace the existing Dogsthorpe Household Recycling Centre in Winter 2018-19. The council has a statutory obligation to provide this facility.

The new site will be purpose-built, over twice the size of the current site with the majority undercover. This additional cost relates to the operation of the new facility. It will include a one-way system and a convenient layout to make it easier to use and reduce the likelihood of queues.

Pressure	2018/19 £k	2019/20	2020/21
Household Recycling Centre	152	152	152

PUBLIC HEALTH - SERVICE IMPLICATIONS (SAVINGS/INVESTMENTS)**Service Overview****Public Health Services**

Public health services work to improve the health and wellbeing of local residents. They are commissioned by Peterborough City Council, and funded through a ring-fenced grant from central government. Public health services include:

- Local health visiting, school nursing and Children's Centre services
- Services to treat people with drug and alcohol misuse and addiction issues.
- Sexual health and contraception services
- Services to support people to give up smoking, lose weight and achieve health goals

Public health staff work closely with the local NHS and with Public Health England.

BUDGET REDUCTIONS AND ADDITIONAL INCOME**Joint Procurement of Contracts**

The council is working with Cambridgeshire County Council to use its joint buying power to reprocure two contracts, saving £17k a year. The two contracts are as follows:

- The Healthy School Support Service
- The Healthy Workplace Service

	2018/19 £k	2019/20 £k	2020/21 £k
Joint Procurement of contracts	-17	-17	-17

Health and Well-being for Children- Integrated 0-19 Service

The council proposes to work with the NHS and Cambridgeshire County Council over the next year to develop an integrated public health service for children aged 0-19, including health visiting, family nurse partnership, school nursing, children's centres, specialist therapy services, such as speech and language therapy, occupational therapy, physiotherapy, and some emotional wellbeing services. The bringing together of services from different organisations will achieve efficiency savings and reduce management costs.

A saving of £348,000 will be taken from public health revenue budgets in 2018/19 while further work on the integrated model is done. There will be no change to services in 2018/19 due to this saving being covered from public health reserves and other grants.

	2018/19 £k	2019/20 £k	2020/21 £k
Health and Well-being for Children- Integrated 0-19 Service	-348. <i>Note: This will be covered in 2018/19 by public health reserves and other grants.</i>	-403	-408

Healthy Peterborough

The Healthy Peterborough campaign aims to inform city residents about lifestyle choices, in order for them to prevent and tackle common health problems and live healthier for longer. An evaluation of the campaign completed last year has shown it has achieved good brand recognition locally.

The campaign currently has a dedicated communications and marketing resource. It is proposed to save £30,000 by ceasing this dedicated support, and mainstreaming the Healthy Peterborough campaign into the routine work of the Communications & Marketing and Public Health teams. The Healthy Peterborough brand and website would be maintained, and maximum use made of nationally available public health campaign materials.

	2018/19 £k	2019/20 £k	2020/21 £k
Health Peterborough	-30	-30	-30

Integration of Road Safety Services

The public health grant funds £116k of the cost of the City Council's road safety services. A scoping paper has been prepared reviewing the opportunities from joint working of the road safety teams across Cambridgeshire and Peterborough and other management efficiencies, which could result in ongoing savings to Peterborough of £20k a year.

	2018/19 £k	2019/20 £k	2020/21 £k
Public Health - savings	-20	-20	-20

RESOURCES - SERVICE IMPLICATIONS

Service Overview

The Resources department consists of the following:

Financial services

- Financial planning and corporate accounting
- Finance and management accounting support to council departments
- Internal audit, fraud and insurance
- Serco Strategic Partnership (business support, shared transactional services, business transformation, procurement, customer services, finance systems, strategic property)
- Serco ICT partnership
- Digital, including the City Fibre partnership

Commercial group

- Vivacity (culture, recreation and libraries)

Cemeteries, cremation and registrars

- Bereavement services
- Registration service

City Services and Communications

- City Services supports city centre retailers and oversees services from CCTV cameras and car parks to events such as the Perkins Great Eastern Run. It also manages the City Market.
- The Communications team supports all council departments by advising how best to explain their services to residents. It promotes the council through the media, writes communications strategies for major initiatives, produces press releases, marketing campaigns and manages the council's website and social media.

Regulatory services

- This team provides regulatory and licensing services such as trading standards, environmental health, health and safety, and enforcement teams who deal with issues such as noise nuisance and air quality.

BUDGET REDUCTIONS AND ADDITIONAL INCOME

Minimum Revenue Provision Re-provisioning

The council can borrow money to fund its capital investment programme. This funds investment in a range of assets across the city including roads and schools.

As with a personal loan, the cost of borrowing impacts on the council's day-to-day spending (revenue budget). This is because it has to pay:

- Minimum payments on the loan (Minimum Revenue Provision, or MRP)
- Interest payments on the loan

As with a personal loan, it is possible to over-pay through the life of the loan to reduce the payment period.

In 2016/17 the council did a review of its MRP policy and made overpayments, thereby repaying some of the debt early. Due to this, there is an opportunity to lower payments during 2018/19.

Income generation	2018/19 £k	2019/20	2020/21
MRP Re-provisioning	-3,700	164	164

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.

In phase one it was forecast that the council expected to have a council tax surplus of £1m in 2017/18, which could be rolled forward to protect services during 2018/19.

A further forecast has been generated, which is more up to date and has identified an additional surplus of £183k can be rolled forward to support the 2018/19 budget.

The council is required to finalise the council tax collection fund position in January.

Income generation	2018/19 £k	2019/20	2020/21
Council Tax Surplus	-183		

Council Tax Base

The council tax base is calculated by looking at the amount of properties within the city, and considering other variables which would affect council tax such as property banding, council tax support and council tax benefit. Peterborough is largely weighted towards band A and B properties.

Due to a continued growth in the number of households paying council tax in Peterborough (caused by a population growth and house building within the city), the forecast for the amount of tax the council can collect has increased.

Income generation	2018/19 £k	2019/20	2020/21
Council Tax Base	-792	-853	-1,004

Council Tax Increase- additional 1 per cent in 2018/19

On 19th December the Local Government (LG) Provisional Finance Settlement was published. This included additional flexibility for Local Authorities to increase general Council Tax by 3 per cent in 2018/19.

The current Medium Term Financial Strategy already includes an increase of 2 per cent, therefore this proposal outlines the additional income generated from raising Council Tax by the additional 1 per cent.

Income generation	2018/19 £k	2019/20	2020/21
Council Tax Increase- additional 1 per cent in 2018/19	-693	-716	-741

New Homes Bonus

Following the LG Provisional Finance Settlement, the council is set to receive extra revenue from the New Homes Bonus.

This increase is a direct result of house building growth within the city over the past year.

Income generation	2018/19 £k	2019/20	2020/21
New Homes Bonus	-31	-46	-27

Business Rates Revised Forecast

An increase in the amount of money retained by the council from business rates is expected, compared to what was previously forecast.

This is due to a combination of factors, including changes to the way this figure is calculated by government, grants received by the government to address these changes and inflation. The forecast has been revised to also account for areas where we expect to see commercial growth such as Fletton Quays.

It is important to state these figures are based on the council retaining approximately 50 per cent of business rates.

Income generation	2018/19 £k	2019/20	2020/21
Business Rates Revised Forecast	-935	-483	-515

Reduction subscription costs

In order to reduce its revenue budget, the council has interrogated the money it spends on subscriptions to membership organisations.

Annual savings of £100k a year have been identified. This will not include the annual subscription to the Local Government Association as it has been identified this organisation is able to assist the council in its lobbying campaign to achieve fairer government funding for the city.

Efficiency	2018/19 £k	2019/20	2020/21
Reduction in subscription costs	-100	-100	-100

Revised Capital Programme

The council's Capital Programme is viewed over a five 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 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 with budget assigned to this. It is proposed to redraft these budget areas to remove surplus and ensure each is allocated to the correct year. This has created revenue savings.

Pressure	2018/19 £k	2019/20	2020/21
Revised Capital Programme	-400	-300	-300

Capital Receipts

In line with its Asset Management Strategy, the council sells any surplus assets and uses the income to reinvest in services.

The list of assets for sale has been revised to reflect the current asset values. Due to this, the council expects to receive an additional £1.822m above what is already included within the Medium Term Financial Strategy.

Income Generation	2018/19 £k	2019/20	2020/21
Capital Receipts	-1,822		

Capitalisation of Salaries

The council is currently able to capitalise officer salaries, where it can be demonstrated that work undertaken has increased or added value to an asset. In order for the council to be able to do this a strict criteria set outlined within the International Accounting Standards must be satisfied.

An additional £50k of salary costs which could be capitalised has been identified, creating a saving of £50k annually.

	2018/19 £k	2019/20	2020/21
Capitalisation of Salaries	-50	-50	-50

City Events and Pedestrian Area

Savings will be sought through additional sponsorship and external support for events and by reducing staff numbers in the City Services department.

Income Generation	2018/19 £k	2019/20	2020/21
City Events and Pedestrian Area	-75	-85	-95

Business Improvement District (BID)

The creation of a City Centre Private/Public Partnership is proposed. This would share the direction and funding of city centre promotions, activities, events and improvements with those that benefit from them.

Partnership members would decide if this would result in funding being sought through the BIDs initiative.

Income Generation	2018/19 £k	2019/20	2020/21
Business Improvement Districts	-	-	-100

Tourism

By increasing sales and seeking additional sponsorship and external support it is proposed that a 10 per cent reduction could be made in the tourism budget.

This would create an additional £13k saving in 2018/19, rising to £38k by 2020/21.

Income Generation	2018/19 £k	2019/20	2020/21
Tourism	-13	-25	-38

Travelchoice Centre (Kiosk)

The Travelchoice Centre kiosk provides members of the public with travel information for nationwide bus, coach and train services, as well as walking and cycling options in city. At present, this service is available via a walk-in centre based at Peterborough Bus Station and online.

Over recent years the profit on the sale of tickets has reduced. The proposal is to close the TravelChoice Centre kiosk, but continue to offer some tickets (including bus pass renewals) from the Visitor Information Centre. This will provide the council ongoing savings of £58k per year. This service would continue to be available online for those who needed it.

Service Reduction	2018/19 £k	2019/20	2020/21
Travel Choice	-58	-58	-58

Serco Variable Spend Reduction

The council has a contract with Serco for its IT support and support for its back office functions. Sometimes it needs additional support and this is supplied in addition to the contract.

It is proposed that ongoing savings of £1million per year can be made by being more rigorous with the management of this.

Efficiency	2018/19 £k	2019/20	2020/21
Serco Variable Spend Reduction	-1,000	-1,000	-1,000

Business Support

The council is looking to reduce to level of spend on administration to support frontline delivery.

This will be achieved by encouraging efficiencies from our partners and reducing non-essential work. It is anticipated that £100,000 worth of ongoing savings can be made.

Efficiency	2018/19 £k	2019/20	2020/21
Business Support	-100	-100	-100

Finance Service Restructure

The council is proposing to conduct a restructure of the financial services team by removing vacant posts and reducing its day to day costs (excluding staff).

Savings could also be made by moving to shared services.

Efficiency	2018/19 £k	2019/20	2020/21
Finance Service Restructure	-400	-400	-400

Business Transformation

Serco has agreed to making savings in its Transformation team. This will mean that future work completed will focus on corporate initiatives.

The council has already implemented additional controls to ensure resource is directed on corporate priorities.

Efficiency	2018/19 £k	2019/20	2020/21
Business Transformation	-225	-225	-225

Vivacity

A reduction in the subsidy paid to Vivacity and an increase in income from its facilities is being proposed. This is for the provision of arts, libraries, sports and healthy living services.

The council anticipates that £80k could be saved per year.

Efficiency	2018/19 £k	2019/20	2020/21
Vivacity	-80	-80	-80

Registration and Bereavement- convert lease to capital

In December 2017 the council bought Peterborough Register Office, which is used to record births, deaths, marriages and civil partnerships. prior to this, it was leasing the building on a 25 year contract and paying annual rent on this.

The council was able to purchase the property at a favourable price and will therefore be able to make savings of £35k a year to run this site from now on.

Efficiency	2018/19 £k	2019/20	2020/21
Registration and Bereavement-convert lease to capital	-35	-35	-35

BUDGET PRESSURES

Housing Benefit Administration Subsidy

The Department for Work and Pensions has announced the Housing Benefit Administration Subsidy for Peterborough.

This grant is significantly less than had previously been forecast, leading to an ongoing pressure of £122,000 per year on the council.

Pressure	2018/19 £k	2019/20	2020/21
Housing Benefit Administration Subsidy	122	122	122

Terrorism Insurance

Recent terrorist attacks in the UK mean Central Government has set the risk level at level 4, 'severe'. This means a terrorist attack 'is highly likely' in the UK.

While there is no current information to inform that Peterborough itself is a target, it would be irresponsible of the council not to insure its property against damage. Especially as individual properties, such as the Town Hall have a high value, which would be difficult for the council to meet in the event of an incident.

Pressure	2018/19 £k	2019/20	2020/21
Terrorism Insurance	39	37	35

Loss of Rental Income from Bayard Place

Investment properties have been identified for sale to give one-off capital payments to the council to help support its financial position.

However, because the council will no longer own the buildings (including Bayard Place), this will mean a loss of revenue income and savings in revenue costs.

The sale of Bayard Place will generate a one-off capital income for the council, which will help support the council's budget.

Previously we had expected to lease out this property and so had previously factored in rental income which could have been generated from this property into the budget.

Now the plan is to sell the building, this rental income will be lost, generating a revenue pressure.

Pressure	2018/19 £k	2019/20	2020/21
Loss of Rental Income	932	1,202	1,337

Energy Budgets Review

The council has been pioneering in its aim to generate income, become 'greener' and help alleviate fuel poverty in communities by the use of a variety of renewable energy products.

Some of these budgets have been reviewed in light of recent developments within each project area.

Adjustment of net income targets

The income generated from a number of energy projects has fallen short from what was expected at the time of launching. It is important to note that there are plans to work with Cambridgeshire County Council to explore further initiatives to promote energy efficiency and maximise income. It may be possible to propose a budget saving from this work in due course.

Pressure	2018/19 £k	2019/20	2020/21
Adjustment of net income Targets	262	261	279

Solar PV (phot-voltaic) panels

A drop in the expected revenue income expected has been identified, partly due to changes in the government subsidy regime for renewable energy and partly due to the sale of council buildings with solar panels already installed.

Pressure	2018/19 £k	2019/20	2020/21
Solar PV	110	110	110

Academy transfers

As schools in Peterborough transfer to Academies, the savings or income generated from energy portfolios will also be transferred, however, the financing for these items will remain with the council.

Pressure	2018/19 £k	2019/20	2020/21
Academy transfers	66	66	66

Energy from Waste plant

Electricity produced at the Energy from Waste plant is sold to generate income. This offsets the additional expenditure on capital financing for building the plant and the contract fee for operating it. Work has been ongoing to explore the most effective way to place this energy on the market to maximise income, and it is expected that the income budget can increase as a result of this, off setting some of the pressures detailed above.

Pressure	2018/19 £k	2019/20	2020/21
Energy from waste plant	200	300	300

Energy Income-Energy from Waste

The council currently benefits from a premium on the energy production income from the plant, which ensures that waste is turned into renewable energy rather than being landfilled.

Changes confirmed by the government regulator OFGEM (Office of Gas and Electricity Markets) means the projected income levels received by the council has now fallen from what was expected.

Income Generation	2018/19 £k	2019/20	2020/21
Energy income	-300	-275	-200

GOVERNANCE - SERVICE IMPLICATIONS

Service Overview

Legal and Democratic services

This team provides legal services to all council departments as well as Rutland County Council, Fenland District Council, East Cambridgeshire District Council and Corby Council. It supports Full Council, Cabinet and all committee meetings, civic services to the Mayor, support services to councillors as well as a range of other related services. It also manages elections and the electoral register.

Human Resources and organisation development

The Human Resources team aims to make the council the employer of choice and improve the council's performance through its people. It works with managers in recruiting, developing, managing and engaging employees to produce a skilled, committed, flexible and diverse workforce. HR provides services to the council which include employee relations, policy and reward, occupational health, workforce development and training and development.

Performance and Information

This team provides a central performance management and business intelligence function, oversees information governance and coordinates information requests. It is responsible for data protection and provides the Caldicott Guardian role and the Senior Information Risk Officer. The team also provides systems support for the social care case records systems.

BUDGET REDUCTIONS AND ADDITIONAL INCOME

Councillors- going paperless and cessation of food and drink at meetings

The council currently prints council documents (agendas etc) for the use of councillors at meetings throughout the year.

It has also provided catering after some meetings, including Full Council, when it is unlikely that councillors have had time to arrange a meal themselves.

In order to make savings, councillors have been asked to use online documents and the provision of food and drink after meetings has been scrapped. This decision took place in November 2017 and will result in ongoing savings.

Efficiency	2018/19 £k	2019/20	2020/21
Councillors- going paperless and cessation of food and drink at meetings	-14	-14	-14

Human Resources Efficiencies

This £12k saving will be deliverable by a reduction in supplies and services and staffing budget within the Human Resources function.

Efficiency	2018/19 £k	2019/20	2020/21
Human Resources Efficiencies	-12	-12	-4

PEOPLE AND COMMUNITIES - SERVICE IMPLICATIONS

Service Overview

The People and Communities directorate is responsible for ensuring the needs of our residents are met, particularly those that are most vulnerable. The department works with adults, children, families and communities, including schools, health services and the police.

Adult Services and Communities

Adult Services and Communities is responsible for assessing the needs of all the city's residents and deciding on the right services to meet those needs. It undertakes all the people services commissioning for the council to ensure the services we provide or buy-in are the right services, delivered at the right time, for the right people, in the right place and at the right price to ensure we are giving real value for money. It also delivers a wide range of community and targeted services including:

- Housing and re-ablement
- Adult social care
- Prevention and enforcement (including the Safer Peterborough Partnership and PES)
- Youth services and youth offending
- Early help services to support individuals, families and communities who don't need specialist services, but do need some help
- Drug and alcohol
- Domestic abuse
- Sexual health
- Community cohesion

Children's Services and Safeguarding

Children's Services and Safeguarding is mostly concerned with supporting vulnerable children and young people, including those who are at risk of significant harm and those who are in care. Children's social care works to protect children and young people at risk of harm by working with parents and families to support them to make the changes they need to make so that their children achieve the best possible outcomes.

This includes services such as:

- Looked after children and young people
- The Healthy Child Programme
- Children's Safeguarding Boards (including the Family Safeguarding Team)

Education

The council is responsible for ensuring all schools in Peterborough (including academies) provide a high quality of education for all their pupils. This includes

- School improvement

- Support and challenge for leadership and management, the quality of teaching and making sure schools perform well at Ofsted and have good governance.
- Support for vulnerable pupils, whether they have special education needs, have been excluded from school or have behavioural issues, have English as an additional language or are children looked after.
- Ensuring schools are fairly funded and manage their budgets appropriately.
- Overseeing the school admissions process, home-to- school transport and school places
- Building new schools and extending existing ones.

BUDGET REDUCTIONS AND ADDITIONAL INCOME

Homelessness Prevention

The levels of homelessness have increased rapidly in Peterborough over the past two years. Although this mirrors national trends, the city has seen an unprecedented rise of 200 per cent, with the council assisting over 300 families at the end of 2017. The level of homeless households in the city is expected to rise further still over the next three years.

Temporary accommodation is provided through a range of hostel and leased accommodation. Additional demand is met through bed and breakfast style accommodation, which as well as being far from ideal for families, is far more expensive for the council.

Homelessness is very disruptive to households and has wider ranging impacts on families including health, social and educational. To alleviate these impacts, the ideal scenario would be to provide leased temporary accommodation as close as possible to the city, to enable households to go about their daily lives staying connected with their community and to reducing the costs and logistics associated with school transport.

Following an agreement from Cabinet earlier this month (subject to a satisfactory business case), the council has confirmed a grant to Medesham Homes for 29 homes to be made available at Midland Road and 43 homes at Bretton Court.

It is also proposed that an additional 40 homes can be made available by leasing from Ermine Street Housing. Possibilities for further homes are also being developed both in the city area and by widening the search to local authority areas bordering the city. Priority will always be given to suitable housing stock in the city for the reasons above, however the availability of this will ultimately determine the location.

It is expected that this will reduce the council's reliance on bed and breakfast style accommodation, including Travelodge accommodation completely.

In addition, four Homelessness Prevention Officers will be employed, which is projected to prevent four homelessness cases each week. These officers will work with tenants and landlords to keep people in their homes through providing information, financial incentives to landlords and by finding alternative privately rented accommodation prior to households requiring temporary accommodation.

	2018/19 £k	2019/20	2020/21
Homelessness	-259	-1,354	-4,309

Special Educational Needs and Disability (SEND) Grant

Previously it was thought that this grant wouldn't be continued past 2017/18, however the council has now received confirmation that we will receive £127k for 2018/19 only.

Income Generation	2018/19 £k	2019/20	2020/21
SEND Grant	-127		

Shared and Integrated Services Programme (exc Finance)

In this directorate, many senior roles work across both Peterborough City Council and Cambridgeshire County Council already.

In order to improve outcomes and manage demand on services, the programme will build on successful joint working to date. It would include sharing back office functions, reducing leadership costs, maximising purchase power, reducing the duplication of systems and processes, reducing estate costs and building resilience.

This will be a council wide programme, led by People and Communities as savings to be made in this directorate are the most substantial.

Three work streams would be put in place:

1. Opportunities for shared services in back office functions
2. Further integration of services in the People and Communities directorates of each council
3. Additional opportunities for shared or integrated service delivery across each council

It is anticipated that rising savings could be achieved throughout the three years of the programme, reaching £9million in 2020/21.

Efficiency	2018/19 £k	2019/20	2020/21
Shared and Integrated Services Programme (exc Finance)	-845	-4,500	-9,000

BUDGET PRESSURES

School Transport

The number of children who need home to school transport has increased.

Peterborough has one of the highest population growths in the UK and also the fourth highest birth rate (according to the Office of National Statistics Report, published November 2017).

Since 2006 the number of pupils being taught in secondary and primary schools in the city has increased by 7,360. This represents a 26 per cent increase in school children in just a decade.

In addition the increase in homelessness has added to the demographic pressures. Homeless households can be moved across the city to wherever accommodation can be found for them, meaning pupils rely much more on the council for home to school transport.

Due to the growing demand for school places, has led to a significant rise in the numbers of children being transported due to their nearest available school being over the statutory walking distance.

Based on the trend (increase in children requiring school transport) seen by the council in the last two years, it is anticipated demand will continue to rise by eight to 10 per cent, over the next three years.

Pressure	2018/19 £k	2019/20	2020/21
School Transport	300	340	350

SERVICE CHANGE

0-25 Provider Service Change

The Council currently runs two residential/respice homes for children with disabilities. More families are choosing to access non-residential provision and this has significantly reduced occupancy at the manor respice care unit.

The proposal is to stop using the Manor for residential care and increase outreach, direct payments, after school clubs and sports activities.

This will be consulted on as part of the Budget consultation, and with affected staff and families.

STAFFING IMPLICATIONS

This section outlines any issues that affect the costs of staffing as well as the impact on staff numbers.

BUDGET REDUCTIONS AND ADDITIONAL INCOME**Reduction training costs**

Additional savings have been identified that can be made by reducing training for staff. The council is committed to providing training for employees, however, it is now only able to approve requests that are considered essential for each role. It is anticipated that a further £100k amount of ongoing savings can be made through this approach.

Efficiency	2018/19 £k	2019/20	2020/21
Reduction in training costs	-100	-100	-100

Staff reductions

We have made every effort to minimise the impact on our staff. It is anticipated that the budget proposals could lead to around 4 redundancies.

The proposals as set out could affect 33 posts, although this is reduced by deleting 10 already vacant posts and further minimised by providing redeployment opportunities for an additional 19. This means that the overall impact could result in 4 posts redundant.

All staff directly affected by the proposals have already been informed by their line managers.

In accordance with the council's redundancy policy, redeployment opportunities will be sought in the first instance for those at risk of redundancy. We will also be working with our colleagues in Cambridgeshire County Council to identify any suitable vacancies that may exist.

There were no redundancies resulting from phase one.

BUDGET PRESSURES**Pay inflation**

It was originally thought there would be a 1 per cent public sector pay cap. However, it is looking more likely that a 2 per cent pay award may be agreed across Local Government.

Therefore, the council has deemed it prudent to incorporate additional amounts within the budget.

Pressure	2018/19 £k	2019/20	2020/21
Pay Inflation	400	850	850

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Appendix I - Equality Impact Assessments

Equality Impact Assessment: **Initial assessment**

Deletion of Housing Strategy and Enabling Officer

What are the proposed outcomes of the policy?

The Council is proposing to delete the currently vacant 0.5 fte post of Housing Strategy and Enabling Officer. This post became vacant from the end of October 2017. Measures have been put in place to cover the essential elements of this role within the same service area.

Which individuals or groups are most likely to be affected?

No groups or individuals are specifically likely to be affected, particularly because of the cover arrangements that have been put in place.

Now consider whether any of the following groups will be disproportionately affected:

Equality Group	Note any positive or negative effects
Particular age groups	None
Disabled people	None
Married couples or those entered into a civil partnership	None
Pregnant women or women on maternity leave	None
Particular ethnic groups	None
Those of a particular religion or who hold a particular belief	None
Male/Female	None
Those proposing to undergo, currently undergoing or who have undergone gender reassignment	None
Sexual orientation	None

What information is available to help you understand the effect this will have on the groups identified above?

Who will be the beneficiaries of the policy?

The continued cover arrangements for key tasks associated with this post will ensure that

the wider community in Peterborough and Fenland still will benefit from the support that this role provides to maximising the provision of affordable housing in Peterborough and Fenland.

Has the policy been explained to those it might affect directly or indirectly?

N/A

Can any differences be justified as appropriate or necessary?

N/A

Are any remedial actions required?

No

Once implemented, how will you monitor the actual impact?

The covering officer's performance is regularly monitored by the Housing Strategy and Enabling Manager who manages the Housing Strategy and Enabling service provided both to Peterborough and Fenland (the latter through an SLA arrangement).

Policy review date	
Assessment completed by	Anne Keogh
Date Initial EqIA completed	19/01/2018
Signed by Head of Service	Richard Kay

Equality Impact Assessment: Initial assessment

Closure of the WEEE Reuse facility.

Which individuals or groups are most likely to be affected?

This will not affect any of the particular groups below, however the facility does help individuals on low incomes access white goods.

Now consider whether any of the following groups will be disproportionately affected:

Equality Group	Note any positive or negative effects
Particular age groups	N/A
Disabled people	N/A
Married couples or those entered into a civil partnership	N/A
Pregnant women or women on maternity leave	N/A
Particular ethnic groups	N/A
Those of a particular religion or who hold a particular belief	N/A
Male/Female	N/A
Those proposing to undergo, currently undergoing or who have undergone gender reassignment	N/A
Sexual orientation	N/A

What information is available to help you understand the effect this will have on the groups identified above?

N/A

Who will be the beneficiaries of the policy?

The policy will enable the council to make savings.

Has the policy been explained to those it might affect directly or indirectly?

No

Can any differences be justified as appropriate or necessary?

N/A

Are any remedial actions required?

No

Once implemented, how will you monitor the actual impact?

We will try to either get a Charity to operate the facility or look to enable residents on low incomes to access affordable white good from other sites such as the Hotpoint shop or the British Heart Foundation.

Policy review date	24/01/19
Assessment completed by	James Collingridge
Date Initial EqIA completed	24/01/18
Signed by Head of Service	

Equality Impact Assessment: Initial assessment

Floral Displays

What are the proposed outcomes of the policy?

Remove all summer and winter floral displays from Town Hall and the troughs at the pedestrian crossing in Bridge Street.

Which individuals or groups are most likely to be affected?

There are no groups or individuals who will be affected more than any other by removing these floral displays (the city centre is open to all).

Now consider whether any of the following groups will be disproportionately affected:

Equality Group	Note any positive or negative effects
Particular age groups	N/A
Disabled people	N/A
Married couples or those entered into a civil partnership	N/A
Pregnant women or women on maternity leave	N/A
Particular ethnic groups	N/A
Those of a particular religion or who hold a particular belief	N/A
Male/Female	N/A
Those proposing to undergo, currently undergoing or who have undergone gender reassignment	N/A
Sexual orientation	N/A

What information is available to help you understand the effect this will have on the groups identified above?

N/A

Who will be the beneficiaries of the policy?

The policy will enable the council to make savings.

Has the policy been explained to those it might affect directly or indirectly?

N/A

Can any differences be justified as appropriate or necessary?

N/A

Are any remedial actions required?

No

Once implemented, how will you monitor the actual impact?

N/A

Policy review date	24/01/19
Assessment completed by	Paul Robertson
Date Initial EqIA completed	24/01/18
Signed by Head of Service	James Collingridge

Equality Impact Assessment: Initial assessment

Healthy School Service

What are the proposed outcomes of the policy?

Reprocurement of Healthy Schools Service. This will provide a structured support service to schools in to create a healthy environment, working towards different levels of achievement - as well as providing specific programmes on smoking and healthy eating. It will build on and replace the Food for life programme provided through the Soil Association contract. A saving will be made through joint procurement with Cambridgeshire.

Which individuals or groups are most likely to be affected?

Children of school age.

Now consider whether any of the following groups will be disproportionately affected:

Equality Group	Note any positive or negative effects
Particular age groups	School age children. Overall effect should be positive as it will broaden current service and impact on health, while also making a saving through joint commissioning with CCC.
Disabled people	No
Married couples or those entered into a civil partnership	No
Pregnant women or women on maternity leave	No
Particular ethnic groups	No
Those of a particular religion or who hold a particular belief	No
Male/Female	No
Those proposing to undergo, currently undergoing or who have undergone gender reassignment	No
Sexual orientation	No

What information is available to help you understand the effect this will have on the groups identified above?

Who will be the beneficiaries of the policy?

School children

Has the policy been explained to those it might affect directly or indirectly?

It has been discussed with school staff representatives

Can any differences be justified as appropriate or necessary?

Yes – the service is targetted at one age group

Are any remedial actions required?

No

Once implemented, how will you monitor the actual impact?

Monitoring of the contract and evaluation of new service

Policy review date	
Assessment completed by	Liz Robin
Date Initial EqIA completed	26/1/18
Signed by Head of Service	

Equality Impact Assessment: Initial assessment

Close Northminster Public Conveniences

Which individuals or groups are most likely to be affected?

The closure would impact on all groups the same. There are alternative toilets available in the city centre.

Now consider whether any of the following groups will be disproportionately affected:

Equality Group	Note any positive or negative effects
Particular age groups	No - As there are alternative public toilets located in the city centre.
Disabled people	No - Alternative disabled toilets are available in the city centre.
Married couples or those entered into a civil partnership	N/A
Pregnant women or women on maternity leave	N/A
Particular ethnic groups	N/A
Those of a particular religion or who hold a particular belief	N/A
Male/Female	N/A
Those proposing to undergo, currently undergoing or who have undergone gender reassignment	N/A
Sexual orientation	N/A

What information is available to help you understand the effect this will have on the groups identified above?

We are aware that there are other public toilet provisions within the City Centre.

Who will be the beneficiaries of the policy?

Financial savings.

Has the policy been explained to those it might affect directly or indirectly?

No

Can any differences be justified as appropriate or necessary?

N/A

Are any remedial actions required?

No as there are alternative toilets in the City Centre

Once implemented, how will you monitor the actual impact?

This will not be needed as there are still toilet provisions in the City Centre available

Policy review date	24/01/19
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Assessment completed by	Paul Robertson
Date Initial EqIA completed	25/01/18
Signed by Head of Service	James Collingridge

Equality Impact Assessment: Initial assessment

Closure of Travelchoice Kiosk

Which individuals or groups are most likely to be affected?

Customers & staff

Now consider whether any of the following groups will be disproportionately affected:

Equality Group	Note any positive or negative effects
Particular age groups	On a positive note the elderly will not need to stand outside at the bus station to collect their bus pass if this part of the service went to a more suitable area. On a negative this will affect transport information given out on a daily basis, although this will be available at another site.
Disabled people	On a positive note disabled customers will not need to stand outside to collect their bus pass if this part of the service went to a more suitable area, especially when disclosing personal information where people can overhear.
Married couples or those entered into a civil partnership	n/a
Pregnant women or women on maternity leave	n/a
Particular ethnic groups	n/a
Those of a particular religion or who hold a particular belief	n/a
Male/Female	n/a
Those proposing to undergo, currently undergoing or who have undergone gender reassignment	n/a
Sexual orientation	n/a

What information is available to help you understand the effect this will have on the groups identified above?

Who will be the beneficiaries of the policy?

General public, as this can all be put under one roof and be more efficiently run in a better controlled area. It will also give staff a better environment and job satisfaction to use their skills in a suitable and better place to work, whilst saving money and improving the service to the council.

Has the policy been explained to those it might affect directly or indirectly?

Some areas have been spoken to with a view to continue part of the service still with little disruption.

Can any differences be justified as appropriate or necessary?

The current building is of very poor quality to work in for all staff; little heating, leaking ceilings and no toilet facilities. The cost would be too great to get the building to a standard fit to work in. The service can run from a better area owned by the council and not Queensgate, this would save us money and again improve the service .

Are any remedial actions required?

To move part of the service to a suitable area already available.

Once implemented, how will you monitor the actual impact?

I will be part of the management team to speak to all areas involved, and work with the team to produce the best service and outcome for the staff concerned and customers.

Policy review date	
Assessment completed by	Tracy Snooks - Peterborough Information Manager
Date Initial EqIA completed	23/01/18
Signed by Head of Service	

Equality Impact Assessment: Initial assessment

Health Workplace

What are the proposed outcomes of the policy?

Reprocurement of Healthy Workplace Service. This engages with local workplaces to provide training and ongoing support for healthy workplace champions, plus some specific programmes for mental health first aid training, staff health MOTs, smoking cessation groups etc. A saving is being made through joint procurement of the contract with Cambridgeshire County Council.

Which individuals or groups are most likely to be affected?

Adults of working age

Now consider whether any of the following groups will be disproportionately affected:

Equality Group	Note any positive or negative effects
Particular age groups	Adults of working age. There will be some reduction in the programmes made available free to workplaces, due to the saving. However the main focus of the contract on training and supporting workplace health champions to deliver their won organisations workplace health strategy will continue. Interventions can also be made available to workplaces through other contracts e.g. Solutions for Health .
Disabled people	No
Married couples or those entered into a civil partnership	No
Pregnant women or women on maternity leave	No
Particular ethnic groups	No
Those of a particular religion or who hold a particular belief	No
Male/Female	No
Those proposing to undergo, currently undergoing or who have undergone gender reassignment	No
Sexual orientation	No

What information is available to help you understand the effect this will have on the groups identified above?

Who will be the beneficiaries of the policy?

Working age adults

Has the policy been explained to those it might affect directly or indirectly?

It has been discussed with the current provider. However there is a small tender.

Can any differences be justified as appropriate or necessary?

Yes – the service is targeted at one age group of working age adults.

Are any remedial actions required?

No

Once implemented, how will you monitor the actual impact?

Monitoring of the contract and evaluation of new service

Policy review date	
Assessment completed by	Liz Robin
Date Initial EqIA completed	26/1/18
Signed by Head of Service	

Equality Impact Assessment: Initial assessment

Water Park at Bretton

What are the proposed outcomes of the policy?

Closure of the interactive water park at Bretton

Which individuals or groups are most likely to be affected?

This facility is used by young children

Now consider whether any of the following groups will be disproportionately affected:

Equality Group	Note any positive or negative effects
Particular age groups	under 10's
Disabled people	N/A
Married couples or those entered into a civil partnership	N/A
Pregnant women or women on maternity leave	N/A
Particular ethnic groups	N/A
Those of a particular religion or who hold a particular belief	N/A
Male/Female	N/A
Those proposing to undergo, currently undergoing or who have undergone gender reassignment	N/A
Sexual orientation	N/A

What information is available to help you understand the effect this will have on the groups identified above?

We are aware that there is also a free to use paddling pool in Central Park which helps to mitigate against the potential loss of this facility.

Who will be the beneficiaries of the policy?

The policy will enable the council to make savings.

Has the policy been explained to those it might affect directly or indirectly?

No

Can any differences be justified as appropriate or necessary?

N/A

Are any remedial actions required?

No

Once implemented, how will you monitor the actual impact?

Through user feedback

Policy review date	24/01/19
Assessment completed by	Paul Robertson
Date Initial EqIA completed	24/01/18
Signed by Head of Service	James Collingridge

Equality Impact Assessment: Sustainable Travel Promotion

Name/title of the policy area/strand or programme with which this assessment is concerned

This assessment relates to the proposal as part of the 2018/19 budget setting process to remove the annual £61k revenue budget allocated to the Travelchoice programme.

Description/summary of the policy area/strand or programme

As part of the 2018/19 budget setting process the Council propose to remove the annual £61k revenue budget allocated to the Travelchoice programme. This budget has historically been used as match funding to secure further grant funding from the Department of Transport (DfT). However, in 2016 the council were unsuccessful in securing further funding from the DfT and as such there is no foreseeable significant match funding requirement until 2020/2021. As a result of this unsuccessful bid, during 2016/17, the Travelchoice programme has focussed on, delivering smaller scale interventions including adult cycle training, non-targeted promotional campaigns and doctor bike sessions (cycle maintenance).

In October 2017 the Combined Authority awarded £50k to the Council to support this area of work which has been allocated to extend the Bike-It programme in key schools and develop an area wide business travel plan in Lynch Wood.

The Council intends to bid for annual funding of £150k from the Combined Authority going forward, although there is no confirmation at this stage that this funding would be received and this is not anticipated until approximately March 2018. The Council budget of £61k would not be needed to match fund the Combined Authority funding.

As a result of the funding uncertainty this EqIA is based on a scenario where the Council and/or the Combined Authority are not able to allocate any funding to deliver the Travelchoice programme.

The evidence base (list the principal sources of relevant evidence, both quantitative and qualitative).

- Bike-It Peterborough reports
- Work place travel plans
- Residential travel planning evaluations
- Local Sustainable Transport Fund Data Monitoring Report
- Peterborough Sustainable Travel Demonstration Town Travel Behaviour Research

What the evidence shows – keys facts

The above evidence shows that the various sustainable travel projects (under the umbrella of the Travelchoice initiative), have been successful in increasing the number of people who walk, cycle and use public transport.

A review of the MyPTP project (where employees from a range of local businesses are given bespoke travel information explaining the various travel options available), resulted in a 5.8% decrease in the number of single occupancy vehicle trips. All other travel modes increased or stayed the same. The bus, cycle and train modes all had significant increases in the number of trips with a change of between 20%-22%.

Residential travel planning projects involved making contact with 50% of all houses in an area of Peterborough and these were undertaken in different areas over a number of years. Households are offered various bespoke travel information with the goal being that individuals will travel more sustainably. There have been a number of these projects undertaken since 2004 and the evidence shows that the projects have delivered positive results.

The Council funds the Sustrans Bike-It programme in a number of schools in Peterborough. Between 2014 and 2015, the Bike-It staff in Peterborough delivered approximately 200 activities across schools in the city, resulting in them engaging with 14,907 attendees. From 2012-16 all schools surveyed saw an increase in cycling of 7.5% and walking increased by 2.3%.

Ethnic groups and disabled people – throughout the Travelchoice campaign there has been a number of targeted initiatives seeking to encourage the use of sustainable travel amongst ethnic and disabled groups. Whilst none of these activities are currently being delivered the lack of ability to deliver future schemes is likely to have a minor impact.

General residents and people that work in Peterborough – the Travelchoice campaign has been encouraging the use of sustainable travel across the city since 2004. Ceasing this work has the potential to have a small impact on these individuals because the communication activity that continually encourages sustainable travel behaviour will cease and as such they may choose to use alternative modes of travel.

Challenges and opportunities

The Travelchoice initiative works with all residents and certain groups to promote sustainable travel. The impact of more people walking and cycling is a healthier city with more active people, reduced congestion and air pollution, and improving peoples abilities to access services, jobs, education and training opportunities. This is done in a number of ways including:

- Supplying bespoke information to businesses and their employees.
- Working with the Job Centre to improve access to employment and training opportunities.
- Working in various residential areas to promote sustainable travel and its associated benefits.
- Working with disabled residents to promote sustainable travel and its associated benefits.
- Working in schools helps to engrain that behaviour in our youngsters in the hope that they will continue to walk and cycle whilst helping to make them healthier.
- Working with residents and visitors in general through various promotional activities to promote sustainable travel and its associated benefits.

Summary of Equality Impact Assessment

The majority of the work described above was undertaken because the Council was successful in securing grant funding from the Department for Transport. In 2016 the council were unsuccessful in securing further funding from the DfT and as such there is no foreseeable significant match funding requirement until 2020/2021. Also, it is anticipated that the Combined Authority will fund the Travelchoice programme in future years as the Council has received funding this financial year.

If there is no funding for the Travelchoice programme then the following impact is likely:

Adverse impact is probable or certain, since certain groups will be disadvantaged, either proportionately or absolutely, or both. Remedial action is therefore necessary.

The largest impact will be age because the Bike-It scheme is the main Travelchoice programme that is currently funded. This can be mitigated against through the Bikeability programme (Government funded cycle proficiency programme) as well as capital funding through the Council's integrated transport funding to improve walking and cycling infrastructure (such as new zebra crossings). In addition, Council Officers will continue to work with schools on travel planning initiatives.

There could be a slight impact on disability groups because there has previously been some targeted work through the Travelchoice programme. However, there is currently no specific Travelchoice work with disability groups. In addition, the Peterborough Highways Services department will continue to work with the Disability Forum and a number of other groups. Examples of work to improve conditions for disabled people include the Council's integrated transport funding to improve highway infrastructure (such as new dropped kerbs with tactile paving and new bus shelters with raised kerbs) and a Government funded city centre wayfinding project with the RNIB.

No residential travel planning has been undertaken this year and none is currently planned due to the level of funding required. This might have a slight impact on some groups in areas of the city but Travelchoice would continue to work with other groups city wide to promote sustainable travel. However, it would be on a reduced scale.

Next steps

Responsibility for the Travelchoice programme sits with a few Council Officers who will continue to work on a range of initiatives without the funding. These would be tailored accordingly and monitoring would continue to be undertaken which would allow the Council to review the decision to cease the £61k funding at a later time. Areas of work that would continue include school and business travel planning as well as general promotional campaigns (primarily through social media). These tasks will be reviewed as part of the relevant Officers PDR process.

Discussions with specific groups on sustainable travel will continue and the Council will continue to invest in infrastructure to improve sustainable travel. The annual investment in infrastructure is over £500k and so requires a CMDN, these works have previously been presented at Scrutiny, and will also be published online.

Policy review date	November 2017
Assessment completed by	Lewis Banks
Date Full EqlA completed	12/12/2017
Signed by Head of Service	

Equality Impact Assessment: 0 - 25 Residential/Respite homes for children with disabilities - The Manor & Cherry Lodge

Name/title of the policy area/strand or programme with which this assessment is concerned

0 - 25 Residential/Respite homes for children with disabilities - The Manor & Cherry Lodge

Description/summary of the policy area/strand or programme:

Peterborough City Council has two residential/respite homes for children with disabilities; Cherry Lodge and The Manor, both are managed under one Home Manager based at Cherry Lodge. The Homes offer residential care, short breaks and outreach to children, young people and their families. Both Homes are situated within Peterborough and sits under the responsibility of People & Communities Department for Peterborough City Council. Both Homes have a capacity of 8 beds with Cherry Lodge being able to accommodate children with more complex and profound disabilities.

The Homes are no longer fully utilized due to an increase in families and children being supported more successfully in the community with outreach services and direct payments. With the funding now being directed more towards the outreach and direct payments this leaves the Homes under subscribed and therefore underfunded. This creates financial pressure for the Local Authority.

Furthermore, until two years ago Health and other local authorities purchased a high level of placements that brought in approximately £500k income per year and this was built into the homes budgets. Over the last two years this income has fallen as Health and other local authorities have moved to commissioning more support in family's homes. This has resulted in a loss of income of approximately £250k per annum.

The result is a pressure currently forecasted at £186k for this financial year 2017/18. To help reduce this pressure it is proposed to close The Manor and deliver all the services from Cherry Lodge as well as redirecting funding to community services.

The rationale for identifying The Manor as the Home to close is as follows:

- The data shows a diminished requirement for overnight accommodation which has impacted more on The Manor facility. The Manor only has a 30% uptake of the overnight accommodation available.
- The Manor does not have the capacity to accommodate children with more complex and profound disabilities, for which there is a need.
- The Manor is not financially viable to run.

With the respite services no longer being delivered from The Manor a review will be undertaken to explore the potential for this asset to support other community needs for example, temporary housing or young adults with disabilities. Whilst this is undertaken The Manor will be closed.

The evidence base (list the principal sources of relevant evidence, both quantitative and qualitative).

A range of reports have been undertaken for the 0 - 25 service these include:

- Options Appraisal 0 - 25 service for Children and Young People with disabilities and complex needs (Feb 2017)

- Cherry Lodge and The Manor Status report (Dec 2016), Short Breaks Needs Assessment: Children and Young People with Disabilities and their Families; June 2017
- Option Appraisal Short breaks for Children and Young People with Disabilities provided by Cherry Lodge and The Manor August 2017
- CMT Report 0-25 Provider Pressure (Dec 2017)
- Short Breaks Needs Assessment (June 2017)

The above reports demonstrate a reduced take-up of the services provided across both Homes. This has resulted in the Homes not achieving their financial commitments for the past two years and are forecasted not to achieve for this financial year 2017/18.

What the evidence shows – keys facts

Information gathered from a range of documents including Short Break Needs Assessments June 2017, The Manor and Cherry Lodge status report Dec 2016, Option paper 0 – 25 services Feb 2017

*Overnight Occupancy

Unit	Availability	Used	% usage
Cherry Lodge (7 nights)	2888	1505	52%
The Manor (4 nights)	1640	497	30%

*data from Oct 15 – Sept 16

The current cohort of young people is likely to see a further decrease 25% of the total nights used in the next 12 months as young people reach 18 and move on.

Challenges and opportunities

The intention of the proposal is to prevent the council from facing unnecessary financial pressures, whilst ensuring that children, young people, their parents and carers continue to receive a consistent quality of service.

To ensure a consistent offer in service, a number of service user will access Cherry Lodge, this will be dependent on needs to ensure the people are accessing the service which is right for them. Others service users will be able to access community services such as after school clubs, sports clubs, family support and sleep solutions.

There will be an increase in the level of investment into these services to ensure there is no gap in provision from the proposed closure of The Manor.

Direct payments are also available to service users and their families who wish to have more flexibility over how their care and support is arranged and provided.

All the parents and carers of the children and young people who access The Manor will be spoke to on an individual basis to ensure they are clear about the support and services that they will continue to receive.

Summary of Equality Impact Assessment

The intention for this proposal is clear. The council currently operates a children's home which offers short breaks to children, young people, their parents and carers. This home is running at a considerable financial deficit and it is no longer viable for the council to underwrite this pressure when there are alternative services where service users can receive the same quality of service.

It is therefore anticipated that the impact of this will be neutral for the services user, without any negative impacts for the council.

Next steps

The next steps are to undertake a public consultation to seek views on the proposal to close The Manor. Once views have been collected they will be taken to Cabinet for a decision on the proposal.

Policy review date	Nov/Dec 2017
Assessment completed by	Oliver Hayward
Date Full EqIA completed	02/01/2018
Signed by Head of Service	Wendi Ogle-Welbourne

Next steps

An EqIA should conclude by indicating clearly the ways in which it will be followed up and kept under review i.e. progress detailed in a project plan, objectives set in an employees PDR/appraisal etc.

So far as is appropriate, the statements about next steps should reflect SMART principles – the measures should be:

- specific
- measurable
- achievable
- realistic
- time-bound

The statement of next steps should also emphasise the equality impact assessment as a whole is a living document and that, accordingly, it will be revised and updated, as appropriate, in the light of further evidence, discussions and representations.

You are likely to mention some or all of the following:

- plans that are already under way or under active consideration to address challenges and priorities you have highlighted
- arrangements for monitoring, and for periodic reports to certain groups
- arrangements for ensuring that monitoring systems are in place to ensure regular checks are undertaken on the effects of the policy
- arrangements for ensuring that evaluations of any pilot projects take account of the concerns and discussions outlined in your assessment
- arrangements for discussing with other agencies and regulatory bodies the scope for taking account of the concerns and discussions in your assessment
- arrangements for ensuring that your assessment is brought to the attention of all relevant colleagues, and in this contributing to reviews of the Department's single equality scheme
- arrangements for disseminating information about your assessment to local authorities and other stakeholders
- arrangements for improving the information base
- intentions for drawing up a detailed action plan.

Equality Impact Assessment: Initial assessment

Reduction in Road Safety Funding

What are the proposed outcomes of the policy?

Reducing the funding for Road Safety Service by £20k

The reduction in funding will not impact on the number of preventative road safety programmes/initiatives being delivered in Peterborough.

Reductions will be achieved by working with Cambridgeshire County Council and the wider Cambridgeshire and Peterborough Road Safety Partnership.

Which individuals or groups are most likely to be affected?

Road safety programme delivery will not be reduced by the reduction in funding. Programmes will still be delivered to age groups/road users most likely to be involved in a road traffic collision.

Now consider whether any of the following groups will be disproportionately affected:

Equality Group	Note any positive or negative effects
Particular age groups	
Disabled people	
Married couples or those entered into a civil partnership	
Pregnant women or women on maternity leave	
Particular ethnic groups	
Those of a particular religion or who hold a particular belief	
Male/Female	
Those proposing to undergo, currently undergoing or who have undergone gender reassignment	
Sexual orientation	

What information is available to help you understand the effect this will have on the groups identified above?

Who will be the beneficiaries of the policy?

All road users in Peterborough

Has the policy been explained to those it might affect directly or indirectly?

n/a

Can any differences be justified as appropriate or necessary?

n/a

Are any remedial actions required?

Closer working with Cambridgeshire County Council and the Road Safety Partnership

Once implemented, how will you monitor the actual impact?

**Number of people injured on Peterborough Roads.
Number of road safety activities delivered/people engaged with
Reduction in severity of road traffic casualties**

Policy review date	
Assessment completed by	Clair George
Date Initial EqIA completed	1/2/2018
Signed by Head of Service	

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CABINET	AGENDA ITEM No. 6
9 FEBRUARY 2018	PUBLIC REPORT

Report of:	Marion Kelly - Interim Corporate Director of Resources	
Cabinet Member(s) responsible:	Cllr Seaton - Cabinet Member for Resources	
Contact Officer(s):	Peter Carpenter - Service Director - Financial Services	Tel. 384564

ERNST AND YOUNG LLP ANNUAL AUDIT LETTER FOR THE YEAR ENDED 31 MARCH 2017

R E C O M M E N D A T I O N S	
FROM: Marion Kelly - Interim Corporate Director of Resources	Deadline date: 9 February 2018
It is recommended that Cabinet note the Annual Audit Letter.	

1. ORIGIN OF REPORT

1.1 Annual Audit letter of Ernst Young LLP in accordance with The National Audit Office's 2015 Code of Audit Practice.

2. PURPOSE AND REASON FOR REPORT

2.1 This is a formal letter already considered by 20 November 2017 Audit Committee.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.11, 'To scrutinise auditor's reports and letters, to consider reports from the Council's external auditor and internal auditor, where appropriate, and determine appropriate responses.'

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. BACKGROUND AND KEY ISSUES

4.1 The Auditors tested whether management had the ability to override controls and therefore potentially perpetrate fraud. The Auditors did not identify any material weakness in controls or evidence of management override. (Page 9 of the letter.)

4.2 The Auditors tested revenue and expenditure recognition. The audit work did not identify any issues or unusual transactions which indicated that there had been any misreporting of the Council's financial position. (Page 10 of the letter.)

4.3 Other areas tested and in which there were no significant audit findings were: (Page 10 and following of the letter.)

- Financial Statements presentation
- Property Valuations
- Pension Valuations and Disclosures

- The need to prepare Group Accounts

4.4 The Auditors also assessed the Council's VFM arrangements and commented: (Page 15 of the letter)

- The 2017/18 budget is balanced, through the use of efficiencies and income plans. The Council has identified savings totalling £20.7 million in 2017/18, and with planned use of the Grant Equalisation reserve of £7.2 million it has closed its budget gap which had stood at £27.9 million. The Council also has earmarked reserves (£33 million at 31 March 2017) which have been established for a number of purposes, including a Grant Equalisation Reserve and a Capacity Building Reserve. The existence of these reserves provides further evidence of the Council's prudent approach to financial management.
- Savings plans were properly managed and monitored and the Council's budget setting process was deemed to be robust, with sensibly prudent assumptions applied to uncertain income streams, risks related to reductions in government funding and future expenditure.
- Reserve levels are reflective of the challenges the Council faces and the Council has built up a level of reserves that it plans to use to assist the transformation.
- The Council recognises it faces unprecedented financial pressures and that a fundamental change is required to the way it operates in order to future-proof the Council's operations.

4.5 The letter explains the arrangements for the faster closing timetable for 2017/18 accounts (page 20).

4.6 The Auditors are seeking an additional £2,500 to the £108,533 scale fee set by Public Sector Audit Appointments. It appears that auditing the EFA (page 22) could reasonably be assumed to be comprised in the scale fee; the EFA is now a core requirement. The audit working papers are substantially in the same form as last year's audit and they did not give rise to any additional fee last year. The Council will make appropriate representations to PSAA in respect of any increase sought.

5. CONSULTATION

5.1 The Audit Committee received a report in relation to Annual Audit letter of Ernst Young LLP in accordance with The National Audit Office's 2015 Code of Audit Practice.

5.2 The purpose of the report was to present the formal letter setting out the detailed findings already reported to 25 September 2017, Audit Committee. The Service Director Financial Services introduced the report and requested the Committee to note the Annual Audit Letter.

5.3 The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- The grant equalisation reserve would be used to balance the 2017/18 budget. The Council's plans for 2019/2020 were not to rely on grant budgets.
- The statement of accounts restatement outlined in page 24 of the report had been in relation to a new format requirement for all Councils. The new format had been intended to provide a more user friendly approach for the general public. None of the figures that had been restated, had changed.

5.4 The Audit Committee considered and unanimously resolved to note the report.

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 That the Auditor's letter is accepted and that the Council works constructively with the Auditors towards the 2017/18 Audit.

7. REASON FOR THE RECOMMENDATION

7.1 The Cabinet must consider the Auditor's letter in accordance with the Audit Code of Practice and to take action on any key findings. The Cabinet can also raise any issues they wish to discuss with the Auditors.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 None.

9. IMPLICATIONS

Financial Implications

9.1 The cost of audit is already budgeted, but not any additional fee.

Legal Implications

9.2 None.

Equalities Implications

9.3 None.

10. BACKGROUND DOCUMENTS

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

10.1 The Accounts and Audit Regulations 2015

11. APPENDICES

11.1 Appendix A - 2016/17 Annual Audit Letter

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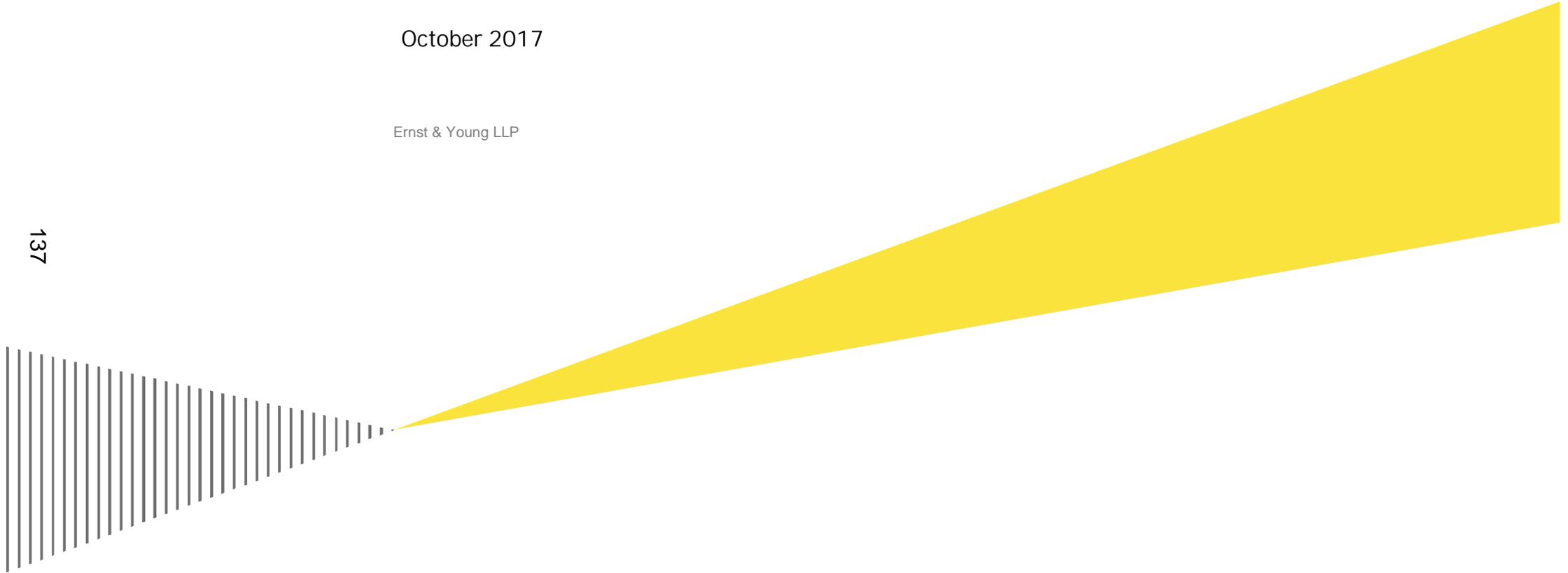
Peterborough City Council

Annual Audit Letter for the year ended 31 March 2017

October 2017

Ernst & Young LLP

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Public Sector Audit Appointments Ltd (PSAA) have issued a “Statement of responsibilities of auditors and audited bodies”. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment (updated 23 February 2017)” issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

Executive Summary

Executive Summary

We are required to issue an annual audit letter to Peterborough City Council (the Council) following completion of our audit procedures for the year ended 31 March 2017.

Below are the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Council's:	Unqualified – the financial statements give a true and fair view of the financial position of the Council as at 31 March 2017 and of its expenditure and income for the year then ended.
▶ Financial statements	
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Annual Accounts.
Concluding on the Council's arrangements for securing economy, efficiency and effectiveness	We concluded that you have put in place proper arrangements to secure value for money in your use of resources.

Area of Work	Conclusion
Reports by exception:	
▶ Consistency of Governance Statement	The Governance Statement was consistent with our understanding of the Council.
▶ Public interest report	We had no matters to report in the public interest.
▶ Written recommendations to the Council, which should be copied to the Secretary of State	We had no matters to report.
▶ Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report.
Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA).	We had no matters to report.

As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	Our Audit Results Report was issued on 13 September 2017, and presented to the Audit Committee on 25 September 2017.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	Our certificate was issued on 27 September 2017.

In January 2018 we will also issue a report to those charged with governance of the Council summarising the certification work we have undertaken.

We would like to take this opportunity to thank the Council's staff for their assistance during the course of our work.

Suresh Patel

Associate Partner
For and on behalf of Ernst & Young LLP

Purpose and responsibilities



Purpose and responsibilities

The Purpose of this Letter

The purpose of this annual audit letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Council. We have already reported the detailed findings from our audit work in our 2016/17 Audit Results Report to the 25 September 2017 Audit Committee, representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Council.

Responsibilities of the Appointed Auditor

Our 2016/17 audit work has been undertaken in accordance with the Audit Plan that we presented to the Audit Committee meeting on 27 March 2017 and is conducted in accordance with the NAO's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the NAO.

As auditors we are responsible for:

- ▶ Expressing an opinion on the 2016/17 financial statements; and on the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
 - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Council;
 - ▶ Any significant matters that are in the public interest;
 - ▶ Any written recommendations to the Council, which should be copied to the Secretary of State; and
 - ▶ If we have discharged our duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the NAO on your WGA return. The extent of our review and the nature of our report are specified by the NAO.

Responsibilities of the Council

The Council is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement. In the AGS, the Council reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period. The Council is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Financial Statement Audit

Financial Statement Audit

Key Issues

The Council's Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health. We audited the Council's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office and issued an unqualified audit report on 27 September 2017.

Our detailed findings were reported at the 25 September 2017 Audit Committee meeting. The key issues identified as part of our audit were as follows:

Significant Risk	Conclusion
<p>Management override of controls</p> <p>A risk present on all audits is that management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly, and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Auditing standards require us to respond to this risk by testing the appropriateness of journals, testing accounting estimates for possible management bias and obtaining an understanding of the business rationale for any significant unusual transactions.</p>	<p>We obtained a full list of journals posted to the general ledger during the year and analysed these journals using criteria we set to identify any unusual journal types or amounts. We then tested a sample of journals that met our criteria and tested these to supporting documentation.</p> <p>The most significant accounting estimates in the financial statements relate to the net pension liability and property valuations. We challenged the significant movement in the actuarial valuation and found no indication of management bias in these estimates. Our work on the property valuations has been completed and we found no indication of management bias to the balances presented within the financial statements.</p> <p>We have not identified any material weaknesses in controls or evidence of material management override.</p> <p>We have not identified any material instances of inappropriate judgements being applied.</p> <p>We did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business.</p>

Revenue and expenditure recognition

Auditing standards also required us to presume that there is a risk that revenue and expenditure may be misstated due to improper recognition or manipulation. We respond to this risk by reviewing and testing material revenue and expenditure streams and revenue cut-off at the year end.

In our view, as the Council’s main sources of revenue are largely fixed and budgeted for, e.g. government grants and taxation, the revenue recognition risk exists largely in relation to the potential for the incorrect classification of revenue spend as capital. We therefore review capital expenditure on property, plant and equipment to ensure it meets the relevant accounting requirements to be capitalised.

We considered whether or not revenue spend had been appropriately capitalised by testing a sample of additions to property, plant and equipment to ensure these were correct to be included as assets on the balance sheet. Our testing did not identify any material expenditure items, which had been inappropriately capitalised.

We tested a sample of income and expenditure transactions based on our established testing threshold for accuracy. We also carried out cut-off testing, where we examined a sample of receipts and payments before and after year end to ensure that the transactions were properly recorded in the accounts.

Our testing did not reveal any material misstatements with respect to revenue and expenditure recognition.

Overall, our audit work did not identify any issues or unusual transactions which indicated that there had been any misreporting of the Council’s financial position.

Other Key Findings

Financial statements presentation

Amendments have been made to the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 changing the way the financial statements are presented.

The new reporting requirements impact the Comprehensive Income and Expenditure Statement (CIES) and the Movement in Reserves Statement (MiRS), and include the introduction of the new ‘Expenditure and Funding Analysis’ note as a result of the ‘Telling the Story’ review of the presentation of local authority financial statements.

The service analysis should be based on the organisational structure under which the Council operates.

This change in the code requires a new structure for the primary statements, new notes and a full retrospective restatement of impacted primary statements.

Conclusion

We reviewed the Expenditure and Funding Analysis, restated CIES and associated notes.

We agreed with the Council’s assessment for reporting its organisational structure and agreed the restated comparative figures back to the Council’s segmental analysis and supporting working papers. The disclosures were in line with the CIPFA Code of Practice.

Other Key Findings	Conclusion
<p>Property valuations</p> <p>At 31 March 2017 the value of property on the Council's balance sheet was over £600 million, representing almost 87% of the total assets. To ensure assets are recorded at fair value, the Council adopts a rolling five year revaluation programme (i.e. 20% of assets are revalued each year). This is an exercise which involves judgement, input from external experts and leads to a material accounting estimate.</p> <p>Where there are increases or decreases in asset valuations, the accounting entries required to record these changes affect several primary statements and disclosures in the Council's financial statements.</p>	<p>We assessed and were satisfied with the competency and objectivity of the Council's property valuer. Therefore, we were able to place reliance on their work and carried out audit procedures to challenge the basis of valuation used by the valuer.</p>
<p>Pension valuations and disclosures</p> <p>The Council is an admitted body to the Cambridgeshire Pension Fund. Hymans are appointed as actuaries for this fund and provide the Council with the figures for the disclosures in the financial statements, based on payroll and pension data provided to them by the Council.</p> <p>The value of the pension liability is a significant balance sheet item (£272.3 million at 31 March 2017) and represents a material accounting estimate.</p>	<p>We assessed and were satisfied with the competency and objectivity of the Council's actuary. Our work found that assumptions used by the actuary and adopted by the Council were considered to be generally acceptable. The sensitivities relating to these assumptions had been correctly disclosed in Note 7 to the financial statements, and in the accounting policies note.</p>
<p>Preparation of group accounts</p> <p>The Council has a number of joint arrangements which may necessitate the preparation of group accounts in the future. The Council has identified and considered all of its relationships with its subsidiaries and other partners and assessed the nature of these arrangements to determine whether they create functional bodies and other entities which could fall within the group boundary and therefore require consolidating into the Council's Financial Statements. These partnership arrangements are disclosed in note 14 to the accounts. Group accounts have not previously been prepared by the Council.</p>	<p>Our approach focussed on the reasonableness of the Council's assessment by reviewing the Council's determination of where overall control lies with regard to the operation and delivery of services of the potential group bodies.</p> <p>We were satisfied with the reasonableness of the Council's evaluation which concluded that it did not need to consolidate any of its arrangements.</p>

The Council's Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	<p>We determined planning materiality for Peterborough City Council to be £9.929 million (2016: £10 million). We reassessed this using the actual results for the financial year, which increased this amount to £10.458 million. The basis of our assessment of materiality has remained consistent with prior years at 2% of gross expenditure.</p> <p>We consider Gross Expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Council.</p>
Reporting threshold	<p>We agreed with the Audit Committee that we would report to the Committee all uncorrected audit differences in excess of £0.496 million, revised to £0.520 million (2016: £0.500 million).</p>

We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas. The areas identified and audit strategy applied include:

- Remuneration disclosures including any severance payments, exit packages and termination benefits: we audited all disclosures and undertook procedures to confirm material completeness
- Related party transactions: we audited all disclosures and undertook procedures to confirm material completeness.
- Councillors' allowances: we agreed the amounts disclosed in the financial statements to those on the Council's website and carried out substantive testing.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations.

A close-up, shallow depth-of-field photograph of a stack of coins. The coins are stacked vertically, with the edges of several coins visible. The lighting is warm, highlighting the metallic texture and the ridges on the edges. A bright yellow rectangular box is overlaid on the left side of the image, containing the text "Value for Money".

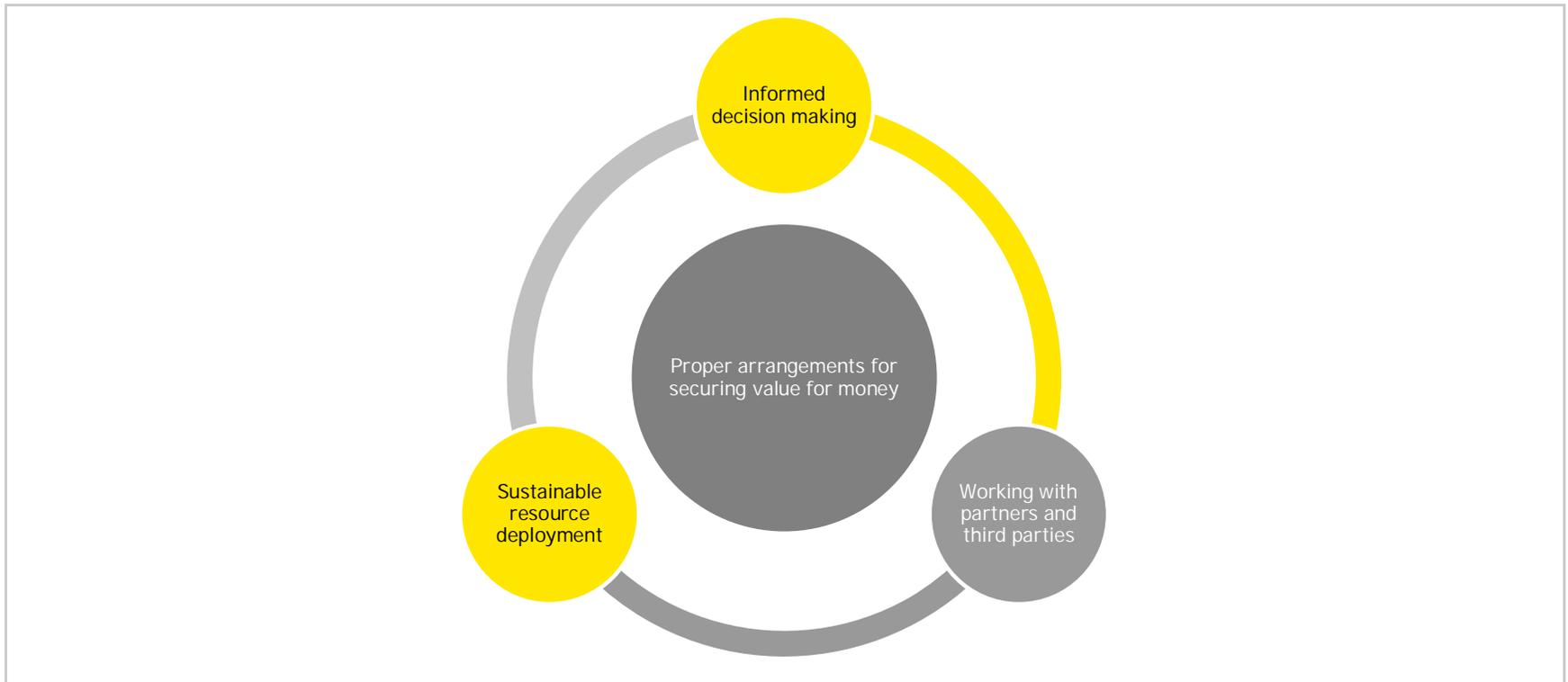
Value for Money

Value for Money

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.



We identified no significant risks in relation to these arrangements. However, we did focus on the financial resilience of the Council given the financial challenges faced by local government.

We have performed the procedures outlined in our audit plan. We did not identify any significant weaknesses in the Council's arrangements to secure economy, efficiency and effectiveness on its use of resources.

We therefore issued an unqualified value for money conclusion on 27 September 2017.

Consideration of financial resilience	Conclusion
<p>In common with the majority of the local government sector the Council faces significant financial challenges over the next three years. While the budget gap for 2017/18 has been closed, the phasing of reductions in government support and pressures on costs mean that the gap is £14.8 million in 2018/19 and £21.2 million in 2019/20.</p> <p>Therefore, there is a significant budget gap over the medium term, for which the Council has identified a number of savings and actions.</p>	<p>Our consideration focused on a review of:</p> <ul style="list-style-type: none"> • the Council's 2017/18 budget and the medium term forecast, assessing the extent of the savings plans in place; • the robustness of any assumptions used in medium term planning; and • the savings plans in place, and assessing the likelihood of whether these plans can provide the Council with the required savings/efficiencies over the medium term. This took into account the Council's historic record. <p>The 2017/18 budget is balanced, through the use of efficiencies and income plans. The Council has identified savings totalling £20.7 million in 2017/18, and with planned use of the Grant Equalisation reserve of £7.2 million it has closed its budget gap which had stood at £27.9 million. The Council also has earmarked reserves (£33 million at 31 March 2017) which have been established for a number of purposes, including a Grant Equalisation Reserve and a Capacity Building Reserve. The existence of these reserves provides further evidence of the Council's prudent approach to financial management.</p> <p>Savings plans were properly managed and monitored and the Council's budget setting process was deemed to be robust, with sensibly prudent assumptions applied to uncertain income streams, risks related to reductions in government funding and future expenditure.</p> <p>Reserve levels are reflective of the challenges the Council faces and the Council has built up a level of reserves that it plans to use to assist the transformation.</p> <p>The Council recognises it faces unprecedented financial pressures and that a fundamental change is required to the way it operates in order to future-proof the Council's operations.</p>

Other Reporting Issues

Other Reporting Issues

Whole of Government Accounts

We performed the procedures required by the National Audit Office on the accuracy of the consolidation pack prepared by the Council for Whole of Government Accounts purposes. We had no issues to report.

Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading. We completed this work and did not identify any areas of concern.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Council or brought to the attention of the public. We did not identify any issues which required us to issue a report in the public interest.

Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response. We did not identify any issues which required us to issue a written recommendation.

Objections Received

We did not receive any objections to the 2016/17 financial statements from member of the public.

Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Independence

We communicated our assessment of independence in our Audit Results Report to the Audit Committee on 25 September 2017. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We have adopted a fully substantive approach and have therefore not tested the operation of controls.

Our audit did not identify any controls issues to bring to the attention of the Audit Committee.

A close-up photograph of a person's face as they look through a pair of black binoculars. The person's eyes are focused on the lenses. A bright yellow rectangular box is overlaid on the left side of the image, containing the text "Focused on your future".

Focused on your
future

Focused on your future

Area	Issue	Impact
<p><i>Earlier deadline for production and audit of the financial statements from 2017/18</i></p>	<p>The Accounts and Audit Regulations 2015 introduced a significant change in statutory deadlines from the 2017/18 financial year.</p> <p>From that year the timetable for the preparation and approval of accounts will be brought forward with draft accounts needing to be prepared by 31 May and the publication of the audited accounts by 31 July.</p>	<p>These changes provide challenges for both the preparers and the auditors of the financial statements.</p> <p>To prepare for this change the Council has commenced taking steps in 2016/17. It reviewed closedown procedures, reviewed what work could be brought forward and set a faster internal timetable for closure of 2016/17 which it comfortably achieved.</p> <p>As auditors, nationally we have:</p> <ul style="list-style-type: none"> • Issued a thought piece on early closedown • As part of the strategic Alliance with CIPFA jointly presented accounts closedown workshops across England, Scotland and Wales • Presented at CIPFA early closedown events and on the subject at the Local Government Accounting Conferences in July 2017 <p>This year, we carried out some early work at our interim audit stage, including work on valuations and depreciation, accounting policies, the new expenditure and funding analysis, and month 1 to 9 testing of income and expenditure. We plan to extend the amount of early work we complete at next year's interim audit stage.</p> <p>We did have difficulties with some working papers this year and these were discussed with the finance team as they arose.</p> <p>Through working together, and reflecting on this year, there are a number of areas where the closedown and audit processes can be further improved going forward. With management's input, we will continue to develop this approach to bring forward our audit during the 2017/18 audit, and we do not expect the formal earlier deadline to pose a significant issue for the Council.</p>

Appendix A

Audit Fees



Appendix A Audit Fees

The scale fee is set by the PSAA and was reported in the Audit Plan that we presented to the Audit Committee meeting on 27 March 2017. We set out below the fees for the year ended 31 March 2017.

Description	Final Fee 2016/17 £	Planned Fee 2016/17 £	Scale Fee 2016/17 £	Final Fee 2015/16 £
Total Audit Fee – Code work (see note 1)	111,033	108,533	108,533	117,408
Total Audit Fee – Certification of claims and returns	TBC	14,055	14,055	13,619
Non-audit work (see note 2)	0	0	n/a	0

Note 1: Our actual fee is higher than the scale fee set by the Public Sector Audit Appointments (PSAA Ltd) due to additional work required on schools payroll testing, difficulties with working papers on cash flow, cash and bank, grants and REFCUS, and additional work on the EFA requirement and restatement. We have still to agree the additional fee of £2,500 for this additional work with the Chief Finance Officer. These additional fees are also subject to agreement with PSAA.

Note 2: We confirm that we have undertaken no non-audit work outside the PSAA Code requirements.

EY | Assurance | Tax | Transactions | Advisory

Ernst & Young LLP

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ED None

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CABINET	AGENDA ITEM No. 7
9 FEBRUARY 2018	PUBLIC REPORT

Report of:	Rob Hill, Assistant Director for Communities and Safety	
Cabinet Member(s) responsible:	Cllr Irene Walsh, Cabinet Member for Communities	
Contact Officer(s):	Hayley Thornhill, Senior Policy Manager	Tel. 864112

SAFER PETERBOROUGH PARTNERSHIP PLAN 2017 - 2020

R E C O M M E N D A T I O N S	
FROM: Safer Peterborough Partnership	Deadline date: None
It is recommended that Cabinet recommend the new priority added to the Safer Peterborough Plan 2017 - 2020 to Full Council for approval.	

1. ORIGIN OF REPORT

1.1 The production of a Community Safety Plan is a statutory requirement for upper tier councils, and as such Peterborough City Council is required to produce a plan for approval by Full Council.

2. PURPOSE AND REASON FOR REPORT

2.1 Cabinet last considered the Safer Peterborough Partnership Plan 2017 - 2020 in July 2017. The purpose of this report is to obtain the Cabinet's views on a proposed additional priority to the Safer Peterborough Plan 2017 - 2020.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.9 '*To commission reviews by and determine any changes of policy proposed by the Scrutiny Committees and Commissions making recommendations to Council about proposed changes to the Council's major policy and budget framework.*'

2.3 This report links into the following corporate priorities:

- Keeping our communities safe, cohesive and healthy; and
- Safeguarding children and vulnerable adults.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	YES	If yes, date for Cabinet meeting	9 FEB 2018
Date for relevant Council meeting	7 MARCH 2018	Date for submission to Government Dept.	N/A

4. BACKGROUND AND KEY ISSUES

- 4.1 Peterborough's statutory community safety partnership, the Safer Peterborough Partnership (SPP), brings together the responsible authorities as set down in the Crime and Disorder Act 1998, as amended by the Police and Justice Act 2006 for the purposes of tackling local community safety priorities.
- 4.2 There is a statutory duty to develop and implement a community safety plan which describes how responsible authorities and other partners will work together to tackle crime, disorder, substance misuse and re-offending in the city.
- 4.3 Peterborough's draft plan defines the priorities for the Safer Peterborough Partnership over the next three years. The plan also identifies how the Partnership will respond to the impact of national policy changes and new and emerging risks.
- 4.4 The Plan was previously approved by Cabinet in July 2017, however before the Plan was considered by Full Council, it was agreed to pause the process whilst the Police underwent a wide-ranging review of their service. It was anticipated that the Police review would have a number of implications on how the Plan would be developed.
- 4.5 The outcome of the Police review has now been published and reveals a new policing landscape. With diminishing resources and increasing calls for service, often resulting in far more complex investigations, the police have shifted their focus. They will now prioritise 'high harm' issues, where there is a significant risk to an individual or a community.
- 4.6 The SPP have taken this shifting landscape into consideration, and are recommending that a new priority be adopted, 'Tackling Anti-Social Behaviour and Environmental Crime'. We know these issues are important to local communities, as this was one of the main issues which was reported through the Safer Peterborough Survey last year, with over 75% of respondents identifying it as an issue.
- 4.7 The addition of this new priority ensures the importance of these issues are given suitable recognition. The Plan explains how a partnership approach to Anti-Social Behaviour and Environmental Crime will be taken which will focus on prevention, taking positive enforcement action where necessary, and protecting victims.
- 4.8 Therefore the new SPP Plan 2017-2020 priorities are recommended as:
- Offender Management
 - Domestic Abuse and Sexual Violence
 - Building Resilient Communities
 - ***Tackling Anti-Social Behaviour and Environmental Crime - new***

The cross cutting priorities are:

- Substance Misuse
- Mental Health

The only amendment to the Plan, which has been previously agreed by both the Adults and communities Scrutiny Committee and Cabinet, is the addition of this new priority, which can be found on pages 18-19 of the new plan.

5. CONSULTATION

- 5.1 Consultation with the public on the priorities in the plan is a statutory requirement. The Safer Peterborough Partnership Public Consultation Survey has been developed to ask people who live, work or have some other connection with the city to tell us what they think the priorities for Safer Peterborough should be and their perceptions of crime and disorder more generally. The findings of the consultation are set out in the plan.

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 Following consideration of the Community Safety Plan by Cabinet, the Plan will need to be approved by Full Council before it is implemented by the Safer Peterborough Partnership.

7. REASON FOR THE RECOMMENDATION

- 7.1 The Community Safety Plan ensures that the Partnership continues to meet its statutory obligations under the Crime and Disorder Act 1998.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 No alternative options were considered as the completion of a community safety plan is required by every Community Safety Partnership by statute.

9. IMPLICATIONS

Financial Implications

- 9.1 None.

Legal Implications

- 9.2 The Safer Peterborough Partnership has a statutory duty to develop and implement a Partnership Plan, which describes how responsible authorities and other partners will work together to tackle crime, disorder, substance misuse and re-offending in the City. The Community Safety Plan ensures that the Partnership continues to meet its statutory obligations under the Crime and Disorder Act 1998, as amended by the Police and Justice Act 2006

Equalities Implications

- 9.3 None.

10. BACKGROUND DOCUMENTS

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

- 10.1 SPP Plan 2017-2020.

11. APPENDICES

- 11.1 Safer Peterborough Partnership 2017-2020.

Safer Peterborough Partnership Plan 2017 - 2020

Introduction

Chair of the Safer Peterborough Partnership, Claire Higgins

I am delighted to introduce the Safer Peterborough Partnership Community Safety Plan 2017 - 2020. Our plan sets out how the Safer Peterborough Partnership will tackle crime and disorder over the course of the next three years.

Peterborough published its first Crime and Disorder Reduction Strategy over 15 years ago. During that time we have achieved significant reductions in crime, anti-social behaviour and overseen improvements in areas that negatively impact on the quality of life of people living and working in the city.

Over the last three years, we have focussed on reducing the numbers of people who become victims of crime, safeguarding those who do become victims and bringing more offenders to justice. We are incredibly proud of what we have achieved as a partnership, however we know that there is more to do. For example, we know that, in some areas of the city, there is a negative perception of how crime and disorder is dealt with. We also know that some people are worried about visiting some areas of the city both in the daytime and late at night.

The foundations on which this plan are built are to ensure that Peterborough's communities and neighbourhoods are safe places to live, visit and work. The challenge facing the city is how to deliver this ambitious vision during a period of ever reducing public sector resources, against a backdrop of a growing and increasingly complex population.

Our plan outlines how we will work together to continue to reduce crime, tackle quality of life issues and address issues which have the most significant risk of harm to the city. We will work together, using real life examples and realistic interventions, to build on the successes of previous years. We will continue to forge constructive partnerships as no one agency can influence change alone. As a partnership, we will support and challenge each other to ensure we protect vulnerable people and our wider communities, to make Peterborough a safer place for everyone.

I hope you enjoy reading it.

About this Plan

The Safer Peterborough Partnership has a statutory duty to develop and implement a Partnership Plan, which describes how responsible authorities and other partners will work together to tackle crime, disorder, substance misuse and re-offending in the city.

This Plan defines the priorities for the Safer Peterborough Partnership over the next three years. The Plan also identifies how the Partnership will respond to the impact of national policy changes and new and emerging risks.

The Safer Peterborough Partnership Plan 2017 - 2020 will be implemented on 1st April 2017 and will be active for three years. The Plan and its priorities are revised annually to take account of changes in crime and disorder, local priorities, available resources and demographic changes within communities.

As outlined on page 11 of the plan, the Partnership has identified four priorities which have been identified as key delivery areas. The priorities are:

- Building Resilient Communities
- Offender Management
- Domestic Abuse and Sexual Violence
- Tackling Anti-Social Behaviour and Environmental Crime

Our Partnership

The Safer Peterborough Partnership is a multi-agency strategic group set up following the Crime and Disorder Act 1998. The partnership approach is built on the premise that no single agency can deal with, or be responsible for dealing with, complex community safety issues. These issues can be addressed more effectively and efficiently through working in partnership.

The Safer Peterborough Partnership is made up of a number of responsible authorities (statutory) who work together to deliver the partnership priorities. These organisations include:

- Peterborough City Council
- Cambridgeshire Constabulary
- Cambridgeshire Fire and Rescue Service
- Cambridgeshire and Peterborough Clinical Commissioning Group
- National Probation Service
- Bedfordshire, Northamptonshire, Cambridgeshire and Hertfordshire Community Rehabilitation Company

The Partnership is also supported by key local agencies from both the public and voluntary sectors. Registered Social Landlords have a key role in addressing crime and disorder and they are represented by Cross Keys Homes.

The Safer Peterborough Partnership coordinates the work of all the partners across the city by:

- Undertaking an annual strategic assessment to identify community safety priorities across Peterborough;
- Developing a three-year Partnership Plan, refreshed annually, to coordinate activity to address community safety priorities across Peterborough;
- Monitoring delivery against our objectives and performance through targeting resources to deliver efficient and effective outcomes for everyone who lives, visits and works in the city

One key area of focus for the Partnership over the coming 12 months, will be to improve integrated working by continuing to strengthen our relationships with other local partnerships, such as the Health and Wellbeing Board, the Safeguarding Boards and the Cambridgeshire and Peterborough Countywide Community Safety Strategic Board. We will engage with these partnerships to explore options for co-delivery of key areas of work which impact on community safety.

We will also seek to improve working across geographical boundaries by forging relationships with community safety partnerships and other organisations working in Cambridgeshire and beyond.

Our Approach

The Safer Peterborough Partnership Strategic Assessment

Every year, Safer Peterborough completes an assessment of community safety in Peterborough, called the Strategic Assessment. The strategic assessment is designed to enable the Partnership to be more responsive to communities by developing a better understanding of local crime and disorder issues. The findings from this assessment, together with findings from the public consultation, are used to identify Peterborough's community safety priorities.

The Strategic Assessment has been developed using data, analysis and professional expertise across a broad range of community safety themes. The Cambridgeshire Constabulary Strategic Assessment, which uses a risk-based approach to identify priorities, was also used to inform this document.

Each theme was researched and analysed using data taken from police and partner systems, online resources such as the national Census and information from theme leads and practitioners from across the partnership. This has allowed for an assessment of all issues and puts more emphasis on the risk of harm, rather than volume of incidence, in understanding the level of threat and risk of particular issues.

This Strategic Assessment includes an analysis of the partnership's current priorities, together with analysis on new and emerging trends which the partnership may wish to consider prioritising.

The Prioritisation Process

In times of reducing resources and increasing challenges, we are making a commitment to prioritise a small number of strategic themes which our assessment process has identified as having the highest risk of harm to communities in Peterborough. This plan therefore does not seek to address every community safety issue that can occur in the city, nor does it preclude individual organisations tackling those issues in accordance with their remit.

There are a number of other crime and disorder types which we assess as having a lower level of risk which do not generally require a focused partnership approach to address. We will continue to work proactively in these areas to ensure that we meet our statutory responsibilities, monitor performance and where required provide a partnership response to tackle entrenched or escalating issues.

The Prevention and Enforcement Service will take a lead on these lower level crime and disorder issues which includes, but is not limited to, anti-social behaviour, environmental crime, arson, rogue landlords and unauthorised traveller encampments. The Prevention and Enforcement Service's operational plan outlines how these issues will be tackled and prioritised over the coming 12 months.

We will use our existing robust performance management framework to monitor crime and disorder trends, ensuring that we are able to respond to areas of emerging risk where appropriate.

Other priority areas that influence the Plan, but are not led by the Safer Peterborough Partnership, include the Cambridgeshire and Peterborough Road Safety Partnership Plan, the Cambridgeshire

and Peterborough Safeguarding Boards (Children and Adults) and the Cambridgeshire and Peterborough Countywide Community Safety Strategic Board. We will strengthen our relationships with these partnerships to improve integrated working.

This plan will outline:

- Our successes in reducing crime and anti-social behaviour over the past three years.
- Our priorities for the next three years – based on what the public told us and our detailed assessment of crime and antisocial behaviour in Peterborough.
- Where we will focus our efforts as a partnership over the next three years.

Local delivery of our priorities is key to the success of this strategy. We know that the neighbourhoods making up the city face different challenges and have different strengths. That is why the community safety priorities will be integrated into existing local operational action plans. By doing this we will 'join up' our resources and efforts at a local level, ensuring that we are focused on the most important issues in that area.

Consultation and Engagement

Central to planning community safety activity in Peterborough is how we engage and listen to the concerns of our communities. The Safer Peterborough Partnership Public Consultation Survey has been developed to ask people who live, work or have some other connection with the City, to tell us what they think our priorities should be and their perceptions of crime and disorder more generally.

Last year 149 people responded to our survey which was open between 1st December 2016 and 31st January 2017. The demographic profile of the respondents was as follows:

- 55.7% were female, 41.6% male, and 2.7% did not say.
- 87.2% of respondents were British or English, and 8.1% did not disclose their nationality. 4.7% of respondents were non-British nationals.
- The most represented ethnicity was White (85.9%), followed by Black/African/Caribbean/Black British (3.4%), Mixed/multiple ethnic groups (3.4%), and Asian or Asian British (2%). 5.4% left this question blank.
- The survey was answered mostly by people from older age categories, with 71.1% of respondents over 45: 25.5% of respondents were aged 65 and over; 23.5% were 55-54; 22.1% were 35-44; 2% were aged 18-24; 10.1% aged 25-34 and 14.8% aged 35-44.
- 10.1% of respondents stated they have a disability.

The key findings from last year's survey are:

- Respondents were able to pick from a list of 14 community safety concerns. The top issue that most respondents were concerned about in Peterborough is environmental crime (fly-tipping, fly-posting, graffiti). 78.5% of respondents stated they were either concerned or very concerned about this issue. Anti-social behaviour (75.2%), road safety issues (such as speeding, mini-motorbikes, drink driving – 71.8%) and alcohol and drug misuse (71.1%) also ranked highest among people's concerns.
- Arson ranked lowest in people concerns, with only 32.2% of respondents stating they were either concerned or very concerned about this issue. Cold calling (at the door and by phone – 51.7%), begging (57%) and violent crime (57.7%) also ranked lowest in people's concerns.
- 53.7% of respondents indicated that they are concerned or very concerned about being a victim of crime. 32.9% stated that they were not concerned or not very concerned.
- People are more concerned about going out in the City Centre than their local area, both day and night.
- More than half of respondents indicated that they thought people from different backgrounds got on well together in their neighbourhood.

The survey findings have been considered as part of the priority setting process for the Safer Peterborough Partnership. Issues identified by the survey such as alcohol and drug misuse, violent crime and becoming a victim of crime are key issues already identified by Safer Peterborough and are existing priorities within this Plan. Fortunately, the lives of most people living and working in Peterborough are not affected by the issues that present the greatest risk of serious harm, the survey has mostly highlighted low-level nuisance as top concerns. The majority of these low-level issues fall within the remit of the Prevention and Enforcement Service and some of the other key partners who form part of Safer Peterborough, and are prioritised in this Plan under the 'Tackling Anti-Social Behaviour and Environmental Crime' strand.

Working in Partnership

Since the first Safer Peterborough Partnership Plan in 2008, by working together, recorded crime has reduced by 21% over an eight year period, with the total number of crimes falling from 22,021 in 2008 to 17,322 in 2016, which is in line with national trends.

Below are some examples of how we have worked in partnership to reduce offending and protect victims and communities from harm over the last 12 months.

- **Total crime continues to reduce** over the longer term. However, whilst the Police are increasingly dealing with a lower volume of crime, it is often much more complex in nature and impacts on the most vulnerable in our communities, taking longer to resolve. Short-term increases in both violent and sexual offences can be attributed to the renewed focus on the quality of crime recording by the police, rather than reflecting changing levels of criminal activity. This has led to improved compliance with the National Crime Recording Standard, leading to the recording of a greater proportion of crimes that come to the attention of the Police.
- We have seen the **number of offenders diminish** significantly, particularly over the last three years, for both adult and young offenders. Linked to this, the number of first time entrants into the criminal justice system continues to decrease. However, re-offending is increasing and the percentage of offenders that reoffend in Peterborough is higher than the England and Wales average rates. However, our Integrated Offender Management Scheme, which targets a cohort of offenders identified as being the most prolific and at high risk of re-offending, has seen **significant and sustained reductions in crime** for those offenders who form part of the scheme.
- The **Prevention and Enforcement Service** was established in 2016, and is one of the first in the country to bring together Council, Police and Fire Service staff into one integrated, centrally managed team. The service undertakes a range of prevention and enforcement activities including civil enforcement of parking issues, enforcement against environmental crime, housing enforcement, anti-social behaviour, fire safety and road safety. In addition to this, the service also includes police officers and PCSOs who work across the city.
- The numbers of people killed or seriously injured on our roads **continues to reduce year on year**, and at a higher rate than the national average.
- There has been a **continued reduction in anti-social behaviour** over the last year, with 353 fewer incidents recorded than the previous 12 months. We have been using the new anti-social behaviour powers that are available to us and have issued a number of Criminal Behaviour Orders to perpetrators of anti-social behaviour. This has resulted in significant reductions in anti-social behaviour in a number of communities across the city where families have been targeted.
- We continue to **respond quickly and effectively to unauthorised traveller encampments**. Between April and December 2016, the Partnership have dealt with 53 unauthorised encampments on local authority land. We have robustly enforced all available legislation to resolve these issues on 30 occasions. The Prevention and Enforcement Service have

worked closely with businesses who have had unauthorised encampments on their land by providing support and guidance on evictions. We have also sought to install defence measures at various locations across the city, in an attempt to prevent further unauthorised encampments.

- We have undertaken *widespread training on the Prevent programme* which supports staff to identify individuals who may be at risk of radicalisation and gives information on where to report any concerns. There has been widespread training across the City Council and the Police and almost all educational establishments in the city have had some kind of Prevent training.
- *Restorative justice is being used in Peterborough to help tackle conflict* in the city and provides an opportunity for victims to have their say. For the victim, restorative justice can help to provide a sense of closure, enabling them to move on. For the offender, restorative justice provides an opportunity for them to face the consequences of their actions and recognise the impact it has had upon others. Emphasis has been placed on restorative justice being 'victim-led' and it being available to victims at every stage of their journey. From April to December 2016, there were over 1,800 restorative reparations in Peterborough, which include face to face conferences, community resolutions and letters of apology from the offender to the victim.
- The Partnership and licensed premises take part in the NightSafe Pubwatch scheme where information is freely shared in relation to problematic offenders who are known to cause trouble in the night time economy and exclusions are enforced. Currently 118 individuals are excluded from NightSafe registered premises in Peterborough. Exclusions are pro-actively enforced and have been highly effective in preventing and deterring alcohol related harm. Whether it's a formal warning letter or absolute exclusion, *at least 98% of those excluded do not come to the Police's attention again.*
- An *alcohol diversion scheme* has been developed in conjunction with drug and alcohol treatment provider, Aspire. Following an alcohol-arrest, a Conditional Caution is put in place whereby the offender is offered one-to-one support, medical prescribing, and detoxification, as well as structured group work, structured and peer-led activities and counselling.

The Community Safety Landscape in Peterborough

Changing Population

The population of Peterborough is projected to increase by 9% over the next 10 years and the 65+ age group is projected to grow by 10.9% by 2021. Whilst England has experienced a 7% increase in 0-14 year age group, Peterborough has seen a 22% increase in this category. The 15-29 age group in the city has experienced a 6% increase with the city as a whole experiencing a much faster than average growth of the 45+ age groups.

As well as greater volume, the changing demographics will pose new challenges. Older people represent a significant proportion of vulnerable people in society and ageing population may lead to an increase in vulnerable adult-related crime such as adult abuse, fraud, rogue trading and distraction burglary. However, older people also commit crime – whilst still low overall, the percentage of older people committing crime has increased over recent years, which may be in line with the overall population increase, with the most common crime type violence against the person (domestic assaults).

The increased level of inward migration to Peterborough over the last 10 years, has resulted in a cultural change in the city. Outside the White British population, ‘Asian or Asian British’ and ‘White Other’ populations form the largest communities (12% and 11% respectively). Peterborough has the second highest proportion of the population who cannot speak English or cannot speak English well of local authorities in the East of England (4.86% of the population).

Selective Licensing

The Housing Act 2004 has given local authorities the power to introduce selective licensing of privately rented properties to improve conditions for tenants and the local community, provided there is a high level of privately rented housing stock in the area and one or more criteria are met.

In 2016, a Selective Licensing scheme began in Peterborough within 22 Lower Super Output Areas (geographical areas with an average of 1,500 residents) in the Central, North, East, Park, Fletton, Bretton North, Stanground Central, Walton and Orton Longueville areas. The scheme is proposed to cover the potential 22,000 properties in the areas, representing 4.8% of the city’s geographic area and will initially last for five years. Through Selective Licensing, the quality, management and safety of all private rented properties in the designated areas of the city will significantly improve.

Police and Crime Commissioner

In 2016 a new Police and Crime Commissioner was elected for Cambridgeshire and Peterborough. A new Police and Crime Plan has been published in draft for the period 2017-20, setting out the Commissioner’s vision for policing and community safety across Cambridgeshire. The Commissioner’s shared outcomes are:

- Victims and witnesses are placed at the heart of the criminal justice system and have access to clear pathways of support
- Offenders are brought to justice and are less likely to reoffend
- Communities have confidence in how we respond to their needs
- We deliver improved outcomes and savings through innovation and collaboration.

These outcomes have been reflected in this plan and the links between the two plans are outlined in Appendix 1.

Prevention and Enforcement Service

The Prevention and Enforcement Service (PES) came into effect on the 1 April 2016 and builds upon the work of the Safer Peterborough Partnership (SPP) in tackling crime, community safety and quality of life issues. The PES brings together officers from a range of public sector organisations into a single service led by a joint management structure.

The PES is hosted by Peterborough City Council and is made up of staff and resources from the Council, Police, Fire and Rescue Service and Prison.

The PES is a Community Safety Accredited Scheme which will allow all frontline officers access to a range of powers to tackle anti-social behaviour and quality of life issues such as:

- Issuing fixed penalty notices for fly-posting, graffiti, dog fouling, littering, etc;
- Powers to deal with begging;
- Powers to stop cycles; and
- Powers to remove abandoned vehicles.

The PES team are also able to make use of Public Space Protection Orders (PSPOs) which are aimed at ensuring public spaces can be enjoyed, free from anti-social behaviour. They are not about stopping the responsible use of the night-time economy, or preventing young people from seeing their friends. They do provide another instrument to help deal with persistent issues that are damaging communities.

This builds on the powers the council and the police already have in tackling quality of life issues across the city and provides a single, joined-up service that jointly addresses routine and priority issues affecting Peterborough.

Devolution

Council and Local Enterprise Partnership leaders across Cambridgeshire and Peterborough have approved a devolution deal that will deliver £770 million of new funding for local infrastructure projects and housing.

The devolution deal includes significant benefits for the communities of Cambridgeshire and Peterborough including:

- Investment in a Peterborough University with degree-awarding powers.
- Devolved skills and apprenticeship budget – to give more opportunities to young people.
- Working with Government to secure a Peterborough Enterprise Zone – attracting investment from business, leading to more and better quality jobs for residents.
- Working with Government on the continued regeneration of Peterborough City Centre.

Changes to Policing

The Policing and Crime Act 2017 aims to build on the Police reform carried out through the introduction of Police and Crime Commissioners, the strengthening of the Independent Police Complaints Commission and establishment of the College of Policing.

The Bill comprises nine parts. One of the key areas for consideration is the Emergency Services Collaboration which introduces a new duty on the Police, Fire and Rescue and ambulance emergency services to collaborate, where doing so would improve efficiency or effectiveness. It also enables Police and Crime Commissioners to take on the functions and duties of Fire and Rescue Authorities and to delegate police and fire to a single Chief Officer for Police and Fire.

PRIORITIES FOR 2017 - 2020

The approach agreed by the Safer Peterborough Partnership for this plan is to adopt a small number of priorities which our assessment process has identified as having a high risk of harm to communities in Peterborough. This section covers in more detail how we will work together to tackle these issues, support victims and reduce offending.

The Safer Peterborough Partnership has identified four priorities which have been identified as key delivery areas which the Partnership places high importance on providing effective, innovative and improving services. The priorities are:

- Offender Management
- Domestic Abuse and Sexual Violence
- Building Resilient Communities
- Tackling Anti-Social Behaviour and Environmental Crime

In addition, two further areas are recognised as significant cross-cutting priorities across the partnership landscape. These cross-cutting priorities already feature in thematic plans and the Partnership recognise that a more collective approach will have a significant impact and bring about lasting change. The cross cutting priorities are:

- Substance Misuse
- Mental Health

The section below describes how the Safer Peterborough Partnership will tackle these priority areas over the coming three years, it also describes how each theme will be performance managed to ensure the Partnership can accurately measure progress.

PRIORITY 1: OFFENDER MANAGEMENT

Key Outcome

To reduce the number of offenders in Peterborough and the number of offences they commit, with a specific focus on those most prolific offenders and young offenders.

Why is it a priority?

Offenders are amongst the most socially excluded in society and often have complex and deep-rooted health and social problems, such as substance misuse, mental health, homelessness and financial problems. Understanding and addressing these underlying issues in a co-ordinated way plays a key role in reducing crime and breaking the cycle of offending behaviour from one generation to the next.

Offender management has undergone a significant transition under the Government's Transforming Rehabilitation programme, with delivery of Probation services now split between the public and private sector. The public sector National Probation Service is tasked with protecting the public from high risk offenders and manages the majority of sexual offenders and those sentenced to twelve months or more in custody for the most serious violent offences. BeNCH Community Rehabilitation Company (CRC) manages the majority of the community sentences and short sentence prisoners. Domestic violence perpetrators, women, young adults and prolific acquisitive crime features heavily in their caseload, meaning the CRC manages the cases with a great deal of dynamic risk¹. A more integrated working model with the new Community Rehabilitation Company and the National Probation Service is developing and this will be a key area of work for the partnership over the coming 12 months.

Information shows that re-offending is increasing and the percentage of offenders that re-offend in Peterborough is higher than the England and Wales average rates. However, whilst re-offending rates are increasing, the actual number of re-offenders is reducing, indicating that this smaller group of offenders are more prolific.

For young people, identifying problems early is key as they are statistically more likely than adults to re-offend. There are also changes being proposed in the way that the youth justice system operates. The local impact of this is as yet unknown, but the recent review by Government recommends that education is put at the heart of the youth justice system. Offenders would be supported in smaller, local secure schools where they can benefit from the skills needed to get on in life after release.

What we plan to do

The Partnership will formulate and implement a strategy to reduce re-offending by adult and young offenders. The strategy will ensure that re-offending is considered in all contexts and will be closely linked to our strategies on substance misuse, homelessness, mental health and domestic abuse.

The Youth Offending Service will work with partners to identify those young people who are committing the most offences, and engage them in effective activity and rehabilitation to reduce their re-offending. There are a number of areas for development over the coming 12 months, including:

- Developing and extending early help services - the service continues to make an offer to

¹ Dynamic risk factors have the potential to change over time or through appropriate intervention

young people either to prevent them becoming involved in offending or to keep them out of the criminal justice system if they have committed a low level offence for the first time. Over the next 12 months we will be developing a more integrated approach to working with adolescents and a targeted youth support service is now being developed in the city.

- Working with victims and Restorative Justice - there has been some very positive work undertaken in developing both service links to and support for victims of crime and Restorative Justice. We will continue to develop more restorative approaches over the next 12 months.
- Developing a systemic approach to working with families - the Youth Offending Service have always maintained a good level of engagement with young people and their families, however we want to expand the degree of parental involvement in both planning and delivery.
- Improving the service response to recidivism², particularly in higher risk young people. We will put in place extra additional training and support to improve rates of recidivism.
- Tackling resettlement issues, particularly those linked to education, training, housing or employment - a system of early planning in cases where custody has been given, to ensure more effective resettlement outcomes are now fully in place.
- The Integrated Offender Management programme continues to support some of the most problematic offenders in Peterborough. The scheme allows local and partner agencies to come together to ensure that the offenders, whose crimes cause most damage and harm locally, are managed in a co-ordinated way. Over the next 12 months, we will consider expanding the remit of the scheme beyond serious acquisitive crime offenders. Proposals being considered by the group include adopting offenders on a risk-based approach, which means more offenders will benefit from the success of the management of the scheme, leading to reductions in offending.

In addition to our established multi-agency work with partners in areas such as IOM, the Youth Offending Service and safeguarding, and support for initiatives such as Conditional Cautions, BeNCH, CRC has commissioned the services of specialist agencies including Ormiston Families, St Giles Trust and the Dawn Project to support resettlement and rehabilitation in custodial and community settings.

Priorities for the year ahead include:

- Supporting a more joined-up approach to improving resettlement opportunities for short sentence prisoners, with particular focus on the issues of homelessness and unemployment. We will continue to develop our Through the Gate services to ensure those leaving custody have the right level of support and reoffending is minimised.
- Development of a strategy for better understanding and addressing the distinct needs of our young adult service users.
- Continuing to expand our Rehabilitation Activity Requirement (RAR) provision in conjunction with our operational delivery partners. This includes a suite of programmes and structured support and community integration that can be used to deliver a holistic approach to rehabilitation, tailored to the needs of individual service users. Our focus for the coming year is to work with partners to promote the use of Restorative Justice as a key element of our RAR delivery model.
- Encouraging more volunteering in the community to support , particularly young offenders, to reduce recidivism.

How we will measure success

² Recidivism refers to a person's relapse into criminal behavior, often after the person receives sanctions or undergoes intervention for a previous crime

Reducing the number of people who become victims of crime
Reduce the number of first time entrants into the criminal justice system
Increase the number of offenders participating in restorative interventions
Reduction in the number of proven offences for offenders managed through the Integrated Offender Management programme

PRIORITY 2: DOMESTIC ABUSE AND SEXUAL VIOLENCE

Key Outcome

To prevent domestic abuse and sexual violence and reduce the associated harm, ensuring all victims of domestic abuse and sexual violence have access to the right help and support and that services are available to address their needs.

Why is it a priority?

Demand on domestic abuse and sexual violence services continues to rise, particularly as vulnerable families struggle to cope with the financial and emotional pressures of unemployment, reduced household income and increased financial hardship, improving reporting facilities and the Police response.

There is still an unknown volume of hidden, unreported domestic abuse. Nationally it is estimated that only 16% of domestic abuse is reported to the Police. We know that awareness of domestic abuse reporting for the public needs to be further improved, particularly amongst minority ethnic groups and male victims.

Although there are positive developments at a national and local level with regards to the successful prosecution of more domestic abuse and sexual violence offenders, the rate of attrition³ between the volume of incidents reported to the police and the volume of cases being brought before the courts by the CPS is of concern.

The government's programme of welfare reform is having an impact on families' budgets and this could be inadvertently causing financial abuse. Universal Credit, now fully introduced to include families, will be paid monthly and as a single payment to the 'head of the household'. This could lead to an increased need to bargain and negotiate within the household, decreasing one partner's financial autonomy and independence.

What we plan to do

Domestic abuse and sexual violence services in Peterborough are well established and are currently delivered by partners across Cambridgeshire and Peterborough. An action plan is monitored and

³ Attrition refers to the gap between levels of known crime and the response of the criminal justice system in terms of prosecutions, convictions and sentencing.

delivered through the Violence Against Women and Girls Domestic Abuse and Sexual Violence Group which reports to the Cambridgeshire and Peterborough Community Safety Strategic Board.

There are a number of priorities which include:

- Intervening earlier to prevent domestic abuse and sexual violence from happening and challenging the attitudes and behaviours which foster it and intervene as early as possible to prevent it.
- Providing support to victims and their families where violence occurs.
- Taking action to reduce the risk to victims of these crimes and to ensure that perpetrators are brought to justice.

Over the next 12 months we will prioritise a number of areas of work in support of these priorities.

- We will ensure that domestic abuse and sexual violence services are able to respond to increasing demand for services.
- We will support in the development of a countywide partnership response to reduce the harm, risks and costs of domestic abuse, child abuse (including child sexual exploitation), serious sexual offences, trafficking and modern day slavery, which keeps victims safe from future victimisation.
- Enhance community engagement and awareness of domestic abuse and sexual violence support services to include the lesbian, gay, bi-sexual and transgender community with the aim of increasing the number of victims accessing support and reporting incidents to the Police.
- Develop a local offer to meet the needs of children and young people who are, or at risk of becoming, perpetrators and/or victims of domestic abuse and sexual violence, to improve specialist support services.
- There is a need to work towards increasing referrals from mental health care settings, ensuring all mental health professionals are providing their service users with the opportunity to access domestic abuse and sexual violence support services.
- Review and monitor the implementation of the recommendations from Domestic Homicide Reviews and hold partners to account for their actions.

How we will measure success

Performance indicators for this area of work will be developed in line with the countywide partnership focusing on domestic abuse and sexual violence. We will ensure we monitor performance data in line with the guidance from the National Institute of Clinical Excellence, taking into account the national focus on Violence Against Women and Girls.

PRIORITY 3: BUILDING COMMUNITY RESILIENCE

Key Outcome

To strengthen the resilience of our communities by ensuring that those who commit hate crime and other acts which break down the fabric of our communities, do not succeed.

Why is it a priority?

Communities cohesion builds strong and safe communities. In its simplest form, community cohesion is about people from different backgrounds getting on with each other, people contributing to how their community runs and people in the community having a sense of belonging.

Peterborough continues to benefit from its reputation as a tolerant and welcoming place, but tensions can develop particularly in communities that undergo rapid demographic change and these must be effectively managed. The current economic and political climate has the potential to exacerbate community tensions, drive up hate crime and raise the level of fear in our communities. Nationally, support for extreme right wing views is becoming more visible and acceptable, particularly around emotive issues such as the EU refugee crisis, Brexit and fears about ISIS. Online and remote radicalisation makes those in more isolated communities vulnerable, with limited access to alternative narratives.

Issues such as hate crime and extremism can undermine a community's resilience. Whilst both these issues have been assessed as a comparatively low risk and threat to our communities, since Brexit and recent terrorist incidents, we know that the risk has increased. Hate crime and extremism are separate but linked issues in terms of identifying and responding effectively to vulnerability, discrimination and radicalisation in our communities. We recognise that crime motivated by hostility, or a particular prejudice towards an individual's personal characteristic or perceived characteristic, is particularly corrosive in relation to victims and communities. This type of act can leave people feeling vulnerable and can impact negatively on many aspects of their lives, including their self-confidence and health, as well as contributing to feelings of isolation.

The UK faces a severe and continuing threat from terrorism, however there is no intelligence to suggest an attack in Cambridgeshire is imminent and the risk of radicalisation is assessed as low within the city. The Safer Peterborough Partnership works with partners across Cambridgeshire to review the Counter Terrorism Local Plan and ensure that all identified risks are addressed.

What we plan to do

Tackling Extremism

Prevent is one of the four strands of CONTEST, the UK strategy for countering terrorism. It is aimed at working closely with individuals who are likely to adopt extremist views, and work in partnership with other agencies and our communities to identify individuals who may need our support. The responsibility for Prevent is changing, and in 2018 more responsibility will be given to Local Authorities, rather than Police forces.

The Safer Peterborough Partnership, along with other key partners, will develop an annual counter terrorism local plan to mitigate identified risks around terrorism and radicalisation. We are also able to provide intervention and support for those who are identified at risk of radicalisation and extremism.

A process called 'Channel' has been developed to support people at risk of being drawn towards terrorism and violent extremism. Peterborough City Council, Cambridgeshire Police and other partners, including Probation, health agencies, community organisations and individuals within local communities work together to support vulnerable individuals who are prone to radicalisation. A range of options are available including mentoring, welfare support and access to key support services. The Partnership will continue to support this process ensuring that people who are risk of radicalisation are appropriately referred to Channel.

Hate Crime

We will work together to strengthen the resilience of our communities, we recognise that community cohesion is driven by people making an effort to support one another in their communities and neighbourhoods. Hate crime poses a direct threat to achieving this and we will continue to ensure that we make it clear to perpetrators that their behaviour is unacceptable and will not be tolerated. There are a number of key priorities in our hate crime strategy which we will focus on over the next 12 months, these include:

- Increasing the confidence of hate crime victims to report hate incidents to the police and third parties.
- Work with community and voluntary organisations to develop more effective approaches to understanding, preventing and tackling hate crimes and incidents in our communities.
- Taking effective action against perpetrators, challenging the attitudes of offenders in relation to hate crime and engaging more perpetrators in reparation type activities.
- Continuing to develop cohesion initiatives to prevent hate crime from occurring,

How we will measure success

Increasing the number of hate crimes and hate incidents reported
Increasing the proportion of Police detections for hate crime offences
Increase the number of hate incidents reported to third party reporting centres, including through the online portal, True Vision

PRIORITY 4: TACKLING ANTI-SOCIAL BEHAVIOUR & ENVIRONMENTAL CRIME

Key Outcome

To reduce anti-social behaviour (ASB) and enviro-crime and ensure complaints are effectively resolved. Our approach to anti-social behaviour and enviro-crime will focus on prevention, taking positive enforcement action where necessary, and protecting victims.

Why is it a priority?

The Safer Peterborough survey showed that anti-social behaviour and enviro-crime are still a priority concern for the people of Peterborough. In addition, the Crime and Disorder Act states that community safety partnerships have a statutory duty to tackle anti-social behaviour. Anti-social behaviour and enviro-crime can degrade the local environment and have an adverse effect on communities, and directly influences people's perceptions of fear of crime.

Whilst ASB has been reducing over recent years, the very nature of ASB means that records of incidents may not be a true reflection of the levels of victimisation occurring. One incident could affect many people, but may only result in one report to police or partner agency. Potentially, this leads to a risk of hidden harm occurring.

Anti-social behaviour includes criminal damage (including arson) , underage/anti-social drinking, noise, graffiti and harassment; enviro-crime includes littering, fly-tipping, dog fouling and other similar crimes.

What we plan to do

The wide-ranging nature of these offences, and the powers available to different partners, means that it is an area where joint working is essential to ensure the effective resolution to issues. By working together we will tackle the corrosive effect of ASB and enviro-crime on communities in Peterborough, caused by a minority of people.

Since its inception in 2016, our Prevention and Enforcement Service, which is a joint service between the Council, the Police and the Fire Service, has focussed on anti-social behaviour and enviro-crime. Over the next three years we will further develop our approach. If we can resolve a situation without legal action, we will, for example through interventions and diversionary work. However, in some situations, legal enforcement may be necessary and we will not hesitate to take action. We will work with the Police and the Courts to deal with anti-social behaviour, nuisance and enviro-crime cases quickly and effectively, to provide a high level of support to victims and witnesses.

We will tackle anti-social behaviour and enviro-crime through:

- Fixed Penalty Notices which will be issued to those who commit enviro-crime, such as littering, fly-tipping, spitting, dog fouling etc.
- Public Space Protection Orders (PSPOs). PSPOs are intended to deal with a nuisance or problem in a particular area that is detrimental to the local community's quality of life, by imposing conditions on the use of that area which apply to everyone, so that the majority of law-abiding people can use and enjoy our public spaces and be safe from anti-social behaviour. We have two PSPOs in Peterborough, in the city centre and Millfield, and we will expand the number of these over the the coming three years. This will include continuing to work with our delivery partners to issue Fixed Penalty Notices in these areas.

- Acceptable Behaviour Contracts (ABC). These are agreements made between an individual, police and local authority to make the individual's anti-social behaviour stop.
- injunctions, possession proceedings and Notice Seeking Possession (NSP). These are legal options we can take to put a stop to anti-social behaviour caused by tenants of Registered Social Landlords or their household members.
- low level interventions. We can give advice or warnings to people who are causing nuisance or anti-social behaviour.
- a strong focus on deliberate fires, with a defined Arson Reduction Plan which aims to tackle deliberate fires through prevention and enforcement. We will take an evidenced based approach to target the most vulnerable locations across the city to reduce reported incidents of deliberate fires.
- closure power. We can apply to Court to close a property for a period of time, in serious circumstances.

Overall we will ensure there is a co-ordinated approach to locally identified issues. Where any hotspot locations are identified, where persistent anti-social behaviour is the presenting issue, we will ensure that underlying complexity factors are considered and appropriate support is offered.

Finally, we will focus on the delivery of more effective methods to identify vulnerable victims to better reflect the need to manage threat, risk and harm, and ensure the identification and protection of repeat victims and vulnerable people.

How we will measure success

Sustained reduction in risk for those vulnerable ASB victims assessed as High Risk
Increase the number of victims who report their ASB issue has been successfully resolved

CROSS CUTTING THEME 1: SUBSTANCE ABUSE

Key Outcome

To reduce the number of people who experience crime and anti-social behaviour as a result of alcohol and drug abuse, whilst providing effective treatment and rehabilitation to those who have alcohol and drug problems.

Why is it a priority?

Some people experience multiple problems which have a cumulative impact on their ability to make positive life choices and avoid criminal, anti-social behaviour or other behaviour that has a negative impact on others. The themes of domestic abuse, mental health and drug and alcohol problems in particular are recurrent themes and we can establish that substance abuse is a common feature in criminality and family breakdown. This in turn can lead to inter-generational cycles of behaviours such as abuse, drug use and offending.

Substance abuse impacts across many areas of community safety and drug dependency remains a significant contributory factor to a number of crime and disorder types. Drug abuse and crimes such as burglary and robbery are closely linked and anti-social behaviour can also be related to alcohol and drug misuse. We know that violent crime such as assault and domestic violence and abuse often involve alcohol. A recent night time economy review has shown that between at least 56% of city centre violent crime is attributable to alcohol.

What we plan to do

We will continue to provide services for people who want help to stop their abuse of alcohol and drugs, and to divert into treatment programmes those who commit crime to support their alcohol and drug misuse. We will take strong enforcement action against alcohol and drug-related crime, and work together to tackle the things that can cause alcohol and drug abuse.

The long term objectives of our substance abuse intervention system partnership are to:

- Increase the number of people free from drug and alcohol dependence (and substitute medication) and in sustained recovery.
- Improve the health and wellbeing of people with substance abuse issues.
- Reduce harm experienced by individuals, families and the community arising from problematic substance abuse.
- Reduce crime experienced by individuals, families and the community associated with problematic substance abuse.
- Prevent future demand on health, criminal justice and treatment services.

We have a detailed substance abuse action plan which reflects the three key themes underpinning our approach to tackling substance abuse. Each section of the action plan contains detailed actions and dates for completion. There are a number of areas of focus over the coming 12 months, which include:

- Develop public awareness campaigns to promote awareness of alcohol and drug-related harm.
- Support the development of substance abuse education, awareness and access to help in schools.

- Develop targeted awareness raising with higher risk groups and communities.
- Develop awareness and skills regarding the use of new psychoactive substances.
- Develop work with individuals resistant to engagement in treatment services.
- Ensure effective and appropriate care for substance abusers who suffer with mental health problems.
- Ensure there are effective pathways in the criminal justice system for people abusing substances.
- Improve the use of information gathered for patients with assault-related injuries in Peterborough City Hospital's Emergency Department, to improve the safety of licensed premises and to safeguard staff and customers.

How we will measure success

Increase the number of people successfully completing drug and alcohol treatment programmes, whilst reducing the proportion who re-present to services
Reduce the number of alcohol-related admissions to hospital
Reduce alcohol and drug related crime

CROSS CUTTING THEME 2: MENTAL HEALTH

Key Outcome

To identify the challenges and the impact of mental health on the successful delivery of community safety.

Why is it a priority?

Mental health is a theme impacting all areas of delivery across the Safer Peterborough Partnership. The impact of mental health on community safety is recognised as important but has been difficult to impact upon, made more complex because data is not always routinely collected and accessible.

Mental ill health is the largest cause of disability in the UK, representing 23% of the burden of illness. At least one in four people will experience a mental health problem at some point in their life and one in six adults has a mental health problem at any one time.

The information drawn from a recent Joint Strategic Needs Assessment on Mental Health suggests that Peterborough faces potential challenges with promoting mental health and preventing mental illness. Many of the recognised risk factors for poor mental health are found at a higher rate in the Peterborough Unitary Authority area compared with England, East of England and Cambridgeshire. These risk factors include higher rates of socio-economic deprivation, children in care, violent crime, some types of drug misuse, homelessness, relationship breakdown, lone parent households and household overcrowding compared with East of England and most England averages.

High levels of crime undermine mental wellbeing. Violent crime is linked to mental health problems including depression, anxiety and post-traumatic stress disorder, suicide, and misuse of drugs and alcohol. A strong negative relationship has been found between rates of violent crime in an area and the mental wellbeing of residents living there.

What we plan to do

The Peterborough Health and Wellbeing Board is responsible for promoting integrated working to support health and wellbeing in Peterborough, including mental health, and will take the lead in this area of work.

The focus of Safer Peterborough's work around mental health will be on identifying and understanding how mental health impacts on community safety. This will include mapping mental health provision and pathways in the context of community safety. Once this is understood, the Partnership will identify how they can work with the Peterborough Health and Wellbeing Board to reduce the impact of mental health on community safety, both in terms of offenders' mental health and understanding more about how we can ensure people with mental health problems are less likely to become victims of crime.

GETTING INVOLVED

The Safer Peterborough Partnership are committed to reducing crime and improving quality of life and every agency involved in the Partnership wants to make Peterborough a safer place. However, we cannot do this alone. We know that people working together in their communities are helping to prevent crime and many of the achievements set out in this strategy have happened because local people have been actively engaged in tackling crime and disorder.

There are lots of ways you can get involved to make Peterborough safer and below is some information about how you can get involved.

Neighbourhood Watch

Neighbourhood Watch is about local communities working together and with the police to help make their neighbourhood safer. Neighbourhood Watch schemes can help reduce crime in local areas, so they are a great way to help you protect yourself, your family and friends and home. Visit the website [Neighbourhood Watch](#).

Salvation Army's Good Neighbour Scheme

Today, older people live longer and are also encouraged to live independently in their own homes. The Salvation Army's Good Neighbour Scheme volunteers support the elderly to live life in all its fullness by promoting independent living, tackling isolation, promoting a healthier lifestyle, giving a voice in things that affect them and helping to build confidence. To volunteer, visit the website [here](#).

Police Support Volunteers

Cambridgeshire Constabulary benefit from the support of volunteers to help them in a range of policing areas. These include conducting house to house enquiries, CCTV collection, and offering crime prevention advice. For more information regarding these areas, contact kerry.grice@cambs.pnn.police.uk.

Victims' Hub

The constabulary's Victim and Witness Hub offer emotional and practical support to victims of crime and help victims and witnesses to attend court. Volunteers are trained so that face to face, or more extended telephone support can also be offered to victims. Volunteers are also needed to help support Restorative Justice. This brings those harmed by crime into communication with those who caused the harm to help repair the harm caused and find a positive way forward. To find out more, visit the [website](#) or contact the Hub at victimandwitnesshub@cambs.pnn.police.uk.

Police Cadets

Cambridgeshire Constabulary runs a Volunteer Police Cadet scheme which aims to strengthen the voice of younger people in policing as well as steering those at risk of criminality away from a life of crime. The scheme encourages a spirit of adventure and good citizenship and can count towards formal qualifications and evidencing voluntary work for the Princes Trust/Duke of Edinburgh Award schemes. Find out more information [here](#).

Do-It

For information on other volunteering opportunities, visit the Do-It website [here](#)

Appendix 1 - Link to the Cambridgeshire Police and Crime Commissioner's Plan

The table below shows how the Safer Peterborough Partnership Plan reflects the priorities of the Police and Crime Commissioner.

Police and Crime Plan 2017-2020	How are the PCP priorities reflected in the Safer Peterborough Partnership Plan 2017-2020
<p>Victims – safeguarding the vulnerable <u>Aim:</u> deliver a victim first approach <u>Shared Outcomes:</u> victims and witnesses are placed at the heart of the criminal justice system and have access to clear pathways of support</p>	<p>Safeguarding the vulnerable is a theme running through the SPP Plan. Reducing the number of people who become victims of crime is a key priority, the SPP have also prioritised a number of high risk victim groups including domestic abuse, sexual violence and hate crime victims.</p>
<p>Offenders – attacking criminality <u>Aim:</u> reduce re-offending <u>Shared Outcomes:</u> offenders are brought to justice and are less likely to reoffend</p>	<p>Offender management is a priority in the SPP plan and bringing more offenders to justice, using traditional and restorative solutions are priorities within the plan. Reducing re-offending is a key area of focus.</p>
<p>Communities – preventing crime, reassuring the public <u>Aim:</u> support safer and stronger communities <u>Shared Outcomes:</u> communities have confidence in how we respond to their needs</p>	<p>Building Resilient Communities is a priority in the SPP Plan, our focus is on reducing hate crime and tackling violent extremism which can undermine the fabric of our communities.</p>
<p>Transformation – achieving best use of resources <u>Aim:</u> ensure value for money for tax payers now and in the future <u>Shared Outcomes:</u> we deliver improves outcomes and savings through innovation and collaboration</p>	<p>Collaboration between agencies is at the heart of the SPP plan, the priorities are owned by a variety of partners where we co-deliver key areas of work which impact on community safety.</p>

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CABINET	AGENDA ITEM No. 8
9 FEBRUARY 2018	PUBLIC REPORT

Cabinet Member(s) responsible:	Cllr David Seaton, Cabinet Member for Resources	
Contact Officer(s):	Marion Kelly, Corporate Director: Resources Peter Carpenter, Service Director, Financial Services	Tel. 452520 Tel. 384564

BUDGET CONTROL REPORT DECEMBER 2017

RECOMMENDATIONS	
FROM: Corporate Director: Resources	Deadline date: N/A
1. That Cabinet notes the financial pressures in the current financial year and the continuing work by CMT to deliver a balanced budget.	

1. ORIGIN OF THE REPORT

- 1.1. This report is submitted to Cabinet following discussion by the Corporate Management Team (CMT).

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 of the December 2017 Budgetary Control.
- 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	Yes	If yes, date for Cabinet meeting	9 Feb 2018
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4. DECEMBER BUDGETARY CONTROL - REVENUE

4.1. The revenue budget for 2017/18, agreed at Full Council on 8 March 2017, was approved at £146m. The revised budget is now £152m due to the additional Adult Social Care money of £3.5m announced after the budget had been approved, and the one-off drawdown of reserves.

Revised Budget 2017/18	£000
Approved Budget 2017/18	145,771
Additional Adult Social Care money	3,524
Drawdown of reserves	2,743
Revised Budget at December 2017	152,038

4.2. The forecast year-end outturn is based on reported departmental information as at the end of December 2017. The outturn is forecast to be a £2.593m under spend after allowing for departmental contributions to reserves. £2.338m will be transferred to the Capacity Reserve to support the budget in future years. £168k will be transferred to the ringfenced Public Health Reserve. The position reflects £1.8m of pressures on People and Communities, the largest overspend is homelessness costs. The People and Communities pressure is offset by savings within Growth and Regeneration, Resources and Capital Financing.

4.3. The summary position is outlined in the following table:

Directorate	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	Previous Month Variance	Movement
	£000	£000	£000	£000	£000	£000	%	£000	£000
Chief Executives	1,633	217	1,850	1,677	0	(173)	-9%	(75)	(98)
Governance	4,497	115	4,612	4,595	0	(17)	0%	42	(59)
Growth & Regeneration	24,887	220	25,107	23,837	255	(1,015)	-4%	(942)	(73)
People & Communities	81,835	173	82,008	83,825	0	1,817	3%	3,179	(1,362)
Public Health	206	0	206	38	0	(168)	-82%	(167)	(1)
Resources	36,237	2,018	38,255	34,707	511	(3,037)	-8%	(3,162)	125
Total Expenditure	149,294	2,744	152,038	148,679	766	(2,593)	-2%	(1,125)	(1,468)
Financing	(149,294)	(2,744)	(152,038)	(151,951)	0	87	-2%	0	87
Contribution to Capacity reserve	0	0	0	0	2,338	2,338	0%	1,125	1,213
Contribution to Public Health					168	168	0%	0	168
Net	0	0	0	(3,272)	3,272	0	-3%	0	0

4.4. It needs to be noted that the Resources Directorate is carrying a significant risk. The revenue budget assumes that £12.7m of capital receipts will be generated which Members agreed in the Budget to use to reduce the debt charges for capital (known as minimum revenue provision). The projected outturn assumes that the £12.7m of receipts is fully achieved, based

on a risk assessment. However there remains a possibility that the receipts will fall short of the total. If this were to happen, the difference would need to be funded from reserves and balances. However if the disposals were achieved later than 31 March 2018 and therefore received in 2018/19 the receipts could be used to replenish. Cabinet are updated on the position monthly.

4.5. Further information is provided in the following appendices:

Appendix A- Detailed Revenue Budgetary Control position and explanation of Key variances

Appendix B- Risks Identified

Appendix C- Reserves position

Appendix D- Asset Investment and Treasury Budget Report

Appendix A – Detailed Revenue Budgetary Control position and explanation of Key Variances

Key Movements between the November and December Forecasts

	£000
November position	(1,125)
HR additional savings	(116)
VAT Shelter- Lower forecast received from CKH due to a lower rate of VAT on some expenditure.	288
IBCF Funding to cover Winter Pressures- including £474k on Independent Sector Placements (ISP)	(2,000)
Additional TACT pressure- highlighted in recent report from TACT and partly due to late mobilisation of the contract	600
Improvement on the Highways budget	(76)
Improvement on the overspend forecast within housing (homelessness)	(109)
Minor variances across departments	(55)
December position	(2,593)

Chief Executives

Budget Group	Budget 2017/18	Cont. from reserves	Revised Budget 2017/18	Forecast Spend 2017/18	Cont. to reserves 2017/18	Forecast Variance 2017/18	Forecast Variance 2017/18	Previous Month Variance	Mvmt
	£000	£000	£000	£000	£000	£000	%	£000	£000
Chief Executive	240	0	240	189		(51)	-21%	(39)	(12)
HR	1,393	217	1,610	1,488		(122)	-8%	(36)	(86)
Total Chief Executives	1,633	217	1,850	1,677	0	(173)	-9%	(75)	(98)

Chief Executives is overall reporting a favourable variance of £0.173m against its budget.

Chief Executive

- An underspend of £0.051m is expected on the £0.240m budget for the Chief Executive due to one off savings in supplies and services budgets.

HR

- There is a £0.097m saving on the salary budget of £1.220m due to vacant posts - the budgets will be corrected in 18/19. The saving has increased by £0.058m in the month due mainly to a reduction in consultancy costs and further vacancies.
- There is an expected £0.030m saving against the £0.259m Workforce Development and Training budgets expected in this financial year.
- Other miscellaneous small overspends across the department are £0.005m.

Governance

	Budget 2017/18	Cont. from reserves	Revised Budget 2017/18	Forecast Spend 2017/18	Cont. to reserves 2017/18	Forecast Variance 2017/18	Forecast Variance 2017/18	Prev. Month Variance	Mvmt
Budget Group	£000	£000	£000	£000	£000	£000	%	£000	£000
Director of Governance	395	0	395	355	0	(40)	-10%	(21)	(19)
Legal & Democratic	3,517	115	3,632	3,607	0	(25)	-1%	15	(40)
Performance & Information	585	0	585	633	0	48	8%	48	0
Total Governance	4,497	115	4,612	4,595	0	(17)	0%	42	(59)

Governance is overall reporting a favourable variance of £0.017m against its budget.

Director Of Governance

- Miscellaneous small savings of £0.040m.

Legal & Democratic

- An overspend of £0.286m is expected on the £1.740m Legal salaries budget due to a combination of the use of locums being used to cover vacancies, payment of market supplement to retain current staff and also an overspend in children's safeguarding legal costs. There has been agreement to fund an additional Lawyer and a Business Support Officer to cope with the increased workload.
- An underspend of £0.039m is expected on the salary budgets of £0.430m in the Governance support and Elections service.
- Additional income is expected of £0.122m on the £0.220m income budget for Land Charges.
- An underspend of £0.030m is expected on the elections budget of £0.205m due to the low number of elections this year. The budget will be required in full in 18/19.
- An underspend of £0.091m is forecast in relation to the Members' Allowances and other costs budget of £1.120m.
- Other miscellaneous small savings across the service area are £0.029m.

Performance & Information

- An overspend of £0.068m is expected on the £0.480m Coroner's budget due to an increase in demand. This ongoing pressure is being incorporated within the budget requirement for future years.
- An underspend of £0.020m is forecast on the £0.180m FOI Team staff cost budget.

Growth & Regeneration

	Budget 2017/18	Cont. from reserves	Revised Budget 2017/18	Forecast Spend 2017/18	Cont. to reserves 2017/18	Forecast Variance 2017/18	Forecast Variance 2017/18	Prev. Month Variance	Mvmt
Budget Group	£000	£000	£000	£000	£000	£000	%	£000	£000
Development and Construction	291	0	291	361	0	70	24%	63	7
Director, OP & JV	528	185	713	(25)	150	(588)	-82%	(577)	(11)
Peterborough Highway Services	9,673	0	9,673	9,734	0	61	1%	137	(76)
Sustainable Growth Strategy	1,800	35	1,835	1,585	105	(145)	-8%	(139)	(6)
Corporate Property	639	0	639	476	0	(163)	-26%	(176)	13
Amey Peterborough & Waste Management	11,864	0	11,864	11,614	0	(250)	-2%	(250)	0
Westcombe Engineering	92	0	92	92	0	0	0%	0	0
Total Growth and Regeneration	24,887	220	25,107	23,837	255	(1,015)	-4%	(942)	(73)

Growth & Regeneration is overall reporting a favourable variance of £1.015m against its budget.

Development and Construction

- There is a forecast £0.050m variance on the £1.260m income budget within Development and Construction due to reduced external recharge income.
- Other miscellaneous small pressures across the Department are £0.020m.

Director, Opportunity Peterborough & Joint Venture

- A saving of £0.438m has been delivered in respect of the Highways roadmap efficiency programme, covering £3.98m of maintenance and related budget. This includes removing budget from the Highways contract where the same level of service is delivered at a lower cost, to “bank” the saving, (such as programme co-ordination efficiencies to avoid separate traffic management costs). It also includes receiving rebates based on a percentage of additional works put through the contract e.g. works for third parties. The ongoing elements of these savings will be factored into 18/19 budgets.
- A saving of £0.150m has been achieved against a total budget for the directorate of £24.887m, through extracting budgets from across the directorate following outturn review for car allowances, administration expenses, telephones, salaries, professional services, and computer software.

Peterborough Highway Services

- An overspend of £0.310m is expected against a budget of £0.870m due to a substantial inflationary increase in street lighting energy costs and a delayed start to the LED project. A budget adjustment is proposed for 18/19.
- Highways Development is favourable by £0.180m on a £0.470m budget due to additional income. This is partly offset by other staff costs and Community Link Bus Service costs.
- The department is also delivering a further £0.100m of savings on a £9.673m budget. This is being delivered via savings within the transport planning, street lighting maintenance and the drainage services. These will be kept under review for 18/19.

- Other miscellaneous pressures across the Department are £0.031m.

Corporate Property

- Additional rental income of £0.108m on a £4.140m budget arises from investment property purchased in Fengate in March 2017. This will be built into the budget for 18/19.
- A saving of £0.060m is reported on Utility costs against a budget of £0.500m. Expected increases in costs are likely to mean this saving will not continue for 18/19.
- Other miscellaneous pressures across the Department are £0.005m.

Amey Peterborough & Waste Management

- An underspend of £0.180m arises on an £8.600m budget for the Amey contract, in respect of a lower pension contribution rate compared with that assumed in the contract. The impact of this in future years will be considered along with a number of other potential contract costs.
- However proposed savings from Bin Sponsorship income £0.040m, and charging developers for bins £0.040m have not been achieved. This will be an ongoing pressure.
- Energy from Waste is reporting £0.100m additional income on a surplus budget of (£2.580m). The one-off additional income due to increased volume and price change
- Street Cleansing £0.050m saving on budget of £2.210m - pro rata saving from delayed start in additional cleansing

People & Communities

Budget Group	Budget 2017/18	Cont. from reserves	Revised Budget 2017/18	Forecast Spend 2017/18	Cont. to reserves 2017/18	Forecast Variance 2017/18	Forecast Variance 2017/18	Prev. Month Variance	Mvmt
	£000	£000	£000	£000	£000	£000	%	£000	£000
Adults	45,623	0	45,623	43,847		(1,776)	-4%	178	(1,954)
Commissioning and Commercial Operations	14,243	0	14,243	15,707		1,464	10%	905	559
Children's & Safeguarding	10,588	66	10,654	10,572		(82)	-1%	146	(228)
Director	774	0	774	330		(444)	-57%	(869)	425
Education	5,778	0	5,778	6,360		582	10%	626	(44)
Communities	4,828	107	4,935	7,008		2,073	42%	2,193	(120)
Total People and Communities	81,834	173	82,007	83,824	0	1,817	2%	3,179	(1,362)

People & Communities are overall reporting an adverse variance of £1.817m against its budget. The key variances in each of the service areas are as follows:

Adults

- Overall Adults is forecasting a £1.776m underspend
 - The Therapy, Reablement, Community Equipment service area is forecast to overspend by £0.152m against a total budget of £2.930m. Staffing is forecast to overspend by £0.309m (the 0-25 Team accounts for £0.229m of this figure), non-pay is forecast to underspend by £0.157m.
 - The Home Services Delivery Model is forecast to underspend by £0.134m against a total budget of £1.418m. This saving is part of the non-digital element of the Digital Front Door savings.
 - The Finance Service area is forecast to underspend by £2.148m against a total budget of £0.453m.
 - The forecast is £0.600m more favourable in December because £600k assumed in November to off-set pressures is no longer required.
 - The forecast is £0.293m more favourable in December because this proportion of the Department Savings target has now been found.
 - £0.474m of the Improved Better Care Fund is now reflected in the forecast. In overall Directorate terms this off-sets the pressure on the Adults placement budget
 - A commitment of £0.219m arises from the Care Act 2014. This issue will be addressed in the 2018-19 budget.
 - The Adults placement budget is forecast to overspend by £0.474m against a total budget of £28.610m. This is being mitigated by IBCF Funding held to cover Winter Pressures.
 - Other Adults savings total £0.120m.

Commissioning and Commercial Operations

- Overall Commissioning and Commercial Operations is forecasting a £1.464m overspend
 - Currently Clare Lodge is forecasting an adverse variance of £0.584m at the end of the year. This is due to three key factors:
 - A pressure of £0.250m relating to the non-achievement of the additional MTFS Income target as a result of the delay in Construction work.
 - A £0.100m pressure is as a result of non-achievement of pay terms and conditions savings.
 - A pressure of £0.234m is forecast, which is broken down as follows:
 - There is reduced occupancy and therefore Income as the result of lower demand from other Local Authority Commissioners for beds at Clare Lodge, creating a pressure of £0.380m. This may well be because other Local Authorities are in a difficult financial situation and are having to make savings on commissioned and other services.
 - Clare Lodge is also struggling to recruit and retain staff, Without the required staffing levels it can't safely staff the units and therefore can't make beds available. Due to the low staffing levels there is an under spend on this budget of £0.128m offsetting the income pressure.
 - There is also a small overspend of £0.018m on supplies and services.
 - Clare Lodge in conjunction with the responsible Local Authority Officer are working to increase occupancy
 - The Commissioning service area is forecast to underspend by £0.155m against a budget of £1.079m.
 - A pressure of £0.047m relating to Play Centre property costs has arisen as a result of the delayed Community Asset transfers.
 - An underspend of £0.187m against Children's Commissioning budgets has been identified to mitigate the reported pressure against Clare Lodge.
 - The Permanency Service (TACT) is forecast to overspend by £1.000m against a budget of £13m which is an increase of £0.600m on the previous forecast.
 - The additional cost is as a result of LAC numbers being higher at the beginning of the contract than was anticipated, work is ongoing with TACT on plans to reduce this number however this is taking longer than anticipated and as such giving rise to a pressure in year. Work is still underway to address this with results more likely to give rise to savings in 18/19. Further work is being done around placement mix and the impact on the savings built into the contract for 17/18 due to the later than planned mobilisation of the contract and therefore the changes that TACT are making were later into the contract than was originally anticipated - we are expecting further pressures to arise from this piece of work being done in January. Discussions held with TACT are that at this time it is expected that this will be resolved for 18/19 and that they will be able to deliver the level of savings that the contract require. But this will depend upon working together to get the LAC numbers back to the level that the contract was built on.
 - Other Commissioning and Commercial Operations pressures total £0.035m.

Children's & Safeguarding

- Overall Children's & Safeguarding is forecasting an £82k underspend
 - The Children's Social Care service area is forecast to overspend by £0.054m against a budget of £6.727m. This is due to a £0.187m pressure on car and travel allowances, a £0.252m saving on staffing costs, a £0.023m pressure on room hire costs & a £0.010m pressure in relation to other costs including ICT maintenance, mobile phone costs, financial assistance etc.
 - Other Children's & Safeguarding budgets are forecast to underspend by £0.028m.

Director

- Overall the Director is forecasting a £444k underspend.
 - Currently reporting a £91k pressure
 - The £0.500m savings target in relation to 'New ways of working' has not been achieved and has therefore been reported as a pressure.
 - This pressure has been partially offset by a £0.409m saving in relation to the prior year element of the Norfolk Ordinary Residence case which has recently been agreed and paid.
 - Currently reporting £400k underspend
 - The MTFS saving re 'SERCO Insight and Analytics' has been reported as a £0.163m pressure.
 - £0.563m of the departmental contingency has been released to off-set the 'SERCO Insight and Analytics' pressure, and £400k of the Permanency Service (TACT). A departmental contingency was set up to help cover some in year pressures including the TACT contract which is the first of its type in the country. It was deemed appropriate to hold a contingency in light of this especially late mobilisation of the contract, an uncommitted balance of £0.127m remains.
 - Currently reporting £135k underspend
 - A pressure in relation to non-achievement of Business Support savings of £0.015m has been reported.
 - Shared Management arrangements with Cambridgeshire have generated an underspend of £0.094m.
 - Staff vacancies in the People and Communities Finance Team have resulted in an underspend of £0.047m.
 - Non staff savings total £0.009m

Education

- Overall Education is forecasting a £582k overspend.
 - The Home to School and Children's Social Care Transport service area is forecast to overspend by £0.416m against a budget of £3.720m.
 - The Home to School Transport budget is forecast to overspend by £0.269m. This forecast includes demographic pressure and the savings arising from the recent exercise to rationalise and re-tender routes etc.
 - Children's Social Care transport is forecast to overspend by £0.107m. In part this is due to the loss of voluntary drivers and the necessity to therefore procure more taxi transport. The transport team are actively trying to recruit additional voluntary drivers.

- Other pressures total £0.040m.
- The Pupil Referral Service is forecast to overspend by £0.237m against a surplus budget of (£0.237m), this is as a result of the implementation of a new funding model. This pressure has been addressed in the 18-19 budget process
- Other Education savings total £0.071m.

Communities

- Overall Communities is forecasting a £2.073m overspend.
 - The Housing Service area is forecast to overspend by £1.594m against the total budget of £0.854m.
 - Of the overspend £1.597m relates to Homelessness / temporary accommodation costs. This is being closely monitored by Management.
 - Other Housing Service savings total £0.003m.
 - The Housing Enforcement Service area is forecast to overspend by £0.413m against the total net income budget of £0.083m.
 - Selective Licensing is forecast to overspend by £0.287m which is primarily as a result of the very high take up of an early bird discount scheme. Work is being undertaken to identify additional homes that should be licensed. The additional income should close the gap in financial years 2018/19 onwards.
 - An overspend of £0.143m has arisen due to under achievement of income in relation to EPC certificates. The income loss will be addressed in the 2018/19 budget setting process.
 - Other Enforcement underspends total £0.017m.
 - Other Communities pressures total £0.066m.

Public Health

Budget Group	Budget 2017/18	Cont. from reserves	Revised Budget 2017/18	Forecast Spend 2017/18	Cont. to reserves 2017/18	Forecast Variance 2017/18	Forecast Variance 2017/18	Prev. Month Variance	Mvmt
	£000	£000	£000	£000	£000	£000	%	£000	£000
Children 0-5 Health Visitors	2,967	0	2,967	2,967		0	0%	0	0
Children 5-19 Health Programmes	1,999	0	1,999	1,999		0	0%	0	0
Sexual Health	1,817	0	1,817	1,816	1	0	0%	0	0
Substance Misuse	2,370	0	2,370	2,348	22	0	-1%	(22)	22
Smoking and Tobacco	374	0	374	322	52	0	-14%	(53)	53
Miscellaneous Public Health Services	1,875	0	1,875	1,782	93	0	-5%	(92)	92
Public Health Grant	(11,196)	0	(11,196)	(11,196)		0	0%	0	0
Total Public Health	206	0	206	38	168	0	-82%	(167)	167

Public Health is reporting a favourable variance of £0.168m against its budget, this will be transferred to the Public Health reserve. The Key variances in each of the service areas are as follows:

- Substance misuse is forecast to underspend by £0.022m against the budget of £2.370m. This underspend is as a result of an accrual for DETOX treatment which is no longer required.
- Smoking and Tobacco is forecast to underspend by £0.052m against the budget of £0.374m. This underspend is against Smoking cessation services.
- Miscellaneous Public Health Services is forecast to underspend by £0.093m against the budget of £1.875m. This underspend is as a result of an accrual for Redundancy which is no longer required (£0.060m) and the balance relates to two PH projects which will no longer be funded from 2017/18 revenue budgets. These are South Asian health checks for people aged under 40, which will no longer be implemented following changes to the relevant evidence base, and Healthier Eating in fast food outlets, which is still under discussion with the Environmental Health Team, and for which any costs will be funded from public health reserves.

Resources

	Budget 2017/18	Cont. from reserves	Revised Budget 2017/18	Forecast Spend 2017/18	Cont.to reserves 2017/18	Forecast Variance 2017/18	Forecast Variance 2017/18	Prev. Month Variance	Mvmt
Budget Group	£000	£000	£000	£000	£000	£000	%	£000	£000
Director's Office	258	0	258	307	0	49	19%	55	(6)
Financial Services	3,605	418	4,023	3,356	511	(156)	-4%	(66)	(90)
Capital Financing	12,441	1,322	13,763	11,421	0	(2,342)	-17%	(2,282)	(60)
Corporate Items	5,726	90	5,816	4,342	0	(1,474)	-25%	(1,777)	303
Peterborough Serco Strategic Partnership	7,224	0	7,224	6,674	0	(550)	-8%	(550)	0
ICT	5,995	110	6,105	6,476	0	371	6%	371	0
Commercial Group	336	0	336	309	0	(27)	-8%	3	(30)
Energy	392	0	392	1,156	0	764	195%	771	(7)
Vivacity/Cultural Services	2,473	0	2,473	2,479	0	6	0%	24	(18)
Cemeteries, Cremation & Registrars	(1,348)	38	(1,310)	(1,378)	0	(68)	5%	(36)	(32)
City Services & Communications	(865)	40	(825)	(435)	0	390	-47%	325	65
Total Resources	36,237	2,018	38,255	34,707	511	(3,037)	-8%	(3,162)	125

Resources is overall reporting a £3.037m favourable variance against its budget.

Directors Office

- An overspend of £0.049m is forecast against the Director's budget of £0.258m relating to staffing costs

Financial Services

- A favourable variance of £0.105m is forecast within Financial Services, in respect of the £1.030m Insurance budget, arising mainly from additional income of £0.066m from external recharges relating to management fees on school insurance recharges. Additional savings total £0.051m

Capital Financing

- A favourable position of £2.342m is being reported within this area. The variance includes:
 - A saving of £1.093m on Minimum Revenue Provision due to slippage in the capital programme.
 - The planned MTFS borrowing requirement was £101.276m. This comprises both capital programme requirements; the replacement of maturing debt; and the impact of making minimum revenue provision. See Appendix D for further detail. The reduced level of borrowing; better than expected interest rates achieved; and borrowing been transacted later in the year than expected have led to a favourable variance of £1.249m.
- The capital financing budget is net of £12.7m capital receipts income. Non-delivery of the income is a key financial risk and is being carefully monitored. The income consists of a £1.3m brought

forward balance; £3m of smaller disposals; and £8m of strategic disposals none of which have so far been completed.

Corporate Items

- There is a favourable variance of £1.474m within this area due to a recent review of corporate budgets. The variance includes higher than budgeted income from the Cross Keys VAT shelter (£0.140m variance on £0.380m budget). However as set out in the Key Movements table at the beginning of Appendix A, the favourable variance is less than was expected in November BCR. The favourable variance also includes the retention of £0.373m general and specific inflation not allocated to services. There was a budget allocated for the introduction of the auto enrolment of the pension scheme which was to be introduced this year, but it is expected that this budget will no longer be required (£0.412m) and a further £0.385m saved on a budget of £2.230m in respect of lump sum pension fund contributions. Pension costs for premature retirement are forecast to be £0.100m lower than the £1.260m budgeted. External Audit fees are £0.017m lower than the £0.120m budgeted. Around £0.037m has been saved in respect of the Apprenticeship Levy. Other minor savings total £0.010m. The 18/19 impact of all of these savings will be factored into budget proposals.

Peterborough Serco Strategic Partnership

- There is an additional £0.250m of Court Cost income against a budget of £0.600m based on early performance. This is expected to continue and has been factored into future budgets.
- There is a £0.300m favourable variance on the HB Subsidy Budget. The full cost of unsubsidised temporary accommodation is now charged to the People and Communities budget. It is proposed to amend the budget accordingly in future years.

ICT

- An overspend of £0.270m is expected on the £0.410m budget for the revenue impact of the IT Strategy of moving costs into the Cloud, as the cost was not fully identified at the time that the budget was set.
- There is also a pressure of £0.300m from the delay in delivering Salesforce Line Of Business applications & Box having not yet been decommissioned.
- The SLAs with our partner organisations including NPS and Opportunity Peterborough are generating a surplus of £0.050m on a budget of £0.100m.
- Other miscellaneous savings across the Department are £0.149m.

Energy

- One-off unbudgeted cost of £0.711m in relation to writing off abortive capital project costs.
- There is currently a £0.053m shortfall in the Energy Projects saving target of £0.320m expected this year. This is under review to assess the impact on the 18/19 budget.

City Services & Communications

- The off street parking income budget of £2.400m is £0.357m adverse, but this is being offset by staff parking income which is £0.095m higher than the budget of £0.310m.
- An adverse variance of £0.205m is expected within the Market, Events and Tourism service area. This is mainly due to £0.155m lower income than the budgeted £0.465m at the Market, and £0.040m variance on £0.130m budget at the Destination Centre and a £0.020m surplus generated by the PGER. The income budgets for Travelchoice and the Pedestrian Area of £0.390m are

forecasting to be adverse by £0.081m due to reduced coach company income and street advertising income. Miscellaneous savings total £0.051m

- An overspend of £0.040m on £0.460m budget is reported in respect of increased costs in Food safety following pressures in the numbers of premises in need of inspection. The 18/19 budget will include proposals to address increased demand. There is also a £0.064m pressure relating to reduced Trading Standards income.
- Health and Safety recharges are expected to be £0.050m lower than the £0.090m budgeted. A proposal to amend the baseline budget will be included for 18/19.
- The Design and Print Team is expected to break even, through recharging all costs based on jobs completed, costing around £0.250m. It is expected that £0.033m of this sum will not be recovered.
- Following a review of spending across the City Services & Communications service area, in year savings of £0.264m have been identified for 17/18, over a gross expenditure budget of £5.740m.

Appendix B – Risks Identified

The following table outlines the risks identified, which will have an impact on the councils MTFS.

Dep	Risk	Description
P&C	Clare Lodge	MTFS income savings target not achievable due to delay in construction works
P&C	Children's Health	Pressure on overtime and lack of enhancement budget at Cherry Lodge/Manor-this service is under review
P&C	Home to School Trans.	Assuming same outturn as 16/17 less agreed MTFS saving. Await new academic year for update
Res	Asset Disposals	Capital receipts included within the MTFS may not be achieved, creating a pressure. For more details see main report.
P&C	Homelessness	Included within the BCR pressures.
P&C/Res	Schools funding/ Academisation	11 schools have indicated that they will become academies in 17/18 and 11 in 18/19
P&C	SEND funding	Ceases at the end of the year.
P&C	Universal Credit	administration cost and the risk of UC implementation increasing homelessness
Gov	Legal Income	To secure external income
Gov	Employee Costs	Regrades and restructures- including the costs for redundancy, and future incremental rises.
G&R	Street Lighting	Delays to LED implementation could increase adverse already reported
P&C	ASC Placements	Continuing demand pressure
Res	Parking Income	Demand led in nature -the Summer period traditionally sees a spike in demand, mainly in off street.
Res	Court Costs Income	To be kept under review
Res	Payments & Subsidy	To be kept under review
Res	Wellington St Car Park	Lease with Pelican for Wellington St Car Park
P&C	Troubled Families	Troubled families is a performance related grant from Government that is due to finish in 2020. This grant funds a number of early intervention services that will be at risk without this funding. There is a lobbying campaign for the grant to be extended but this is an early risk alert
Res	Amey-Norse Migration	Issues around volumetrics, inflation currents savings targets and the current contract position.
P&C	EPC income	Unachievable income target
Res	Performance Information	Unachievable savings target for ICT system support savings
P&C	New ways of working	Unachievable savings target
Res	PSSP	Continuing review of this saving.

Appendix C - Reserves

The Council's departmental reserves and the capacity building reserve are monitored throughout the year and feed into the budget setting process accordingly. The next table summarises the expected balance for all reserves for 2017/18 to 2020/21

Out of the total reserves balance only £21m is deemed available or uncommitted, due to restrictions placed on the remaining reserves.

A contribution to the reserves position is projected at the end of 2017/18 through a forecast underspend and through the application of funds received from Planning Obligations Implementation System (POIS) for capital contributions.

	Balance Brought Forward 1.4.17	Contribution from reserves	Movement between reserves	Contribution to reserves	Forecast Balance 31.03.18	MTFS 2017/18 Forecast Balance 31.03.18	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Summary of Reserves							
General Fund Balance	6,000				6,000	6,000	0
Available Reserves							
Capacity Building Reserve	4,314	(1,813)	1,445	6,738	10,684	823	9,861
Risk Management Contingency	680	(23)			657	0	657
Grant Equalisation Reserve	15,639	(7,827)	0	0	7,812	4,249	3,563
Development Equalisation Reserve	1,233	(689)			544	0	544
Departmental Reserve	3,855	(1,090)	(1,445)	255	1,575	714	861
	25,721	(11,442)	0	6,993	21,272	5,786	15,486
Ring-Fenced Reserves							
Insurance Reserve	4,425			511	4,936	4,520	416
Schools Capital Expenditure Reserve	1,287				1,287	1,427	(140)
Parish Council Burial Ground Reserve	53				53	40	13
Hackney Carriage Reserve	155				155	75	80
School Leases Reserve	336			3	339	384	(45)
Future Cities Reserve	569	(569)			0	0	0
Public Health Reserve	428			168	596	428	168
Salix Carbon Reduction Reserve	0				0	15	(15)
	7,253	0	0	682	7,366	6,889	477
Total Available and Ring-Fenced	38,974	(12,011)	0	7,675	34,638	18,675	15,963

* £7.194m was drawn down as part of the budget setting process, the remaining £2.982m has been drawn down during the year as and when it has been required.

Key Changes in the movement in Reserves

Capacity Building Reserve – The £6.738m contribution is primarily available because of the under spend forecast for 2017/18 and £4.2m POIS balances. Between 2010 and 2015 the Council operated the system of Planning Obligations Implementation System (POIS) Section 106 planning agreements. Following Counsel's advice and discussions with external auditors, the balances that are held in the Strategic POIS Pool are available to apply to a capital financing purpose. The Strategic POIS balances will be used to make minimum revenue provision. This allows the resulting underspend on the capital financing budget to be transferred to reserves.

£1.4m has been transferred from earmarked reserves to Capacity reserve as no longer being required for their specific purposes.

Grant Equalisation Reserve – The balance at the end of 2016/17 was greater than expected in the budget due to additional items that were transferred into the reserve.

Departmental reserve contributions:

Growth and Regeneration

£150k - Fourth annual contribution to create £600k fund for Fletton Quays revenue costs (stamp duty etc.)

£75k - Local development plan - LDP has slipped by 9 months into 18/19 and has no recurring budget to fund (cyclical activity)

£30k - New burdens funding for self & custom build housing - to fund fixed term post.

Insurance reserve - £511k is to fund future expected claims this comes from a review of previous years' claims, plus other elements that are not covered externally such as subsidence, an average of the figures plus a review of claims trends are then used to calculate a likely figure for future claims.

Public Health – Any underspend at the end of the financial year will be transferred to the reserve.

Appendix D - Asset Investment and Treasury Budget Report as at December 2017

Introduction

The following report provides an update on the Council's Asset Investment Plan and the Treasury activity as at December 2017. It also provides an estimate of the borrowing requirement for 2017/18 to fund the Asset Investment Plan.

Asset Investment Plan 2017/18

The revised Asset Investment Plan budget as at December 2017 is £92.8m, which includes £15.3m for Invest to Save (I2S) Schemes. The agreed investment as per the Medium Term Financial Plan (MTFS) was £219.3m. The movement between the MTFS position and the £324.7m as at Apr-17 was a result of slippages mainly due to delays completing projects from 2016/17.

The actual investment expenditure as at December 2017 is £52.8m (75.9% of the revised budget to date). The latest forecast provided by project managers predicts an overall spend of £92.8m, therefore the Council is expecting to spend a further £40.0m before Mar-18.

The following table shows the breakdown of the Council's Asset Investment over the directorates and how this investment is to be financed.

Directorate	MTFS Budget	1st April Budget	Current Budget FY	Revised Budget YTD	Actual YTD	Forecast Investment & Financing
	£000	£000	£000	£000	£000	£000
Governance	-	49	-	-	-	-
Growth & Regeneration	37,064	43,204	32,000	24,000	13,413	32,000
People & Communities	65,916	79,283	36,549	27,412	21,176	36,549
Resources	23,378	32,575	8,954	6,715	4,405	8,954
Invest to Save	92,954	169,546	15,288	11,466	13,840	15,288
TOTAL	219,312	324,657	92,791	69,593	52,834	92,791
Grants & Contributions	44,259	50,297	39,773	29,829	25,421	39,773
Capital Receipts	942	1,083	1,083	812	-	1,083
Borrowing for capital programme	174,111	273,277	51,935	38,952	27,413	51,935
TOTAL	219,312	324,657	92,791	69,593	52,834	92,791

The movement of £231.9m between the budget as at April 17 (£324.7m) and the current budget of £92.8m follows a comprehensive review of the Asset Investment Plan. The Invest to Save projects have been cut

significantly, and a number of other large projects across all directorates have been reprofiled to more accurately reflect the spending over future years.

The Asset Investment Plan can be funded via three core elements, external third party income (including grants), capital receipts generated from the sale of Council assets, and borrowing from the external market. For the 2016/17 MTFS onwards the approved strategy is to use Capital Receipts as part of a contribution to the Minimum Revenue Provision (MRP) therefore they are no longer factored into the funding of the Asset Investment.

Borrowing and Funding the Asset Investment Plan

It is a statutory duty for the Council to determine and keep under review the level of borrowing it considers to be affordable. The Council's approved Prudential Indicators (affordable, prudent and sustainable limits) are outlined in the approved Treasury Management Strategy. The Council borrows only to fund the Asset Investment Plan. The current plan assumes that 61.8% of the budgeted expenditure will be funded by borrowing.

The Council's borrowing as at the end of November 2017 was £416.6m (see table below). The debt is measured against the Council's Authorised Limit for borrowing of £914.1m which must not be exceeded and the Operational Boundary (maximum working capital borrowing indicator) of £811.0m.

Borrowings	Less than 1yr £000	1-2yrs £000	2-5yrs £000	5-10yrs £000	10+yrs £000	Total £000	Ave. Interest Rate %
PWLB	-	-	4,500	16,143	308,944	329,587	3.7
Local Authority	7,000	9,000	50,500	-	-	66,500	1.4
Market Loans	-	-	-	-	17,500	17,500	4.5
LEP Loan	-	3,000	-	-	-	3,000	0.0
Total Borrowing	7,000	12,000	55,000	16,143	326,444	416,587	3.3
% of total Borrowing	2%	3%	13%	4%	78%		
Borrowing Limit (PI)	40%	40%	80%	80%	100%		

The table below shows the activity in Loans held by the Council for the year to date:

Loans Portfolio £000		
April 17 b/f		395,371
Repayment of loans to date	(11,784)	
New loans in year	33,000	
Net increase/(decrease) to date		21,216
Loans portfolio as at November 17		416,587

Total interest payable on existing loans for the year (£416.6m) is expected to be £13.5m.

As at December 2017 the Council held £23.2m of S106 and Planning Obligations Implementation Scheme (POIS) funding available for funding Asset Investment projects. To date £6.0m has been earmarked for specific projects. The process for allocation requires project managers to successfully submit project plans meeting the criteria for which the contributions were intended. The S106 Officer is responsible for approving S106 allocations.

The Capital Receipts are monitored on a monthly basis and each sale given a status of Red, Amber or Green to identify the likely receipt before March 2018. The MTFs includes a contribution of £12.7m Capital Receipts, which includes £2.2m rolled forward from uncompleted disposals in 16/17. Any shortfall of actual cash receipts in year will therefore have a direct impact on the final Revenue position and in turn the underpinning of the MTFs approach. The revenue forecast assumes that 100% of green receipts and 50% of amber receipts are achieved.

Capital Receipts

RAG Status	Budgeted Income per MTFS £000	Revised Budget £000	Received to Date £000	Not yet received £000
Green	4,191	4,855	33	4,822
Amber	1,975	9,098	-	9,098
Red	6,572	-	-	-
Total	12,738	13,953	33	13,920

Investments

The Council aims to achieve the optimum interest on investments commensurate with the proper levels of security and liquidity. In the current economic climate the Council considers it appropriate to keep investments short term to cover cash-flow fluctuations, and only invest with Barclays (the Council's banking provider) and Bank of Scotland (part of the Lloyds Banking Group), the Debt Management Office and Local Authorities although the Council has recently opened a Money Market Fund account to help mitigate the investment risks, whilst increasing returns.

As at December 2017 the Council's external investments totalled £23.3m and have yielded £58k to date.