

## CABINET

**MONDAY 20 JUNE 2022**  
**10.15 AM**

**Council Chamber - Town Hall**  
**Contact – philippa.turvey@peterborough.gov.uk, 01733 452460**

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Circulation

**Cabinet Members**

**Scrutiny Committee Representatives**

**Directors, Heads of Service**

**Press**

*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 SHAREHOLDER CABINET COMMITTEE MEETING  
HELD AT 10:00PM ON  
WEDNESDAY 15 DECEMBER 2021  
VIA ZOOM**

**Members Present:** Councillors Allen, Councillor Coles, Councillor Ayres, Councillor Cereste, Councillor Howard

**14. Apologies for Absence**

Apologies for absence were received from Councillor Walsh, with Councillor Howard attending as substitute.

**15. Declarations of Interest**

No declarations of interest were received

**16. Minutes of the Meeting Held on 13 September 2021**

The minutes of the meeting held on 13 September 2021 were noted as a true and accurate record, subject to the correction of “University Peterborough” to “Opportunity Peterborough” at Minute Item 7 ‘Declarations of Interest’.

**17. NPS Peterborough 2021/22 Business Plan**

The Shareholder Cabinet Committee received a report in relation to the NPS Peterborough Limited Business Plan for 2021/22.

The purpose of this report was to provide the Committee with the NPS Peterborough Business Plan. The report provided the strategic plan for NPS Peterborough and considers how it would support the financial challenges ahead.

The Alex Gee, Operations Director, NPS Property Consultants, addressed the Shareholder Cabinet Committee and presented the information contained with the slideshow at Appendix 1 to the report.

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

- Properties on Saville Road and Northminster House would be reviewed in order to bring this arrangements to an end, as they did not benefit the Council.

At this point, Councillor Cereste left the meeting.

- Members were advised that, in the confines of operating as a Teckal company, NPS Peterborough could only carry out certain work for outside of the local authority arena. To do so would require a fundamental change in structure, as part of the Norse Group, rather than NPS Peterborough.
- When referring to moving away from a Joint Venture model, this specifically related to managing risk should the Council wish to stop work with the Joint

Venture.

- Members were advised that the retail units owned by the Council were operating at 98% fully let.
- It was confirmed that work was currently ongoing to establish priorities within maintained schools to aid in decarbonisation. The Council may also have responsibilities in relation to academy schools where the freehold for the site was Council-owned.
- In relation to the Council's farm estate, for which conversations were now ongoing to agree its disposal, discussions were being had with the university to provide some form of education on some of the sites going forward.
- Members were advised that a large amount of work was going on in relation to strategic asset management, both carefully and in consideration of the Council's financial position. There was no rush to divest the Council's assets, but valuations would be progressed in order to formulate a cohesive strategy and to ensure that any future divestment was carried out in the proper manner.

The Shareholder Cabinet Committee considered the report and **RESOLVED** to:

1. Note the contents of the NPS Peterborough Ltd Business Plan 2021/22.
2. Note the comments on the Corporate Director Resources in respect of the future direction of the overall Property function in respect of the Council budget position.

#### **REASONS FOR THE DECISION**

The Committee were asked to note the report and associated documents and raise any queries or comments.

#### **ALTERNATIVE OPTIONS CONSIDERED**

The council had a complicated property setup with delivery of various aspects by NPS Peterborough, Aragon, Housing Services, Regeneration and Schools Property. The whole service area would be reviewed as part of the 2022/23 budget process to test if the present range of delivery options were fit for purpose and could deliver the Council's requirements within the reducing resources envelope.

#### **18. Peterborough Limited Strategic Report 2020-2021**

The Shareholder Cabinet Committee received a report in relation to Peterborough Limited and its strategic report for 2020-2021.

The purpose of this report was to update the Shareholder Cabinet Committee on the Peterborough Limited Business Plan 2020-2023, through the company's annual strategic report 2020/21. The report would also set out the company's key achievements and milestones over the last eight months.

The Kitran Eastman, Managing Director Peterborough Limited, addressed the Shareholder Cabinet Committee and advised that the Business Plan had previously been agreed two years ago, just prior to the first COVID-19 lockdown. Throughout the challenges of lockdown, Aragon kept running, and kept service and vehicles running. Members were advised that the organisation's financial position had improved from losses in the first year, to be able to report a £400,000 profit and to be able to pay off a significant amount of the set up loan from the Council.

The Committee were further advised that staff levels at the leisure facilities had increased from 350 to 650. It was emphasised that Peterborough Limited operated as one company, with staff from all areas supporting essential services throughout

lockdown. Members' attention was drawn to the challenging wage market, with Peterborough Limited moving away from minimum wage. Training for staff was ongoing, however this was a long-term programme, and it was recognised by staff that Peterborough Limited offered a wide range of benefits.

Finally, the new fleet of waste collection vehicles had been purchased, which would reduce maintenance costs in the upcoming years. There were no electric vehicles available in the specific type required, though Peterborough Limited had committed to purchasing a fully electric fleet by 2030.

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

- Members noted that levels of fly-tipping had increased nationally since the start of the COVID-19 pandemic. While clean-up services were efficient for the resource levels available, public expectations would need to be managed.
- It was advised that work was being undertaken to increase levels of enforcement in this area.
- In relation to the introduction of an electric waste collection fleet by 2030, Members noted that no decision would be taken on precisely what type of vehicles until two 2028, in order for the new vehicles to be as up to date as possible.
- It was considered the autotomised vehicles may be useful, though may not be appropriate for some of the local road networks.
- It was further noted that, when the authority was working with developers, emphasis should be made on the use of underground waste collection banks, which would save a significant amount of money for the Council in the long-term.
- Concern was raised about a potentially aging workforce, with a number of retirements in the future. Members were reassured that the training programme for new staff was ongoing, though was approximately a year behind where wanted to be.
- Comment was made that education through the school system about fly-tipping would be beneficial.
- It was noted that the leisure services side of the Peterborough Limited had been brought on as an annual management fee for the past and current year.
- It was expected that leisure centre membership figures would be back to original levels in January 2023, seven months ahead of plan, though it was acknowledged that much depended on January 2022.
- Members were reassured that the new Operations Director appointment had the commercial experience to take the business forward, alongside an experienced and focused team.

The Shareholder Cabinet Committee considered the report and **RESOLVED** to:

1. Note the information within the report and Appendix 2, Peterborough Limited Strategic Report 2021/22.
2. Note the appointment of a New Operations Director for Peterborough Limited.

## **REASONS FOR THE DECISION**

It was recommended that the Shareholder Cabinet Committee noted the information within the report, and the appointment of the new Operations Director, as part of its governance function for the Company.

## **ALTERNATIVE OPTIONS CONSIDERED**

The Committee may have wished to request additional information or give additional

feedback in key areas.

Chairman  
10:00am – 11:18am  
15 December 2021

**MINUTES OF THE CABINET MEETING  
HELD AT 10:00AM, ON  
TUESDAY 19 APRIL 2022  
SAND MARTIN HOUSE, PETERBOROUGH**

**Cabinet Members Present:** Councillor Fitzgerald (Chair), Councillor Steve Allen, Councillor Ayres (virtually), Councillor Coles, Councillor Hiller, Councillor Simons, Councillor Walsh

**Cabinet Advisor Present:** Councillor Bisby (virtually), Councillor Howard (virtually), Councillor Gul Nawaz

**67. APOLOGIES FOR ABSENCE**

There were apologies for absence received from Councillor Cereste and Councillor Bashir.

**68. DECLARATIONS OF INTEREST**

No declarations of interest were received.

**69. MINUTES OF THE CABINET MEETINGS HELD ON 21 FEBRUARY 2022**

The minutes of the Budget Cabinet meeting held on 21 February 2022 were agreed as a true and accurate record.

**70. PETITIONS TO CABINET**

There were no petitions presented to Cabinet.

**STRATEGIC DECISIONS**

**71. SUSTAINABLE FUTURE CITY COUNCIL STRATEGY – DIRECTION OF TRAVEL**

The Cabinet received a report in relation to the Council's Sustainable Future City Council Strategy.

The purpose of this report was to seek Cabinet endorsement for the '*Sustainable Future City Council Strategy*' and the continuation of developing the strategy further.

The Council's Chief Executive introduced the report and identified that the strategy established how the council could meet its sustainability targets. The strategy was built on reports from the previous year, focused on reviewing the way the council worked and becoming outcome focused with a medium-term financial outlook. It was noted that the financial situation of the council had improved since the report was written and that the financial help from national government was not needed.

Members were informed that the strategy would look at the culture and ways of working in the council, with officers and Members focused on a new core set of priorities. These priorities would drive decision making, resource allocation and be outcomes led. The

Chief Executive outlined the strategy as an outcome-led model with the creation of business units targeted at developing a decision-making process that was focused on the key priorities set by the council.

Cabinet Members debated the report and in summary responses to questions raised included:

- In response to a query regarding the interaction of business units with current directorates, it was noted that the business units would have essential strategic and operational targets to help deliver key priorities. The units would bring together essential functions into one area and a single director with accountability for meeting those targets.
- Members praised the work on the budget and discussed how the strategy met the challenges set by the Independent Improvement and Assurance Panel (IIAP). It was noted that the administration worked collectively to get a grip of the financial situation and the focus would now be on long-term targets.
- The sustainable future of the council needed to balance the desires of Members along with addressing the financial plan and aligning decision making with those outcomes.
- Members were advised that to overcome the challenges of delivering this strategy, cross party collaboration needed to continue to maximise its impact. It was also noted that central government were constantly reviewing the council's financial situation and that the IIAP would continue to support the council in this.
- Members were told of the involvement of the IIAP in producing this strategy. It was highlighted that this was a collective effort across the organisation, with ongoing support from the IIAP in a well-engaged and collaborative manner.
- Members were advised that Local Government Association (LGA) support was being sought for new Members, with the focus on member development and training in this area. Training would be provided via a range of platforms, including seminars and access to other councils who were in a similar position.
- The importance of ongoing reviews and scrutiny was emphasised, with Members playing a key role in setting the long-term goals and outcomes.
- Members acknowledged the creation of the Chief Executive Delivery Unit and discussed who the roles would be delegated to. It was advised that on the advice of the IIAP, someone with experience from working across councils had been brought in to help implement the Improvement Plan. However, the ongoing focus would be on developing skills and expertise in-house, creating multi-disciplinary teams from across the council, focused on delivering the key priorities of the council.
- Members discussed the importance of Member development and training as some Members were not sufficiently aware of issues before they put forward alternative arguments. Considering this, Members discussed the role of the opposition and suggested that they were not as engaged as they should be.
- It was noted that the cabinet decision making process would also benefit from Member development, which would make the process clear for all Members.

Cabinet considered the report and **RESOLVED** to:

1. Endorse the Direction of Travel for the 'Sustainable Future City Council Strategy' and the continuation of developing the strategy and plans further.
2. Notes that this document is considered 'live' and will be subject to further updates as the Council formalises its requirements.



## **REASONS FOR THE DECISION**

To provide Members with an overview of the current position, challenges and range of approaches that could be taken to develop a sustainable future city.

## **ALTERNATIVE OPTIONS CONSIDERED**

There were no alternative options considered.

### **72. PETERBOROUGH SUSTAINABLE COUNCIL – REVIEW OF THE BUDGET SETTING PROCESS.**

The Cabinet received a report in relation to the upcoming budget setting process.

The purpose of this report was to provide Cabinet members with an opportunity to review the draft timetable for the upcoming budget setting process.

The Cabinet Member for Finance introduced the report and praised the work spent on delivering the budget, even though it was initially opposed. Further thanks were given to officers, the IAP and the finance team for their contributions.

Cabinet Members debated the report and in summary responses to questions raised included:

- It was discussed whether the Financial Stability Working Group (FSWG) was suitable for the budget setting process, given the level of participation from all parties. Members acknowledged that there had been resistance from the opposition in the past. It was hoped that with Member development, greater cross-party collaboration would follow.
- It was raised that there needed to be an avenue where the opposition could put forward an alternative to be voted on before the budget reached its final stage. Therefore, Members recognised that the budget setting process would need to be reviewed.
- The council's Monitoring Officer advised that the paper was one to note and that any amendments of the constitution being considered would need to be agreed by Full Council.
- Members discussed the impact that government intervention may have on the council.
- Further discussion highlighted the value of Member development in line with the budget setting process where members would have more opportunities to contribute and object.
- Members were advised that the budget was set in difficult circumstances, not unique to Peterborough. It was noted that the risks of government intervention had been explained to all members. It was acknowledged that the discussions at council highlighted the need for Member development and training across all groups.
- Members acknowledged that the budget setting process needed to be reviewed, with the timetable for completion starting sooner so that universal support could be achieved.
- The Section 151 Officer advised that if amendments were made to the budget process, it would be helpful if the terminology used was clearer. This would

ensure that the documents within the financial strategy would be easier to understand.

- Members discussed alternative budget propositions and what was required for an alternative budget to be put forward. They acknowledged that the finance team would produce an alternative budget on behalf of members if necessary.
- The council's Monitoring Officer advised that Members were free to speak about political issues during in purdah but were not permitted to use council resources to make any electioneering statements.
- Members acknowledged this and suggested that politics would always play a role in decision making. It was suggested that the opposition's response to the budget was "playing politics".
- The Section 151 Officer was asked about their role and stated that they made sure the council set a balanced budget. After questioning, they maintained that the council was not bankrupt, and it was noted by Members that the council was focused on financial sustainability.
- The Leader reiterated that the council was on the road to financial recovery.

Cabinet considered the report and **RESOLVED** to note:

1. The areas proposed for improvement following discussion of the budget setting process at FSWG on 15th March 2022.
2. The legal requirements for setting a balance budget.
3. The new proposed process for the Council budget setting meeting.
4. The proposed timetable for developing the Medium-Term Financial Strategy and Budget setting process for 2023/24.

#### **REASONS FOR THE DECISION**

To provide Cabinet members with an opportunity to review the draft timetable for the upcoming budget setting process.

#### **ALTERNATIVE OPTIONS CONSIDERED**

There were no alternative options were considered.

Chairman  
10.00am to 11:00am  
19 April 2022

<b>Cabinet</b>	<b>AGENDA ITEM No. 5</b>
<b>20 June 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Adrian Chapman, Executive Director Place and Economy	
Cabinet Member(s) responsible:	Cllr Steve Allen, Cabinet Member for Housing, Culture and Communities	
Contact Officer(s):	Rob Hill, Assistant Director, Community Safety Ian Phillips, Head of Communities and Partnership Integration Clair George, Head of Prevention and Enforcement Service	Tel. 07815 558081

## **INTERIM REPORT OF THE TASK AND FINISH GROUP TO EXAMINE THE ISSUES WITH CAR CRUISING IN PETERBOROUGH**

<b>RECOMMENDATIONS</b>	
<b>FROM:</b> Task and Finish Group	<b>Deadline date:</b> N/A
<p>It is recommended that Cabinet consider and comment on the interim report from the Task and Finish Group and endorse the report and recommendations contained within; namely:</p> <ol style="list-style-type: none"> <li>1. That the council shares this interim report with Cambridgeshire Police with a view to agreeing a memorandum of understanding which supports the Council with the implementation of injunction(s), community protection orders or public space protection orders.</li> <li>2. That the Chief Executive of Peterborough City Council and a member of the Council's cabinet agree to champion this issue and to engage with both Peterborough MPs and the Police and Crime Commissioner to secure their support in championing this issue.</li> <li>3. That the Cambridgeshire and Peterborough Police and Crime Commissioner is asked to work with the Chief Constable to compile a report on how the police should tackle this issue.</li> <li>4. That the council fully costs the financial implications of developing an injunction for car meets in Peterborough.</li> <li>5. That the council fully costs the financial implications of introducing Community Protection Orders.</li> <li>6. That the council fully costs the financial implications of developing measures to prevent car meets from taking place at Pleasure Fair Meadow car park, as part of the Woodston PSPO.</li> <li>7. That the Highways Team produces detailed plans, with a clear indication of costs, of how it proposes to alter the layout of Stapledon Road to ensure it is no longer suitable for antisocial driving.</li> <li>8. That the Task and Finish Group continues its work by exploring sources of funding that are available to reduce the funding burden on city finances.</li> <li>9. That the Task and Finish Group makes a further attempt to engage the car cruise community.</li> <li>10. That the council's Planning Department should actively consider whether future planning applications should consider measures that will prevent antisocial driving.</li> </ol>	

### **1. ORIGIN OF REPORT**

1.1 The report is from the Task and Finish group established by the Communities Scrutiny Committee to explore issues connected with car meets in Peterborough.

## 2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to advise Cabinet of the work of the Task and Finish group and seek endorsement of the recommendations proposed by the Communities Scrutiny Committee.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.14, '*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.*'

## 3. TIMESCALES

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

4.1 In November 2020, the former Adults and Communities Scrutiny Committee established a cross party Task and Finish group, the Terms of Reference of which are as follows:

### Purpose

To make recommendations to the Committee to inform the development of initiatives that prevent, or mitigate the impacts of:

- Unauthorised car meets in Peterborough.
- Anti-social use of any motorised vehicle to the detriment of our residents.

### Scope

Using a combination of reviewing good practice and learning from elsewhere, discussions with expert witnesses, research, analysis of data, and interviews with councillors, develop proposals that set out:

- i. all available powers that can prevent unauthorised, anti-social, dangerous car meets from taking place or continuing,
- ii. what other legislative powers may be obtained to help address this issue,
- iii. proposals for working with organisers to facilitate, where possible, safe events for static car meets that are lawful and non-disruptive to our residents,
- iv. advice and support to private landowners in the defence and protection of their property.

4.2 In March 2022, the Task and Finish group presented their interim report and a series of recommendations to the Communities Scrutiny Committee for consideration. A summary of the findings from the Task and Finish group is set out below. It should be noted that Recommendation 7 (Stapledon Road improvements) has now progressed and work is due to commence in June 2022.

4.3 Car cruising and anti-social driving on public and private roads and car parks is not a new issue and has been happening within Peterborough for decades. Over recent years, the numbers of people taking part, either as active participants or as spectators, has been steadily growing, causing an increased nuisance for residents impacting their quality of life.

- 4.4 This nuisance is not limited to occasional screeching of tyres or sounding of horns. It is a chronic noise nuisance that can last from 9pm until 3am on any day of the week, but particularly at weekends.
- 4.5 It is crucial to make a distinction between car cruises and other anti-social use of vehicles. Car cruises are generally unauthorised events that anyone may attend to meet other car enthusiasts. These events are often organised in public or private places (typically car parks) without permission. Those who attend do so principally to socialise with other enthusiasts and to look at their cars. These events are generally described as 'static,' which means there is no driving. However, the unauthorised events are not subject to health and safety risk assessments, no one is generally 'in charge' of ensuring the event is safe and no facilities such as toilet or rubbish collection are provided. Although car cruises can generate a lot of noise, this is usually when cars join or leave the event, or when loud music is played.
- 4.6 Contrast this with anti-social use of vehicles. Unfortunately, after attending unauthorised car cruises at one location in the city, it has become commonplace for a number of drivers to relocate to a different part of the city, where they undertake street racing and various forms of stunt driving. Not only does this activity present an immediately threat to the lives of other road users and any pedestrians or bystanders, the noise, and the strong smell of burning rubber that is generated when cars are 'drifted' can carry for over a kilometre and can cause great distress to any residents living nearby. This distress can range from chronic lack of sleep and stress due to the noise to frustration at being unable to open any windows due to the smell of burning rubber.
- 4.7 Councils across the country have attempted to deal with these issues with varying degrees of success. On occasion, a serious incident has acted as a catalyst for agencies to address the problems. Some councils have used physical measures at frequently used locations, whilst others have turned to enforcement action to prevent car meets from taking place, for example, with the use of injunctions or Public Space Protection Orders (PSPOs).
- 4.8 Injunctions may only be granted through the courts (subject to evidence and proof that clearly demonstrates the need for action). It can be very expensive to pull together the necessary casework. One local authority estimated that the legal fees alone amounted around a £100k, although this did cover several other district councils. It should be noted that so-call 'blanket injunctions' that prevent 'persons unknown' from gathering, have recently been challenged through the High Court.
- 4.9 There are three main hot spot areas for unauthorised car meets and 'drifting':
- Orton Southgate Industrial Estate
  - Pleasure Fair Meadow Car Park
  - Vivacity Car Park, Hampton

Other areas include Royce Road, Greyhound Stadium and Werrington Brotherhood Retail Park.

#### 4.10 **Findings and Conclusions**

- a) While car cruises need not necessarily lead to antisocial behaviour, the organisers of these events appear not to take any responsibility for ensuring the events are safe. While it is acknowledged that they do discourage participants from behaving antisocially, they are unable or unwilling to control this. Car meets often lead to auxiliary events which cause the most disruption for residents and businesses.
- b) The negative impact of this antisocial behaviour on residents cannot be underestimated. The annoyance is not limited to the isolated screech of a tyre or beep of a horn. It is now common for the noise and the smell to continue from 9pm to 3am Friday to Sunday, and on some weekday nights too. Residents report that the noise is chronic and relentless, pausing only when the drivers need to change their shredded tyres. Residents report an

inability to sleep, to concentrate on tasks, to carry on conversations and to hear the television or radio over the noise of screeching tyres. In the Summer months, the noise also prevents residents from enjoying their gardens in the evening. The combination of smell and noise mean residents cannot open their windows to ventilate their homes.

- c) Residents also expressed concern for bystanders who watch the anti-social driving, as well as those law-abiding motorists who may be using the public highway at the same time. Residents are aware that there have been several serious accidents at Stapledon Road, for example, and expressed distress and concern about this.

Residents report difficulty getting through to the police on 101 to report incidents. The introduction of Cambs Police's live web chat facility has been very helpful, as it means residents no longer have to wait for the phone to be answered (call centre operatives tend to answer requests to chat within moments). However, residents report that police operators rarely understand the problem and often tell residents that they cannot send units to the scene as they are dealing with other emergencies. Some residents say they have given up reporting incidents to the police, as they do not believe anything will be done.

Cambs Police say they do not have the resources to answer all calls for service that relate to dangerous driving. This is despite the police having a range of powers to enable them to deal with the activity if they choose to do so.

Business owners are also impacted with damage to their property, accumulations of rubbish and skips being used as toilets. Stapledon Road is particularly affected, and there appears to be a view held by the police that this is a private road which cannot be enforced. However, whilst the car parks are private property, the road is public.

- d) Both public and private land is being used for car cruises and for antisocial driving. Whilst the Council may be able to implement highway adaptations to deter antisocial driving, it should be noted that it cannot prevent access to private car parks or other land.

Several business owners suggested that CCTV would be effective, as the cars that are driven antisocially often have false number plates and are not legally road worthy. One spoke of a car driving on its wheel rims, which is a motoring offence. Some business owners have invited the police to review their CCTV footage, but to date the police have not done so.

- e) Where intelligence of a forthcoming car cruise or other meet is available, the police have the option to place a dispersal order at the location. However, enforcing the dispersal order is subject to sufficient police resources being available, depending on other local priorities and calls for service. While dispersal orders are generally agreed to have been effective in the past, current Cambs Police policy does not encourage their use.

## **5. CONSULTATION**

- 5.1 Consultation has taken place with residents, businesses, local authorities, and the police. Car cruise groups have been invited to take part in the review but have declined.

## **6. ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 This interim report contains recommendations that require further work to be undertaken, along with a further consultation with Cambridgeshire Constabulary. It is hoped that as these actions are worked through it will impact on the number of car cruise/anti-social driving reports in Peterborough.

## **7. REASON FOR THE RECOMMENDATION**

- 7.1 Improves service provisions and responds to the impact these events are having on communities' quality of life.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 Do nothing and rely on other agencies to deal with the issues of anti-social driving. This is not an option due to the impact this is having on residents and the need for a multi-agency approach.

## **9. IMPLICATIONS**

### **Financial Implications**

- 9.1 The recommendation of the final report will have financial implications, at this interim stage the financial implications have yet to be fully costed.

The improvements to Stapledon Road will be funded via the Department of Transport grant to the council.

### **Legal Implications**

- 9.2 Although the current recommendations in the report do not have any direct legal implications, the exploring of an injunctions and a public space protection order to cover Pleasure Fair will be undertaken in full consultation with our legal department.

### **Equalities Implications**

- 9.3 There are no equalities implications arising from this report.

### **Carbon Impact Assessment**

- 9.4 The report contains no proposals for changes to service delivery and therefore there is no decision to take which may impact carbon emissions of the council or the city.

## **10. BACKGROUND DOCUMENTS**

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

- 10.1 None.

## **11. APPENDICES**

- 11.1 Appendix 1 - The interim report of the Task and Finish Group to Examine the Issues with car Cruising in Peterborough

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# **COMMUNITIES SCRUTINY COMMITTEE TASK AND FINISH GROUP**

## **TO EXAMINE ISSUES WITH CAR CRUISING IN PETERBOROUGH**

**REPORT PRESENTED TO THE COMMUNITIES SCRUTINY  
COMMITTEE – 8 MARCH 2022**

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# 1. INTRODUCTION

At the Full Council meeting of 21 October 2020, a motion presented by Cllr Coles was agreed requesting the formation of a Task and Finish Group to examine issues relating to car cruises in Peterborough.

The proposal to set up the Task and Finish Group was presented to the Adults and Communities Scrutiny Committee on 17 November 2020. The proposal was accepted, and the terms of reference agreed. Possible nominations to the Task and Finish Group were sought at the meeting to be confirmed following the meeting through the Group Secretaries.

The cross-party Task and Finish Group comprised of the following members:



Cllr Julie Howell – Chair  
Green Party



Cllr Christian Hogg  
Liberal Democrat



Cllr Samantha Hemraj  
Labour



Cllr Oliver Sainsbury  
Member of Group from May 2021  
Conservative



Cllr Andy Coles  
Member of Group from December 2020 to May 2021  
Conservative

The Task and Finish Group would also like to thank Inspector Karl Secker – Cambridgeshire Constabulary and Sergeant Rob Reay – Cambridgeshire Constabulary for their input into this review.

Officers supporting the Task and Finish Group were:

- Rob Hill, Assistant Director, Community Safety
- Clair George – Head of Prevention and Enforcement Service
- Ian Phillips - Head of Communities and Partnerships Integration
- Adrian Chapman - Service Director, Communities and Partnerships.
- Paulina Ford, Senior Democratic Services Officer
- David Beauchamp, Democratic Services Officer

The Task and Finish Group wishes to thank all of the officers who have provided guidance and assistance in producing this report and for their hard work and support.

## 2. SUMMARY OF INTERIM RECOMMENDATIONS

1. That the Council shares this interim report with Cambridgeshire Police with a view to agreeing a memorandum of understanding guaranteeing support for the Council with the implementation of injunction(s), community protection orders or public space protection orders.
2. That the Chief Executive of Peterborough City Council and a member of the Council's cabinet agree to champion this issue and to engage with both Peterborough MPs and the Police and Crime Commissioner to secure their support in championing this issue.
3. That the Cambridgeshire and Peterborough Police and Crime Commissioner is asked to compile a report on how the police should tackle this issue.
4. That the council fully costs the financial implications of developing an injunction for car meets in Peterborough.
5. That the council fully costs the financial implications of introducing Community Protection Orders.
6. That the council fully costs the financial implications of developing measures to prevent car meets from taking place at Pleasure Fair Meadow car park, as part of the Woodston PSPO.
7. That the Highways Team produces detailed plans, with a clear indication of costs, of how it proposes to alter the layout of Stapledon Road to ensure it is no longer suitable for antisocial driving.
8. That the Task and Finish Group continues its work by exploring sources of funding that are available to reduce the funding burden on city finances.
9. That the Task and Finish Group makes a further attempt to engage the car cruise community.
10. That the council's planning department should actively consider whether future planning applications should consider measures that will prevent antisocial driving.

### **3. TERMS OF REFERENCE**

#### **Purpose**

To make recommendations to the Committee to inform the development of initiatives that prevent, or mitigate the impacts of:

- Unauthorised car meets in Peterborough.
- Anti-social use of any motorised vehicle to the detriment of our residents.

#### **Scope**

Using a combination of reviewing good practice and learning from elsewhere, discussions with expert witnesses, research, analysis of data, and interviews with councillors, develop proposals that set out:

- i. all available powers that are able to prevent unauthorised, anti-social, dangerous car meets from taking place or continuing,
- ii. what other legislative powers may be obtained to help address this issue,
- iii. proposals for working with organisers to facilitate, where possible, safe events for static car meets that are lawful and non-disruptive to our residents,
- iv. advice and support to private landowners in the defence and protection of their property.

#### **Reporting**

The Scrutiny Task and Finish group will report to the Communities Scrutiny Committee.

*Terms of Reference approved by the Adults and Communities Scrutiny Committee (now the Communities Scrutiny Committee) on 17 November 2020.*

## 4. PROCESS AND METHODOLOGY USED FOR THE INVESTIGATION

### 4.1 Methodology

- Desktop research
  - Contact with other Local Authorities
  - Internet research
- Interviewing Key Witnesses / Stakeholders
- Local knowledge / information obtained by the Task and Finish Group members

### 4.2 Process

The timetable of the events leading to the production of this report are set out below:

Meeting Date	Items Discussed / Guests Attending
22 December 2020	First meeting to scope the review, discuss if any co-opted members were required and appoint a Chair for the group.
16 February 2021	Meeting with officers to discuss current legislation and local powers, current car cruising hotspots and events. Identification of key stakeholders and any key witnesses.
11 March 2021	Presentation of evidence requested at the previous meeting, discussions with police on their powers and current issues around car cruise events, and whether a car cruising injunction could be put in place. Discussions on how to engage with organisers of car cruising events and feedback from local residents affected by them.
20 January 2022	Part 1. Evidence Gathering Session with local residents. Part 2. Formulating conclusions and recommendations.
14 February 2022	Discuss conclusions and recommendations and review draft interim report.

### 4.3 Key Witnesses / Expert Advisers interviewed

- Inspector Karl Secker – Cambridgeshire Constabulary
- Sergeant Rob Reay – Cambridgeshire Constabulary
- Five residents

The Task and Finish Group would like to thank everybody who assisted them during the investigation for their support and openness. This assistance was appreciated.

## 5. BACKGROUND

Car cruising and anti-social driving on public and private roads and car parks is not a new issue and has been happening within Peterborough for decades. Over recent years, the numbers of people taking part, either as active participants or as spectators, has been steadily growing, causing an increased nuisance for residents impacting their quality of life.

This nuisance is not limited to occasional screeching of tyres or sounding of horns. It is a chronic noise nuisance, that can last from 9pm until 3am on any day of the week, but particularly at weekends.

It is crucial to make a distinction between car cruises and other anti-social use of vehicles. Car cruises are generally unauthorised events that anyone may attend to meet other car enthusiasts. These events are often organised in public or private places (typically car parks) without permission. Those who attend do so principally to socialise with other enthusiasts and to look at their cars. These events are generally described as 'static', which means there is no driving. Drivers are expected to park and turn their engines off. However, the events are not subject to health and safety risk assessments, no one is generally 'in charge' of ensuring the event is safe, no toilet facilities are provided, and litter is often left behind. Although car cruises can generate a lot of noise, this is usually when cars join or leave the event, or when loud music is played.

Contrast this with anti-social use of vehicles. Unfortunately, after attending unauthorised car cruises at one location in the city, it has become commonplace for a number of drivers to relocate to a different part of the city, where they undertake street racing and various forms of stunt driving. Not only does this activity present an immediate threat to the lives of other road users and any pedestrians or bystanders, the noise and the strong smell of burning rubber that is generated when cars are 'drifted' can carry for over a kilometre and can cause great distress to any residents living nearby. This distress can range from chronic lack of sleep and stress due to the noise to frustration at being unable to open any windows due to the stench of burning rubber.

Further to this, where antisocial driving has taken place, it has become increasingly common for damage to nearby buildings to occur, which means the activity has an impact even when it takes place adjacent to buildings that are unoccupied (such as in the late evenings).

The issue is not unique to Peterborough, with many parts of the country also experiencing significant problems. Events tend to be publicised via social media with named venues and dates. Occasionally, participants are encouraged to meet in a particular location, when they



will then be given further instructions on where the meet is being held. Mobile phones and applications such as WhatsApp are sometimes used in an attempt to keep the location of the meet a secret until the last moment.

Councils across the country have attempted to deal with these issues with varying degrees of success. On occasion, a serious incident has acted as a catalyst for agencies to address the problems. Some councils have used physical measures at frequently used locations, whilst others have turned to enforcement action to prevent car meets from taking place, for example, with the use of injunctions or Public Space Protection Orders (PSPOs).

Injunctions may only be granted through the courts (subject to evidence and proof that clearly demonstrates the need for action). It can be very expensive to pull together the necessary casework. One local authority estimated that the legal fees alone amounted around a £100k, although this did cover several other district councils. It should be noted that so-call 'blanket injunctions' that prevent 'persons unknown' from gathering, have recently been challenged through the High Court.

Data supplied by Cambs Police indicates that there are currently two 'hotspot' locations for car cruises and one hotspot location for antisocial driving in Peterborough. This data is based on 'calls for service' from members of the public and local councillors:

- **Orton Southgate Industrial Estate** (Stapledon Road, Holkham Road, Newcombe Way) - Orton Waterville ward
  - 1/1/2019-31/12/2020 - 65 calls
- **Pleasure Fair Meadow Car Park** – Fletton and Stanground Ward/Fletton and Woodston ward
  - 1/1/2019-31/12/2020 – 21 calls
- **Vivacity Car Park, Hampton** - Hamton Vale ward
  - 1/1//2019-21/12/2019 - 43 calls

Calls for service were also received for Royce Road, Greyhound Stadium and parts of Werrington. There were also complaints about Brotherhood Retail Park where people experienced antisocial behaviour due to weekly car cruises and antisocial driving. However, since ANPR (automatic number plate recognition) cameras were installed allowing minimum time after 8pm, the police report no calls for service.

The Council's Prevention and Enforcement Service also receives complaints direct from the public. Between 1/1/2021-10/2/22 there were 28 reports about antisocial behaviour connected with car cruises and antisocial driving as follows:

- Pleasure Fair Meadow = 13
- Stapledon Rd/Orton = 8
- Vivacity Fitness/Krispy Kreme in Hampton = 3
- Shrewsbury Ave/Oundle Rd = 2
- Werrington car park/skate park = 2

## 6. FINDINGS AND CONCLUSIONS

The Task and Finish Group gathered evidence from a range of stakeholders: Cambs Police, residents, business owners and ward councillors. The group also reached out to the organisers of the car cruises. Regrettably, however, they declined to communicate with the Council.

As a consequence of these evidence-gathering sessions, the following conclusions were reached:

- While car cruises need not necessarily lead to antisocial behaviour, the organisers of these events appear not to wish to assume full responsibility for ensuring the events are safe or orderly. While we acknowledge that they do discourage participants from behaving antisocially, their refusal to organise professional, permitted events (with all the necessary paperwork and risk assessments, etc. that legitimate events require) means they are unable to control how participants behave.
- Once a car cruise ends for the evening, it is common for a substantial number of drivers to drive to another location where they participate in driving that is antisocial and dangerous. It is these 'auxiliary' events that generate most of the complaints from residents. These are also the events where accidents are more likely to occur. While one could say that this is not the fault of those organising the car cruises, it is clear to the Task and Finish Group that cruise events tend to be followed by such 'after parties' although there have been many instances of antisocial driving at the locations mentioned that have not been preceded by a car cruise.
- The negative impact of this antisocial behaviour on residents cannot be understated. The annoyance, distress, and frustration that residents report is not the result of an isolated screech of a tyre or beep of a horn. It is now common for the noise and the smell to start from around 9pm and finish at around 3am on Friday, Saturday and Sunday nights, and on some weekday nights too (particularly since the start of the pandemic when the roads became quieter). The noise is chronic and relentless, pausing only when the drivers need to change their shredded tyres. Residents report an inability to sleep, to concentrate on tasks, to carry on conversations or to hear the

television or radio over the noise of screeching tyres. In the Summer months, the noise also prevents residents from enjoying their gardens in the evening. The combination of smell and noise mean residents cannot open their windows to ventilate their homes.

- Residents also express concern for bystanders who watch the antisocial driving, as well as those law-abiding motorists who may be using the public highway at the same time as the antisocial drivers. Residents are aware that there have been several serious accidents at Stapledon Road, and express distress and concern about this. While residents are terribly angry with the drivers, they do not wish anyone to be hurt.
- Residents report difficulty getting through to the police on 101 to report incidents. The introduction of Cambs Police's live web chat facility has been very helpful, as it means residents no longer have to wait for the phone to be answered (call centre operatives tend to answer requests to chat within moments). However, residents report that police operators rarely understand the problem and often tell residents that they cannot send units to the scene as they are dealing with other emergencies. Some residents say they have given up reporting incidents to the police, as they do not believe anything will be done.
- While the live chat on the Cambs Police website is useful, this has recently been moved without warning and some residents have had difficulty finding it. It would be helpful if Cambs Police would publicise the new location of the live web chat facility.
- Cambs Police say they do not have the resources to answer all calls for service that relate to dangerous driving. This is despite the police having a range of powers to enable them to deal with the activity if they choose to do so.
- Business owners feel that this it is a problem that must be addressed. Even those not directly affected by the noise and smell (as they are not in their building at night when the activity takes place), complained of excessive litter that they must clear away at their own expense on Monday mornings.
- Some business owners complained of damage to their property. One business owner describes coming to work every Monday to find windows to their premises have been broken by the antisocial activity over the weekend (small stones thrown up by the cars as they skid outside the premises). All mentioned the amount of debris and litter on the street after every weekend meet, as well as structural damage.
- Business owners reported receiving a letter from the landowner telling them that the council would be installing traffic calming measures to prevent antisocial driving. Frustration that this has yet to happen was expressed.
- Several business owners were critical of the police, saying that on the occasions when the police do attend, they sit in their cars and do nothing, chat to the drivers, etc.

- Several business owners complained that those gathered at the car meets use their business's skips as toilets. Several lamented what a lovely place this once was to work, but is now unpleasant, due to the litter and debris associated with the antisocial driving.
- All the business owners that were spoken to said they are happy with the suggestion of traffic calming measures as a preferred option.
- Several business owners mentioned that the police had told them that they could do nothing as Stapledon Road is a private road. This, however, is not correct. The car park in the middle of the road is private, but the road itself, where the driving takes place, is a public highway.
- Several business owners mentioned that they have sympathy with young people who have nothing to do of an evening and expressed a wish that a facility might be provided where they could undertake this activity more safely.
- Several business owners suggested that CCTV would be effective, as the cars that are driven antisocially often have false number plates and are not legally road worthy. One spoke of a car driving on its wheel rims, which is a motoring offence. Some business owners have invited the police to review their CCTV footage, but to date the police have not done so.

### **Key Themes:**

There are two key themes that have been identified namely, a) law enforcement to punish those drivers breaking the law and b) restricting access to hot spot areas where car meets/anti-social driving takes place.

The Task and Finish group notes that:

- Both public and private land is being used for car cruises and for antisocial driving. While the Council may be able to implement highway adaptations to deter antisocial driving, it should be noted that it cannot prevent access to private car parks or other land.
- While the group believes that no single organisation can be responsible for dealing with the impact of car cruises and anti-social driving, support from Cambridgeshire Police is essential.
- Regrettably, there is no identified land which the council owns where car cruises can take place at night which would not disturb residents.
- The defence of car parks and other spaces can be effective, but the following factors must be considered: a) cost b) legitimate access and c) displacement of the activity to

another location.

## **Enforcement**

### **Police Enforcement Powers**

In the past, the police have occasionally used the Anti-Social Behaviour, Crime and Policing Act 2014 to issue 'dispersal orders' when they have been made aware of planned and spontaneous car meets. The issuing of dispersal orders depends upon the ability of the police to enforce the order and the likely impact on the community of the order being enforced.

Where the police know of a planned event, Neighbourhood Police Officers will attempt to identify the organiser and engage with them ahead of the event. This is an attempt to build a picture of what is planned and so the police can make an informed decision on whether measures will be implemented to prevent the event's occurrence.

Should the police be notified of a spontaneous event, they may attend depending on the risk assessment of both the event, and the other calls requiring attendance at that time. Attendance will involve officers engaging with the organiser and attendees and dealing with any offences that are immediately apparent, if proportionate and necessary.

The police encourage the public to report antisocial driving but asks them to be mindful that they may not attend immediately or at all due to the demands placed on the police service by higher-risk calls. However, the police say that every call and report will add strength to the longer-term work that is ongoing across the constabulary, and therefore they encourage reporting of such events as and when they happen.

### **Injunctions – against person unnamed**

Legislation states that under Section 1 of the Anti-Social Behaviour, Crime and Policing Act 2014 injunctions cannot be used against persons unnamed. Therefore, councils must resort to using injunctions under the Section 222 of the Local Government Act 1972. This means a local authority must be the lead agency on an taking an injunction, rather than the police.

Several authorities around the country have used LGA Section 222 injunctions to prevent the anti-social behaviour associated with car meets. Most of these injunctions have been successful in tackling the issues to date. However, a recent legal challenge to the use of 'person unnamed' injunctions was recently upheld by the High Court. This was in turn challenged by several local authorities and, consequently, the Court of Appeal ruled that the

High Court was wrong in its decision. The decision to permit use of 'person unnamed' injunctions could yet be further challenged at the Supreme Court. The council is awaiting clarification on the current legal position.

Any injunction must be evidence-led, with a detailed evidence pack developed to support the injunction, including calls for service, number of events, and the impact of events on individuals, local businesses and the wider community.

Estimated costs for a LGA Section 222 injunction vary depending on the area covered and number of authorities involved. The cost to Peterborough could be as much as £100k in legal costs and costs associated with evidence-gathering.

Conditions included in several local authorities' injunctions have included

- Prohibiting participating in a 'car cruise event'
- Prohibiting the promotion, organisation and publicising of a car cruise event.

Conditions attached to a LGA Section 222 injunction could include power of arrest, penalties or the seizure of assets.

Other local authorities suggest that the timescale for implementation of a LGA Section 222 injunction is around one year. This is how long it takes to obtain the initial injunction, which is then subject to review every couple of years. Other local authorities also state that the success of such injunctions is down to a multi-agency approach to enforcement, with regular meetings taking place between partner organisations, and a firm commitment to undertake weekend actions.

**Pros - area wide, consistent message, provides a clear basis to tackle the problems**

**Cons - expensive, commitment required from all agencies to enforce actively and routinely**

### **Public Space Protection Orders**

Under the Anti-Social Behaviour, Crime Policing Act 2014, Local Authorities can use Public Space Protection Orders (PSPOs) to impose restrictions and requirements deemed appropriate to stop individuals committing anti-social behaviour in public open spaces.

Peterborough currently has three PSPOs in place, which cover the city centre, Millfield and Woodston. Authorised officers from Peterborough City Council, police constables and Police

Community Support Officers (PCSOs) can all enforce PSPOs.

The penalty for breaches of a PSPO is a Fixed Penalty Notice (FPN) of £100 (those who do not pay the FPN will be prosecuted). Individuals who persistently breach a PSPO could be issued with a Community Protection Notice, Community Behaviour Order or a civil injunction.

Several local authorities are using PSPOs to tackle the issue of car cruising. Some PSPOs are district-wide while other focus on a particular location. Local authorities can attach various conditions to a PSPO. E.g.:

- Prohibit participation in car cruise events anywhere in the geographical area.
- Prohibit the promotion or organisation via email, the internet, social media, etc. or any publication or broadcast car cruise event within a defined geographical area.
- Prohibit attendance of any meeting of two or more vehicles in a public space, as a vehicle owner, driver, passenger or spectator
- Prohibit engagement in any activity that a reasonable person would consider to be car cruising.

PSPOs can be enforced at the time of the offence or afterwards (if evidence is collected by an authorised officer or if the offence is captured on CCTV). Although district wide PSPOs can be granted, these are still dependent on police officers attending the location at the time of the offence to gather evidence if no CCTV cameras covering the location.

It is recognised that PSPOs covering an individual location can result in movement of the problem to another location. For example, if a PSPO was introduced in Pleasure Fair Meadow car park it is possible the car meet could be displaced to another city centre car park.

As with an injunction, a PSPO must be evidence-led, and legal challenges could be made. The cost of implementing a PSPO is significantly less than an injunction as the local authority makes the order and the only costs involved are officer time and signage. PSPOs take approximately six months to implement, and a six-week education phase is required before enforcement commences.

Local authorities which have seen a reduction in vehicle nuisance through the implementation of a PSPO, have stated that a multi-agency approach is required with a firm commitment from all agencies including the police to enforce. This could include collecting evidence at the time of the offence, or the police providing the council with vehicle details if an offence is captured

on CCTV. Some authorities have wider agreements in terms of issuing Community Protection Notices (see below) for consistent breaches for those organising events. They also commit resources to dedicated weekends of enforcement.

Some local authorities publish the number of FPNs they have issued on social media, including on car club pages.

**Pros – PSPOs can be inexpensive**

**Cons - PSPOs require multiagency commitment for active enforcement and can lead to displacement of the problem.**

### **Community Protection Notices (CPN)**

Community Protection Notices (CPNs) can be issued by councils or the police to any person aged 16 or over, or a business or organisation, found to be committing antisocial behaviour which is impacting negatively on the quality of life of people living in the local community.

Initially, a written warning must be issued, informing the perpetrator of a problem with their behaving behaviour. A request that the behaviour stops is accompanied by an explanation of what will happen if the behaviour continues. If the behaviour continues, a CPN can be issued, which will require them to either stop it, or to take reasonable steps to avoid it.

A breach of a CPN is a criminal offence. The use of a CPN in relation to car cruises would be to target those responsible for organising events or repeat perpetrators of vehicle nuisance.

**Pros - Inexpensive, targets individuals rather than blanket coverage**

**Cons - Enforcement required, cost associated with the gathering of evidence and issuing of the CPN.**

### **Physical Measures – restricting access to hot spot areas**

#### **Adaptations**

The Task and Finish group identified various hot spot locations where anti-social driving often takes place. This is usually late at night and causes disruption for residents due to the excessive noise caused by cars driving aggressively and performing stunts, often at speed. The group assessed the benefits of road adaptations which would make the area less desirable for anti-social driving. Subject to funding, schemes could be developed as part of other programmes of works.



It was noted by the group that certain hot spot locations are owned by private companies and managed by an agent who would be responsible for the introduction of any physical measures. Where a hot spot location is a mix of public highway and private land, preventative measures should be installed simultaneously to have maximum impact.

**Pros – Physical measures prevent events from taking place in a certain area**

**Cons - Costs, can lead to displacement**

### **Dedicated areas for car cruising events**

The group discussed the possibility of dedicating a piece of land for the use of car cruise events away from a residential area. Initial discussions suggest this is not a possibility due to lack of land and other issues such as insurance and liability.

## **7. INTERIM RECOMMENDATIONS**

The Task and Finish Group makes the following recommendations:

1. That the Council shares this interim report with Cambridgeshire Police with a view to agreeing a memorandum of understanding guaranteeing support for the Council with the implementation of injunction(s), community protection orders or public space protection orders.
2. That the Chief Executive of Peterborough City Council and a member of the Council's cabinet agree to champion this issue and to engage with both Peterborough MPs and the Police and Crime Commissioner to secure their support in championing this issue.
3. That the Cambridgeshire and Peterborough Police and Crime Commissioner is asked to compile a report on how the police should tackle this issue.
4. That the council fully costs the financial implications of developing an injunction for car meets in Peterborough.
5. That the council fully costs the financial implications of introducing Community Protection Orders.
6. That the council fully costs the financial implications of developing measures to prevent car meets from taking place at Pleasure Fair Meadow car park, as part of the Woodston PSPO.
7. That the Highways Team produces detailed plans, with a clear indication of costs, of how it proposes to alter the layout of Stapledon Road to ensure it is no longer suitable for antisocial driving.
8. That the Task and Finish Group continues its work by exploring sources of funding that

are available to reduce the funding burden on city finances.

9. That the Task and Finish Group makes a further attempt to engage the car cruise community.
10. That the council's planning department should actively consider whether future planning applications should consider measures that will prevent antisocial driving.

## **8. FINANCIAL IMPLICATIONS**

The recommendations of the final report will have financial implications. At this interim stage, the financial implications have yet to be fully costed.

## **9. LEGAL IMPLICATIONS**

Although the current recommendations in the report do not have any direct legal implications, the exploring an injunction and a public space protection order to cover Pleasure Fair will be undertaken in full consultation with our legal department.

## **10. LIST OF BACKGROUND PAPERS AND RESEARCH SOURCES USED DURING THE INVESTIGATION**

None

## **11. APPENDICES**

None

Further information on this review is available from:

Democratic Services Team  
Governance Directorate  
Town Hall  
Bridge Street  
Peterborough  
PE1 1HG

Telephone – (01733) 747474  
Email – [scrutiny@peterborough.gov.uk](mailto:scrutiny@peterborough.gov.uk)

<b>CABINET</b>	<b>AGENDA ITEM No. 6</b>
<b>20 June 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Adrian Chapman, Executive Director Place and Economy	
Cabinet Member(s) responsible:	Cllr Wayne Fitzgerald, Leader of the Council	
Contact Officer(s):	Adrian Chapman, Executive Director Place and Economy	T:07920 160441

## TOWNS FUND BUSINESS CASES

RECOMMENDATIONS	
<b>FROM:</b> Executive Director, Place and Economy	<b>Deadline date:</b> 20 June 2022
<p>It is recommended that the Cabinet, following the endorsement of the Town Deal Board on 14 March 2022 in respect of the business cases for River Nene Pedestrian Bridge, Lincoln Road and Peterborough Station Quarter, delegate authority to the Monitoring Officer, Director of Resources (s151 officer) and the Executive Director Place and Economy to;</p> <ol style="list-style-type: none"> <li>1. Approve Town Deal Summary Documents, as set out at Appendix 1, 2 and 3 of this report, and submit them to Department for Levelling Up, Housing and Communities (DLUHC) for approval in line with our agreed Towns Fund programme.</li> </ol>	

### 1. ORIGIN OF REPORT

- 1.1 The report is submitted to Cabinet as recommended by the Executive Director Place and Economy, as part of the internal assurance process for the submission of Towns Fund project summaries to DLUHC for subsequent project funding.

### 2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to set out the necessary steps to secure funding, allocated to Peterborough City Council through the 2021 Peterborough Town Deal, in relation to three of the Town Deal projects.
  - Submission of the business cases and subsequent funding provides £6.0m investment which will deliver a pedestrian bridge over the River Nene, providing a walking and cycling route between the Embankment and Fletton Quays and also support the ambition of opening up the waterfront for regeneration.
  - Upgrade Lincoln Road through public realm improvements to the streetscape, through improving pedestrian experiences, improving vitality and vibrancy of businesses and encouraging social interaction. This will be achieved through various improvements including resurfacing of footway and frontages within the curtilage of businesses with block paving, new pedestrian crossings, soft landscaping and street furniture.
  - Improve accessibility and connectivity between Peterborough Station and the city centre through the provision of a ramp at the Bus Station and a number of other walking and cycling improvements.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.4, ‘To be responsible for budget planning, monitoring and expenditure/savings over £500,000, including Discretionary Rate Relief, with the exception of any time-critical decision, which may be determined by the relevant portfolio holder.’

### 3. TIMESCALES

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

4.1 In late 2020 Peterborough submitted a Town Investment Plan (TIP) to government. The Heads of Terms (HOT) offered to Peterborough as a result of the TIP were signed in January 2021. The HOT outlined that Government will provide up to a total of £22.9 million from the Towns Fund to enhance Peterborough city through economic growth and development and in return Peterborough would seek to secure the match funding set out in the TIP and deliver projects which resulted in agreed social, economic and environmental outcomes for the city.

4.2 A suite of projects were proposed and the Council has prioritised these projects within the funding envelope offered. Funding for individual projects is released by submission of business case summary documents which set out detailed project development and analysis against Her Majesty’s Treasury 5 Case model, setting out the Strategic, Economic, Financial, Commercial and Management Cases for the project. The full business case is reviewed and assured at a local level and then submitted in summary to DLUHC.

4.3 Upon DLUHC approval of the summary documents, funding will be awarded to the Council for the projects within 3 months. There are three projects offered here as part of the local assurance process.

4.4 The DLUHC funding requested is as follows for the three projects:

<b>Project Name</b>	<b>Total Towns Fund (‘000)</b>	<b>Towns Fund total capital (‘000)</b>	<b>Towns Fund total revenue (‘000) PMO at 3%</b>
River Nene Pedestrian Bridge	2,000	1,940	60
Lincoln Road	2,500	2,425	75
Peterborough Station Quarter	1,500	1,455	45
<b>Total</b>	<b>6,000</b>	<b>5,820</b>	<b>180</b>

4.5 The governance timeline for these three projects is:

- 14 March – Town Deal Board endorsed timeline
- 8 June - Business Cases assurance by Senior Responsible Officer and S151
- 20 June - Cabinet recommendation presented
- 15 July - Submission of summary documents to DLUHC (appended)
- September – DLUHC approval to PCC of submission
- September / October - Towns Fund monies received by PCC

4.6 The key highlights of the three projects for the Cabinet to consider:

#### **River Nene Pedestrian Bridge**

An Outline Business Case (OBC) has been completed for the River Nene Pedestrian Bridge Project. The River Nene Pedestrian Bridge will provide a new focal point on the River Nene, providing a sustainable travel connection between the two major investment sites (Fletton Quays and the Embankment), as well as removing severance caused by the River Nene. The current walking and

cycling routes between the two sites are long and indirect, alongside busy city centre roads. One of Peterborough's ambitions is to become a 'walkable, liveable city', by making it easier to travel on foot and by bicycle. The provision of a new bridge will support this ambition. It will also open up the waterfront for users to enjoy and maximise the benefit of the two regeneration sites.

### **Lincoln Road Public Realm Improvements**

An Outline Business Case has been completed for the Lincoln Road Project. An audit of Millfield District Centre undertaken by Living Streets in 2017 found the following key issues need to be resolved in the area to unlock the area's full socioeconomic growth and development potential. These issues have been exacerbated since the 2017 audit, reflecting the impact of the COVID19 pandemic and wider structural challenges impacted retail and commerce on High Streets:

- Poor footway surfacing
- Litter problems, particularly on private forecourts, in bins, on the pavement and in the road
- Illegal and ad-hoc parking provision
- Frontages and street space that could benefit from investment
- Absence of greenery or places to rest
- Negative perceptions of crime and safety

To overcome these issues, the preferred option for the project is defined as encompassing the following activities:

- Reallocation of carriageway space to footway and green landscaping
- Resurfacing of retained carriageway
- Resurfacing of retained footway and frontages within the curtilage of businesses with quality block paving, to provide a consistent approach to pedestrian routes through the District Centre
- Provision of two new pedestrian crossings either side of the Lincoln Road / Alma Road junction to facilitate pedestrian movements across Lincoln Road
- Provision of soft landscaping
- Provision of street furniture including benches, signage and replacement bins
- Provision of two 7kw electric vehicle (EV) charging points
- Installation of a community art project

### **Peterborough Station Quarter**

A Strategic Outline Business Case (SOBC) has been produced for the Peterborough Station Quarter Project. This is for accessibility improvements at the Peterborough Station Quarter.

Peterborough Station is located approximately 500 metres west of the city centre (defined as Cathedral Square) and 200 metres west of the Queensgate Shopping Centre and the Queensgate Bus Station. However, despite its proximity, the station feels isolated from the city centre, both visually and from an active modes' perspective.

There is currently no accessible and level pedestrian and cycle link between the heart of the city and the train station. The underpasses under Crescent Bridge are difficult to navigate by wheelchair. The access into Queensgate Shopping Centre from Bourges Boulevard is stepped, requiring those with accessibility needs to take alternative routes which are in-direct and in need of refurbishment.

The Peterborough Station Quarter project has proposed improvements for the provision of a ramp at the stepped access to Queensgate Shopping Centre from Bourges Boulevard and the realignment of the ramp and crossing facilities at Queensgate Bus Station. These are both at the preliminary design stage. Other accessibility measures are at feasibility stages and are off-road improvements that are not expected to be complex in engineering terms and will provide a clearly sign-posted route across Bourges Boulevard. These include cycling improvements on Westgate and Bright Street, footway widening to the west of the Perkins Yellow Car Park and public realm improvements between the station and city centre.

This Station Quarter Project is just one part of a wider Station Quarter Masterplan, which aims to transform this area of the city, including station improvements and enhancements, a western entrance and car parking and release of land for commercial and residential development. A funding application for elements of this wider masterplan for up to £50million is being sought through the Government's Levelling Up Fund. This report refers only to the Towns Fund accessibility

improvements that can be delivered as a stand-alone project.

## 5. CONSULTATION

5.1 This document has been produced in collaboration with colleagues across the Place and Economy Directorate and its partners. The Towns Fund Programme has a governance structure including a Towns Fund Board and internal Boards that advise and contribute to the programme. These Boards are held on a regular basis. Communications and stakeholder engagement have taken place internally and externally for the programme. Stakeholders include: planning department, strategic finance, property, legal services, Towns Fund Board, Growth and Regeneration Board, Ward Councillors and residents. Consultation and engagement have occurred through different means:

- Towns Fund website section created, with specific pages on each project
- E-newsletter launched which is published quarterly
- Meetings held with key stakeholder groups in private and public sector to talk about Towns Fund aims and objectives and give details on projects and how they interlink
- Board meeting agenda and minutes published online
- Press releases at key milestones of each project, or the Towns Fund programme calendar overall

### River Nene Pedestrian Bridge

- January 2020 - CPCA Local Transport Plan included public consultation during its development (2019) and the River Nene Pedestrian Bridge (Fletton Quays Footbridge) is included as a future project. (<https://cambridgeshirepeterborough-ca.gov.uk/wp-content/uploads/documents/transport/local-transport-plan/LTP.pdf>). It will also be a priority in the new Local Transport & Connectivity Plan which is out to public consultation until 4 August.
- November 2021 - Images of a provisional bridge design were included in the Embankment Masterplan engagement carried out requesting public feedback
- January 2022 – Meeting with Ward Councillors to provide a briefing on the River Nene Pedestrian Bridge
- February 2022 – Meeting with Ward Councillors to provide an overview of the provisional design of the River Nene Pedestrian Bridge
- March 2022 – Press release regarding Towns Fund projects

### Lincoln Road Public Realm Improvements

- February 2021 – Communication to key stakeholders following secured funding from DLUHC for the project (subject to business case approval)
- June 2021 – Scope of project announced
- July 2021 – Community meetings to understand local issues
- December 2021 – Meetings held with local Ward Councillors to discuss the project
- March 2022 – Press release regarding Towns Fund projects

### Peterborough Station Quarter

- 2020 - PCC, Network Rail and LNER funded a feasibility study for the Station, which was pulled through into the Towns Fund Investment Plan in 2021 and for which £1.5m towns fund capital was allocated.
- Autumn 2021 - PCC secured funding from CPCA and each of the partners to develop a Strategic Outline Business Case (SOBC) to set out a case for investment in dramatically enhanced station facilities, improve connectivity with the city and create new development opportunities.
- March 2022 – Bid submitted for Peterborough to host the headquarters of Great British Railways. Also, press release regarding Towns Fund projects
- April 2022 – A Local Growth Fund EOI was submitted for match funding

5.2 **Other consultations to be undertaken:**

### River Nene Pedestrian Bridge

Following approval of the Outline Business Case and completion of the Provisional Design, the Detailed Design phase will begin. Within this phase, public consultation will take place to allow feedback from stakeholders which can be included in the design where appropriate. There is a Communications Strategy for a comprehensive breakdown of planned engagement opportunities.

### **Lincoln Road Public Realm Improvements**

Following approval of the Outline Business Case and completion of the Provisional Design, the Detailed Design phase will begin. Within this phase, public consultation will take place to allow feedback from stakeholders which can be included in the design where appropriate. There is a Communications Strategy for a comprehensive breakdown of planned engagement opportunities.

### **Peterborough Station Quarter**

Following the approval of the Strategic Outline Business Case, the Design Phase will begin. A public consultation is planned for Autumn 2022. Although the concept and goals are decided, stakeholders can be engaged on the type of route used, location and additional features. There is a Communications Strategy in place which also links to the wider Peterborough Station Quarter Masterplan.

## **6. ANTICIPATED OUTCOMES OR IMPACT**

### **6.1 River Nene Pedestrian Bridge**

The project will deliver a number of outcomes including:

- Less pressure on City Centre walking and cycling routes
- New north-south cycle route for pedestrians and cyclists
- Improved connectivity between Fletton Quays and the Embankment
- Safe walking and cycling route with access for all
- Improved environment for pedestrians and cyclists
- Support growth agenda and tourism

### **Lincoln Road Public Realm Improvements**

The project will deliver a number of outcomes including:

- Increased footfall (5% growth) and dwell time for visitors to the District Centre
- Improved streetscape, visual aesthetic and urban environment in area
- Mode shift from car use to walking, with more pedestrian friendly access to and within Millfield District Centre
- Increased demand for residential and commercial property owing to improved urban environment
- Improved perception/image/reputation of Lincoln Road and proximate neighbourhoods near Millfield District Centre
- Increased pride in neighbourhood for local residents and businesses

### **Peterborough Station Quarter**

The project will deliver the following outcomes:

- Improve the accessibility between the Station and the city centre
- Improve the active travel infrastructure between the Station and the city centre

## **7. REASON FOR THE RECOMMENDATION**

### **7.1 River Nene Pedestrian Bridge**

The Primary objectives for the River Nene Pedestrian Bridge are:

- Create a new pedestrian crossing over the River Nene to reduce severance
- Improved pedestrian journey times between Fletton Quays and the Embankment
- Improve the quality of sustainable travel links between Fletton Quays and the Embankment
- Improving the riverfront and creating a landscaped features to enjoy
- Protect and improve the biodiversity value of the study area

The Secondary Objectives are:

- Assist in creating a walking, liveable city
- Reduce pressure of City Centre traffic routes.

## **Lincoln Road Public Realm Improvements**

- Enhance streetscape of the Millfield District Centre
- Increase pedestrian and cycling activity and reduce primacy of car use
- Increase visitation to and use of Millfield District Centre
- Support existing business and employment activities in Millfield District Centre
- Support community cohesion and reduce criminal activity and anti-social behaviour in the District Centre by fostering increased sense of place and pride
- Improve socioeconomic outcomes for Millfield's resident and business community.

## **Peterborough Station Quarter**

The Peterborough Station Quarter project is a transport scheme and can have both primary and secondary objectives. The primary objectives are the fundamental outputs required from the scheme and therefore must be achieved. Secondary objectives are other outputs that are achieved along the way but are not necessary to the success of the scheme. The secondary objectives tend to be delivered because of delivering the primary objectives.

The primary objectives therefore represent the transport outcomes required by the scheme as stated above:

- Improve the accessibility between the Station and the city centre
- Improve the active travel infrastructure between the Station and the city centre

The project will also provide secondary objectives:

- Assist in creating a walking, liveable city
- Support the wider redevelopment of the Station Quarter

## **8. ALTERNATIVE OPTIONS CONSIDERED**

### **8.1 The following options were considered and rejected:**

**To do nothing.** This option was considered and rejected because the Council would lose £6.0m investment into Peterborough and the benefits expected to be delivered through the schemes would not be realised.

## **River Nene Pedestrian Bridge**

In 2012, a Feasibility and Concept Report was produced for the River Nene Pedestrian Bridge, outlining four options. Since the 2012 report, significant redevelopment of Fletton Quays has occurred, and the re-development of the Embankment Area is coming forward. An Embankment Masterplan will guide the townscape, green space and connectivity for pedestrians and cyclists, all of which will impact on the northern landing of the structure. In addition, technical design standards have been updated with changes to the Design Manual for Roads and Bridges, and the Eurocode Design Standards.

In light of these changes, an outline technical review has been undertaken of the four options, considering design, construction, maintenance and inspection, aesthetics and use, and opportunities for value engineering. The options were also evaluated based on their comparative costs, the risk of cost variation based on findings of this report, and the visual appeal.

Options considered were as follows:

- Option 1: Cable Stay Bridge (a cable stayed structure)
- Option 2: The Compass (a cable stayed steel bridge deck supported on an inverted V shaped bipod mast)
- Option 3: The Butterfly (a "Butterfly" bow string arch supporting a bridge deck which is made up of a steel open spandrel truss arch spanning over the river)
- Option 4: The Boat (a counterbalanced cable stay bridge with an inclined inverted V bipod mast and a suspended deck that is also V shaped in plan)

Option 1, a Cable Stay Bridge, scored highest considering all of the review criteria listed above, therefore options 2, 3 and 4 were rejected at this stage. Further design work will confirm the exact form of the Footbridge which will be confirmed within the Full Business Case.



## **Lincoln Road Public Realm Improvements**

Historic options considered the potential for including pedestrianisation of Lincoln Road at the Millfield District Centre, as well as partial road closure and one-way systems. Ultimately it was determined that the volume of traffic that requires access to this section of Lincoln Road was too high to enable road closures. Further, the presence of high volumes of delivery vehicles, taxis and buses all undermined any option associated with full or partial road closure. Even where diversions to alternate routes could be accommodated in terms of highways impact, there would be real and perceived impact on the residents of alternative roads that would see an increase in traffic. Whilst Taverner's Road and Bourges Boulevard were suggested as possible diversions to re-route this traffic, this would only serve to put pressure of an area of the network which already sees existing issues with congestion.

Instead, it was considered to be more appropriate to target intervention towards an enhanced public realm scheme along with rationalising loading/unloading, eliminating on-pavement and illegal parking and more control/enforcement of bus movements into and out of the Stagecoach depot.

Further design options were considered for appraisal within the business case:

- Option 1: Resurfacing-focussed intervention on the stretch of Lincoln Road corridor between Serjeant Street/Lincoln Road and Windmill Street/Lincoln Road junctions (i.e., at the heart of Millfield District Centre), that sought to improve public realm and streetscape through carriageway conversion to footway, soft-landscaping/green infrastructure provision, and an emphasis on improving existing footway assets.
- Option 2: Similar in extent and geographic location to Option 1, but with explicit provision of cycle infrastructure in line with LTN1/20 requirements, through provision of on-road cycle lanes in place of some car parking on both sides of the carriageway.

Option 1 is the focus of the Outline Business Case; however, Option 2 is still to be considered pending feedback in the public consultation.

## **Peterborough Station Quarter**

The Peterborough Station Quarter Project is at the Strategic Outline Business Case stage, therefore, a few options have been considered to improve walking and cycling connectivity.

Options considered at this stage:

- Option 1: Improvements for the provision of a ramp at the stepped access to Queensgate Shopping Centre from Bourges Boulevard and the realignment of the ramp and crossing facilities at Queensgate Bus Station.
- Option 2: To improve walking and cycling connections at surface level through the Crescent Bridge roundabout into Cowgate. However, there were a few complexities with this project including the need for pedestrian traffic signals and an elevated footway / cycleway on the inside of Crescent Bridge. There are a number of technical considerations and the cost associated with this option would be more than the available budget so this was discounted.
- Option 3: To create a cycleway on Thorpe Road. The option would cost more than the available budget and would not directly improve access from the rail station into the city centre. Therefore, this option was discounted for this funding allocation from Towns Fund.

Option 1 is the focus of the Strategic Outline Business Case as it is within the budget envelope and achieves the outcomes.

## **9. IMPLICATIONS**

### **Financial Implications**

- 9.1 The financial implications of this Cabinet report are set out in the main body of the report. The main development of the projects is grant funded; consideration of any on-going maintenance will be managed through PCC's maintenance budget.

### **Legal Implications**

## 9.2 **River Nene Pedestrian Bridge**

There are no current legal implications pertaining to the funding application. The detailed design will need to be submitted for Planning approval, which is a legal process and will be handled as such.

### **Lincoln Road Public Realm Improvements**

Highways and Legal expertise for the project has been sought to advise on the appropriate approach to developing privately owned frontages. An engagement exercise will follow with landowners based on this advice. The project can be delivered using PCC's permitted development rights bestowed under the Highways Act (1980) and The Town and Country Planning (General Permitted Development) (England) Order 2015 and therefore the legal Planning process is not required based on the currently proposed scheme.

### **Peterborough Station Quarter**

Three of the schemes will involve works being undertaken on third party land so agreement with the landowner(s) will be required in order for these works to be progressed.

### **Equalities Implications**

## 9.3 **River Nene Pedestrian Bridge**

There will be no considered disproportionate impacts as a result of this proposal.

### **Lincoln Road Public Realm Improvements**

There will be no considered disproportionate impacts as a result of this proposal.

### **Peterborough Station Quarter**

There will be no considered disproportionate impacts as a result of this proposal.

### **Rural Implications**

## 9.4 **River Nene Pedestrian Bridge**

The bridge will be situated within a City Centre location; however, it will allow for better cycle and pedestrian access for those within a particular vicinity to utilise.

### **Lincoln Road Public Realm Improvements**

Lincoln Road is situated within a City Centre location; however it will allow for better cycle and pedestrian access for those visiting and residing in the local area.

### **Peterborough Station Quarter**

The Peterborough Station Quarter is in the City Centre; however, it will allow for better accessibility to and from the station in terms of cycle and pedestrian access.

### **Carbon Impact Assessment**

## 9.5 **River Nene Pedestrian Bridge**

The technical design of the bridge needs to take into consideration the sustainable use of materials and the long-term durability of the structure to minimise its environmental impact. Within the context of the River Nene Pedestrian Bridge, the aim will be to reduce the use of carbon intensive materials such as high strength steels and concrete, and to re-use and recycle materials wherever possible.

### **Lincoln Road Public Realm Improvements**

By increasing the provision of active mode travel in Millfield District Centre, it will improve the ability of people to travel to and through Millfield District Centre on foot, therefore reducing the carbon emissions. Provision of two 7kw EV charging points to be installed on the road, which will promote electric car usage to local residents and visitors.

### **Peterborough Station Quarter**

The project is likely to overall have a positive impact on the city's carbon emissions. By providing

high quality active travel mode infrastructure, and infrastructure that provides access for all, it encourages the use of active travel modes. More journeys undertaken by active travel modes can reduce journeys undertaken by vehicles and therefore reduce carbon emissions.

## 10. **BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Peterborough Town Investment Plan

## 11. **APPENDICES**

11.1 The appendices have the Summary table details that are to be submitted to DLUHC and the Monitoring and Evaluation reports.

### **Summary Tables:**

- Appendix 1
  - Project Summary Table Annex C River Nene Pedestrian Bridge
  - Annex 2\_Towns Fund ME Plan template Bridge
- Appendix 2
  - Project Summary Table Annex C Lincoln Road Public Realm Improvements
  - Annex 2\_Towns Fund ME Plan template Lincoln Road
- Appendix 3
  - Project Summary Table Annex C Peterborough Station Quarter
  - Annex 2\_Towns Fund ME Plan template PSQ

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## **Towns Fund Stage 2 Business case guidance Annex C: Summary Document template**

Towns must:

- Submit a completed Summary Document for each project to Ministry of Housing, Communities and Local Government (MHCLG) as soon as they are ready and within 12 months of agreed Heads of Terms.
- **Where towns require funding in 2021/22** then Summary Documents **must** be submitted to MHCLG by 14 January 2022.
- Note that in the event of late submission of Summary Documents (SD), MHCLG cannot guarantee payment. If there is a risk of late submission, towns should promptly liaise with their MHCLG local leads.
- **With the first Summary Document, include** Part 2: Town Investment Plan (TIP) conditions (where applicable).

Please note: MHCLG will use the financial profile (Annex A-1) submitted previously to make any payment.

### **Programme-level update**

Where not submitted today, the remaining Summary Documents submission timings.

<b>Project name</b>	<b>Month/Year</b>
1. The Vine – Library & Culture Hub	Oct 2022
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

# **Part 1: Project Summary Document**

Towns should complete this for each project.

<b>Summary Document table</b>
<b>1. Project name: River Nene Pedestrian Bridge</b>
<b>2. Heads of Terms project conditions</b> <ul style="list-style-type: none"><li>- Actions taken to address any conditions attached to the project in the Heads of Terms, where applicable.</li><li>- Where the condition was to provide a delivery plan please input in the section below (no.9) and/or attach to this document.</li></ul>
<p>The River Nene Pedestrian Bridge Project is for the construction of a new footbridge across the River Nene to support extensive re-development of the area and provide a new focal point.</p> <p>There were no specific project conditions in the Heads of Terms (signed 13 January 2021) by DHLUC (formerly MHCLG).</p>
<b>3. Business case appraisal</b> <p>Provide details of how the business case has been appraised including:</p> <ul style="list-style-type: none"><li>- business case type</li><li>- any internal or external assurances</li></ul>
<p>The Outline Business Case (OBC) provides the evidence base to support the investment in the development and has been developed using the Towns Fund Delivery Partner guidance. The Business Case has been laid out in five sections in keeping with the recognised HM Treasury Green Book “five case” methodology.</p> <p>A specialist consultant, Milestone, a partner of PCC was appointed to develop the Outline Business Case.</p> <p>The Outline Business Case (OBC) development has been managed and overseen by PCC. The final design, funding package and Full Business Case will be assured by PCC.</p> <p>Peterborough City Council, as accountable body ensured an assurance process was put in place to provide government and local partners with assurance that decisions over the allocation of the Towns Fund monies are transparent, have accountable decision making and deliver value for money whilst also incorporating the monitoring and evaluation activity.</p> <p>The Towns Fund Board has an independent appointed Chair. The Towns Fund Board incorporates representatives from the public, private and community sectors and have been utilised to ensure there is sufficient oversight and scrutiny of the business case proposals brought forward.</p>

There are also two internal Peterborough City Council Boards for internal scrutiny. The River Nene Pedestrian Bridge project reports into the Regeneration and Infrastructure Board. The Board provides strategic leadership, oversight, challenge and tracks and monitors project progress.

The Outline Business Case will be endorsed by the Towns Fund Board and presented to the Cabinet at PCC. It will then be assured by Monitoring Officer, Director of Resources (s151 officer) and the Executive Director Place and Economy.

When all assurances are in place, the Towns Fund Project Summary document will be submitted to DLUHC for approval.

#### 4. MHCLG capital (CDEL) 5% payment

There are no activities associated with the 5% CDEL.

#### 5. Quantified benefit-cost ratio/value for money (e.g. Benefit Cost Ratio or Net Present Social Value)

A quantified benefit-cost ratio should be provided. If it has not been generated, a summary of evidence used by the S151 Officer to demonstrate value for money should be stated.

A full green book compliant economic appraisal was prepared by Milestone to support the business case.

The benefit-cost ratio has been calculated using the value of benefits, by benefit type for the core BCR:

Analysis of Monetised Benefits	Value (in £'000s)
Congestion Benefit	87.22
Infrastructure Maintenance	0.45
Accident	14.04
Local Air Quality	1.80
Noise	0.94
Greenhouse Gases	5.77
Reduced Risk of Premature Death	3,360.82
Absenteeism	574.14
Journey Ambience	34.32
Journey Time Benefit	5,666.4

Indirect Taxation	-4.95
<b>Total Present Value of Benefits (PVB)</b>	<b>9,740.5</b>

The Economic Dimension demonstrates that the River Nene Pedestrian Bridge achieves a core BCR of 1.6 (Medium Value for Money) based on monetised transport user and active travel benefits alone, and an adjusted BCR of 2.2 (High Value for Money) when wider economic benefits are considered. The economic assessment is based upon a robust scheme cost estimate and has been calculated in line with TAG guidance over a 60-year appraisal period. The transport user and active mode benefits of the scheme were assessed using custom built Active Travel model. The model has used the forecast years of 2026 and 2036 to appraise the impacts of the scheme. Model outputs have been used within a bespoke journey time benefits spreadsheet and the Active Mode Appraisal Toolkit (AMAT) to undertake the economic assessment of transport user and active travel benefits respectively and calculate a BCR. A breakdown of the core scheme BCR is provided beneath.

River Nene Pedestrian Bridge (£,000s) (Core BCR)	
Present Value of Benefits (PVB)	9,470.5
Present Value of Costs (PVC)	6,122.5
Net Present Value (NPV)	3,618.0
Benefit to Cost Ratio (BCR)	1.6
Value for Money	Medium

Therefore, the Net Present Value (NPV) of the scheme is £3,618,100, with a BCR of 1.6 (Medium Value for Money).

Furthermore, the table beneath then reports the number of jobs created by the construction of the bridge, and when the value (GVA) of these is added to the benefits above, it gives an adjusted BCR.

Description	Value ('000s)	Jobs
Total Direct GVA	£3,069,264.49	76
Total Indirect GVA	£2,762,338.04	76
Total GVA Uplift	£5,831,602.53	152



<b>Discounted GVA Uplift (2010 values)</b>	<b>£3,480,828.84</b>	<b>152</b>
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The adjusted BCR has also been presented, which takes account of wider economic impacts resulting from the construction of the bridge. The adjusted BCR is 2.2 and provides High Value for Money. This is summarised in the table beneath.

River Nene Pedestrian Bridge (£'000s) (Adjusted BCR)	
Present Value of Benefits (PVB)	13,221.3
Present Value of Costs (PVC)	6,122.5
Net Present Value (NPV)	7,098.8
Benefit to Cost Ratio (BCR)	2.2
Value for Money	High

#### 6. Deliverability

Will this project still be delivered within the Towns Fund timeframe? (Y/N)

Yes, the project will be delivered in the Towns Fund timeframe.

#### 7. Delivery plan

Including details of:

- timescales and key milestones
- partnerships
- interdependencies
- risks and mitigation measures (if not provided above).

#### Key Milestones

- September 2021 - Strategic Outline Business Case submitted to CPCA
- October 2021 – April 2022 Outline Business Case and Preliminary Design Produced
- April 2022 - Outline Business Case submitted to PCC
- May – July 2022 - PCC Governance/Assurance process
- June 2022 – July 2023 Full Business Case and Detailed Design undertaken
- July 2022 - Outline Business Case submitted to DLUHC
- July 2022 - Expected response from CPCA following funding request
- September 2022 - Expected response from DLUHC following funding request
- April 2023 – Submit full Planning Application
- July 2023 - Full Business Case submitted CPCA
- February 2024 - Construction Commencement
- November 2024 - Construction Completion

## **Partnerships**

PCC propose to deliver the project in partnership with Cambridgeshire Peterborough Combined Authority – CPCA.

## **Dependencies**

The project is dependent on capital funding from the CPCA which will provide £3.4 million co-funding towards the project. There is confidence that this funding will be achieved.

## **Risks and Mitigations**

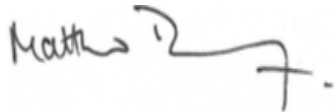
A Project Key Risk Register which identifies project risks below and mitigations will be produced as part of the next phase of design work. The key risks at this stage are:

- **Project costs escalation** - Due to high levels of inflation or a shortage in skilled construction labour. This is mitigated through appropriate allowance for contingency.
- **Embankment Area Development** – The footbridge is intended to provide sustainable travel connectivity between the Embankment Area, including the University of Peterborough, and Fletton Quays. The business case and scheme programme will need to adjust if the development programme changes, or further development is confirmed within the area as part of the Embankment Masterplan.
- **Planning** – The footbridge will require planning permission and consultation as part of the planning process that may raise additional activities which require action and changes. Also, this process can take up to 18 months and will therefore be monitored and factored in the programme.
- **Programme** – The construction programme will need to carefully consider any other infrastructure works associated with the redevelopment of Fletton Quays or the Embankment that may be underway during the same period.
- **Utility Diversions** – Unexpected utility diversions have the potential to cause significant programme delays and cost increases. Full Statutory Undertaker (STATS) searches will be undertaken as part of the Preliminary Design work during the next phase of the scheme development.
- **Stakeholder / Public Acceptability** – The detailed design of the footbridge should continue to be supported by key stakeholders impacted by scheme proposals, as well as members of the public. This will be achieved through consultation and engagement.
- **Environmental Constraints** – Scheme design will need to take account of local ecological receptors, protect land and species within the defined study area. Additionally, there is a risk of flood events taking place during the construction of the bridge which could lead to potential delays to be allowed in the programme.

**8. Town Deal Board Chair name & signature**

Name of the Town Deal Board: Peterborough

Chair's name and signature: Matthew Bradbury



Date: 7<sup>th</sup> June 2022

**9. By signing, I agree that:**

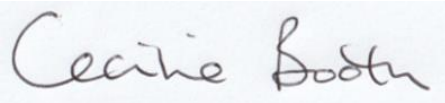
1. The business case, in a proportionate manner, is Green Book compliant.
2. The 5% early capital (CDEL) has been included in the Town Fund project costs across the programme.
3. This project and expenditure represent value for money, including the 5% early capital (CDEL) provided.
4. Project-level Equality Impact Assessments such as Public Sector Equalities Duty and/or Environmental Impact Assessments have been undertaken.
5. For final submission - programme-level Public Sector Equality Duty assessment has been undertaken by the accountable body.

**Name of the lead Local Authority and signature of the Chief Executive Officer or S151 Officer**

Name of the lead Local Authority: Peterborough City Council

Job title: Interim Corporate Director, Resources / S151 Officer

Name and signature: Cecilie Booth



Date: 6<sup>th</sup> June 2022



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7	Fund capital amount: 1940																																																																																																																																																																	
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9	Co funding public: 4302																																																																																																																																																																	
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11	Total value of project: £6,242																																																																																																																																																																	
12	<p>Copy this sheet to report on another project</p> <p><b>INDICATORS</b> (replace text from E12 onwards with chosen project indicator)</p> <p>(Future High Street Fund Only) Where can this target be found in your Business Case (please specify at least to page number):</p> <p>If previous answer is "Yes" please confirm you agree to the indicator definition and evidence requirements as stated in Annex 1 of the M&amp;E Guidance:</p> <p>If previous answer is "external" please provide name of organisation:</p> <p>If "external" please state whether agreement is in place:</p> <p>Please confirm you are confident in collecting data for this indicator (please select):</p> <p>Please confirm you are able to collect the baseline evidence as set out in Annex 1, if required (please select)</p> <p>If answered 'No' to any questions, please flag the issues here:</p>																																																																																																																																																																	
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53

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## **Towns Fund Stage 2 Business case guidance Annex C: Summary Document template**

Towns must:

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Please note: MHCLG will use the financial profile (Annex A-1) submitted previously to make any payment.

### **Programme-level update**

Where not submitted today, the remaining Summary Documents submission timings.

<b>Project name</b>	<b>Month/Year</b>
1. The Vine – Library & Culture Hub	Oct 2022
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

# **Part 1: Project Summary Document**

Towns should complete this for each project.

<b>Summary Document table</b>
<b>1. Project name: Lincoln Road</b>
<b>2. Heads of Terms project conditions</b>
<ul style="list-style-type: none"> <li>- Actions taken to address any conditions attached to the project in the Heads of Terms, where applicable.</li> <li>- Where the condition was to provide a delivery plan please input in the section below (no.9) and/or attach to this document.</li> </ul>
<p>The Lincoln Road Project is for delivery of public realm improvements along the Lincoln Road corridor.</p> <p>There were no specific project conditions in the Heads of Terms (signed 13 January 2021) by DHLUC (formerly MHCLG).</p>
<b>3. Business case appraisal</b>
<p>Provide details of how the business case has been appraised including:</p> <ul style="list-style-type: none"> <li>- business case type</li> <li>- any internal or external assurances</li> </ul>
<p>The Outline Business Case (OBC) provides the evidence base to support the investment in the development and has been developed using the Towns Fund Delivery Partner guidance. The Business Case has been laid out in five sections in keeping with the recognised HM Treasury Green Book “five case” methodology.</p> <p>A specialist consultant, Jacobs, was appointed to develop the Outline Business Case.</p> <p>The Outline Business Case (OBC) development has been managed and overseen by PCC. The final design, funding package and Full Business Case will be assured by PCC.</p> <p>Peterborough City Council, as accountable body ensured an assurance process was put in place to provide government and local partners with assurance that decisions over the allocation of the Towns Fund monies are transparent, have accountable decision making and deliver value for money whilst also incorporating the monitoring and evaluation activity.</p> <p>The Towns Fund Board has an independent appointed Chair. The Towns Fund Board incorporates representatives from the public, private and community sectors and have been utilised to ensure there is sufficient oversight and scrutiny of the business case proposals brought forward.</p> <p>There are also two internal Peterborough City Council Boards for internal scrutiny. The Lincoln Road Redevelopment project reports into the Regeneration and Infrastructure Board. The Board provides strategic leadership, oversight, challenge and tracks and monitors project progress.</p>



The Outline Business Case will be endorsed by the Towns Fund Board and presented to the Cabinet at PCC. It will then be assured by Monitoring Officer, Director of Resources (s151 officer) and the Executive Director Place and Economy.

When all assurances are in place, the Towns Fund Project Summary document will be submitted to DLUHC for approval.

#### **4. MHCLG capital (CDEL) 5% payment**

There are no activities associated with the 5% CDEL.

#### **5. Quantified benefit-cost ratio/value for money (e.g. Benefit Cost Ratio or Net Present Social Value)**

A quantified benefit-cost ratio should be provided. If it has not been generated, a summary of evidence used by the S151 Officer to demonstrate value for money should be stated.

A full green book compliant economic appraisal was prepared by Jacobs to support the business case. The economic appraisal was predicated on a bespoke model underpinned by the latest relevant Towns Fund-specific Guidance.

The economic appraisal considered two scenarios:

**Do Minimum scenario** represents the business as usual situation and likely outcomes in the event of no Towns Fund investment (i.e. no public realm improvement activity in Millfield District Centre.

**Do Something scenario** forecasts the anticipated outcomes and impacts associated with timely approval of Towns Fund investment (i.e. a programme of public realm improvement activity in Millfield District Centre.

Other key assumptions included:

- An appraisal period of thirty years was adopted for most impacts. This approach is aligned with the anticipated persistence or duration of economic impacts. On this basis, the appraisal period commences from an opening year of 2024 through to 2053. It should however be noted that given the asset life of the intervention being proposed, there could be some benefits that accrue past 30 years which have not been captured to ensure a robust assessment.
- All monetised figures used in the appraisal are presented in 2021 prices and values using real price adjustment factors in line with the Office for Budget Responsibility's inflation forecast and the prevailing HM Treasury Green Book discount rates (i.e. 1.5% per annum for thirty years for health-related impacts; 3.5% per annum for thirty years for non-health related impacts).
- Economic impacts have been modelled using a bespoke model that synthesizes various potential impacts before aggregating costs and benefits into a single consistent price and value base (i.e. 2021 prices and values), to inform two key value for money metrics: benefit-cost ratio and net present social value.

- The model is underpinned by the latest relevant departmental and Towns Fund-specific Guidance. The data and guidance adopted includes:
  - HM Treasury Green Book
  - DLGG Appraisal Guide
  - MHCLG Land Values for Policy Appraisal
  - HCA Additionality Guide
  - Towns Fund Stage 2 – Business Case Template; Economic Case: Best Practice Guidance
  - PCC footfall data for Millfield District Centre
  - PCC Retail Study (and Appendices)

The Economic Case appraises the value for money position of the preferred option against a reference case or Do Minimum scenario, which assumes business as usual activity (i.e. no public sector intervention into regeneration of Lincoln Road at Millfield District Centre).

The appraisal finds that by delivering public realm improvements to a currently outdated, tired and vehicle-dominated streetscape, in order to improve pedestrian experiences, improve vitality and vibrancy of businesses and encourage social interaction, the preferred option can deliver a strong value for money proposition. This is demonstrated through the strong performance of economic metrics such as Benefit Cost Ratio (BCR) (c. 2.4) and Net Present Social Value (+£6.2 million).

Value for Money Metric	Value
<b>Net Additional PVB</b>	<b>£10,718,900</b>
Total PVC of Public Sector Costs	£4,437,425
Total PVC of Private Sector Costs	£0
<b>Total PVC of Economic Costs</b>	<b>£4,437,425</b>
<b>BCR</b>	<b>2.42</b>
<b>NPSV</b>	<b>£6,281,475</b>

The strong economic performance of the preferred option is linked to a range of economic benefits that the project is forecast to unlock, as summarised below:

Impact Category	Net Additional Impact
Active Mode Impacts	4,429,571
Wider Residential LVU	594,174
Wider Commercial LVU	2,856,814
Crime	1,013,845
Amenity	871,777
Labour Supply Impacts	952,719
<b>Total</b>	<b>10,718,900</b>

The quantified and monetised assessment within the Economic Case is supplemented by a strong set of wider, non-quantifiable benefits that also result from the preferred option, including:

- (i) higher Levels of expenditure per visit within Millfield District Centre
- (ii) increased growth in GVA
- (iii) reduction in accidents
- (iv) improvements in air quality
- (v) reductions in carbon emissions
- (vi) enhanced image and reputation of District Centre
- (vii) construction stage jobs (39 construction stage jobs years)

(viii) increased journey ambience

In summary, the economic appraisal demonstrates that the Do Something scenario, which seeks to deliver the Lincoln Road project with Towns Fund support is the preferred intervention option for the project.

## 6. Deliverability

Will this project still be delivered within the Towns Fund timeframe? (Y/N)

Yes, the project will be delivered in the Towns Fund timeframe.

## 7. Delivery plan

Including details of:

- timescales and key milestones
- partnerships
- interdependencies
- risks and mitigation measures (if not provided above).

## Key Milestones

The key milestones for the project are as follows:

- May 2022 to November 2022 RIBA Stage 3 - Design Development
- June 2022 – PCC internal assurance complete
- July 2022 – Submission to DLUHC for approval
- Summer 2022 – Public Consultation
- September 2022 – DLUHC approval for the project
- December 2022 - RIBA Stage 3 Gateway Sign Off
- December 2022 – April 2023 - RIBA Stage 4 – Design Development
- May 2023 - RIBA Stage 4 – Gateway Sign Off
- August 2023 – March 2024 – Construction

## Partnerships

PCC will deliver the project working with the Milestone Infrastructure who are the incumbent highway services provider to PCC via the Peterborough Highway Services partnership.

## Interdependencies

An engagement exercise is planned to discuss the proposals with landowners and seek agreement to extend the redevelopment of the pavements to include property frontages. It may be that not all agree to the proposals, and this could mean that there will be inconsistent finishes along the road depending on where agreement has or has not been provided, and the reduction in surfaces to redevelop will in turn reduce the requirement/scope of works.

## Risks and Mitigations

A Project Key Risk Register which identifies project risks below and mitigations will be produced as part of the next phase of design work. The key risks at this stage are:

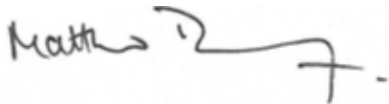
- **Project costs escalation** - due to high levels of inflation or a shortage in skilled construction labour. This is mitigated through appropriate allowance for contingency.

- **Design** - The design is impacted by legal ownership boundaries. This will be mitigated by carrying out engagement activities with landowners around the proposals/requirements.
- **Utility Diversions** – Unexpected utility diversions have the potential to cause significant programme delays and cost increases. Full Statutory Undertaker (STATS) searches will be undertaken as part of the Preliminary Design work during the next phase of the scheme development.
- **Stakeholder / Public Acceptability** – The detailed design of the redevelopment should continue to be supported by key stakeholders impacted by scheme proposals, as well as members of the public this will be achieved through consultation and engagement.

#### 8. Town Deal Board Chair name & signature

Name of the Town Deal Board: Peterborough

Chair's name and signature: Matthew Bradbury



Date: 7<sup>th</sup> June 2022

#### 9. By signing, I agree that:

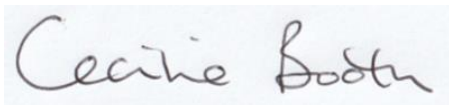
1. The business case, in a proportionate manner, is Green Book compliant.
2. The 5% early capital (CDEL) has been included in the Town Fund project costs across the programme.
3. This project and expenditure represent value for money, including the 5% early capital (CDEL) provided.
4. Project-level Equality Impact Assessments such as Public Sector Equalities Duty and/or Environmental Impact Assessments have been undertaken.
5. For final submission - programme-level Public Sector Equality Duty assessment has been undertaken by the accountable body.

#### Name of the lead Local Authority and signature of the Chief Executive Officer or S151 Officer

Name of the lead Local Authority: Peterborough City Council

Job title: Interim Corporate Director, Resources / S151 Officer

Name and signature: Cecile Booth



Date: 6<sup>th</sup> June 2022



Projects

QUESTION RESPONSE

Programme (please select):	Town Deal
Name of Project:	Lincoln Road Public Realm Improvements
Fund capital amount:	£2,425,000
Fund revenue amount:	
Co funding public:	£1,018,369
Co funding private:	
<b>Total value of project:</b>	<b>£3,443,369</b>

INDICATORS

*(replace text from E12 onwards with chosen project indicator)*

Intervention theme:	Target:	Unit of measurement:	Is this an indicator from Annex 1 of the M&E Guidance:	<i>If previous answer is 'Yes' please confirm you agree to the indicator definition and evidence requirements as stated in Annex 1 of the M&amp;E Guidance:</i>	Responsible for collecting (please select):	<i>If previous answer is 'external' please provide name of organisation:</i>	<i>'If external' please state whether agreement is in place:</i>	Frequency of reporting (please select):	Please confirm you are confident in collecting data for this indicator (please select):	Please confirm you are able to collect the baseline evidence as set out in Annex 1, if required (please select)	If answered 'No' to any questions, please flag the issues here:
£ spent directly on project delivery (either local authority or implementation partners)*	N/A	3,443,369 £	Yes	Agree	Local authority		< Select >	Every 6 months	Yes	Yes	
£ co-funding spent on project delivery (private and public)*	N/A	1,018,369 £	Yes	Agree	Local authority		< Select >	Every 6 months	Yes	Yes	
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# of full-time equivalent (FTE) permanent jobs safeguarded through the projects*	N/A	425 Number of FTE jobs	Yes	Agree	Local authority		< Select >	Annually	Yes	Yes	
<b>Project Specific Indicator</b>											
Total length of pedestrian paths improved	Transport	2,800 m2	Yes	Agree	Local authority		< Select >	Annually	Yes	Yes	
Amount of public realm improved	Transport/Urban Regeneration	5,800 m2	Yes	Agree	Local authority		< Select >	Annually	Yes	Yes	
Total length of resurfaced/improved road	Transport	2,800 m2	Yes	Agree	Local authority		< Select >	Annually	Yes	Yes	
Total length of roads converted to cycling or pedestrian ways	Transport	400 m2	Yes	Agree	Local authority		< Select >	Annually	Yes	Yes	
Automatic / manual counts of pedestrians and cyclists (for active travel schemes)	Transport	5% increase %	Yes	Agree	Local authority		< Select >	Annually	Yes	Yes	
Amount of new parks/greenspace/outdoor space	Urban Regeneration	209 m2	Yes	Agree	Local authority		< Select >	Annually	Yes	Yes	
# of trees planted	Urban Regeneration	TBC - subject to further design Number	Yes	Agree	Local authority		< Select >	Annually	Yes	Yes	

END END END END

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<b>1. Project name: Peterborough Station Quarter</b>
<b>2. Heads of Terms project conditions</b> <ul style="list-style-type: none"><li>- Actions taken to address any conditions attached to the project in the Heads of Terms, where applicable.</li><li>- Where the condition was to provide a delivery plan please input in the section below (no.9) and/or attach to this document.</li></ul>
<p>The Peterborough Station Quarter Project is for the redevelopment of land around Peterborough Rail Station to create Station Quarter.</p> <p>There were no specific project conditions in the Heads of Terms (signed 13 January 2021) by DHLUC (formerly MHCLG).</p>
<b>3. Business case appraisal</b> <p>Provide details of how the business case has been appraised including:</p> <ul style="list-style-type: none"><li>- business case type</li><li>- any internal or external assurances</li></ul>
<p>The Strategic Outline Business Case (SOBC) provides the evidence base to support the investment in the development and has been developed using the Towns Fund Delivery Partner guidance. The Business Case has been laid out in five sections in keeping with the recognised HM Treasury Green Book “five case” methodology.</p> <p>PCC have developed the Strategic Outline Business Case. The final design, funding package and Outline Business Case and Full Business Case will be assured by PCC.</p> <p>Peterborough City Council, as accountable body ensured an assurance process was put in place to provide government and local partners with assurance that decisions over the allocation of the Towns Fund monies are transparent, have accountable decision making and deliver value for money whilst also incorporating the monitoring and evaluation activity.</p> <p>The Towns Fund Board has an independent appointed Chair. The Towns Fund Board incorporates representatives from the public, private and community sectors and have been utilised to ensure there is sufficient oversight and scrutiny of the business case proposals brought forward.</p> <p>There are also two internal Peterborough City Council Boards for internal scrutiny. The River Nene Pedestrian Bridge project reports into the Regeneration and Infrastructure Board. The Board provides strategic leadership, oversight, challenge and tracks and monitors project progress.</p>



The Strategic Outline Business Case will be endorsed by the Towns Fund Board and presented to the Cabinet at PCC. It will then be assured by Monitoring Officer, Director of Resources (s151 officer) and the Executive Director Place and Economy.

When all assurances are in place, the Towns Fund Project Summary document will be submitted to DLUHC for approval.

#### **4. MHCLG capital (CDEL) 5% payment**

There are no activities associated with the 5% CDEL.

#### **5. Quantified benefit-cost ratio/value for money (e.g. Benefit Cost Ratio or Net Present Social Value)**

A quantified benefit-cost ratio should be provided. If it has not been generated, a summary of evidence used by the S151 Officer to demonstrate value for money should be stated.

The project is an accessibility and connectivity improvement scheme which also reduces severance between the Station and the city centre. Typically, the benefits of these types of schemes cannot be monetised so a qualitative assessment has been undertaken for the measures that focus' on improving accessibility.

The Economic Assessment undertaken to date has considered the Department for Transport's (DfT's) Transport Analysis Guidance (TAG), with specific reference to the following documentation:

- TAG Unit A5.1 – Active Mode Appraisal
- TAG Unit A4.1 – Social Impact Appraisal
- TAG Unit 4.2 – Distributional Impact Appraisal

The Active Mode Appraisal Toolkit (AMAT) has been used to assess the three cycle-related schemes that form part of the package. Cycle improvements are proposed at Bright Street, Westgate and the footpath linking Station Road and Crescent Bridge Roundabout (behind Perkins Car Park).

It is not possible to assess the other schemes using the AMAT. However, the other schemes, such as the ramps, do have economic, environmental and social benefits that are detailed later on in this section of the report.

The AMAT assessment uses 24-hour Annual Average Daily Traffic (AADT) with and without scheme cycle flows from the opening year (2026) along with additional assumptions to estimate the active travel benefits of providing the cycle improvements. Benefits have been calculated over a 60-year appraisal to provide an initial BCR for the proposed improvements.

The "Government Target Scenario" refers to a Propensity to Cycle Tool (PCT) prediction of how many cycle trips can be unlocked in a specific area / route, should the government achieve its target to double cycling trips by 2025. For the purposes of this assessment, it has been assumed that the government target is reached.

The table below details the BCR for the proposed cycle improvements. Due to proximity, the AMAT assessment for the improvements at Bright Street and Westgate have been combined.

AMAT Outputs	BCR
Scheme Location	(100% Government Target)
Bright Street / Westgate Improvements	9.37
Link between Station Road to Crescent Bridge Roundabout (behind Perkins Car Park)	1.20

The table above demonstrates that delivering cycle improvements to Bright Street and Westgate and provides very high value for money with a BCR of 9.37. The improvements to the existing link between Station Road and Crescent Bridge Roundabout (behind Perkins Car Park) have a BCR of 1.20. Although this improvement is considered low value for money, other significant social benefits from this improvement, such as reduced journey times and severance, would increase the overall benefits.

### Qualitative Appraisal

Due to the nature of the scheme, the social benefits are likely to outweigh the economic benefits. Therefore, a qualitative appraisal of the likely key additional benefits has been undertaken.

### Economic Impacts

The scheme will provide a direct route between the Station and the city centre and will reduce journey times, particularly for those with accessibility issues. This will benefit business users, including trips related to tourism as well as employment.

It is anticipated that the scheme will support wider economic benefits including:

- Supporting the regeneration of Peterborough Station Quarter through improved connectivity and accessibility
- Supporting the redevelopment of Queensgate Shopping Centre through improved connectivity and accessibility
- Improving connectivity and accessibility to the city centre, which will support economic growth and attract future investment

### Environmental Impacts

The scheme is expected to have a neutral impact on the landscape, townscape, historic environment, and water environment of the study area. Most of the works are within the urban area and within the highway boundary.

The provision of high-quality active travel mode infrastructure that provides a direct route for all accessibility needs, encourages the use of active travel modes. More

journeys undertaken by active travel modes can reduce journeys undertaken by vehicles and therefore reduces carbon emissions.

### **Social**

The scheme is expected to have a strong beneficial impact on access to the transport system of the study area. Accessibility between the Station and the city centre will be significantly enhanced, with direct connections provided between the Station and city centre with access for all. The provision of a pedestrian ramp from Bourges Boulevard into Queensgate Shopping Centre will provide direct access into the shopping centre reducing both the journey time and distance currently experienced by people with disabilities.

The scheme will have a strong beneficial impact in terms of reducing severance caused by the Bourges Boulevard and Crescent Bridge Roundabout between the Station and city centre. New infrastructure will improve both accessibility and connectivity for all.

### **6. Deliverability**

Will this project still be delivered within the Towns Fund timeframe? (Y/N)

Yes, the project will be delivered within the Towns Fund timeframe.

### **7. Delivery plan**

Including details of:

- timescales and key milestones
- partnerships
- interdependencies
- risks and mitigation measures (if not provided above).

### **Timescales**

The key milestones for the project are as follows:

- June 2022 – PCC internal assurance complete
- June 2022 – CPCA Board to approve LUF submission choice
- July 2022 – Submission to DLUHC for approval
- September 2022 – DLUHC approval for the project
- Autumn 2022 – Public Consultation
- June 2022 – March 2023 – Design of all schemes included within package
- December 2022 – March 2023 - Construction of Queensgate Bus Station Ramp, and cycling improvements on Bright Street, Westgate and link behind Perkins Car Park.
- April 2023 – December 2023 - Construction of accessibility improvements between Bourges Boulevard and Queensgate Shopping Centre.
- January 2024 – Scheme complete

### **Partnerships**

There are no formal partnerships as part of the proposed development. The delivery of the improvements will be undertaken by Peterborough Highway Services, a partnership between Peterborough City Council and Milestone Infrastructure.

### Interdependencies

The scheme programme will need to consider the following key dependencies:

- **Funding Constraints** – The Towns Fund allocation needs to be spent by 31<sup>st</sup> March 2026; therefore, all design and construction activities will need to be completed by this date.
- **Construction Disruption** – The Council have significant recent experience of undertaking maintenance and delivering improvements on its transport network and is proficient in mitigating the impact of this. Disruption is be localised to where the improvements are to be delivered.
- **Utility Diversions** – Unexpected utility diversions have the potential to cause significant programme delays and cost increases. Full Statutory Undertaker (STATS) searches will be undertaken as part of the design work.

### Risks and Mitigations

Overall, the project is anticipated to be low risk. The package of schemes includes delivery of improvement that Council and its highway partner, Milestone Infrastructure have many years of experience delivering. The improvements are within the highway boundary and do not require planning permission.

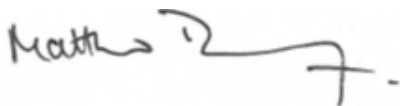
The key financial and delivery risks of the project are:

- **Increasing costs of raw materials** - This may impact on the number of schemes that can be delivered as part of the package. This will be regularly monitored. One of the options considered could be to procure raw materials early.
- **Utilities** – These are present on Bourges Boulevard close the proposed Queensgate Ramp which may require diversion. Design Engineers will account for these possible diversions in the scheme design and scheme costs.
- **Land Ownership** - Three of the schemes would require agreement from landowners. Engagement with the landowners is ongoing to enable the delivery of these schemes.

### 8. Town Deal Board Chair name & signature

Name of the Town Deal Board: Peterborough

Chair's name and signature: Matthew Bradbury



Date: 7<sup>th</sup> June 2022

### 9. By signing, I agree that:

1. The business case, in a proportionate manner, is Green Book compliant.
2. The 5% early capital (CDEL) has been included in the Town Fund project costs across the programme.
3. This project and expenditure represent value for money, including the 5% early capital (CDEL) provided.

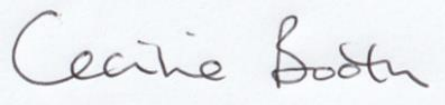
4. Project-level Equality Impact Assessments such as Public Sector Equalities Duty and/or Environmental Impact Assessments have been undertaken.
5. For final submission - programme-level Public Sector Equality Duty assessment has been undertaken by the accountable body.

**Name of the lead Local Authority and signature of the Chief Executive Officer or S151 Officer**

Name of the lead Local Authority: Peterborough City Council

Job title: Interim Corporate Director, Resources / S151 Officer

Name and signature: Cecilie Booth

A handwritten signature in black ink that reads "Cecilie Booth". The signature is written in a cursive style and is placed on a light blue rectangular background.

Date: 6<sup>th</sup> June 2022

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**Projects**

QUESTION		RESPONSE												
Project financing	Programme (please select):	Town Deal												
	Name of Project:	Station Quarter												
	Fund capital amount:	1,455,000												
	Fund revenue amount:	£												
	Co funding public: (TBC)	1,000,000												
Co funding private:	£													
<b>Total value of project:</b>		<b>£2,455,000</b>												
<p>Copy this sheet to report on another project</p> <p><b>INDICATORS</b> <i>(replace text from E12 onwards with chosen project indicator)</i></p>		Intervention theme:	Target:	(Future High Street Fund Only) Where can this target be found in your Business Case (please specify at least to page number):	Unit of measurement:	Is this an indicator from Annex 1 of the M&E Guidance:	If previous answer is 'Yes' please confirm you agree to the indicator definition and evidence requirements as stated in Annex 1 of the M&E Guidance:	Responsible for collecting (please select):	If previous answer is 'external' please provide name of organisation:	If 'external' please state whether agreement is in place:	Frequency of reporting (please select):	Please confirm you are confident in collecting data for this indicator (please select):	Please confirm you are able to collect the baseline evidence as set out in Annex 1, if required (please select)	If answered 'No' to any questions, please flag the issues here:
	£ co-funding spent on project delivery (private and public)*	N/A	0	£	Yes	Agree	Local authority	< Select >	Every 6 months	Yes	Yes	Yes		
	£ co-funding committed (private and public)*	N/A	2.46	£	Yes	Agree	Local authority	< Select >	Every 6 months	Yes	Yes	Yes		
	# of temporary FT jobs supported during project implementation*	N/A	5	Number	Yes	Agree	Local authority	< Select >	Every 6 months	Yes	Yes	Yes		
	# of full-time equivalent (FTE) permanent jobs created through the projects*	N/A	0	Number of FTE jobs	Yes	Agree	Local authority	< Select >	Every 6 months	Yes	Yes	Yes		
	# of full-time equivalent (FTE) permanent jobs safeguarded through the projects*	N/A	0	Number of FTE jobs	Yes	Agree	Local authority	< Select >	Every 6 months	Yes	Yes	Yes		
	# Total length of new cycle ways	Transport	0.5	Km	Yes	Agree	Local authority	< Select >	Annually	Yes	Yes	Yes		
	# Total length of pedestrian paths improved	Transport	0.2	Km	Yes	Agree	Local authority	< Select >	Annually	Yes	Yes	Yes		
END	END	END	END	END	END	END	END	END	END	END	END	END	END	

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<b>PETERBOROUGH CITY COUNCIL CABINET</b>	AGENDA ITEM No. 7
<b>20 JUNE 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Charlotte Black, Executive Director People and Communities	
Cabinet Member(s) responsible:	Councillor John Howard Cabinet Member for Adult Social Care, Health and Public Health	
Contact Officer(s):	Toni Bawden, Commissioning Manager, LD/Autism Madeleine Hill	Tel. 07442 942096

## **EXTENSION OF THE LEARNING DISABILITY DAY OPPORTUNITIES CONTRACTS IN PETERBOROUGH**

RECOMMENDATIONS	
<b>FROM:</b> Executive Director People and Communities	<b>Deadline date:</b> 20 June 2022
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> <li>1. Approve the Agreements for the Provision of Day Opportunities to be extended until 31 March 2024 for the following Providers: <ul style="list-style-type: none"> <li>• Thera East Anglia</li> <li>• Helping Hands Group</li> <li>• Sense, the National Deafblind and Rubella Association</li> </ul> </li> </ol> <p>The total value of the extension period is £5,199,512.</p>	

### **1. ORIGIN OF REPORT**

- 1.1 This report is submitted to Cabinet following a referral from the Corporate Leadership Team on 18 May 2022.

### **2. PURPOSE AND REASON FOR REPORT**

- 2.1 The purpose of this report is to gain Cabinet approval to extend the Contracts for the Provision of Day Opportunities until 31<sup>st</sup> March 2024 for the following Providers:
- Thera East Anglia
  - Sense, the National Deafblind and Rubella Association
  - Helping Hands Group

thus ensuring the continuation of the Peterborough Learning Disabilities Day Opportunities contracts.

- 2.2 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.'*

### 3. **TIMESCALES**

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

- 4.1 Day opportunities support many older people and those with physical and learning disabilities across Peterborough and Cambridgeshire including those are not known to Adult Social Care. These services also meet statutory need under the Care Act 2014 including promoting wellbeing and they play an important role in early intervention and prevention in reducing or delaying the need for formal care and support. In Peterborough, day opportunities are commissioned across Grants and Contract Agreements and also via Direct Payments. Day opportunities provide activities for people to meet and learn new skills, access training, develop workplace skills and gain independence and opportunity to socialise. For example, x is a 21-year woman with a mild learning disability (LD) and autistic spectrum disorder (ASD) who lives with her parents. She accesses support at Thera Trust Meeting Place in Peterborough twice a week where she learns life skills such as using public transport and job searches, as well as spending time in enjoyable activities such as gardening which could also provide skills for employment. This will allow her the opportunity to access paid employment.
- 4.2 Peterborough has separate Agreements in place to manage the commissioning of a range of day opportunities. Six providers successfully applied to deliver LD day opportunities. Currently three of these providers are active – Thera East Anglia (Thera), Helping Hands Group (Helping Hands) and Sense, National Deafblind and Rubella Association (Sense). Since April 2021 86 people have accessed these day services - 22 at Sense, 40 at Helping Hands and 24 at Thera. The providers support people with standard and more complex needs and offer an alternative to City College as the main LD day provider in Peterborough.
- 4.3 The Agreements for the Provision of Day Opportunities commenced on 1<sup>st</sup> April 2017 for a period of 3 years, up to 31 March 2020. Contracts were awarded and provided for two additional 1-year extension periods. Covid impacted substantially on day provision service delivery from March 2020 with some services closing or reducing or others operating virtually during much of 2020 and 2021. Providers were continued to be paid during this period and face to face services are now reopening. This report is to request the retrospective extension of those three Agreements. The request is retrospective owing to commissioning, contracts and operational prioritisation of governance / exemption requests during COVID where individuals' care would be immediately impacted if no decision was made. This retrospective extension will ensure that providers continue to operate under robust contractual arrangements which will ensure the interests of service users are protected and that the contracting parties follow responsibilities under clearly defined Terms and Conditions and Specifications.
- 4.4 There is much that is known about day opportunities provision in Peterborough but there needs to be significant work undertaken to support the transformation of the service delivery, commissioning mechanisms as well as outcomes and impacts achieved by individuals accessing these services. There is a day services transformation programme taking place, however, the specific decision making to the Day Opportunities Contracts in Peterborough requires authorisation within the overall programme. The transformational review of day opportunities is a joint approach with both Cambridgeshire and Peterborough, including finance and procurement from both Councils to include engagement, prototyping service models, and embedding LD Vision outcomes.
- 4.5 This Cabinet Report is requesting approval for the Agreements to be extended until 31<sup>st</sup> March 2024 to align to the timelines for the transformational work of the Adults Positive Challenge Programme. The extension period has a value of £5,199,512.

### 5. **CONSULTATION**

- 5.1 A significant amount of work has been undertaken to gather provider and service user perspective on the vision for day services, barriers to achieving the vision and what the Local Authority can do to support day services This continued under the comprehensive programme of engagement and co-production including work with carers, professionals, social workers.
- 5.2 The Day Opportunities workstream carried out an extensive discovery phase, including service mapping and gathering data from day service providers across both OP/PD and LD cohorts. A comprehensive survey of providers was undertaken which gave the APCP workstream access to information that was previously unknown about this provider market, including areas such as:
- Percentage of financial contribution from the Council to operational budgets
  - Level of need and complexity services are managing
  - Services carrying out regulated activity
  - Provider perspective on the vision for day services, barriers to achieving the vision and what the Local Authority can do to support day services.
- This was complemented by engagement with operational teams within the local authority, other local authorities, and Partnership Boards. A wealth of new information about day opportunity provision has been obtained through the work that has taken place during the pandemic.
- 5.3 The Day Opportunities project has also linked into other improvement and commissioning programmes including the review of social care transport for day opportunities and the LD Vision.
- 5.4 The Coronavirus pandemic disrupted the delivery of day opportunities as they closed for periods of time in line with Government and Public Health advice. There have been significant resources focused on the requirements needed to safely re-open day opportunities provision to service users, and providers have worked flexibly in order to provide alternative support during periods of closure as well as adapting their buildings-based delivery to enable them to re-open. Although much of the re-commissioning work planned over this period was not able to be delivered due to the focus on the pandemic a number of key developments were undertaken:
- Increased engagement with day opportunities providers with the introduction of a regular monthly forum for OP and LD providers
  - Service User survey about their use of day services and the alternative support required whilst services were closed
  - Review of grants with clawbacks from services closed for significant periods throughout the pandemic (and offering no alternative support) and services which decided to close on a permanent basis
  - Improved level of information provided to the Councils in relation to the support offered and numbers of people attending day services
- 5.5 The extension will enable a full contractual review to be carried out. The outcome will ensure strategic development of future services whilst ensuring local and County wide market development occurs.

## **6. ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 The extension period will allow time for significant work to be undertaken to support the transformation of the service delivery, commissioning mechanisms and outcomes and impacts achieved by individuals accessing these services. The work to be undertaken includes:
- A comprehensive programme of engagement and co-production to define the overall vision for the delivery of day opportunities
  - Prototyping of service interventions, models, and measurable impacts across all cohorts
  - Embedding and reviewing revised monitoring information to inform future specifications and opportunities for transformation
  - Ensuring the LD Vision outcomes are embedded in the delivery of day opportunities and link to priorities such as employment
  - Determining the most appropriate commissioning options across all provider markets

- Review of in-house services to determine current delivery models, value and outcomes.
- Working with Strategic Property Assets teams to review current Council buildings aligned to day services to ensure they meet the requirements of future service delivery
- Carrying out an options appraisal of the current external and internally delivered provision, which is in line with political intentions to determine whether more services can effectively be delivered in-house.

6.2

The work will produce some clear benefits for the transformation of day opportunities. It will enable the Council to move services towards meeting both current social care needs but also a more clearly defined preventative agenda to support a demand management approach for Adult Social Care.

6.3

The benefits of this programme of work will be realised through the following outcomes:

- Clearly defined preventative and social care offer delivered through a process of co-production
- A thorough review and options appraisal of in-house services to determine whether this option should be expanded, better aligned to externally commissioned services or delivered/procured differently
- Be able to define how much capacity we need within each locality to manage those with Social Care needs, early intervention and prevention demand and the service requirements to meet those needs
- Conduct a successful commissioning exercise to procure services which will meet our defined requirements
- Scope potential for savings or efficiencies through better understanding of the market and our requirements
- Ensure there are appropriate contractual arrangements in place to govern the services and to monitor outcomes and impact
- Able to define, predict and manage the future demand that is coming through from Children's and Young People's and Education services for Learning Disability Day Opportunities

## 7. REASON FOR THE RECOMMENDATION

7.1 The reason for the recommendation is to ensure there is sufficient time to review and develop day opportunities in a timeframe aligned to the transformation work. This will also allow for a compliant procurement process to be conducted in accordance with both local contract rules and UK Legislated Public Contract Rules.

## 8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1
- Do Nothing - The contract will lapse and if services continue to be received, they will be on implied terms, which increases the contractual and reputational risk to the Council and puts service users at risk through lack of protection under implied terms.
  - Contract Termination -Ending the contracts and not completing a compliant procurement process and therefore having nothing in place . This could mean the Council is in breach of its duties under the Care Act 2014; to meet people's assessed needs, promote wellbeing and reduce or delay the need for more intensive support such as respite and residential care.
  - Tender the Requirement -: To seek to reprocure the requirements at this time would mean that meaningful engagement and co-production could not be undertaken due to the time constraints. The Council may not be commissioning services that best meet the needs of individuals or explore efficient models of delivery. Therefore, the reprocurement should be delayed until the completion of the review process to ensure that the future contractual provision is strategically aligned to the desired outcomes.

8.2 Over 80 people use day services across Peterborough and not providing services would leave people with unmet assessed needs under the Care Act 2014.

## 9. IMPLICATIONS

## **Financial Implications**

- 9.1 Total value over four years of £5,199,512, equating to £1,299,878 per year.  
Funding sources, risk exposure and mitigations  
Sense daycare, Thera and Helping Hands are all funded from the ISP budget and are therefore spot purchased. This would mitigate the risks around funding through a block contract whereby full payment is required whether the service is delivered or not.  
The funding would be flexible to accommodate demand and offer up potential efficiencies when services are not delivered.

## **Legal Implications**

- 9.2 Section 5 of the Care Act 2014 places a general duty on the Council to promote the efficient and effective diversity and quality in the provision of services. The Council must have regard to section 5(2) Care Act 2014 and in particular, the need to ensure that the Council is aware of the current and likely future demand for services and to consider how providers might meet that demand, the importance of ensuring the sustainability of the market and have regard to the importance of promoting the well-being of adults in its area with care and support.

The Council must have regard to this general duty in its decision-making on this issue and by extending the Agreements in accordance with his report, the Council can ensure it is meeting its duty under the Care Act.

Where the Council awards a contract (either via an extension or a new contract) it must also have regard to its duty under the Public Contract Regulations 2015, ie to procure for services, lawfully. The EU threshold for this is £663,450. The Council has been advised that the procurement regime applies. However, unless the Council extends the existing contract or enters into a new contract for the services, in the interim period, pending a viable procurement exercise, there will be no contract(s) in place to deliver the essential services and meet its obligations under the Care Act.

## **Equalities Implications**

- 9.3 Equality impact assessment has been undertaken to ensure that the service provided to people with Learning Disabilities is compliant with the Care Act 2014.

## **Carbon Impact Assessment**

- 9.5 Neutral Impact - Extending the LD day opportunities contracts in Peterborough will have a neutral impact on carbon emissions and environment. Continuation of services so impact should remain same.

## **10. BACKGROUND DOCUMENTS**

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

- 10.1 None.

## **11. APPENDICES**

- 11.1 None.

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<b>PETERBOROUGH CITY COUNCIL CABINET</b>	AGENDA ITEM No. 8
<b>20 JUNE 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Charlotte Black, Executive Director People and Communities	
Cabinet Member(s) responsible:	Insert name and portfolio of Cabinet Member(s) Councillor John Howard Cabinet Member for Adult Social Care, Health and Public Health	
Contact Officer(s):	Toni Bawden, Commissioning Manager, LD/Autism Madeleine Hill	Tel. 07442 942096

### **LYONS GARDENS EXTENSION TO 31 OCTOBER 2023**

RECOMMENDATIONS	
<b>FROM:</b> Executive Director People and Communities	<b>Deadline date:</b> 20 June 2022
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> <li>1) Approve the contract extension with Hereward Care Services Ltd in relation to Lyons Gardens from 1 May 2022 to 31 October 2023 to align with the ongoing work around the respite review. The annual contract value is £787,125.60 per annum which equates to £1,180,688.40 over the life of the extension.</li> <li>2) Approve Peterborough City Council entering into a collaboration agreement with the CCG in relation to their acceptance to fund 50% of the contract costs, for the period 1 May 2022 to 31 October 2023.</li> </ol>	

#### **1. ORIGIN OF REPORT**

- 1.1 This report is submitted to Cabinet following a referral from the Corporate Leadership Team on 18 May 2022.

#### **2. PURPOSE AND REASON FOR REPORT**

- 2.1 The purpose of this report is to seek Cabinet approval to extend the Lyons Gardens contract by 18 months from 1 May 2022 to 31 October 2023 and to enter into a collaboration agreement with the CCG, to ensure the continuation of health crisis respite funding for people with Learning Disabilities (LD) in Peterborough, whilst a wider respite review is undertaken.
- 2.2 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.*

#### **3. TIMESCALES**

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

- 4.1 Lyons Gardens is a residential respite service in Glinton, Peterborough for people with Learning Disabilities (LD) and/or Autism. It is run on behalf of the Council by Hereward Care Services Ltd. The service provides both planned and unplanned respite to adults with LD across Peterborough, resulting in the avoidance of expensive permanent 24 hours care placements, giving a break to carers, reducing community crisis and by design avoiding unnecessary and costly admissions to acute mental health hospitals.
- 4.2 The service continues to support a vulnerable cohort of service users under pre-arranged and emergency respite, reducing pressure on other services and allowing people to remain in their own homes and reducing crisis costs and hospitalisations. It has the added benefit of providing respite to carers
- 4.3 Under the Care Act 2014 PCC has a statutory responsibility to meet the needs of people eligible for care and support including carers and to ensure sufficiency of services to meet those needs locally. PCC continues to meet its duties under the Care Act through its existing contract with Hereward Care for respite care at Lyons Gardens
- 4.4 It is a purpose-built 11-bedded unit across two bungalows with a sensory annex, designed to provide overnight accommodation to Adults (aged 17 to 65 years) with complex needs with a primary diagnosis of learning disability or autism. It was commissioned in 2005, due to Commissioning for Social Care Inspectorate (CSCI) (predecessor to the Care Quality Commission CQC) report which found existing Peterborough City Council (PCC) and Peterborough Primary Care Trust (PPCT) respite provisions to be “not fit for purpose” for people with LD.
- 4.5 Each bungalow has its own communal facilities of a kitchen, dining room and lounge. One bungalow has five bedrooms for standard and planned respite. The other has six bedrooms. Five of the beds are designated for service users under the crisis categories of Accelerated hospital discharge, hospital avoidance, or homelessness (breakdown of placement). The sixth bed is used for regular respite for individuals who are more likely to cause damage to the bedroom and require 1:1 support.
- 4.6 The current contract value is £787,125.60.13 per annum. The service has been jointly funded between Peterborough City Council (PCC) and the Clinical Commissioning Group (CCG) (previously Peterborough Clinical Primary Care Trust) since it was commissioned. 50% of the value is funded by the CCG for crisis beds to prevention hospitalisation, to contribute to health targets in reducing the number of people entering into hospital and enabling discharge from hospital. Currently the arrangement between health and social care has been via the Section 75 under the Health Act 2006 whereby PCC pays the contract in full and recharges the CCG for its share under a pooled arrangement. The S75 arrangement will cease in 2022 and the arrangements governed by a collaboration agreement between PCC and the CCG.
- 4.7 The CCG have confirmed that it will continue with the funding arrangements for crisis respite care at Lyons Gardens until the proposed extension end date of 31 October 2023.

#### **5. CONSULTATION**

- 5.1 A previous residential respite retender exercise was postponed due to the impact of Covid 19 with priority given to managing the increased number of individual placements considered to be high risk and requiring complex bespoke commissioning. The service at Lyons Gardens is of a good quality so the commissioning capacity was prioritised to reflect this. This report is to request



that the current arrangements are further extended to 31 October 2023 so that a full review and procurement can be completed of respite provision in Peterborough and Cambridgeshire and any tender aligned with that.

- 5.2 The review will look at
- a. utilisation data across Cambridgeshire County Council (CCC) and PCC;
  - b. sufficiency of services against demand, including the impact of unplanned respite and complex respite;
  - c. younger adults coming through from children's services and transitions care to consider alternative models of delivery to best meet needs; and
  - d. improving the effectiveness of referral processes and maximise effective data collection and monitoring.

5.3 This exercise will include a contract review of Lyons Gardens. It is recommended that the utilisation and demand for this service is ascertained in order to establish the need for procurement. Accordingly the current contract should be extended to allow for this to take place.

5.4 Whilst usage and demand has inevitably been affected by covid over the last two years,, prior to this PCC was experiencing a high demand for both planned and unplanned respite. Operational teams are reporting an increase in the numbers of supporting people with increasingly complex health needs, often at a younger age, plus those presenting with challenging behaviours or mental health presentations as well as crisis need. Not all service users are compatible within a service that caters to all needs and crisis respite can impact on planned stays

## **6. ANTICIPATED OUTCOMES OR IMPACT**

6.1 The extension of the contract will allow for significant work to be undertaken to support the review and transformation of the service delivery, commissioning mechanisms and outcomes and impacts achieved by individuals accessing these services. The work to be undertaken includes:

- Data collection, research and analysis
- A co-produced approach engaging with service users and their families on draft specifications, model and procurement approach, what they would like their outcomes to be from respite, how this can be achieved. This will link to children and young children's requirements for respite. Co-production will include PCC's engagement providers Voiceability, Enabling Independence, Pinpoint and Family Voice.
- Lyons Gardens contract review
- Developing solutions
- Consulting with stakeholders
- Testing and stimulating the market
- Ensuring the correct governance for all options and decisions
- Procurement and award of contract

6.2 The benefits of this programme of work will be realised through the following outcomes:

- Clearly defined respite care offer delivered through a process of co-production
- A review and options appraisal of in-house services to determine whether this option should be expanded, better aligned to externally commissioned services or delivered/procured differently
- Be able to define how much capacity we need within each locality to manage those with Social Care needs and better align supply to demand
- Conduct a successful commissioning exercise to procure services which will meet PCC's defined requirements
- Scope potential for savings or efficiencies through better understanding of the market and PCC's requirements

## **7. REASON FOR THE RECOMMENDATION**

- 7.1 To extend the Lyons Gardens contract to 31 October 2023 to align to the wider respite review work and ensure sufficient time is available to undertake this and make recommendations and develop future services thereby ensuring we meet our statutory duties during this time.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1
- Not extending the contract: will leave PCC at risk of not having a contract in place to govern the provision and roles and responsibilities of both the provider and PCC.
  - To end the current contract and stop providing the provision at Lyons Gardens. However, this would leave a gap in supply which would not meet known demand. The majority of LD respite provision in Peterborough is delivered at Lyons Gardens and there are a number people who rely on this for planned and unplanned respite. There is no alternative provision in Peterborough.
  - It would leave a gap in provision and impact on service users and the wider health system, as there is no alternative respite care model within the City.
  - Ending the provision would mean PCC is not meeting its statutory obligations under the Care Act to meet people's assessed need and also the needs of carer for whom respite allows them a break from their caring duties. The increased risk of carer breakdown would result in additional funding requirements for both in and out of county placements and greater likelihood of hospitalisations, delayed discharge and homelessness and well as greater demand on support services for carers.
  - Timescales to reprocur the contract now are too short to undertake a compliant tender and would likely be a replica of the current contract without strategic review of demand and need.

## **9. IMPLICATIONS**

### **Financial Implications**

- 9.1 The annual contract value is £787,125.60 per annum which equates to £1,180,688.40 over the life of the 18-month extension. 50% of this annual cost is funded by the CCG for crisis beds which prevent hospital admission, accelerate discharge or prevent placement breakdown.

### **Legal Implications**

- 9.2 The Council must ensure it provides care in accordance with the Care Act 2014. S5 of the Care Act 2014 places a general duty on the Council to promote the efficient and effective diversity and quality in the provision of services. In particular, S5(2) states that the Council must be aware of the current and likely future demand for services and to consider how providers might meet that demand, the importance of ensuring the sustainability of the market and have regard to the importance of promoting the well-being of adults in its area with care and support

The Council has been meeting its duties through the existing Contract with Hereward. The existing Contract was originally entered into by Peterborough Primary Care Trust (PPCT) in 2005. The Contract was novated from the PPCT to the Council on 20 November 2012. The Contract will automatically expire on 30 April 2022 unless extended by mutual agreement.

Where the Council awards a contract (either via an extension or a new contract) the Council is under a duty under the Public Contract Regulations 2015 to run a procurement to award the contract where the contract value exceeds the threshold. The Council has been advised that the procurement regime applies. However, the time required to undertake a viable procurement for a new contract, or to undertake a joint procurement to commission the services, in the long term for wider delivery across Peterborough and Cambridgeshire, will exceed the expiry date of the existing contract in April 2022. Unless the Council extends the existing contract or enters into a new contract for the services in the interim period, pending a viable procurement exercise, the Council will not have a contract in place to deliver the essential services and meet its obligation under the Care Act, following the expiry of the existing contract.

### **Equalities Implications**

- 9.3 If the service was not to continue then there would be a negative impact on people with LD, their families and carers

### **Carbon Impact Assessment**

- 9.5 Neutral Impact - Extending the Lyons Gardens Residential Respite contract for Adults with Learning Disability and/or Autism will have a neutral impact on carbon emissions and environment. It is a continuation of services so the impact should remain same.

## **10. BACKGROUND DOCUMENTS**

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

- 10.1 None.

## **11. APPENDICES**

- 11.1 None.

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<b>CABINET</b>	<b>AGENDA ITEM No. 9</b>
<b>20 JUNE 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Adrian Chapman, Executive Director Place and Economy	
Cabinet Member(s) responsible:	Cllr Marco Cereste, Cabinet Member for Climate Change, Planning, Housing and Transport	
Contact Officer(s):	Lewis Banks (Transport & Environment Manager)	Tel. 01733 317465

## **A1260 NENE PARKWAY JUNCTION 3 IMPROVEMENT SCHEME – DESIGN OF ACTIVE TRAVEL SCHEMES**

<b>RECOMMENDATIONS</b>	
<b>FROM: Executive Director Place and Economy</b>	<b>Deadline date: 20 June 2022</b>
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> <li>1. Approve the award of £165k to Milestone Infrastructure Limited to deliver preliminary design of active travel schemes to be delivered as part of the A1260 Nene Parkway Junction 32 to Junction 3 improvement scheme.</li> </ol>	

### **1. ORIGIN OF REPORT**

1.1 This report is submitted to Cabinet as it is a key decision under the executive delegations.

### **2. PURPOSE AND REASON FOR REPORT**

2.1 The purpose of this report is for Cabinet to consider and approve the award of £165k to Milestone Infrastructure Limited (in addition to £500k previously awarded in January 2021) to deliver preliminary design of active travel schemes to be delivered as part of the A1260 Nene Parkway Junction 32 to Junction 3 improvement scheme

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.3, *‘To determine any key decision (as defined in Article 11 – Decision Making), with the exception of any time-critical decision, which may be determined by the relevant portfolio holder.’*

### **3. TIMESCALES**

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

4.1 Junction 3 is a large, grade separated junction between two of Peterborough’s busiest strategic roads. The junction is a crucial cornerstone of the Parkway Network, connecting the A1139 Fletton Parkway and A1260 Nene Parkway, thus providing the majority of access to south-west Peterborough. The junction is used for trips across the Peterborough area, and experiences significant peak hour congestion, on the A1260 Nene Parkway and the A1260 The Serpentine

approaches. Because of its strategic location, the junction is critical to Peterborough's growth aspirations.

It is heavily used for trips in the southwest of Peterborough, as it accommodates eastbound, westbound, and northbound trips. A large number of facilities, businesses, and residences are also accessed by the southern arm.

A project has been identified to improve the junction. The project has been funded by the Cambridgeshire and Peterborough Combined Authority (CPCA) and to date the Strategic Outline Business Case (SOBC) and Outline Business Case (OBC) have been completed. A Cabinet Member Decision Notice (CMDN) was approved in January 2021 to award Skanska (now known as Milestone) to undertake the Full Business Case (FBC) and detailed design.

The FBC and detailed design is progressing and is planned to be completed late this calendar year. If completed it will be presented to the CPCA Board in January 2023 and a decision will be made on award of funding for the construction stage. At the same board a request will also be made for additional funding to carry out the detailed design of two active travel schemes.

It was thought that there may have been developer funding / an obligation for active travel schemes which is why this funding was not included as part of the FBC budget. However, this has been fully investigated and there is no developer funding that can be used for these schemes.

Following on from this a request was made to the CPCA and funding of £165k was granted to undertake the preliminary design of the two active travel schemes below:

- Malborne Way - new footpath from Saltmarsh to the Lime Academy School (approx. 200 meters). £65k
- Phorpres Way - new LTN 1/20 compliant cycleway connecting the existing cycleway on Phorpres Close to the existing cycleway in Cygnet Business Park and the London Road cycleway (approx. 250m). £100k

Improving the walking and cycling infrastructure will complement and enhance the main highway works planned for on Junction 3. The area around Junction 3 has excellent walking and cycling routes with two missing links that this project would solve. These two active travel schemes would form part of the Junction 3 FBC that is due to be completed later this year. Active travel is key part of CPCA's emerging Local Transport and Connectivity Plan. Therefore, it is hoped funding can be secured for construction of both active travel schemes once the design is completed.

The Economic Assessment demonstrated that the schemes by themselves have a BCR of 2.10 and the BCR for the whole Junction 3 scheme with the two active travel schemes included is 3.06. The schemes offer high value for money based on the current costing information. The assessment has been undertaken using Department for Transport's Propensity to Cycle Tool, the Active Mode Appraisal Toolkit and Transport for London's 'Valuing the Health Benefits of transport schemes' report.

**Table 1: Economic Assessment**

<b>Package</b>	<b>BCR</b>
Combined Malborne Way + Phorpres Way	2.10
Junction 3, Malborne Way and Phorpres Way Improvements	3.06

Since 2018/19 the Council has been awarded funding towards the project by the CPCA. To date a total of £810,164 has been claimed from the CPCA as detailed in Table 2 below.

**Table 2: CPCA funding claims**

<b>Financial Year</b>	<b>Claims</b>
2018/19	£64,780
2019/20	£267,707
2020/21	£265,900
2021/22	£211,777
<b>Total</b>	<b>£810,164</b>

The funding above was used to complete the SOBC and OBC stages of the business case as well as progressing the FBC stage and detailed design. As previously mentioned the additional £165k of funding will be used to undertake preliminary design of the Malborne Way and Phorpres Way active travel improvements. Therefore, a request is being made to obtain the approval from the Cabinet Member for this decision notice to enable the design work to begin as soon as possible and allow it to be included in the request for construction funding of the Junction 3 main highway scheme at the CPCA Board in January 2023.

If the decision notice is approved the work will be commissioned to Milestone Infrastructure Ltd under the existing Peterborough Highway Services contract. To maintain continuity and to avoid delay in the progress made so far, the preliminary designs will also be undertaken by Milestone as per the Peterborough Highway Services contract. The budget awarded will also be required to cover other project costs such as surveys. All payments to other suppliers will be reviewed and the necessary governance and procurement processes shall be followed.

## **5. CONSULTATION**

- 5.1 An online public and stakeholder consultation was undertaken for the main highway scheme. With regards to the cycleway improvements consultation will be undertaken with the Peterborough Cycle Forum.

## **6. ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 It is anticipated that the Council will award the package of work to Milestone Infrastructure Limited as outlined in this report.

## **7. REASON FOR THE RECOMMENDATION**

- 7.1 This recommendation has been made to ensure that the Council is able to effectively deliver grant funding awarded to it by the CPCA for the active travel improvement schemes. Successful delivery of the funding will help the Council to obtain further funding from the CPCA for the detailed design and construction.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 Not to deliver the scheme: This has been discounted because the walking and cycling network in and around Junction 3 of the A1260 Nene Parkway is in need of better connected routes that link to the wider network. Delivering the active travel improvements will provide residents with an alternative and more sustainable form of travel compared to the car. Successful delivery of the scheme will provide significant benefits to the wider travelling public, resulting in improvements to; journey times, accessibility and the environment.

## **9. IMPLICATIONS**

### **Financial Implications**

- 9.1 The recommendation will commit capital expenditure of £165k to be funded by confirmed grant from CPCA. No long-term borrowing for the Council arises from this decision. However, there will be a short term cashflow requirement to fund the project throughout until the claims are met.

In the event that the project is aborted, costs of business case development and preliminary design would need to be expensed to the revenue account but this risk is extremely low.

### **Legal Implications**

9.2 There are no legal implications arising as a result of this decision.

For clarification the current phase of the design does not require purchase of any third party land.

### **Equalities Implications**

9.3 It is not anticipated that any one identified group will be disproportionately affected by this proposal.

## **10. BACKGROUND DOCUMENTS**

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

10.1 CMDN for main highway scheme (27-01-21)

<https://democracy.peterborough.gov.uk/documents/s43306/CMDN%20J3%20-%20FBC%20and%20detailed%20design%20-%20PUB.pdf>

## **11. APPENDICES**

11.1 None.



# NPS: Options Report

Executive Summary

April 2022

## **Introduction**

1. Cipfa were asked to support the Council in reviewing the background to, and the current operation of Norse Property Services (Peterborough) Ltd, a joint venture company between the City Council and Norfolk County Council.
2. The review has been commissioned as part of a range of reviews examining how council companies and key contracts operate and the oversight that the City Council has over them.
3. This is one of several reviews to look at how effective the current delivery models are in terms of delivering against core Council aims and objectives. This includes looking at opportunities to deliver further cost reductions for the Council.
4. The reviews will also consider the effectiveness of governance arrangements for these companies and how well the Council is able to manage significant risks associated with individual companies.
5. This company review was prioritised by the City Council due to concerns around the quality of service that the Council is receiving from NPS and because it links closely to the Strategic Review of Property that Cipfa has also been commissioned to undertake
6. The assessment will look at the following key questions to establish whether the company is operating efficiently and effectively and whether it is delivering what the council wants it to deliver.
  - Are they incurring unnecessary spend?
  - Are they operating efficiently and effectively to deliver the Business Plan?
  - Do they expose the Council to significant risk/ financial liabilities?
  - Do they meet the strategic aims of the Council?
  - Are they consistent with the emerging Target Operating Model?
  - Does the Council have sufficient oversight and effective Governance Arrangements?
  - Are the Board Reporting arrangements adequate?
  - Are the assumptions made in the Business Plan reasonable and deliverable?
  - Is there a clear understanding about the exposure to risk?
  - Are there sufficient internal controls in place?
  - Does the company have the skills, capabilities and expertise required for a company of this type?
  - Transparency of information between the Council Shareholder and Operational team.
7. As more company reviews are completed, we will be drawing out more general issues around the Council's approach to companies.
8. The Project Brief for our review focussed on the following.

- 1) Review of annual business plans and company objectives to assess whether they were likely to deliver what the Council needed.
  - 2) Detailed Budget Review to assess the cost of the service and whether it was likely to deliver value for money for the Council.
  - 3) Monitoring arrangements including minutes of monthly client meetings to assess the level of oversight that the Council maintained over the company.
  - 4) Review of the Scope of Services currently provided by NPS under the contract (core services) and other associated services provided by NPS (non-core services)
9. As the review progressed the following areas became the focus of the review.
- 1) Third party services – to assess the level of work that the company undertook for other organisations and how this impacted on the Teckal requirement for the company to deliver at least 80% of services to the City Council.
  - 2) Significant property Transactions and the extent to which NPS has provided advice to the City Council on some of the most significant property transactions for the City Council.
  - 3) Valuations – this considers the level of expertise that NPS has to advise the City Council on both annual asset valuations and disposals.
  - 4) Relationships with other Council Companies and Contractors – the review looked at the overlap between the work of NPS and other companies delivering property related services to the City Council (i.e., Aragon and Serco)
  - 5) Property Data – the review considered how data on City Council properties was kept up to date by NPS and the level of access that the City Council had to that data under the Tech Forge property terrier system
10. Finally, the review moved on to consider a range of options for NPS in the context of the Strategic Property Review.
- 1) NPS interface with a new Strategic Property Function and whether this delivers value for money for the Council
  - 2) Service delivery operations ranging from maintaining the existing arrangements, varying these arrangements or terminating the arrangements with NPS
  - 3) Transitional Arrangements for creating the Strategic Property Function and the smooth transition of NPS functions into these new arrangements.
11. We have carried out a number of interviews with the following NPS and Norse personnel: Alex Gee, Operations Director NPSP, the main senior point of contact for the Council; Marina Robertson, Norse Group Director; Felicity Paddick –NPS Surveyor, principally working on valuations.

## **Executive summary of findings and recommendations**

12. Our review has not looked in detail at the functioning of the Aragon and Serco arrangements. We think that it is more urgent for the Council to consider our findings regarding its own organisation and its relationship with NPS as, in our view, the current arrangements are not effective primarily due to lack of overall property responsibility included in the JV and lack of a single strong client within the Council. Any change to its arrangements with Aragon and Serco will be the subject of other subsequent company reviews.
13. The report sets out three options and recommends that the Council gives the due 12 months notice to NPS to end the JV in its current form. The Council will need to establish its own coherent corporate property client team and will need to make decisions about whether the operational professional services are delivered in-house or by a third party, and whether any continued role for NPS could be considered.

### **Council organisation**

14. The Council has a disparate management structure for property and the Corporate Director – Resources does not have oversight of all aspects of the Council's Assets. As a result, there is a lack of corporate control; a lack of co-ordination and a lack of any corporate approach to managing the Council's property assets that brings together the Council Directorates with responsibility for property functions.
15. Additionally, the Council does not have a clear understanding of, or single point of control for, the data that it holds on its property assets. Improved focus in this area would improve resolution, scrutiny, performance supporting the development of mutual trust and better understanding with the service providers.

### **NPS Joint Venture**

#### **NPS Operations**

16. The NPS arrangement is a contractual arrangement with Norse, (itself a Norfolk County Council Teckal Company).
17. The business plan budget for NPS in 2022/23 is £1.335m and was £1.678m in 2021/22. The core fee has been largely static since 2016/17 and is currently £1.058m. The core fee has not reduced although the Council's asset value has reduced by c18% over this period from £450m to £370m.
18. The joint venture has two KPIs, which is considered limited. These are rent review and commercial lettings. The first has not been met and the second is not a useful measure of performance. The financial performance of the portfolio is only with NPS as far as lettings and rent reviews are concerned as NPS is not responsible for income and driving payment.

19. The staffing number in the structure allows for 21 posts, seven of which are surveyors, two relate to asset management and some relate to the management of St Peters Court on behalf of the Council (was previously with Opportunity Peterborough) and FM/Building Management related posts. There are a number of vacancies on the surveying and asset management side and this has affected performance in particular in relation to the asset management plan which is very weak, and the surveying side where the core workload appears to be greater than the number of staff available to cover.
20. NPS has at times been reactive rather than pro-active and primarily based on instructions that they receive from a disparate range of clients across the City Council's directorates. There is some evidence of challenge by NPS at times, but not always as the pressure to follow instruction has taken precedence over firm professional advice.
21. NPS has been involved in a number of property transactions where its sole role has been to commission an external valuation, or where it received an instruction from senior Council officers about how particular transactions should be handled. The Council should expect and be able to rely on NPS as its only professional property advisor providing independent advice to the Council to ensure it receives best consideration. Either through exclusion, or because advice was provided by NPS but set aside, or NPS has chosen to follow an instruction without advising, the Council has completed on a number of transactions in the past where the professional property advice is not as strong or formal as it might be.
22. In relation to valuations, we are aware that EY flagged a number of valuation errors in relation to the asset valuations included in the Council's accounts. Whilst most of these are minor and resolved or resolvable, the Council needs confidence that its accounts will not be held up for minor property anomalies in future.
23. Our review confirmed from the NPS monthly meeting minutes that the Tech Forge system is not used proactively to give the Council a clear understanding of the system or the opportunity to use it to support informed decision making as a competent information management tool, nor is it being used to its full potential. The Council's understanding and use of property data for decision making is weakened if the system is not widely understood and used in a co-ordinated way.
24. NPS carries out work for other clients and under the Teckel arrangement this can be up to 20%. This can take resource away from Council business and may not add anything to the Council. It may be that the Council would receive a better service by concentrating on its own needs than chasing existing business of limited value to the Council.
25. Given the lack of a strong client with a full understanding of property and asset management, and lack of full oversight and understanding of the activities, staff deployment and costs by anyone in the Council, the joint venture arrangement has not been the strong strategic partnership that might have been expected.

26. The core service fee year has remained stable over the past 6/7 years and that annual profit has exceeded the value of any external work in each year of the contract. It is not clear whether the joint venture represents value for money if the Council is fully funding its own service, with staff also covering third party business, but the council then sharing any savings / profit with its joint venture partner.
27. In relation to the board, we are aware that the Council is reviewing board governance elsewhere. With this JV the board arrangements do not provide the Council with a right to veto or power to approve additional income arrangements. Board minutes show the Council is always supportive of third-party income generation, notwithstanding they have limited understanding about the impact of this on the quality of the core service provision, and if the additional service is provided elsewhere in the Council the Council gets 50% of the profit but is paying 100% of the costs. The Board should receive annually a notification as to whether the JV is compliant with Teckal regulations. That has not been clearly set out in the board reports although external work is clearly below 20% in the business plan.
28. In relation to asset management planning, the Council may have expected added value from the JV being part of the wider Norse group. The asset management planning part of the JV has not been strong and at present there is no resource within NPS Peterborough to cover it.

### **Recommendations**

29. We have considered that the Council has a number of options available to it. These are:
  - Option 1: Do Nothing;
  - Option 2: Improve the existing arrangements;
  - Option 3: Serve notice to end the NPS Joint Venture and make alternative arrangements for the services currently provided by NPS;
30. For the reasons set out in the report, we do not consider Option 1 as a viable option open to the Council.
31. In our view the critical factor for improvement is the investment in a proper corporate property function. We have not currently estimated those costs and there would have to be a full analysis. In principle however we consider this is critical in order to maximise the Councils oversight, taking on the functions of Asset Management; Acquisitions and Disposals; Commercial Valuations; Management of the Commercial and Farms Estate and management of third-party property service providers. However, for the reasons outlined in our report we do not think this is a viable option as in our view this option does not overcome the issues we have identified with the Joint Venture, which does not provide the council with the oversight or transparency on cost and profits.

32. We recommend adoption of option 3 with the Council needing to invest in new resources to take on what we consider to be proper corporate property functions and serving notice to end the Joint Venture with NPS. This would give the Council the opportunity to reorganise its property services delivery through a range of third party providers. We recognise NPS's strengths are in providing purely property related surveying services and therefore professional property services limited to building surveying and property transactional work could remain with NPS. All other work currently undertaken by NPS could continue to be provided by NPS, Aragon or another third-party provider. This would include the Council making arrangements for data management of Tech Forge.
33. It would be necessary also to work through these consequences with NPS whilst at the same time dealing with the staffing consequences but we recommend Option 3 as this provides the most simple and rational arrangement for the Council going forward consistent with its strategic needs.
34. This would give the Council the opportunity to reorganise its property services delivery through third party providers or internally. NPS strengths are in providing purely property related surveying services and therefore professional property services limited to building surveying and property transactional work could remain with NPS. All other work currently undertaken by NPS could continue to be provided by NPS, Aragon or another third-party provider. This would include making arrangements for data management of Tech Forge.
35. It would be necessary also to work through these consequences with NPS whilst at the same time dealing with the staff consequences.
36. At this stage we recommend Option 3 as this provides the most simple and rational arrangement for the Council going forward consistent with its strategic needs.

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<b>CABINET</b>	<b>AGENDA ITEM No. 10</b>
<b>20 June 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Cecilie Booth, Director of Resources	
Cabinet Member(s) responsible:	Councillor Andy Coles, Cabinet Member for Finance and Property	
Contact Officer(s):	Cecilie Booth, Director of Resources	

**AGREEMENT TO TERMINATE THE COUNCIL'S AGREEMENT WITH NPS PETERBOROUGH LIMITED IN RELATION TO PROPERTY AND ESTATE**

RECOMMENDATIONS
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> <li>1. Agrees to terminate the Council's agreement with NPS Peterborough Ltd in relation to property and estate management services by giving twelve months' notice.</li> <li>2. Notes that alternative arrangements for delivery of property and estate management services will be put in place within the twelve month period.</li> <li>3. Delegates to the Director of Law and Governance in consultation with the Director of Resources the authority to issue notices and take all other steps necessary to give effect to recommendation 1 above.</li> </ol>

**1. PURPOSE AND REASON FOR REPORT**

- 1.1 The report is presented to Cabinet to recommend that the Council gives notice to terminate the agreement with NPS Peterborough Limited.
- 1.2 This report is for Cabinet to consider under its Terms of Reference No 3.2.17, '*Cabinet will be responsible for the following functions in relation to the Council's companies, partnership and charities; (b) The decommissioning/winding up of existing companies, partnerships and charities*'.
- 1.3 With the approval of the Chair of the Growth, Resources, and Communities Scrutiny Committee, the urgency procedures have been invoked to suspend the requirement to publish the decision on the forward plan for 28 days. The consideration and call-in period remain in place. This procedure has been invoked to enable the 12 months' notice to start at the earliest opportunity, with delay to September Cabinet considered detrimental to future service provision.

## 2. BACKGROUND AND KEY ISSUES

- 2.1 The Council entered into a services agreement with NPS Peterborough Ltd on the 8<sup>th</sup> July 2016 for a ten year period with an original contract value of c£1.5m per annum and provisions to review the contract value on an annual basis following the submission to the Council of a detailed business plan.
- 2.2 NPS Peterborough Limited is a 50:50 joint venture company controlled by the Council and Norse Consulting Group Limited, part of the Norse Group controlled by Norfolk County Council.
- 2.3 The purpose of NPS Peterborough Ltd was to deliver the Council's estate management, commissioning, facilities management and energy billing; absorbing work which had been placed in contract with either Serco Limited or Amey Limited and some internal strategic property and external consultancy for strategic property projects. The services delivered under this contract are split between core and additional.
- 2.4 Core services provided by NPS include:
- Property Inspection
  - Lease Acquisitions & Management
  - Estate Management
  - Licences and consents
  - Rent Reviews
  - Income Management
  - General Valuation & commissioning
  - General Property Advice
  - RTB advice
  - NNDR and Rating advice
  - Premises and FM Management
  - Tech Forge updating
  - Client agent /management of billing
  - Initial feasibility advice on projects
  - Assets of Community value
- 2.5 Additional cost services include:
- Project and Programme Management – minor and major council works
  - Annual Asset Valuations
  - Third Party contract office FM services
  - External consultants including valuations (at 6% on cost charge)
- 2.6 The Council receives a 50% profit share in the form of a volume discount annually. The Council's Shareholder Cabinet Committee approves the annual Business Plan. The joint venture board meets quarterly. There are five Board Directors; two each are nominated by each partner with the fifth director being the jointly appointed Operations Director.
- 2.7 NPS Peterborough Limited has a staffing level of 21, 13 of whom are wholly dedicated to Council activity . NPS is holding a number of vacancies at present pending review.
- 2.8 The contract core work includes property relating work for Resources and the Place & Economy Directorate with other property work commissioned directly by services – amounting to between 25-40% of the value of the core contract over the years. The fragmented arrangement was one of the reasons the joint venture company was

established, but that issue has not been addressed through this arrangement or internally by the Council. The Council pays additional fees for non core work and a 6% fee for external valuation or consultancy.

- 2.9 The core fee for NPS services has remained fairly static over the six year period of the contract at c£1.1-£1.2m with additional work over ranging over time, currently planned at c£250k. What the Council actually pays is reduced with the volume discount / profit share.
- 2.10 The termination clause in the contract with NPS are as follows:
- Standard clauses re: insolvency, material breaches, bankruptcy, dishonesty
  - Terminate on the day immediately preceding the day of the tenth anniversary (2026)
  - Either party can give not less than 12 months' notice for any reason
  - Either party proposes service changes that cannot be agreed, allowing the proposing party to terminate the contract giving 12 months' notice
  - Company proposed staffing changes to the extent the services cannot be reasonably be delivered
  - The Teckal exemption no longer applies, unless the council reasonably believes the exemption issue can be remedied, it can terminate the contract forthwith.
- 2.11 The Council asked CIPFA to carry out a review of companies including NPS. This review has been completed and the executive summary is attached as Appendix A. This considered a number of options and recommended that the Council considers terminating the current arrangement.
- 2.12 The primary reason for termination is so that the Council has better corporate oversight and control of its property portfolio and asset management planning, including its disposals strategy. The Council has no internal property expertise or capacity and has not been in a position to client the joint venture contract effectively. The Council's arrangements for property are fragmented with the Corporate Director – Resources not having oversight of all aspects of the Council's assets. As a result, there is a lack of co-ordination and a lack of any corporate approach to managing the Council's property assets that brings together the Council Directorates with responsibility for property functions.
- 2.13 The joint venture has not reduced the fragmentation of delivery. Some of the services provided by NPS have been added in because at the time there was nowhere else to put them, but as a whole this has resulted in fragmentation and a lack of coherence in particular on the facilities management side.
- 2.14 The next step will be to determine how the services currently provided by NPS will be delivered in the future, whether internally or through other formal of external contracts or frameworks. Some of the facilities management related services can more quickly be absorbed back into Council delivery whilst the strategic and professional property service will be subject to future decisions about arrangements. Meanwhile it is intended to establish a core strategic property function for the Council to ensure that the Council is able to manage its property portfolio in the future.

### 3. ANTICIPATED OUTCOMES OR IMPACT

- 3.1 The outcome of the review and the termination of the contract will be to allow the Council to reorganise the way in which it manages its property portfolio and will ensure that the Council has the right level of corporate oversight in relation to property decisions and strategic asset management planning.
- 3.2 The NPS team is small and the implications of the termination, including TUPE, will be worked through with them over the coming twelve months.

### 4. REASON FOR THE RECOMMENDATION

- 4.1 The joint venture arrangement with NPS was established in 2016 as a way to provide a more focused property service following previously outsourcing of some of the property functions. The arrangement has left the Council with a gap in terms of its strategic property and asset management planning, and has not reduced the fragmentation of delivery. Some of the services provided by NPS have been added in because at the time there was nowhere else to put them, but as a whole this has resulted in fragmentation and a lack of coherence in particular on the facilities management side.

### 5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The CIPFA review considered the alternative options as below:

**Option 1: Do nothing** - this option was considered in the CIPFA review and not recommended as there are fundamental issues relating to the structure of the contract that mean the Council should not continue on the current basis.

**Option 2: Improve the existing arrangements** - this option has been considered in the CVIPFA review and is not recommended due to the significant level of change required and the need in any case for the Council to re-establish its own internal strategic property function.

**Option 3: Serve notice to end the NPS Joint Venture and make alternative arrangements for the services currently provided by NPS** - this option is recommended in the CIPFA review and in this report. This option will allow the Council to establish an appropriate internal structure to manage its property portfolio more effectively and will allow the Council to decide in coming months which services could continue to be provided by external arrangements. This option allows for a potentially new relationship with external providers potentially including NPS.

### 6. CONSULTATION

- 6.1 None required although CIPFA report was prepared after consultation with Council officers and NPS.

### 7. IMPLICATIONS

#### Financial Implications

- 7.1 The current cost of the core NPS contract is budgeted at a net £0.85m, plus £0.1m for a client function.

It is too early to indicate any potential costs or saving arising from new arrangements which will need to be put in place. There are likely to be additional staffing costs during the transitional period to be managed in year, and there will be financial implications arising from any TUPE requirements. Budget proposals for 2023/24 and beyond will take account of the costs of the new service design compared to the existing budget envelope.

The need to make savings on Council property is a key part of the MTFS and this will be included in proposals for new arrangements to be brought forward in due course.

### **Legal Implications**

- 7.2 The Council is able to terminate these arrangements by giving 12 months' notice to NPS Peterborough Limited in accordance with the terms of the services agreement between The Council and NPS Peterborough Limited dated 8 July 2016.

The contract termination will trigger termination of any licences granted by the Council to NPS Peterborough to occupy Council premises for the purposes of delivering the contractual services.

It is likely that the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) will apply to qualifying employees of NPS Peterborough Limited on expiry of the notice period and transfer of the services to any future service provider(s).

In due course the joint venture partners may determine that the corporate entity of NPS Peterborough Limited is no longer required and should be dissolved.

### **Equalities Implications**

- 7.3 No specific implications arising from this report.

### **Carbon Impact Assessment**

- 7.4 No specific implications in this report.

## **8. BACKGROUND DOCUMENTS**

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

- 8.1 Cabinet March 2016  
[8. Future Delivery of Property Services.pdf \(peterborough.gov.uk\)](#)

## **9. APPENDICES**

- 9.1 Appendix 1: CPIFA review of NPS: Executive Summary

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<b>CABINET</b>	<b>AGENDA ITEM No. 11</b>
<b>20 June 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Adrian Chapman, Executive Director: Place and Economy	
Cabinet Member(s) responsible:	Cllr Wayne Fitzgerald, Leader of the Council	
Contact Officer(s):	Adrian Chapman, Executive Director: Place and Economy	Tel. 07920 160441

## OPPORTUNITY PETERBOROUGH

RECOMMENDATIONS	
<b>FROM:</b> Executive Director, Place and Economy	<b>Deadline date:</b> N/A
<p>It is recommended that Cabinet:</p> <ul style="list-style-type: none"> <li>• Approves, in principle, the integration of Opportunity Peterborough into the Council</li> <li>• Delegates authority to the Executive Director for Place and Economy, in consultation with the Leader of the Council, to formally engage with the Opportunity Peterborough Board in order to facilitate an effective transfer</li> <li>• Agrees to receive a further report following consultation with Opportunity Peterborough setting out the outcome of that consultation and to make any formal decision regarding transfer</li> <li>• Notes the exceptional performance of Opportunity Peterborough over many years, and formally thanks the Opportunity Peterborough Board of Directors for their governance and leadership</li> </ul>	

### 1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet following a referral from the Corporate Leadership Team.

### 2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to enable Cabinet to consider a proposal relating to the way our economic development function is carried out.

2.2 This report is for [Insert name of Committee] to consider under its Terms of Reference No. 3.2.17, *'Cabinet will be responsible for the following functions in relation to the Council's companies, partnership and charities: (b) The decommissioning/winding up of existing companies, partnerships and charities.'*

### 3. TIMESCALES

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

- 4.1 For a number of reasons, the council's leadership, enabling and convening role in relation to economic development, including and particularly attracting inward investment into Peterborough, has never been more important:
- The council's own financial sustainability relies on the delivery of a comprehensive, successful growth strategy that grows the city in terms of jobs, housing, and economic outcomes
  - We need to respond imaginatively to the challenges households are facing in relation to financial hardship, both as a consequence of the current cost of living pressures as well as the legacy impacts of the pandemic (which may take years to fully play out)
  - We need to properly address the inequalities in our city which remain of significant concern – including those relating to educational attainment, skills, household income, health and wellbeing, and housing
  - We need to readily respond to the unique features of our city – including location, land and housing values, diversity of our population, readiness and willingness to grow, and a can-do policy adopted by our administration
- 4.2 The creation of the new Place, Economy and Communities directorate is the first step in organising ourselves in the right way to ensure we identify and seize funding and investment opportunities, and to help make sure we take the right decisions that respond best to the needs of existing and new communities. A restructure for the directorate is planned which will include a clearer leadership focus on (i) planning and infrastructure in all its forms, (ii) housing, (iii) responsive community services with a stronger focus on prevention, behaviour change and enforcement, and, critically, (iv) economic growth, inward investment, and regeneration.
- 4.3 An interim Chief Planner has already been appointed, and, at time of writing, shortlisting for an interim Assistant Director for Growth and Regeneration is underway. However, there is a more pressing need to establish a clear focus on the council's role in relation to economic development as the primary driver for enabling growth and regeneration.
- 4.4 The bulk of the work previously led by the Assistant Director for Growth and Regeneration has been redistributed across other core funded roles, supplemented by some additional external capacity. This includes high profile projects such as the Towns Fund, Levelling Up Fund, University, and the Shared Prosperity Fund. This has some positive benefits, not least moving away from single person dependency, but there is very little capacity across the council to sustain this approach. Further, aside from the Chief Executive and the Executive Director, neither of whom can give this the focus it needs, nobody is proactively monitoring and pursuing economic growth and regeneration opportunities which are abundant at present.
- 4.5 Alongside this, economic development in Peterborough is delivered via Opportunity Peterborough (OP), a wholly owned company that is funded by the council. The levels of investment the council has made in OP have reduced over many years, with the organisation diversifying to replace lost funding. The organisation now comprises a CEO plus three officers, along with five staff who form the Smart Manufacturing Alliance team (a joint venture with the CPCA using £715,000 of Local Growth Fund to establish a network for manufacturers from across Cambridgeshire and Peterborough with the aim of driving productivity, innovation, and sustainability, and creating a world class manufacturing cluster).
- 4.6 Alongside the Smart Manufacturing Alliance, OP deliver a range of other functions currently, including:
- **Inward investment** - Promotion of the city to attract more businesses to establish themselves in Peterborough and create good quality jobs. Support existing investor to achieve growth plans, securing further investment into the city.
  - **Visitor economy** – Promotion of the city to raise awareness of the city's attractions and events to encourage more people to explore the city and increase visitor spend from local communities to international tourists.



- **Bondholder Network** – Generic business network offering 5-6 business breakfasts per year, members portal, monthly newsletters, discounted tickets to the Bondholder Dinner. Currently c.130 members paying £100 p.a.
- **Bondholder Dinner** – Annual black-tie dinner held for 450 guests in Peterborough Cathedral.
- **Advanced Capabilities for Manufacturing – Industry 4.0 (ACMI4.0)** – An EU funded (ERDF) programme to support the adoption of industry 4.0 technologies by manufacturers across Cambridgeshire and Peterborough. Delivered in partnership by Opportunity Peterborough and the Smart Manufacturing Alliance. Support consists of grants of up to £20,000 and 12 hours of free support. Due for completion June 2023.
- **Town's Fund** – Opportunity Peterborough has led on the development of a feasibility study for an enterprise and skills hub/digital incubator, due to be presented to the Towns Fund Board later this month.
- **LEADER** – An EU funded (EAFRD) programme to support rural businesses and community groups. One applicant project remaining due to delays in completion. Due for completion by 20<sup>th</sup> June this year. Wrap up time required (confirm with Programme and Operations Manager).

4.7 Given the context described in this report, it is now vital we re-establish a responsive, dynamic, and entrepreneurial approach to economic growth and development. As previously mentioned, we are recruiting an interim Assistant Director for Growth and Regeneration who will help to maintain oversight, in the short term, across the portfolio of existing and emerging projects and programmes. Alongside this, it is recommended that we internalise the economic development function, so that these two aspects – economic growth and economic development – can be fully aligned to create a seamless, end-to-end focus on fully maximising the economic, external investment and growth and regeneration opportunities available to us.

4.8 In practice, this would mean transferring the OP staff team into the council, and, alongside the interim Chief Planner and interim AD for Growth and Regeneration, considering how best to structure our resource to meet the aspirations and requirements set out at the start of the report in an affordable way.

4.9 If this proposal is supported by Cabinet, the process of entering into formal negotiations with the Opportunity Peterborough Board of Directors will commence in order to establish the best route forward for an orderly transition. We will concurrently need to work on the financial implications of this model to ensure it is both affordable and sustainable. Depending upon the outcome of that consultation, a further report will then be presented to Cabinet setting our firm and final recommendations.

## 5. CONSULTATION

5.1 Informal discussion has taken place with the Opportunity Peterborough Chief Executive, who in turn has informally briefed the Board of Directors.

5.2 If the recommendations are agreed by both the council and the OP Board, formal consultation with Directors, funders, and, critically, employees will need to take place, the latter in accordance with appropriate legislation.

## 6. ANTICIPATED OUTCOMES OR IMPACT

6.1 Assuming the recommendations are agreed, the council will develop a coherent and joined-up approach to economic development, growth and regeneration, contributing directly to improved outcomes for our residents and employers, and supporting our financial sustainability programme.

## 7. REASON FOR THE RECOMMENDATION

7.1 The recommendations are proposed in order to improve the effectiveness of our whole growth, regeneration and economic development functions.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

8.1 Not to negotiate a transfer as set out in this report; this however is discounted as we have identified the need to bolster our capacity across our growth, regeneration and economic development functions in order to maximise the benefits to the city.

## **9. IMPLICATIONS**

### **Financial Implications**

9.1 As part of the council's budget, funding for Opportunity Peterborough has reduced this year, and further reduces to zero in 2023/24. Provision will therefore need to be made to fund the costs of staff and services that are not currently funded through grants. This will be achieved through realigning existing budgets in the Place and Economy Directorate that are available as a result of staff turnover.

### **Legal Implications**

9.2 Opportunity Peterborough is a wholly owned company of the council, and appropriate legal advice will need to be sought to ensure a lawful transfer of staff and services, if agreed. Formal staff consultation will also need to take place under TUPE legislation.

### **Equalities Implications**

9.3 None.

### **Carbon Impact Assessment**

9.4 This proposal is to transfer Opportunity Peterborough services and staff into the council and will have no Carbon impacts

## **10. BACKGROUND DOCUMENTS**

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

10.1 None.

## **11. APPENDICES**

11.1 None.

<b>CABINET</b>	<b>AGENDA ITEM No. 12</b>
<b>20 JUNE 2022</b>	<b>PUBLIC REPORT</b>

Cabinet Member(s) responsible:	Cllr Andy Coles, Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Cecilie Booth, Interim Corporate Director of Resources Kirsty Nutton, Acting Service Director: Financial Services	Tel. 452520 Tel. 384590

### **BUDGET MONITORING REPORT FINAL OUTTURN 2021/22**

RECOMMENDATIONS	
FROM: Interim Corporate Director of Resources	Deadline date: 10 June 2022
<p>It is recommended that Cabinet notes:</p> <ol style="list-style-type: none"> <li>1. The final outturn position for 2021/22 (subject to finalisation of the statutory statement of accounts) of a £4.5m underspend on the Council’s revenue budget.</li> <li>2. The reserves position outlined in section 7, which includes a contribution to of £4.5m to reserves balances, resulting from the underspend highlighted in the revenue outturn report in Appendix A.</li> <li>3. The outturn spending of £79.3m in the Council’s capital programme in 2021/22 outlined in section 7.</li> <li>4. That the financial performance for the year is a positive first step and is in line with the Improvement Plan and Tactical Budget approved by Council, however, the financial challenge for the Council remains and requires continued focus and discipline to deliver per both aforementioned plans.</li> <li>5. The performance against the prudential indicators outlined in Appendix C.</li> <li>6. The performance on the payment of creditors, collection performance for debtors, local taxation and benefit overpayments outlined in Appendix D.</li> </ol>	

#### **1.0 ORIGIN OF THE REPORT**

1.1 This report is sent to Cabinet as a monitoring item. The outturn position will be reported to Audit Committee on 11 July 2022 alongside the draft statement of accounts for 2021/22.

#### **2.0 PURPOSE AND REASON FOR REPORT**

2.1 The report provides Cabinet with the outturn position for both the revenue budget and capital programme for 2021/22, subject to any changes that may be needed as part of the finalisation of the Statement of Accounts and subsequent external audit.

2.2 The report has performance information on the payment of creditors and collection performance for debtors, local taxation, and benefit overpayments.

2.3 The report is for Cabinet to consider under its terms of reference 3.2.7 to handle the Council’s overall budget and decide action to ensure that the overall budget still is within the cash limit.

### 3.0 TIMESCALE

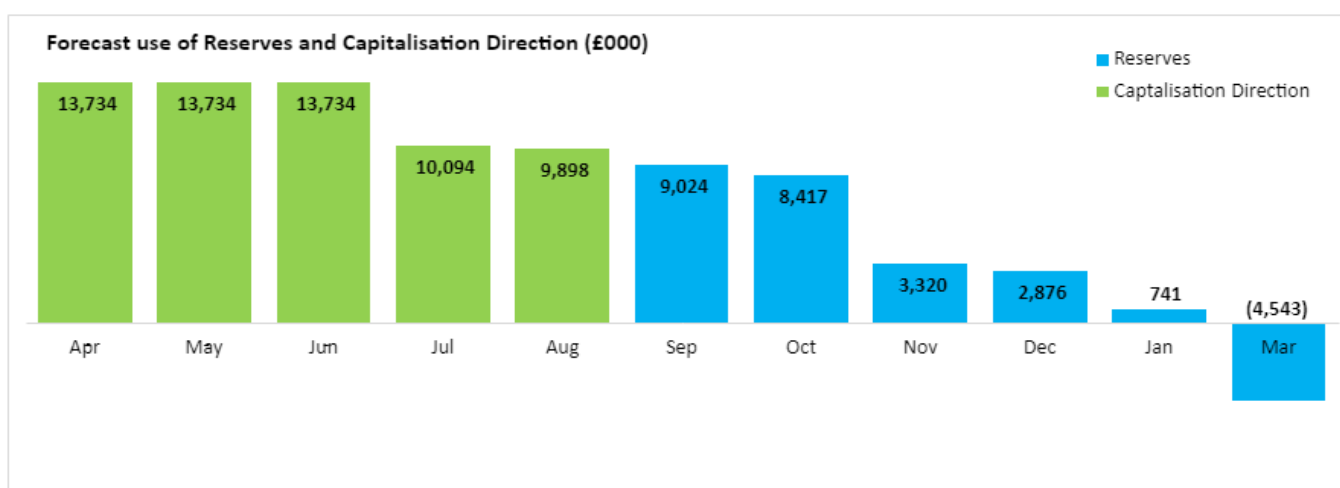
Is this a Major Policy Item/ Statutory Plan	NO	If yes, date for Cabinet meeting	N/A
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### 4.0 EXECUTIVE SUMMARY

- 4.1 This section provides a summary of the Council's financial performance for 2021/22. From requesting Exceptional Financial Support from DLUHC in order to set a balanced budget and receiving scrutiny reviews from DLUHC, to the implementation of the Improvement Plan and resulting moratorium on expenditure. The final £4.5m underspend is a positive first step for the Council on delivering its core priority of financial sustainability. However, the savings identified in the 2021/22 tactical budget require focus to ensure delivery at the same time as identifying opportunities to deliver financial sustainability over the medium to long term. The financial operating context for the Council remains highly challenging with new uncertainties and risks creating additional pressures such as the exposure to inflation risk. The Council must continue to challenge itself on how every penny of its money is spent.
- 4.2 During 2020, the impact from the pandemic meant that the Council was incurring additional costs and experiencing demand and funding uncertainties for the Council. At the time the Council was operating in a challenging financial environment with poor financial health and a weak financially resilient position. Therefore, in October 2020 the Council commenced discussions with DLUHC which led to the agreement of Exceptional Financial Support (EFS), in the form of a capitalisation direction of £13.7m, which enabled the Council to set a balanced budget for 2021/22.
- 4.3 At the end of 2020/21 financial year an estimated £12.8m net pressure for 2021/22 was forecast for continuing pandemic related pressures. Therefore at the end of 2020/21 the Covid-19 Funding Reserve (C-19 Reserve) was created with £12.8m, with the expectation that this reserve would be used to fund the additional C-19 pressures carried forward into the new financial year.
- 4.4 Based on the information known at the time, and given the continued uncertainties created from C-19 social restrictions and related demand increases, in April 2021 the forecast outturn for 2021/22 was anticipated to exceed budget by £6.8m. As more information became available, and uncertainties became known the forecast outturns for financial performance reduced in each of the following months. Though budget pressures remained, the scale was lower than the Council's service based officers originally estimated, and there was no requirement to use the C-19 Reserve as originally envisaged. This enabled the Council to amend its financial strategy during the summer of 2021 and to use the reserve and reduce the reliance on the Capitalisation Direction (EFS) it had budgeted to fund the revenue position of £13.7m. This revised financial strategy was adopted to facilitate future year savings by avoiding borrowing costs and avoid the additional 1% penalty applied to EFS funding.
- 4.5 Within the August BCR report the Council confirmed this change in financial strategy and proposed to complete a budget virement to reduce the Capitalisation Direction by £10.5m and use the C-19 Reserve instead. A balance of £2.3m was committed from the reserve to mitigate the risk of any arising C-19 or winter pressures. This approach was taken given that at the time Peterborough had been identified as having one of the highest infection rates in the country, with local hospitals struggling with sickness and demand levels.
- 4.6 As part of the drafting of the Council's Improvement Plan, a requirement from DLUHC for granting EFS, a plan for the development and creation of a sustainable medium term financial strategy was drafted,

and later approved at full council in December. As part of this plan the Council's DS151 Officer issued a moratorium instruction that restricted expenditure to essential statutory services across the organisation. The Council also paused a number of capital investment schemes. The Improvement Plan recognised that restricting expenditure in the final months would protect the Council's reserve balances to fund transformation, increase the Council's financial resilience, and / or strategically support the following financial years budget.

- 4.7 The revenue moratorium had an immediate impact on the Council's forecast outturn which continued to improve until the end of the financial year. The financial performance improved to remove the need to use any reserves or Capitalisation Direction to underpin the 2021/22 expenditure. The overall revenue outturn shows an underspend position of £4.5m for 2021/22. This underspend has enabled the Council to increase its General Fund balance by £1.3m to £7.3m (4% of the net revenue budget), and to contribute £3.2m to an inflation reserve to mitigate the current inflationary risk exposure during 2022/23 and beyond.
- 4.8 The following graph outlines this change in forecast capitalisation direction and reserves use throughout the year:



## 5.0 FINAL REVENUE OUTTTURN 2021/22

### 2021/22 Budget Position

- 5.1 The revenue budget for 2021/22, agreed at Full Council on 3 March 2021, was approved at £187.3m. Table 1 outlines the changes which have been made to the budget to arrive at the revised budget of £176.6m:

<b>Table 1: Revised Budget 2021/22</b>	<b>£m</b>
<b>Approved Budget 2021/22</b>	<b>187.255</b>
Transfer of IBCF and ASC grant from financing into People & Communities	(12.933)
<b>Use of Reserves to fund expenditure:</b>	
People & Community	1.118
Place & Economy	0.114
Capacity Reserve Contribution	0.714
Other Reserve (Insurance and Parish's)	0.283
<b>Revised Budget 2021/22</b>	<b>176.551</b>

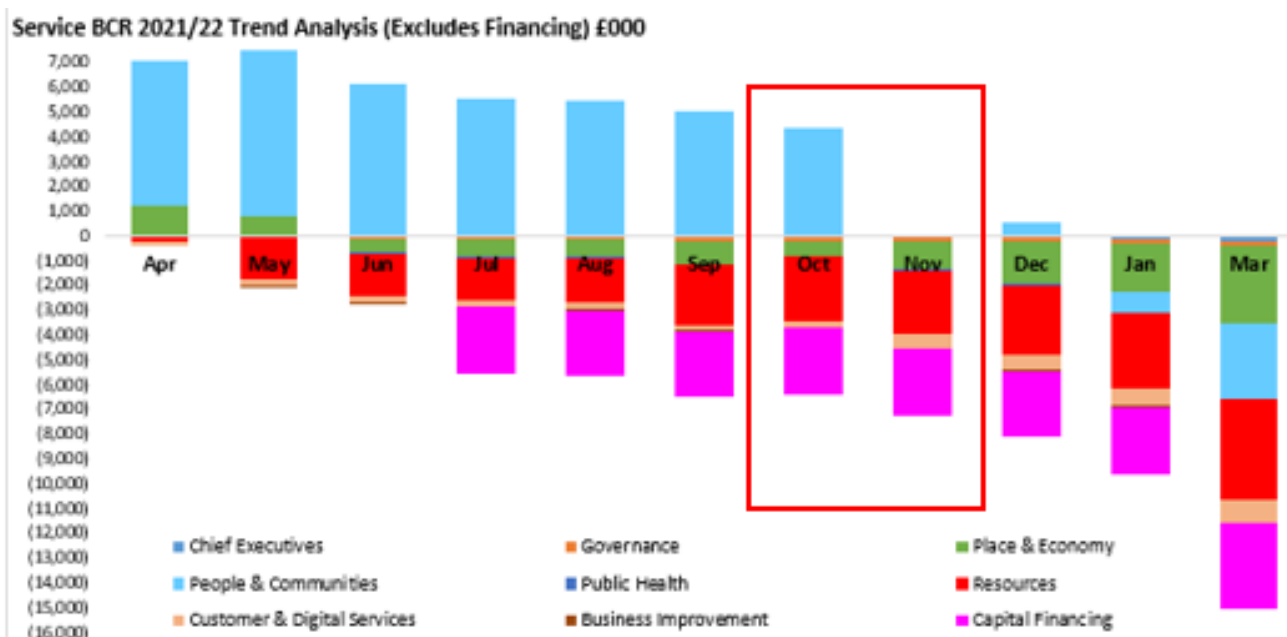
## Revenue Outturn

- 5.2 The Council's revenue outturn position for 2021/22 is an underspend of £4.5m with performance summarised by directorate in Table 2.
- 5.3 The final financial performance should be recognised in the context of the impact, additional cost, and uncertainties caused by the Covid-19 (C-19) pandemic against a weak financial resilient position. In October 2020, the Council commenced discussions with MHCLG (now DLUHC) in accordance with the amended CIPFA guidance on issuing a Section 114. At the time of the discussion the Council was exposed to a series of significant unknowns in the Council's operating environment on which to base its budget assumptions. As a result of the conditions, and the limited recourse to reserves, the Council had been unable to address its underlying funding shortfall through budget savings alone. The Council received confirmation that MHCLG (DLUHC) would provide exceptional support in 2021/22 of up to £20.0m which was conditional on working with MHCLG (DLUHC) to develop a delivery model that secured financial sustainability. With the use of exceptional support, provided by MHCLG (DLUHC) in the form of a capitalisation direction of £13.7m, the Council was able to set a balanced budget for 2021/22.

**Table 2: Revenue outturn 2021/22**

Directorate	Budget £k	Final Outturn Spend £k	Cont. to Reserve £k	Variance £k	Januarys Variance £k	Movement £k	Overall Status
Chief Executives	1,225	1,051	0	(173)	(100)	(73)	Underspend
Governance	4,192	4,004	0	(188)	(149)	(39)	Underspend
Place & Economy	23,729	20,046	539	(3,144)	(1,971)	(1,172)	Underspend
People & Communities	85,091	81,816	192	(3,083)	(889)	(2,194)	Underspend
Public Health	(188)	(1,097)	907	(3)	0	(3)	On Budget
Resources	22,797	18,378	418	(4,001)	(3,030)	(971)	Underspend
Customer & Digital Services	7,857	6,877	0	(980)	(718)	(262)	Underspend
Business Improvement	1,050	1,016	0	(34)	(29)	(4)	Underspend
Capital Financing	30,798	27,357	0	(3,440)	(2,687)	(753)	Underspend
<b>Total Expenditure</b>	<b>176,551</b>	<b>159,448</b>	<b>2,055</b>	<b>(15,048)</b>	<b>(9,575)</b>	<b>(5,473)</b>	<b>Underspend</b>
Financing	(173,317)	(176,038)	9,991	7,270	6,341	929	Reduction in the Use of Reserves
Exceptional Financial Support (Capitalisation Direction)	(3,234)	0		3,234	3,234	0	Reduction in Borrowing
<b>Net</b>	<b>(0)</b>	<b>(16,590)</b>	<b>12,047</b>	<b>(4,543)</b>	<b>0</b>	<b>(4,543)</b>	Breakeven

- 5.4 At the end of the previous financial year, 2020/21, the Council created a £12.8m specific Covid-19 funding reserve in order to fund future anticipated C-19 pressures for the new 2021/22 financial year. This reserve was able to be created in the previous financial year from the improved position from continued government support and funding for the sector (announced throughout the year) and a delay in the expected Covid-19 related demand pressures.
- 5.5 The following chart summarises the change in position at a directorate level through the 2021/22 financial year:



*\*Change in November position referenced in section 5.7*

- 5.6 In April 2021 a forecast overspend of £6.8m for 2021/22 was estimated however it was revised downwards as the year progressed which resulted in the commitment to fund C-19 related pressures from the C-19 reserve to be lower than originally envisioned at the point of setting the budget.
- 5.7 As a result the Council was able to amend its financial strategy for the year to reflect the use of the C-19 reserve to fund the 2021/22 revenue budget instead of undertaking additional borrowing allowed through the granting of a Capitalisation Direction from DLUHC (Exceptional Financial Support (EFS)). This strategy was adopted in order to facilitate future year savings in borrowing costs and avoid the additional 1% penalty applied to EFS funding.
- 5.8 Within the August BCR report the Council proposed to complete a budget virement to reduce the Capitalisation Direction by £10.5m, and use the Covid-19 reserve instead, leaving £2.3m in the reserve to mitigate any arising Covid-19 or winter pressures. At this time, Peterborough had been identified as having one of the highest infection rates in the country, therefore highlighting the risk that the impacts of Covid-19 remained.
- 5.9 At the end of November the Council's DS151 Officer issued a moratorium instruction that restricted expenditure to essential statutory services across the organisation. The Council also paused a number of capital schemes and introduced a moratorium on capital expenditure. Within a month of the moratorium being in place the forecast outturn position improved by £5.1m (with the change being highlighted in the chart in section 4.8). The majority of the revised forecasts were a result of budget managers re-evaluating likely spend between this point and the end of the year and reducing the estimate. In addition, additional savings were forecast for:
- training, car allowances and travel and subsistence
  - holding vacant posts
  - on supplies and services - furniture and equipment, hospitality, publications, subscriptions, stationery, conferences, hire of premises, printing.
- 5.10 The forecast outturn position throughout the remaining months of the year continued to improve concluding with a £4.5m underspend. The majority of these variances have already been considered or factored into the 2022/23 budget, this includes:
- Capital Financing (cost of borrowing – interest and debt repayments)

- ICT hardware and software
- Children Social Care
- Electricity income generated from the Energy from Waste facility.
- Business Rates Pool income

5.11 However some of the budget performance variances were the result of a one-off events, primarily the pension cost reduction due to the cessation of Vivacity and the loss of culture and leisure and parking income resulting from the tail end of pandemic. The Council has put measures in place to mitigate the latter, and is developing plans within Culture and Leisure service, to ensure these pressures are minimised and deliver an on-going saving from 2022/23 onwards.

5.12 In summary the final £4.5m underspend is a positive first step for the Council on delivering its core priority of financial sustainability. However, the savings identified in the 2021/22 tactical budget require focus to ensure delivery at the same time as identifying opportunities to deliver financial sustainability over the medium to long term. The financial operating context for the Council remains highly challenging with new uncertainties and risks creating additional pressures such as the exposure to inflation risk. The Council must continue to challenge itself on how every penny of the it's money is spent.

5.13 The key budget variances are outlined in the following table by Service Area, with the pressures being highlighted in red, and the underspends in green:

Directorate	Service Area	Variance £000	Impact
Place & Economy	Westcombe Engineering Pressure	497	Arrears in raw castings and increase in price of Raw Materials
	Peterborough Highways Savings	(947)	Significant Savings on Employee Costs, Street lighting and Highways inflation budgets, as well as additional income.
	Housing- pressure	784	Additional Costs arising from Rough Sleepers. Additional costs such as repairs and Employee Costs
	Aragon Direct Services	(1,000)	Due to an ease in Financial pressures of Covid-19 resulting in a reduction of costs to the Council- this has been factored into the budget for 2022/23.
	Energy Pricing (Energy from Waste)	(1,592)	Significant increase income as a result of the export price of Electricity produced by ERF.
	Development and Construction	(239)	Additional income and savings on Suppliers and Services
People & Communities	Adults	(4,184)	Changes in grant allocations impacted on income and spend, e.g. continuation of NHS Discharge Funding and annual uplift of Better Care fund.
			Inspection funds not required in 2021/22.



Directorate	Service Area	Variance £000	Impact
			Saving on Staffing Costs due to difficulty recruiting
	Children's	(1,221)	Increased number of looked after Children did not reach expected levels.
	Education	(904)	Direct Revenue Financing- Transfer from Revenue to Capital Savings on staffing costs due to unfilled vacancies
	Education – Home to school Transport	441	Due to growth, additional contract costs, the pressure of Primary School directed places and reduced parental contributions following the introduction of Public Services Vehicle Accessibility Regs. Pressure factored in 2022/23 budget
	Parking & Enforcement Services- loss of income	1,034	Pressure on parking and Fixed penalty notices, and partially included within the 2022/23 Budget- due to the improving position.
	Culture and Leisure services Income Loss	1,116	Loss due to restrictions resulting from Covid-19 on Leisure facilities and Cultural events such as Key Theatre- a service plan for this area is un development.
	Additional costs associated with the Market move and City Centre management	630	One-off 2021/22 item as a result of the market move
<b>Customer &amp; Digital Services</b>	ICT Savings	(878)	IT and Digital savings within current staff structures (due to vacancies pending restructure & capitalising staff costs) and in-year (early delivery) of savings on software, hardware and telephony contracts
<b>Resources</b>	Cross Keys Homes VAT Shelter	(649)	Favourable position driven by maintenance work carried out on properties and a varied expenditure profile from original budget.
	One-Off Pension	(1,337)	Single year reduction to 20/21 secondary contribution of 50% due to Vivacity ceasing Sept 2020.
	Serco- Early delivery of Business Support Saving & lower Contract indexation than budgeted	(783)	Review of Contract resulting in Budgetary savings such as inflation and also grant funding identified
	Housing Benefit Overpayment	(196)	Higher level of overpayments recovered than previously forecast.

Directorate	Service Area	Variance £000	Impact
<b>Capital Financing</b>	Capital Financing	<b>(3,440)</b>	Reduced borrowing in 2020/21 resulting in reduction in interest payments as well as savings due to a reduction in additional borrowing.
<b>Funding</b>	Business Rates Pool	<b>(3,012)</b>	Benefit gained from Cambridgeshire and Peterborough Business Pool Rates for 2021/22- Factored into future years budgets.
	Sales Fees & Charges (SFC) Grant	<b>(1,098)</b>	The Government SFC compensation scheme was extended April – June 2021, covering losses on Parking, Cultural and Leisure services.

5.14 Further, more detailed information of final budget performance by directorate is outlined in Appendix A.

### Council Tax & NNDR Performance

5.15 The performance on Business Rates and Council Tax has been encouraging, showing positive signs of recovery coming out of the pandemic. The performance within this area is detailed in Appendix D, with the following points providing an overview of the key Performance Indicators:

- Council Tax Collection Rate- 97.97% against a target of 97.8%
- Business Rates (NNDR) Collection Rate –95.8% against a target of 95.86%
- Reducing the £11.5m Business Rates uncollected debt at the end of 2020/21 by 83%, down to £1.9m.
- Administering £33m of grants during 2021/22 to support local businesses.
- Working age Local Council Tax Support claim levels are now below pre-pandemic as shown in the following chart:



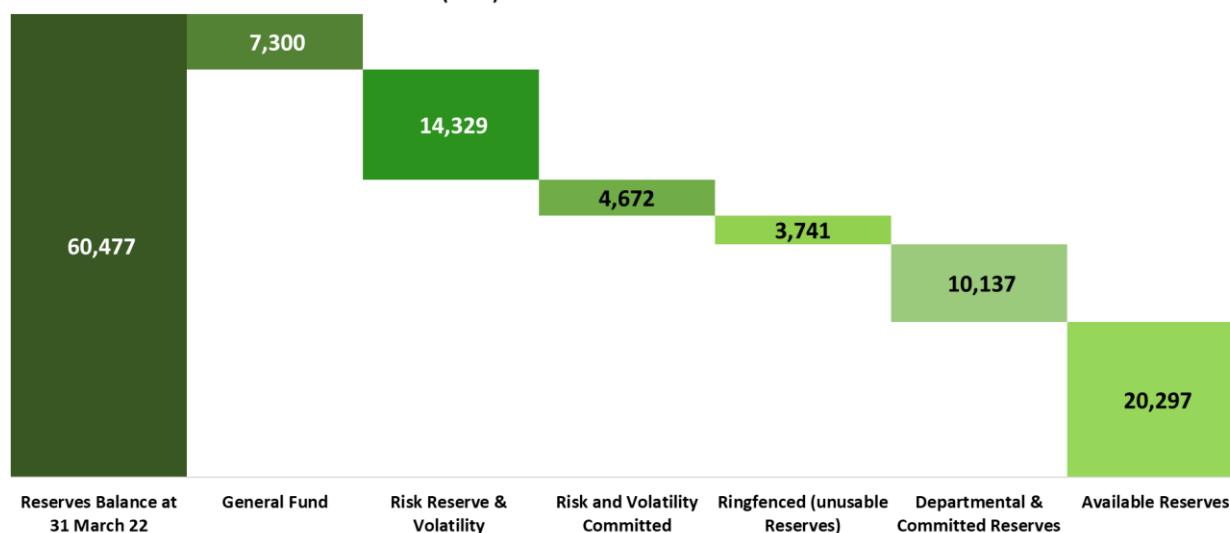
## 6.0 RESERVES

6.1 The Council's reserve balances are checked throughout the year as part of the Budgetary Control Reporting and budget setting process. Table 3 summarises the balance for all reserves at the beginning and end of 2021/22, and the forecast position for future years. For more information see Appendix B.

Table 3: Reserves Summary	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000
General Fund	6,000	7,300	7,300	7,300
Risk and Volatility Reserves	22,521	19,001	14,329	14,329
Innovation Delivery Fund and Departmental Reserves	33,257	29,993	20,938	20,629
Ring-Fenced Reserves	4,333	4,183	3,741	3,741
<b>Total Earmarked Reserves and General Fund Balances</b>	<b>66,110</b>	<b>60,477</b>	<b>46,309</b>	<b>46,000</b>

- 6.2 The previous table outlines a net reduction of £5.6m reserves levels at the end of 2021/22, with the balance £60.4m. This decrease in reserves balances was expected, with most Local Authorities reporting increased reserve levels at the end of 2020/21 due to the accounting treatment of grant balances. The biggest driver of this change in position has been the movements in respect of NNDR section 31 grants.
- 6.3 Overall the reserves position has improved, which has enabled the Council to redirect funds to specific risk reserves to mitigate the effect of non-delivery of savings plans in accordance with the strategy set out in the tactical budget for 2022/23 and the newly emerging risk of the rising cost from inflation.
- 6.4 The following chart categorises the reserves balances outlining a balance of £20.3m (11.2% of the net revenue expenditure), which remains uncommitted and available to invest in transformation and change programmes to support the delivery of a Future Sustainable Council. This is a significant improvement against the position previously forecast at the beginning of the year and within the 2022/23 tactical budget. It demonstrates good progress towards addressing some of the concerns raised within the report CIPFA drafted on behalf DLUHC in summer 2021, and contributes to the actions identified as key workstreams for the delivery of financial sustainability outlined in the Improvement Plan:

Reserves Balance breakdown at 31 March 2022 (£000)



- 6.5 Key reserves movements are as follows:

#### General Fund

The General Fund balance is the working balance to manage in year risk. This reserve has been increased from £6.0m to £7.3m, which represents 4% of the 2022/23 net revenue budget and is a step to improving the Council's financial resilience.

## Risk and Volatility Reserves

**Budget Risk Reserve** - as identified by the DS151 in the Tactical Budget and associated Robustness Statement a £2m Budget risk reserve has been set up in acknowledgement of the risks and issues contained in the Tactical Budget such as the savings proposals noted as very high and high risk in terms of saving delivery, the capacity to deliver the savings and the continued impact of the pandemic on people's behaviours. This reserve enabled an overall satisfactory conclusion on the robustness of budgeted estimates as whilst the estimates are realistic and deliverable they are recognised as being very challenging. If the reserve is unused in 2022/23 a review of future budget related risks will be undertaken and balances taken to the General Fund where appropriate.

**Inflation Risk Reserve**- this £4.7m reserve has been established to mitigate the financial risk resulting from rising rates of inflation. In March 2022 inflation rates reached 7%, with the Bank of England (BoE) reporting it expects inflation rates to peak at over 10% by Q4 2022, the highest rate since 1982. This is shown in the following chart. As the economic landscape has been rapidly changing the creation of this reserve enables the Council to respond to any immediate financial risks as a result of rising rates whilst building sustainable plans to mitigate the impact in the medium to long term.



Source BoE : <https://www.bankofengland.co.uk/monetary-policy-report/2022/may-2022>

**Tax Income Risk Reserve** – this reserve reflects:

- **Business Rates (NNDR) section 31 grants:** are grants (accounted for in general fund) received in 2021/22 to compensate the Council for the additional cost of providing the extended business rates retail and nursery relief. The estimated balance on the Collection Fund at the end of 2021/22 was, for a second year running, exceptionally low as a result of the additional discounts applied to business rate payers, and this balance has carried forward as a deficit in to 2022/23. These grants have been put into reserves and will be partially drawn down in 2022/23 to smooth the budgetary effect of this deficit. A surplus will remain in this reserve due to an overall favourable position reported within the 2022/23 NNDR1 as a reflective of the position on the appeals and bad debt provision. This will remain in this reserve to provide risk mitigation for the Council, as a greater reliance is placed on Local Tax income to fund services, and the impact of the rising cost of living could adversely affect financial performance.
- **Tax Income Guarantee (TIG) scheme:** The TIG scheme compensated Local Authorities for a proportion of lost Business Rates and Council Tax income in 2020/21. The Council received £2.3m and has planned to use £0.6m of this in 2022/23 to mitigate the impact of the deficit on the Council Tax collection fund.

## Innovation Fund and Departmental Reserves (available reserves)

**Innovation Fund Reserve** – this newly created reserve is held to meet one off costs of service transformation and the delivery of savings within the Medium-Term Financial Strategy (MTFS). At the end of 2021/22 the reserve balance is £25.2m from the transfer of the £10.8m Covid-19 Funding reserve. Commitments against this reserve include the plans to deliver the savings and Financial Improvement Programme, and after taking account of these the uncommitted balance available for future investment which helps deliver future financial sustainability is £20.3m.

**Departmental Reserves** - are amounts set aside by departments during the closure of the accounts and is following financial guidance to minimise risk exposure to the Council in the following financial year(s). This reserve balance has decreased from £5.4m to £4.8m through a decrease in the Peterborough City College reserve and a use of reserves for projects of specific grants were received covering multiple years. The reserves include balances in respect of:

- Family Safeguarding Innovation Programme Pilot £1.3m
- Integration Area Programme ([Integrated communities](#)) £0.6m
- Controlled Migration Fund £0.4m
- Peterborough City College £1.3m
- Aragon Direct Services £0.5m

**Covid-19 Funding Reserve** - at the end of 2020/21 this reserve was established with a balance of £12.8m to ensure that additional Covid-19 costs would be funded in 2021/22. As highlighted in the 2021/22 BCR reports the scale of the additional demand and budgetary pressures, have been lower than originally anticipated. This meant that the Council was able to redirect the use of this reserve to establish a £2m Budget Risk Reserve, with the remaining balance of £10.8m being transferred into the Innovation Fund Reserve. This results in a nil balance to carry forward on this reserve.

## Ring-Fenced Reserves

**Public Health** – movements on this reserve represent a net carry forward of unused Public Health grant, in relation to previous years underspends. This reserve has increased from in £0.1m to £1.0m, as costs in 2021/22 were lower due to reduced demand and access to service due to the pandemic as well as recharging some staff cost to the contain outbreak management fund.

**Insurance Reserve**- has recently undergone its three yearly actuarial review, from which the report outlined the fund would be adequate at £2m allowing a surplus of £1.5m to be released. This has been redirected to the support the establishment of the inflation reserve.

## 7.0 FINAL CAPITAL OUTTURN 2021/22

7.1 The final position of the Council's Capital Programme and the treasury activity for the financial year 2021/22 follows. The Council's treasury activity during 2021/22 has been compliant with the Treasury Management Strategy approved in March 2021 as part of the MTFS process. This information compliments the Prudential Indicators performance report as set out in Appendix C.

### Capital Programme Outturn 2021/22

7.2 The capital programme which was agreed as part of the Medium-Term Financial Plan (MTFS) in March 2021 was £146.88m. This was finally revised to £81.52m in January 2022.

7.3 The following chart and table show the movement in the capital programme from the agreed capital programme in the 21/22 budget, to the final 21/22 outturn position. The Council agreed a capital programme of £146.88m in March 2021, however there were a number of schemes from the previous financial year that did not progress as quickly as planned therefore their budgets were reprofiled from the previously agreed 2020/21 capital programme by £18.06m. Throughout the year the Corporate Management Team, alongside the additional focus of the S151, carried out detailed progress reviews

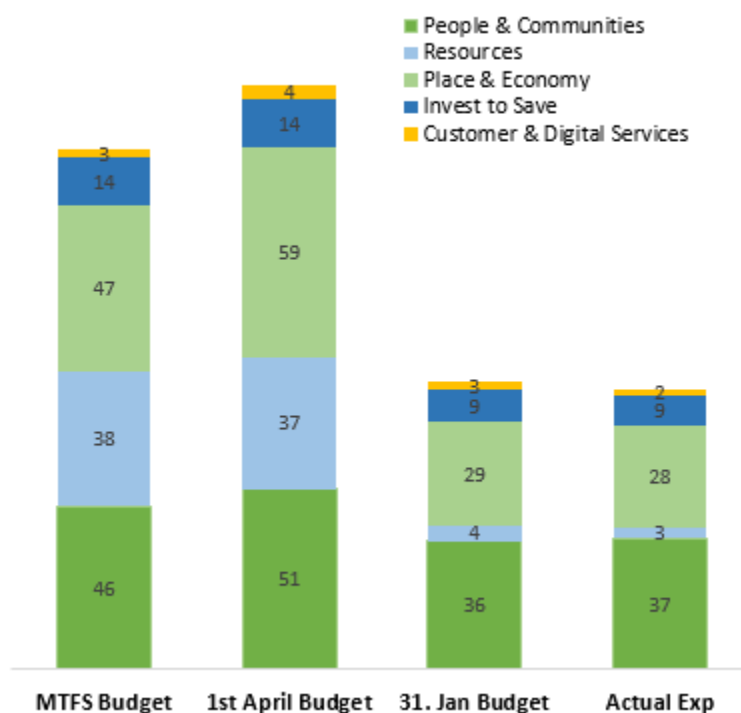
on the capital programme following the reports from DLUHC. This additional level of scrutiny led to a revised capital programme by 31 January 2022 of £81.5m. These budgets compare to the final expenditure for each directorate and how this investment is financed £79.28m.

7.4 The major movements between the 21/22 revised budget and the final outturn are as follows:

- Delays to the build of St John Henry Newman primary school and the refurbishment of Heltwate Special School £10.5m.
- Capitalisation Direction no longer required – budget removed £20m.
- Review and reprofiling of Towns Fund projects £15m.
- Housing Schemes removed pending an updated Housing Strategy £9m.
- Reprofiling of Highways Schemes £9m.
- Aragon Fleet renewal reprofiled to future years £5m.

Directorate	21/22 Capital Programme Approved Budget £000	20/21 Slippage £000	21/22 Revised Budget £000	21/22 Outturn £000	21/22 Variance £000
Customer & Digital Services	2,500	1,528	4,028	2,017	(2,011)
People & Communities	46,129	4,853	50,982	36,975	(14,007)
Place & Economy	46,644	12,445	59,089	28,416	(30,673)
Resources	38,111	(807)	37,304	3,347	(33,957)
Invest to Save	13,500	40	13,540	8,521	(5,019)
<b>TOTAL</b>	<b>146,884</b>	<b>18,059</b>	<b>164,943</b>	<b>79,276</b>	<b>(85,667)</b>
Grants & Contributions	67,763	3,905	71,668	46,243	(25,425)
Capital Receipts	-	-	-	-	-
Borrowing	79,121	14,154	93,275	33,033	(60,242)
<b>TOTAL</b>	<b>146,884</b>	<b>18,059</b>	<b>164,943</b>	<b>79,276</b>	<b>(85,667)</b>

Actual Expenditure v's Budget 2021/22 by Directorate (£m)



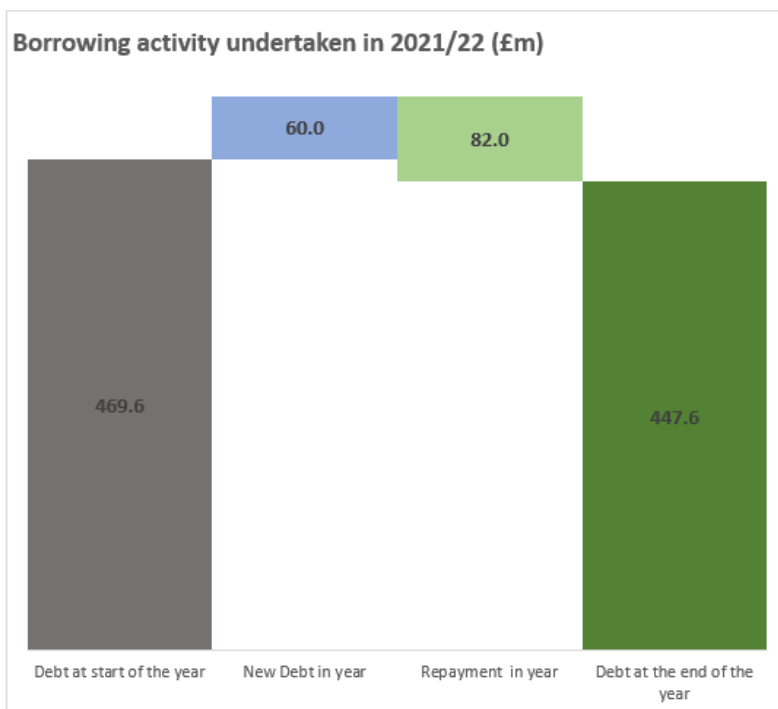
7.5 Invest to Save projects have been reduced over the next few years due to no planned expenditure. However, it should be noted that this does not affect the Council's revenue capital financing budget as these projects are schemes that must cover the cost of borrowing and minimum revenue provision (MRP) from either income generation or from generated savings.

- 7.6 Listed below are the major projects that combined form most of the total capital expenditure of £79.28m.
- Schools (including the new Manor Drive and St John Henry Newman school) - £32.9m
  - Highways - £18.0m
  - Fletton Quays Hotel - £8.4m
  - Aragon Fleet replacement - £6.9m

### Funding the Capital Programme

- 7.7 The Capital Programme is funded via grants and third-party contributions and borrowing funds from the external market. Capital receipts generated from the sale of Council assets are used to repay debt as per the Council's Minimum Revenue Provision (MRP) Policy.

- 7.8 It is a statutory duty for the Council to decide 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 borrowed to fund expenditure for new assets.



- 7.9 The Council's total borrowing as at the end of the financial year is £447.6m, and the total interest paid on these loans for the year was £13.6m. The following chart summarises the overall treasury borrowing activity undertaken for the year with an overall reduction in borrowing being achieved of £22.0m. The following table supplies a summary of the Council's debt portfolio. Further information is contained in the capital financing section of Appendix A.

Borrowings	Less than 1yr	1-2yrs	3-5yrs	6 -10yrs	10+yrs	Total	Ave. Interest Rate	Ave. length of loan
	£000	£000	£000	£000	£000	£000	%	Years
PWLB	7,128	13,000	6,015	13,505	325,439	365,087	3.5	27
Local Authority	60,000	5,000	-	-	-	65,000	0.7	-
Market Loans*	17,500	-	-	-	-	17,500	4.5	24
<b>Total Borrowing</b>	<b>84,628</b>	<b>18,000</b>	<b>6,015</b>	<b>13,505</b>	<b>325,439</b>	<b>447,587</b>	<b>3.2</b>	<b>24</b>
% Of total Borrowing	19%	4%	1%	3%	73%			
Borrowing Limit (PI)	40%	40%	80%	80%	100%			

\* The borrowing for under 12 months includes £17.5m of Lenders Option Borrowers Option (LOBO) loans. Although the loans are due to mature in 22-34 years' time, they are classed as loans repayable within the financial year due to LOBO's having a call-in date every six months.

7.10 Consideration has been made to rescheduling debt, however, there have been no suitable opportunities to do this. The difference between the repayment rate and the rate of a new loan has not resulted in a net discount to the Council and no savings were to be made.

### Capital Receipts

7.11 For 2021/22 financial year, and as per the Tactical Budget and the Council's MRP policy, capital receipts generated from the sale of Council assets are used to repay debt and therefore form part of the MRP calculation. However, whilst the tactical budget does include the expectation that £2.4m of capital receipts will be used to repay debt, as part of delivering financial sustainability for the Council and in order to strengthen the Council's balance sheet, future capital receipts will be used to either repay the debt liability in addition to the calculated MRP or be used to fund capital schemes rather than adding to the debt burden of the Council. This revised strategy is contained in the Improvement Plan and Capital Strategy.

7.12 The following table shows the amounts of capital receipts built into the budget and the actual capital receipt received in 2021/22. The total amount of capital receipts used to repay debt as per the MRP policy in 2021/22 was £2.73m.

Budget	Assets sold in year	Other receipts	Variance
£000	£000	£000	£000
2,433	2,497	233	(297)

### Investments and Loans to Third Parties

7.13 The Council aims to achieve the most interest on treasury investments equal with the proper levels of security and liquidity.

7.14 The Council has small surplus cash balances to cover the Council's treasury function, however, this was kept under review to avoid incurring higher borrowing costs in the future when the Council may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

7.15 In the current economic climate, the Council considered it right to keep investments short-term to cover cash-flow fluctuations, and only invest with Barclays (the Council's banking provider) the Debt Management Office and a Money Market Fund. However, this strategy is being reviewed as part of the Improvement Plan and the delivery of a sustainable budget in light of the inflationary increases being experienced and the resulting impact on interest rates. An updated strategy will be taken for approval as part of the mid-year report.

7.16 The Council has secured loans to third parties to advance the Council's strategic interests. The loans are only made after the Council's formal decision-making process has been followed. As part of the formal decision to make the loans, the security for the loans is assessed as to their adequacy in case of the third party defaulting on repayment and individual loan agreements support the recovery of the capital loan in case of the default.

7.17 The Council's secured capital loans to third parties are set about in the following table.

Third Party Details	Loan Amount	Status
Fletton Quays Hotel Ltd	Capital Loan £15.0m	Due in 2022/23

7.18 At the end of the financial year, the Council's external investments totalled £30.4m. The interest that has been received from all external investment activity including the Council's loans to third parties, and the dividend payment from Eastern Shires Purchasing Organisation (ESPO) has yielded £1,020k.



7.19 Further information on the Council’s capital financing arrangements can be found in the Prudential Indicators performance found in Appendix C along with an update on treasury management activity and other financial performance indicators in Appendix A.

## **8.0 Consultation**

8.1 Detailed reports have been discussed in Departmental Management Teams and this report with the Corporate Leadership Team.

## **9.0 Anticipated Outcomes**

9.1 That the outturn position for 2021/22 is noted.

## **10.0 Reasons for Recommendations**

10.1 This monitoring report forms part of the 2021/22 closure of accounts and decision-making framework culminating in the production of the Statement of Accounts and informs Cabinet of the final position.

10.2 Theme One Financial Sustainability of the Improvement Plan recognised the need to introduce a moratorium in November 2021 to ensure that only essential expenditure was incurred in the remaining months of the financial year. This financial strategy was adopted in order to reduce the reliance on reserve balances to fund expenditure in 2021/22 so that reserves could be used to fund transformation, increase the Council’s financial resilience and strategically support the 2022/23 Tactical Budget. This outturn report provides evidence of the implementation of actions contained in the Improvement Plan and the positive first contribution towards a sustainable financial position.

## **11.0 Alternative Options Considered**

11.1 None required.

## **12.0 Implications**

12.1 Members must have regard to the advice of the Section 151 Officer.

## **13.0 Appendices:**

- APPENDIX A – Directorate Revenue Outturn Report
- APPENDIX B - Reserves Position
- APPENDIX C - Treasury Management Strategy – Prudential Indicators
- APPENDIX D - Performance Monitoring Report Prompt payment of invoices

## **14.0 Background Documents:**

- [Medium Term Financial Strategy Phase Two- 2021/22- 2023/24: Budget Cabinet 23 February 2021, item 5](#)
- [Budgetary Control Report – May 2021: 12 July 2021 Cabinet, item 9](#)
- [Budget Monitoring Report Final Outturn Report – 2020/21: 21 June 2021 Cabinet, item 10](#)
- [Medium Term Financial Strategy Phase One- 2022/23 - 2024-25 - Budget Cabinet 25 October 2021, item 5](#)
- [Budgetary Control Report - August 2021 - Budget Cabinet 25 October 2021, item 6](#)
- [Budgetary Control Report - September 2021 - Cabinet 15 November, item 8](#)
- [Budgetary Control Report - October 2021 - Cabinet 29 November 2021, item 6](#)

- [Council Tax Base 2022/23 and Collection Fund Declaration 2021/22 - Cabinet 10 January 2022, item 9](#)
- [Budgetary Control Report - November 2021 - Cabinet 10 January 2022, item 10](#)
- [CIFPA Financial Review Report - on behalf of DLUHC](#)
- [Andrew Flockhart Governance Review- on behalf of DLUHC](#)

Appendix A- 2021/22 Directorate Revenue Outturn report

## People & Communities - £3.1m Underspend

Directorate	Budget Group	Budget £k	Actual Spend £k	Cont. to Reserve £k	Variance £k	January's Variance £k	Movement £k	Overall Status
People & Communities	Director	1,107	1,078	0	(29)	(88)	59	Underspend
People & Communities	Education	3,984	3,081	0	(904)	(399)	(505)	Underspend
People & Communities	Adults – Commissioning	33,765	30,962	0	(2,802)	(1,755)	(1,047)	Underspend
People & Communities	Adults - Operations	9,943	8,418	143	(1,382)	(981)	(401)	Underspend
People & Communities	Children's - Operations	12,130	11,993	0	(137)	(186)	49	Underspend
People & Communities	Children's Commissioning	18,101	17,017	0	(1,084)	(874)	(210)	Underspend
People & Communities	Commissioning Team and Commercial Operations	542	822	0	279	307	(27)	Overspend
People & Communities	Communities - City Centre Management	350	980	0	630	465	165	Overspend
People & Communities	Communities - Cohesion and Integration	513	462	0	(51)	(56)	4	Underspend
People & Communities	Communities - Community Safety	(835)	199	0	1,034	1,286	(252)	Overspend
People & Communities	Communities - Think Communities	3,723	4,964	0	1,241	1,310	(69)	Overspend
People & Communities	Communities-Regulatory Services	1,767	1,822	49	104	64	40	Overspend
People & Communities	Children's & Safeguarding (DSG)	6,042	6,648	0	607	495	112	Overspend
People & Communities	Commissioning and Commercial Operations (DSG)	11	10	0	(1)	(1)	0	Underspend
People & Communities	Education (DSG)	(6,053)	(6,640)	0	(587)	(475)	(112)	Underspend
	<b>Total People &amp; Communities</b>	<b>85,091</b>	<b>81,816</b>	<b>192</b>	<b>(3,083)</b>	<b>(889)</b>	<b>(2,194)</b>	Underspend

Directorate Variance Analysis	
Education	<p>£0.110m pressure as a result of lost income within the School Improvement service. This includes:</p> <ul style="list-style-type: none"> <li>* £0.032m - School Improvement traded services as Schools have prioritising Covid-19 recovery. Income is predicted to return to pre-pandemic levels in financial year 2022-23.</li> <li>* £0.078m - Attendance Fine Fixed Penalty Notices relates to where parents take children out of school during term time for holidays or other unauthorised absence. Due to historic experience of the level of notices being issued a budget was built into the Medium-Term Financial Strategy (MTFS). Income is likely to return to pre-pandemic levels now that restrictions on foreign travel have been lifted and penalty notices are issued as a deterrent for parents for taking children out of school.</li> </ul>

Directorate Variance Analysis	
	£0.640m favourable in relation to Schools Direct Revenue Financing (DRF). This is due to an increase in the value of schools funding being transferred from revenue into capital. School revenue spend which has been capitalised relates to new IT equipment, the All-Weather pitch at St John Fisher and building works / alterations.
	£0.033m saving - using Special Education Needs Disabilities Grant funding to off-set existing costs
	£0.113m saving - Agreed new structure for Schools and Settings Finance Team
	£0.034m saving - Pre 98 Pension strain
	£0.287m saving re PFI - 0.223m saving re final PFI Insurance rebate. £0.129m saving re PFI Utilities. PFI Unitary charge pressure £0.065m
	£0.441m pressure Home to School Transport. This pressure stands for growth, added contract costs arising from the re-tendering of contracts, the pressure of Primary School directed places and reduced parental contributions following the introduction of Public Services Vehicle Accessibility Regulations which means the Authority cannot charge for post 16 transport on non-compliant vehicles.
	0.101m saving - School Improvement and Monitoring grant being used to offset existing costs.
	0.101m saving re School Improvement including Governor Services trading surplus, employee savings, Attendance Service traded income.
	£0.108m saving - Shared Assistant Director School Improvement post not recruited to in current financial year, release of Service Director Project funding following spend moratorium.
Adults - Commissioning	£0.854m favourable - the annual uplifts from the Better Care Fund for 2020/2021 and 2021/2022 has been released to support pressures in Adult Social Care from demographic and market conditions
	£0.530m favourable - release of the following on a one-year basis. Early Help and Transitions investment due to delay in restructuring teams, Childrens Centres maintenance costs now not needed, inspections fund as a result of covid-19 some inspections have not taken place this financial year.
	£0.464m favourable further release of budgets around inspections & investments not needed in current financial year including Autism Strategy, pressures within 0-25 Service, recruitment investment in Transition Commissioning & Clare Lodge future options costs.
	£0.089m - part year savings on the closure of interim beds and estimated costs relating to 2020/21 not needed
	£0.379m saving - the extension of the Discharge to Assess (hospital discharges) from September 2021 to March 2022 has released the first four weeks of care packages spend which is paid for by reclaiming through the CCG.
	£0.223m saving re Mental Health Section 75 agreement based on Cambridgeshire and Peterborough Foundation Trust (CPFT) underspend predominantly due to staffing vacancies and difficulty in recruitment for social workers and Approved Mental Health Practitioners (AMHPs)
	£0.171m saving re Mental Health Section 75 agreement due to previous years added investment is no longer required.
Adults - Operations	£0.073m pressure due to more spend needed as a result of Covid-19, this includes: * £0.039m for more Occupational Therapy capacity to deal with increased demand for services from hospital discharges and disabled facilities grant cases awaiting reviews * £0.034m for extension of temporary resource in Transfer of Care (Hospital Discharge) Team to continue to support the health and social care system in discharging patients on time.
	£1.053m favourable on staffing costs, is mainly due to the difficulties in recruiting to vacancies due to availability of appropriately qualified staff, new appointments being at a lower spinal column point or reduced hours in comparison to budget.

Directorate Variance Analysis	
	<p>£0.182m favourable on Mental Capacity Act/Deprivation of Liberty Standards services for Best Interest Assessors and section 12 Doctors. Forecasting includes reduced requests and backlog of Court of Protection cases still affecting.</p> <p>£0.143m awaiting reserve adjustment for Learning Disability s75 underspend for 21/22.</p>
Children's - Operations	<p>£0.097m pressure as a result of additional expenditure needed as a result of Covid-19. This includes:</p> <ul style="list-style-type: none"> <li>* £0.080m - Assessment and Family Safeguarding demand, more resources have been required due to the increasing numbers of assessments and referrals.</li> <li>* £0.017m - Additional Youth Family worker to cover a staff member having to shield</li> </ul>
	<p>£0.084m saving on Cherry Lodge due to reduced Outreach support, staffing vacancy slippage and increased contributions for shared care.</p>
	<p>£0.129m saving released under Targeted Youth Services - £0.032m vacancy savings as posts not being recruited to until April 2022, £0.024m carry forward for Prince Trust released, £0.040m for relief budget travel, other vacancy slippage and financial aid offered up as part of spending moratorium</p>
Children's Commissioning	<p>£1.084m favourable including:</p> <ul style="list-style-type: none"> <li>*£1.083m - Children's Social Care Placements - increased numbers of Looked After Children following covid-19 lockdown have not materialised to the level expected although this has been offset by increased complexity of need and market demands</li> <li>*£0.050m saving Children's Centres contribution from Tackling Troubled Families Grant</li> <li>*£0.082m Saving on spot purchased specialist services for children</li> <li>*£0.078m saving commissioning of Derby House</li> <li>*£0.036m pressure re Short Breaks Commissioning with Circles Network</li> <li>*£0.221m pressure relating to Children with Disabilities - Additional Short Breaks and Homecare for periods out of School.</li> </ul>
Commissioning Team and Commercial Operations	<p>£0.447m pressure in relation to Clare Lodge, this is based on average occupancy of between 7 and 8 young people until March 22. The £0.447m overspend is:</p> <ul style="list-style-type: none"> <li>* A shortfall of income of £0.538m based on reduced average occupancy until March 22.</li> <li>* An overspend on employee expenditure of £0.256m. A pressure of £0.947m in relation to Agency staffing is offset by Vacancy savings of £0.691m</li> <li>* An underspend of £0.347m on non-staffing expenditure budgets</li> </ul>
Communities - City Centre Management	<p>£0.630m pressure includes: £0.112m loss of income at the Market due to non-essential traders having not yet reopened stalls following the Lockdown 3.0 restrictions, £0.423m pressure re costs of Market Relocation, £0.080m pressure loss of Street Trader income and the Government extension to the lower charge rate in relation to outdoor seating and £0.015m as a result of the 2021 Great Eastern Run being cancelled.</p>
Communities - Community Safety	<p>£1.034m pressure includes</p> <p>£0.706m pressure due to loss of Parking Income due to the Pandemic offset by reduced spend of £0.179m. It is expected that Parking Income for financial year 2022/23 will be in line with budgeted income.</p> <p>£0.443m pressure due to reduction in Fixed Penalty Notices issued by the Parking Enforcement team off-set by reduced spend £0.074m.</p> <p>£0.474m pressure due to reduction in Fixed penalty Notices issued by the Environmental Enforcement Team off-set by grant contributions of £0.093m and reduced spend £0.137m.</p>

Directorate Variance Analysis	
Communities-Regulatory Services	£0.259m pressure within the Coroners service as a result of unusually complicated and high-profile cases (£0.039m), Covid-19 (£0.078m) and Business as Usual (£0.143m). This is due to the requirement to adhere to strict Covid-19 guideline about PPE (Personal Protective Equipment) and a backlog of cases, therefore there is a need to appoint more area coroners and assistant coroners. There is also a need for more ICT, due to a shortage of Covid-19 secure premises for remote inquests.
Communities - Think Communities	£1.541m pressure within the Recreation and Culture services. This includes: <ul style="list-style-type: none"> <li>* £0.816m pressure resulting from lost income covering the period April to June 2021. This is due to Covid-19 restrictions in relation to access to Leisure Facilities such as swimming and gyms and also Cultural events such as the Key Theatre, Flag Fen, and Exhibitions. Recovery plans are in place for Recreation and Culture but will not mitigate losses already incurred.</li> <li>* £0.300m - Further loss of Leisure income.</li> <li>* £0.400m - Additional running costs of City Culture.</li> </ul>
	£0.274m saving within Community Capacity of which £0.247m saving because Think Communities MTFS investment for 2021/22 is not needed this financial year as all costs can be charged to the Integrated Area Programme grant

## Public Health - £0.003m underspend

Directorate	Budget Group	Budget £k	Actual Spend £k	Cont. to Reserve £k	Variance £k	January's Variance £k	Movement £k	Overall Status
Public Health	Children 0-5 Health Visitors	3,974	3,850	0	(124)	1	(125)	Underspend
Public Health	Children 5-19 Health Programmes	987	889	0	(98)	(98)	(0)	Underspend
Public Health	Sexual Health	2,052	1,966	0	(86)	(59)	(27)	Underspend
Public Health	Substance Misuse	2,308	2,308	0	0	0	0	On Budget
Public Health	Smoking and Tobacco	286	201	0	(85)	(69)	(16)	Underspend
Public Health	Miscellaneous Public Health Services	1,458	941	0	(517)	(216)	(301)	Underspend
Public Health	Public Health Grant	(11,252)	(11,253)	907	906	441	465	Contribution to Reserve
<b>Total Public Health</b>		<b>(188)</b>	<b>(1,097)</b>	<b>907</b>	<b>(3)</b>	<b>0</b>	<b>(3)</b>	Underspend
<b>Directorate Variance Analysis</b>								
Children 0-5 Health Visitors		£0.125m saving - Section 75 agreement with Cambridgeshire and Peterborough NHS Foundation Trust (CPFT) underspent as a result of vacancies.						
Children 5-19 Health Programmes		£0.115m saving - Contribution to Family Safeguarding not needed until financial year 2022/23 as being covered by reserve funds for family safeguarding. £0.017m pressure - A one year only contribution is needed to the cost of the CHUMS (Mental Health and Emotional Wellbeing Service) contract which offers support to young people with mental health difficulties, as the contract was re-procured, and lead commissioners changed from PCC to CCG from July 2020.						
Sexual Health		£0.010m pressure additional cash contract cost £0.030m saving out of area genitourinary medicine (GUM) based on Q1 to Q3 activity £0.019m saving Emergency Contraception (EHC) based on Q1 to Q3 activity £0.020m saving Long Acting Reversible Contraception (LARC) based on Q1 to Q3 activity £0.027m underspend re pre-exposure prophylaxis (PreP) due to reduced demand"						
Smoking and Tobacco		£0.054m saving payments to GP's / Pharmacies for Smoking cessation due to reduced activity						
Miscellaneous Public Health Services		£0.088m saving Adults Weight Management & Obesity budget £0.078m staff saving. Reduced cross charge from CCC and charging Public Health staffing costs to other grants. £0.054m saving GP Health checks based on Q1 to Q3 activity. £0.282m saving charging Public Health core salary costs to Contain Outbreak Management Fund (COMF) grant.						

## Governance - £0.2m Underspend

Directorate	Budget Group	Budget £k	Actual Spend £k	Cont. to Reserve £k	Variance £k	January's Variance £k	Movement £k	Overall Status
Governance	Director of Governance	130	103	0	(27)	(21)	(6)	Underspend
Governance	Legal Services	1,845	1,826	0	(19)	(21)	2	Underspend
Governance	Constitutional Services	2,036	1,888	0	(148)	(127)	(21)	Underspend
Governance	Information Governance	182	187	0	5	19	(14)	Overspend
	<b>Total Governance</b>	<b>4,192</b>	<b>4,004</b>	<b>0</b>	<b>(188)</b>	<b>(149)</b>	<b>(39)</b>	Underspend

Directorate Variance Analysis	
Constitutional Services	<p>£0.148m Favourable - £0.082m saving in Members Services of which £0.054m is a saving in members allowances due to some members carrying out more than one role and only able to claim one Special Responsibility Allowance. Remaining savings due to reduced travel costs, reduced supplies and services including postage, printing, photocopying, and IT costs.</p> <p>£0.095m saving in salaries due to two vacancies. £0.029m other misc. Pressures.</p>



## Resources - £4m Underspend

Directorate	Budget Group	Budget £k	Actual Spend £k	Cont. to Reserve £k	Variance £k	January's Variance £k	Movement £k	Overall Status
Resources	Director's Office	331	385	0	54	59	(5)	Overspend
Resources	Financial Services	4,550	3,707	416	(428)	(325)	(103)	Underspend
Resources	Corporate Items	8,521	6,061	2	(2,458)	(1,830)	(628)	Underspend
Resources	Peterborough Serco Strategic Partnership	8,073	7,094	0	(979)	(932)	(47)	Underspend
Resources	Corporate Property	2,325	2,075	0	(250)	17	(267)	Underspend
Resources	Energy	478	874	0	396	130	266	Overspend
Resources	Cemeteries, Cremation & Registrars	(1,482)	(1,818)	0	(336)	(149)	(187)	Underspend
	<b>Total Resources</b>	<b>22,797</b>	<b>18,378</b>	<b>418</b>	<b>(4,001)</b>	<b>(3,030)</b>	<b>(971)</b>	Underspend

Directorate Variance Analysis	
Financial Services	£0.228m Favourable - A final underspend is being reported against the Financial Services salary budgets. £0.051m of this underspend is related to a secondment of an Internal Audit member of staff to the Community Hub during the financial year. The salary costs were Covid-19 grant funded. £140k savings are within Strategic Finance following a review of the interim management arrangements during the financial year, and £0.026m savings through the COMF Grant contribution.
	£0.200m Favourable - Other savings found across the service area, including £0.025m saving in salary related costs generated from the operation of the corporate car lease salary sacrifice scheme, £0.034m from the Risk Management budget underspend and £0.038m of savings within the Insurance Premium budget. In addition, £0.084m favourable variance is reflected within Finance due to final posting of unallocated income.
Corporate Items	£1.337m Favourable - The pension actuary completed the cessation assessment for Peterborough Culture and Leisure Trust (Vivacity) following their admission ceasing on 30/09/2020. This has resulted in the Council receiving a single year reduction to their secondary contributions for the year 2021/22 to the value of 50% of the Vivacity surplus detailed in the assessment report. This variance is the result of the Funding and Management Agreement with Vivacity and the risk agreement for pension contributions.
	£0.218m Favourable - Following a review of the Compensatory Added Years and Unfunded Pension contributions, there is a saving against the corporate premature retirement budget. This saving is partially repeatable in future years dependant on the Council's in-year pension strain funding requirements, and forms part of the 2022/23 MTFS savings. In addition, in-year costs for 21/22 are lower than budgeted.
	£0.231m Favourable - This variance is a result of the Containment Outbreak Fund (COMF) grant contribution towards the corporate overhead expenditure during 21/22.

Directorate Variance Analysis	
	£0.649m Favourable - This variance is a result of the Value Added Tax (VAT) shelter income received from Cross Keys Homes (CKH). This favourable position has been driven by maintenance work CKH has carried out on its properties, and the expenditure profile has varied from original budgeted.
Peterborough Serco Strategic Partnership	£0.100m Favourable - Final year of growth income received as part of the Peterborough Serco Strategic Partnership contract which has not been budgeted. Not repeatable in future years.
	£0.271m Favourable - Business Support contract credits (freezing core vacancies where possible until transformation work takes place), offset by centralised project costs unable to be recharged directly to projects.
	£0.352m Favourable - Following a review of the PSSP contract budget including inflationary elements (£230k) along with grant funding found (£122k), a total underspend in the current year of £352k was found. This will be partly ongoing and a saving has been factored into the proposed 2022/23 Medium Term Financial Strategy (MTFS).
	£0.231m Favourable - Due to a one-off piece of work with historic Housing Benefit payments, the Council found a higher level of overpayments than previously forecast which have already been recovered and as a result has received a net £210k overpayment income above budget for this financial year.
	£0.35m Pressure - Court cost income collected is lower than budgeted. Due to lack of recovery activity which was restricted over the pandemic, the income was adversely affected in 2020/21. Although the current year pressure has improved on last financial year, it is in line with outturn in 2019/20 suggesting an ongoing pressure. There is no corresponding saving in administration costs.
Energy	£0.396m Pressure - On 12 November administrators were appointed to ECSP1 and on the same day the Council bought the assets of ECSP1 from the administrators. The adverse position to the budget for this project has arisen from the legal and professional costs of the insolvency. The solar income from the corporate estate was lower than forecast as several installations have been offline during the year due to maintenance and meter issues and lower solar irradiation levels than forecast especially in the last quarter of the year. A cash limit saving target for all the Council's energy projects was not met as the income profile of the energy projects has changed since it was implemented
Corporate Property	£0.083m Favourable - NPS Peterborough Ltd is a 50/50 joint venture company owned by the Council and the Norse Group (a wholly owned subsidiary of Norfolk County Council). This favourable variance is a result of the profit share being higher than budgeted. This variance is unlikely to continue as savings have been built into the MTFS for the NPS contract.
	£0.073m Pressure - A debtor invoice write off exercise has meant £0.073m has been recoded to Corporate Property from the Bad Debt Provision, creating a pressure against the budget in this financial year.
	£0.161m Favourable - Savings on Office Accommodation costs including Waste Collection, Stationery, Security and Cleaning, along with further savings found in Supplies and Services across the service area.
	£0.079m Favourable - Other overall underspends within the service mainly due to Business rates budgets including credits for prior year charges, service charge income being higher than budgeted, partially offset with costs for Interim Management.
Cemeteries, Cremation & Registrars	£0.257k Favourable - Additional income above budget from cremations, internment fees and rights of burial charges, offset by reduction in Registration income (Covid-19 related).
	£0.081k Favourable - Other savings across the service including salaries and other supplies and services.

## Place & Economy - £3.1m Underspend

Directorate	Budget Group	Budget £k	Actual Spend £k	Cont. to Reserve £k	Variance £k	January's Variance £k	Movement £k	Overall Status
Place & Economy	Development and Construction	(29)	(267)	0	(239)	(160)	(79)	Underspend
Place & Economy	Director Place & Economy	151	125	0	(26)	(9)	(17)	Underspend
Place & Economy	Peterborough Highway Services	4,293	3,346	0	(947)	(799)	(148)	Underspend
Place & Economy	Sustainable Growth Strategy	1,560	1,190	39	(331)	(204)	(127)	Underspend
Place & Economy	Waste, Cleansing and Open Spaces	14,925	11,581	500	(2,844)	(2,118)	(726)	Underspend
Place & Economy	Westcombe Engineering	49	546	0	497	455	42	Overspend
Place & Economy	Director of Housing	2,275	3,059	0	784	858	(74)	Overspend
Place & Economy	Growth & Regeneration	504	466	0	(38)	5	(44)	Underspend
	<b>Total Place &amp; Economy</b>	<b>23,729</b>	<b>20,046</b>	<b>539</b>	<b>(3,144)</b>	<b>(1,971)</b>	<b>(1,172)</b>	Underspend

Directorate Variance Analysis	
Development and Construction	£0.239m Favourable - This has arisen through more income (Planning fees, Planning Performance Agreement income, S106 Admin fees, Building Control income) and savings on supplies & services. Partly offset by added staff costs, consultant fees and reduction in recharges to shared services
Peterborough Highway Services	£0.302m Favourable - Employee cost savings through Highway Services. Further savings due to a delay in recruitment following a restructure.
	£0.289m Favourable - Various cost savings and added income Network Management (Traffic signal maintenance, bridge maintenance, New Roads Streets Work Act, etc)
	£0.012m Pressure - Highways Schemes - Cost of more vehicles August 21 to Jan 22 due to Covid-19. Also reduced Street Naming income. Pressure reduced by other savings and green claims
	£0.019m Favourable - Additional Highway Development Sec38 Income and supplies & services savings
	£0.349m Favourable - Savings on street lighting and highway contractor inflation budgets, and more fee income from other Local authorities for PCC project work
Sustainable Growth Strategy	£0.331m Favourable - Various savings across the service including employee and consultancy costs and supplies & services. Also, more income from commuted sums, staff recharges to schemes, S106 income and contributions from Cambridgeshire County Council towards plan works
Waste, Cleansing and Open Spaces	£1.592m Favourable - Energy Recovery Facility (ERF) Electricity Income - Continued significant increase in wholesale export price of electricity produced by the ERF (the Council's Energy from Waste Plant used by Viridor). A pressure of £0.5m was reflected in the Council's budget for 2021/22 due to reduction in energy prices; however, the energy market overall is showing faster signs of recovery than predicted and the Council is able to achieve an improvement in the sale price. Increased income has been factored into the budget proposals for 2022/23

Directorate Variance Analysis	
	£0.035m Pressure - Additional cost at Household Recycling Centre due to Covid-19, such as staffing, traffic management, cleansing and signage.
	£0.063m Pressure - Vehicle hire and other staffing costs on waste collection rounds due to Covid-19
	£1.000m Favourable - Aragon Direct Services. As the financial pressures from Covid-19 reduced, and the replacement vehicle programme got underway, the financial position of Aragon Direct Services improved, and the increase in costs to the Council that were set out in the budget were lower than anticipated.
	£0.314m Favourable - Materials Recycling Facility - Significant increase in cardboard and paper recycling prices which continued through the whole year
	£0.329m Pressure - Brown Bin Service - Due to national driver shortages the annual garden waste bin collection service which started in August 2021 was suspended. Customers to the service received a refund from the council, for the 11 months of service which has not been provided. The new annual service is set to resume from May 2022. This means a loss of income of £741k in the current financial year, but there is a saving of £412k due to the non-delivery of the service.
	£0.090m Favourable - Insurance rebate Energy for Waste plant
	£0.126m Favourable - Waste treatment costs lower than expected in quarter 4 of 21/22
	£0.160m Favourable - Savings from delayed spring clean across the city previously planned for Feb 22, income from Waste Client Team supplying service to Peterborough Environment City Trust (PECT), no charge for garden waste administration, reduced repair and maintenance costs a cross open spaces and play areas, savings on utility costs and reduced business rates. Partially offset by other misc. pressures including Bulky Waste service, added city centre cleansing and fly tipping clearance costs
Westcombe Engineering	£0.328m Pressure - Loss of income - Significant arrears in raw casting supply due to Covid-19 and Brexit. This lack of castings did not allow Westcombe Engineering to satisfy key customer requirements. Also, raw material prices continue to rise.
	£0.169m Pressure - £0.038m cost of backfilling a post seconded to the Covid-19 Hub, £0.047m cost of machine repairs, £0.054m warranty claim and £0.030m other staff costs
Director of Housing	£0.655m Pressure - Housing Services - other costs arising from housing rough sleepers in hotels and B&B's. The pressure is made up of £0.855m expenditure, which is being partially offset by £0.200m of Rough Sleeper initiative grant income.
	£0.267m Favourable - Additional Homelessness Prevention Grant
	£0.166m Pressure - Unachievable savings plan relating to income associated with Temporary Accommodation. The baseline budget requirement has been re-assessed and this element of saving has not been realised.
	£0.085m Favourable - Net savings on temporary accommodation schemes - Bushfield Court will not now be leased for temporary accommodation, and a scheme at Walton Road has been delayed until 2022/23. The rent PCC would have paid for these properties is higher than the rental income that would be received, so these changes result in a saving. This saving has been offset by added rent costs at Redpoll Place, added costs from Cross Keys Homes relating to Hostel under occupation charges from 2020/21 and costs of surveying properties at Wittering to consider whether they were suitable for temporary accommodation.
	£0.111m Favourable - relating to employee costs for Housing Needs, however vacancy savings are offset by temporary staff costs
	£0.108m Pressure - Increased repair and maintenance costs of Norwood and Oxney Traveller sites

**Directorate Variance Analysis**

	£0.068m Pressure - Other misc. pressures, mostly landlord incentive payments
	£0.046m Favourable - Employee costs Housing Enforcement Team
	£0.076m Favourable - Housing Enforcement License income and supplies & services savings
	£0.137m Favourable - Employee costs Selective Licensing Team. 2 full time vacant posts and another saving due to a full-time team member being seconded to another area for most of 21/22.
	£0.509m Pressure - Selective Licensing Scheme. The Selective Licensing Scheme ended October 2021 and there has been a delay in setting up the new scheme. A proposed replacement scheme has recently been consulted upon. It will then be reviewed by central Govt and requires their approval, and it is unclear how long this process will take. An estimate has been made on how this will affect future years budgets

## Business Improvement - £0.0m Underspend

Directorate	Budget Group	Budget £k	Actual Spend £k	Cont. to Reserve £k	Variance £k	January's Variance £k	Movement £k	Overall Status
Business Improvement	Programme Management Office	731	697	0	(34)	(29)	(4)	Underspend
Business Improvement	Director Business Improvement & Development	318	318	0	(0)	0	(0)	On Budget
	<b>Total Business Improvement</b>	<b>1,050</b>	<b>1,016</b>	<b>0</b>	<b>(34)</b>	<b>(29)</b>	<b>(4)</b>	Underspend

### Directorate Overview

The BID Directorate is reporting a small favourable variance within the service of £0.034m

## Chief Executives - £0.2m Underspend

Directorate	Budget Group	Budget £k	Actual Spend £k	Cont. to Reserve £k	Variance £k	January's Variance £k	Movement £k	Overall Status
Chief Executives	Chief Executive	161	221	0	60	42	19	Overspend
Chief Executives	HR	1,064	830	0	(224)	(142)	(92)	Underspend
	<b>Total</b>	<b>1,225</b>	<b>1,051</b>	<b>0</b>	<b>(173)</b>	<b>(100)</b>	<b>(73)</b>	Underspend

### Directorate Overview

The Chief Executive Directorate is reporting a favourable final position against budget of £0.173m.

### Directorate Analysis

HR	£0.111m Favourable - Savings within salary budgets due to vacancies being held, maternity savings and grant/other funding, along with a release of a prior year redundancy provision.
	£0.062m Favourable - An underspend was found through reduced expenditure within Workforce Development and Corporate training budgets during the year.
	£0.059m Favourable - Additional income was secured through Practice Learning and additional savings within supplies and services following the spending moratorium implementation, along with Apprenticeship Levy income.

## Customer & Digital Services - £1m Underspend

Directorate	Budget Group	Budget £k	Actual Spend £k	Cont. to Reserve £k	Variance £k	January's Variance £k	Movement £k	Overall Status
Customer & Digital Services	IT & Digital Services	7,045	3,167	0	(878)	(758)	(120)	Underspend
Customer & Digital Services	Marketing & Communications	458	397	0	(61)	37	(98)	Underspend
Customer & Digital Services	Resilience & Health & Safety	267	227	0	(40)	3	(43)	Underspend
Customer & Digital Services	Director of Customer & Digital Services	87	86	0	(1)	0	(1)	Underspend
	<b>Total Customer &amp; Digital Services</b>	<b>7,857</b>	<b>6,877</b>	<b>0</b>	<b>(980)</b>	<b>(718)</b>	<b>(262)</b>	Underspend

Directorate Overview	
The Customer & Digital Directorate is reporting a final overall favourable variance of £0.980m against budget. The main variances are within IT & Digital service area, primarily through identification of additional external income above budget, savings within current staffing structure and recharges, and continued rationalisation of the IT budget following exit from the Serco contract.	
Directorate Variance Analysis	
IT & Digital Services	£0.197m Favourable - Additional income generated through external sources including Service Level Agreements with partner organisations and East of England Broadband Network (E2BN). This is likely to be an ongoing income stream and has been included in the 2022/23 MTFS budget process.
	£0.285m Favourable - Staffing budgets are reporting an underspend due to more salary capitalisation, vacant posts in year and grant funding being identified. The restructure of the service is in progress.
	£0.101m Favourable - continued rationalisation of the IT revenue budget has meant that the remaining contingency held, following the exit from the Serco contract, was not needed in this financial year. It has been reviewed as part of the 22/23 budget proposals.
	£0.228m Favourable - In-year savings within Software and Hardware, Telephony and Microsoft contracts. Part of the saving relates to repeatable savings which have been built into the 22/23 MTFS.
	£0.066m Favourable - Other minor variances within the service area.

## Capital financing - £3.3m Underspend

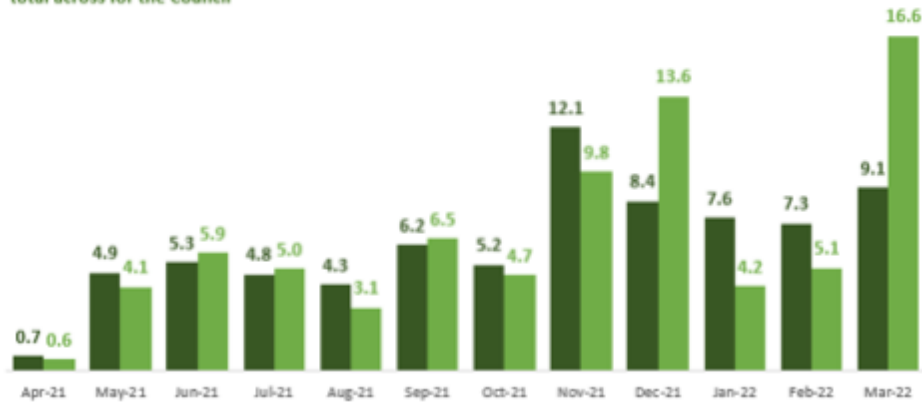
Directorate	Budget Group	Budget £k	Actual Spend £k	Cont. to Reserve £k	Variance £k	January's Variance £k	Movement £k	Overall Status
Resources	Capital Financing	30,798	27,357	0	(3,340)	(2,687)	(753)	Underspend
	<b>Total Capital Financing</b>	<b>30,798</b>	<b>27,357</b>	<b>0</b>	<b>(3,340)</b>	<b>(2,687)</b>	<b>(753)</b>	<b>Underspend</b>

### Capital Financing Overview

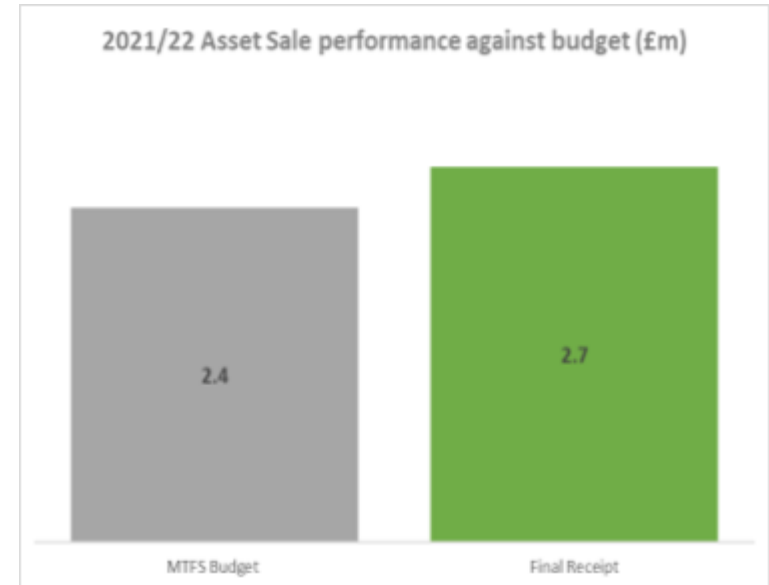
- Tight management of the Council's cash flow has led to savings being realised by extending the time before borrowing was undertaken, reducing the amounts of borrowing taken, and at the lower, shorter length interest rates.
- All borrowing undertaken has been used to fund capital expenditure or refinance maturing loans.
- The Council's cash flow has benefitted from the additional funds provided by government in relation to funding the Covid-19 activity and grants provided to businesses to support them through the pandemic.
- The Council's capital programme has not progressed in the timescales originally planned in the MTFS.
- The benefits realised from these factors led to savings in year of £2.7m. These 2021/22 factors built on the 2020/21 position where less borrowing was undertaken for the capital programme in 2020/21 (£24.3m compared to an expected MTFS figure of £50.5m) than budgeted for in the MTFS resulting in less budget being required to fund existing borrowing.
- The minimum revenue provision (MRP) calculation included in this position has taken into account the lower completion rates of schemes from the 2020/21 capital programme (spend of £55m compared to the budget of £83m) and resulted in a lower provision of £1.0m compared to the MTFS budget.



Capital Programme - Current year budget v's Actuals by calendar month (£m)  
for the Council  
total across for the Council



2021/22 Asset Sale performance against budget (£m)



### Capital Receipts Overview

- As per the MTFS policy Capital Receipts will be used to repay debt and forms part of the calculation of reducing the overall debt through MRP. If capital receipts are not received, the debt will need to be repaid via revenue resources.
- The Council found over £4.5m of asset sales in order to achieve the MTFS budget of £2.4m, however this was paused to ensure that the asset sales are 'at the right price' and will not be rushed into 'fire sales' and is undergoing further examination for potential added asset sales following the results of the both DLUHC reviews which recommend that asset sales are used to stabilise the Council's financial position. The Council did still realise £2.7m of capital receipts, £0.3m above that estimated in the MTFS

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**Appendix B: Council Reserves Position**

	2021/22				2022/23	2023/24	2024/25	
Summary of Reserves	Balance C/Fwd. 1.4.21 £000	Contribution from Reserve £000	Contribution to Reserve £000	Movement between Reserves £000	Balance at 31.03.22 £000	Estimated Balance at 31.03.23 £000	Estimated Balance at 31.03.24 £000	Estimated Balance at 31.03.25 £000
<b>General Fund Balance</b>	<b>6,000</b>	<b>-</b>	<b>1,300</b>	<b>-</b>	<b>7,300</b>	<b>7,300</b>	<b>7,300</b>	<b>7,300</b>
<b>Innovation Fund, Risk &amp; Volatility, and Departmental Reserves</b>								
Innovation Fund Reserve	15,035	(7,14)	-	10,841	25,162	20,606	20,297	20,297
Grant Equalisation Reserve	-	-	-	-	-	-	-	-
Departmental Reserve	5,380	(1,232)	682	-	4,831	332	332	332
Tax Income Risk Reserve	22,521	(20,205)	9,991		12,307	7,636	7,636	7,636
COVID-19 Funding Reserve	12,841	-	-	(12,841)	-	-	-	-
Inflation Risk Reserve	-	-	3,243	1,450	4,693	4,693	4,693	4,693
Budget Risk Reserve				2,000	2,000	2,000	2,000	2,000
	<b>55,778</b>	<b>(22,151)</b>	<b>13,917</b>	<b>1,450</b>	<b>48,994</b>	<b>35,267</b>	<b>34,958</b>	<b>34,958</b>
<b>Ring-Fenced Reserves</b>								
Insurance Reserve	3,315	(280)	416	(1,450)	2,000	2,000	2,000	2,000
Schools Capital Expenditure Reserve	658	(175)	386	-	868	868	868	868
Parish Council Burial Ground Reserve	57	(3)	2	-	56	56	56	56
Hackney Carriage Reserve	173	-	49	-	221	221	221	221
Lease Consolidation Reserve	-	-	-	-	-	-	-	-
Public Health Reserve	131	-	907	-	1,037	596	596	596
	<b>4,333</b>	<b>(458)</b>	<b>1,759</b>	<b>(1,450)</b>	<b>4,183</b>	<b>3,741</b>	<b>3,741</b>	<b>3,741</b>
<b>Total Usable and Ring-Fenced Reserves and General Fund Balance</b>	<b>66,110</b>	<b>(22,609)</b>	<b>16,976</b>	<b>-</b>	<b>60,477</b>	<b>46,309</b>	<b>46,000</b>	<b>46,000</b>

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## Appendix C - Treasury Management Strategy Prudential Indicators Outturn 2021/22

The Prudential Code for Capital Finance in Local Authorities supplies a framework for local authority capital finance to ensure that:

- (a) capital expenditure plans are affordable.
- (b) all external borrowing and other long-term liabilities are within prudent and sustainable levels.
- (c) treasury management decisions are taken following professional good practice.

In taking decisions in relation to (a) and (c) above, the local authority is accountable by supplying a clear and transparent framework.

The Code requires the Council to set a range of Prudential Indicators for the forthcoming financial year and at least the following two financial years. During the financial year to date the Council has worked within the treasury limits and Prudential Indicators set out in the Council's Annual Treasury Management Strategy.

The outturn for the Prudential Indicators for the financial year are detailed below. The indicators include the Invest to Save scheme. The costs of borrowing associated with these schemes will be offset by the income or savings generated by these projects.

The 2021/22 Prudential Indicators are shown below and the Council's performance to date against them. All performance is within the limits.

### 1. Indicator 1: Capital Expenditure

This indicator is the capital expenditure for the year based on the Capital Programme.

Capital Expenditure	2021/22 Indicator £m	2021/22 Actual £m
Capital Expenditure	133.4	70.8
Invest to Save	13.5	8.5
<b>Total</b>	<b>146.9</b>	<b>79.3</b>

The actual capital programme expenditure outturn is £79.3m which is lower than the MTFS indicator due to a number of projects across all directorates either being reprofiled to reflect the spending more accurately over future years or removed as part of an enhanced scrutiny process linked to achieving more savings in 2021/22 as well as future years. This process was carried out alongside the development of the 2022/23 MTFS to aid the future financial sustainability of the Council.

Invest to Save projects have been reduced over the next few years due to no planned expenditure. However, this does not affect the Council's capital financing budget as this is for schemes that must cover the cost of borrowing and minimum revenue provision (MRP) from either income generation or from generated savings.

### 2. Indicator 2: Capital Financing Requirement (CFR)

The CFR measures the Council's underlying need to borrow money in the long term for capital purposes. Any capital expenditure which has not at once been paid for will increase the CFR.

Capital Financing Requirement	2021/22 Indicator £m	2021/22 Actual £m
CFR b/fwd.	622.0	598.8
Underlying Need to Borrow	46.7	6.8
Underlying Need to Borrow - Invest to Save	13.5	8.5
<b>Total CFR C/fwd.</b>	<b>682.2</b>	<b>614.1</b>

### 3. Indicator 3: Actuals and Estimates of the Ratio of Financing Costs to Net Revenue Budget

The Council must estimate the proportion of the revenue budget, which is taken up in financing capital expenditure i.e., the net interest cost and to make provision to repay debt. The actual performance of 14.4% is reflected in the explanatory text for capital financing as contained in the Appendix A.

Ratio of net financing costs to net revenue stream	2021/22 Indicator	2021/22 Actual
Total Ratio	15.2%	14.4%

### 4. Indicator 4: Proportion of Gross Debt to the Capital Financing Requirement (CFR)

This indicator shows the proportion of the Council's external borrowings (Gross Debt) against the CFR to ensure that borrowing levels are prudent over the medium term and only for a capital purpose. The Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2020/21) plus the estimates of any other capital financing requirement for the current (2021/22) and next two financial years. This means that the Council is not borrowing to support revenue expenditure.

Proportion of Gross Debt to the CFR	2021/22 Indicator £m	2021/22 Actual £m
CFR	682.2	614.1
Gross Debt (inc PFI & Leases)	<b>619.4</b>	<b>495.6</b>
% Of Gross Debt to CFR	90.8%	80.7%

This indicator shows that the Council kept an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement (CFR)), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used. This strategy was prudent as investment returns were low and counterparty risk was still an issue that needed to be considered. However, as it is forecast that interest rates are to rise from the historic lows, this strategy is to be reviewed and an updated approach considered in line with the Improvement Plan and the achievement of financial sustainability within a Medium Term Financial Strategy.

### 5. Indicator 5: The Operational Boundary

The Operational Boundary is a measure of the day to day likely borrowing for the Council. The code recognises that circumstances might arise when the boundary might be exceeded temporarily, but if this continues for a lengthy period then it ought to be investigated.

This indicator takes into consideration the capital programme over the life of the MTFs and the ability to phase the borrowing over this period. The indicator supplies flexibility for the Council to take advantage of favourable interest rates in advance of the timing of the actual capital expenditure.

Operational Boundary	2021/22 Indicator £m	2021/22 Actual £m
Borrowing	702.2	447.6
Other Liabilities (PFI & Leases)	48.0	48.0
<b>Total Operational Boundary</b>	<b>750.2</b>	<b>495.6</b>

### 6. Indicator 6: The Authorised Limit

The Authorised Limit is the largest amount the Council may borrow at any point in time in the year. It is set at a level the Council considers is “prudent.”

The indicator takes account of the capital financing requirement estimated at the start of each year, plus the expected net borrowing requirement for the year. This makes allowance for the possibility that the best time to do all borrowing may be early in the year.

The limit also incorporates margins to allow for exceptional short-term movements in the Council’s cash flow, bids from service departments to finance efficiencies, changes to the timing of capital payments and fluctuations in the realisation of capital receipts.

<b>Authorised Limit</b>	<b>2021/22 Indicator £m</b>	<b>2021/22 Actual £m</b>
Borrowing	780.2	447.6
Other Liabilities (PFI & Leases)	48.0	48.0
<b>Total Authorised Limit</b>	<b>828.2</b>	<b>495.6</b>

It is ultra vires to exceed the Authorised Limit so this should be set to avoid circumstances in which the Council would need to borrow more money than this limit. However, the Council can revise the limit during the year. The actual position is lower than the indicator as the Council does not currently predict borrowing in advance of need due to the other cost of holding the funds until needed.

#### **7. Indicator 7: Fixed Interest rate exposure**

This indicator places an upper limit on the total amount of net borrowing which is at fixed rates secured against future interest rate movements. The upper limit allows flexibility in applying a proportion of the investment portfolio to finance new capital expenditure. It also reflects a position where most of the borrowing is at fixed rate which provides budget certainty with 100% of borrowing being at fixed rate. The upper limit for fixed interest rate exposure was set to allow for flexibility in applying a proportion of the investment portfolio to finance new capital expenditure. It also reflected a position where most of the borrowing was at fixed rates to supply budget certainty.

<b>Upper limit for fixed rate exposure</b>	<b>2021/22 Indicator £m</b>	<b>2021/22 Actual £m</b>
Upper Limit	744.4	447.6
% Of fixed interest rate exposure	100%	100%

#### **8. Indicator 8: Variable interest rate exposure**

This indicator places an upper limit on the total amount of net borrowing (borrowing less investment) which is at variable rates subject to interest rate movements. The intention is to keep the variable rate borrowing below 25% of the total gross borrowing (CFR). The limit is expressed as the value of total borrowing less investments.

<b>Upper limit for variable rate exposure</b>	<b>2021/22 Indicator £m</b>	<b>2021/22 Actual £m</b>
Upper Limit	186.1	0.0
% Of variable interest rate exposure	25%	0%

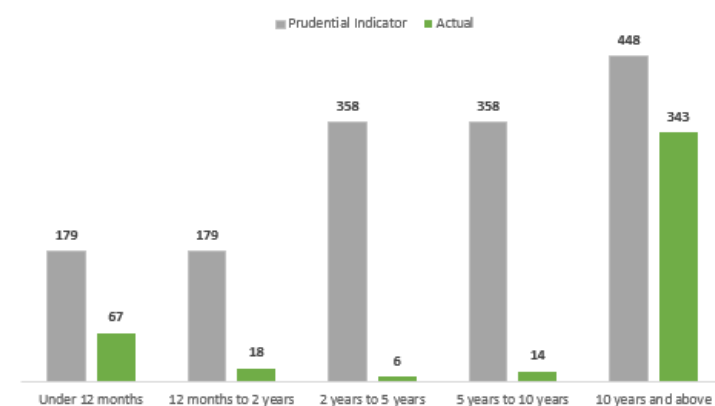
The indicator is zero due to the borrowing strategy of borrowing only at a fixed interest rate in an economic climate of volatile interest rates. Borrowing at fixed interest rates supplies budget certainty for the Council.

### 9. Indicator 9: Maturity structure of borrowing

The prudential limits have been set about the maturity structure of the Council's borrowing and reflected the beneficial long-term rates that were expected to be available over the next few years. The borrowing that the Council has taken is £447.6m (shown in the indicator below).

Period	Upper Limit Indicator	Actual Borrowing £m	
Under 12 months*	40%	19%	84.6
1 – 2 years	40%	4%	18.0
2 – 5 years	80%	1%	6.0
5 – 10 years	80%	3%	13.5
Over 10 years	100%	73%	325.5
<b>Total Borrowing</b>			<b>447.6</b>

'PI 9 Maturity Structure of borrowing (£m) as at 31 March 2022



\* The borrowing for under 12 months includes £17.5m of Lenders Option Borrowers Option (LOBO) loans. Although the loans are due to mature in 22-34 years' time, they are classed as loans repayable within the financial year due to LOBO's having a call-in date every six months.

### 10. Indicator 10: Total Investments for periods longer than 364 days

Authorities can invest for longer than 364 days; this can be helpful if higher rates are available. However, it would be unwise to lend a disproportionate amount of cash for too long a period particularly as the Council must keep sufficient working capital for its operational needs.

This indicator reflects the Council's current lending policy of keeping investments short term for liquidity purposes. The Council has used its cash balances as an alternative to new borrowing and does not have the available cash balances to invest for lengthy periods.

	2021/22 Indicator £m	2021/22 Actual £m
Principal sums invested >364 days	10.0	0.00

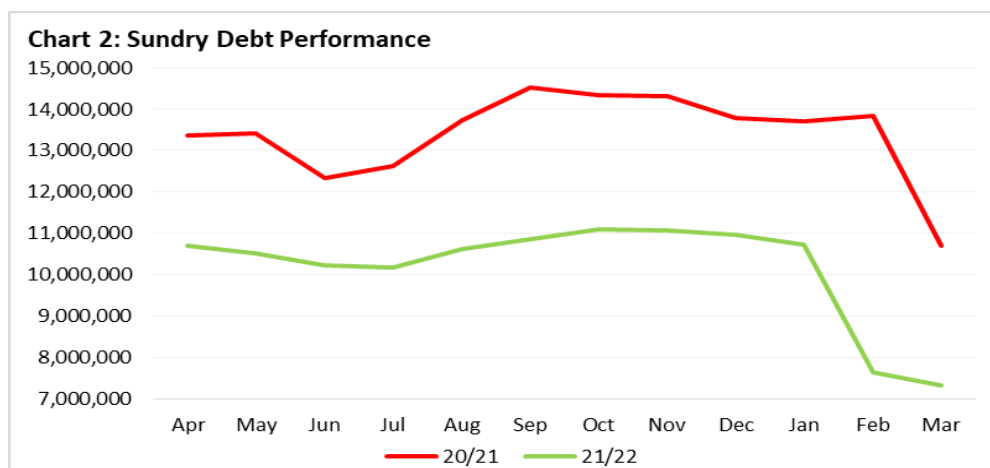


## Appendix D – Debt and Payment Performance Monitoring

- 1.1. The outturn for prompt payment of invoices based on all payments made (using invoice date) showed that 92.9% were paid within 30 days in 2021/22. This is an increase of 6.7% compared with in 2020/21. This increase was due (in part) to the large number of covid related payments that were made as a priority. During 2021/22, the Accounts Payable team continued to process significant volumes of Covid related support payments covering Test and Trace, Business Rates (ARG, restart and OHLG grants), as well as Adult Social Care related payments for care homes (infection control, workforce retention, omicron and vaccine/rapid testing related). The performance for 2021/22 is shown alongside the equivalent performance for 2020/21 in Chart 1.
- 1.2. During 2021/22 new reports have been developed to highlight the number of payments which are outside of the council’s ‘no PO, no pay’ governance policy and to further drive financial compliance. This is alongside further system workflow changes/improvements. An automation project is in progress so that energy related payments can be made to those in Council Tax bands A-D in May 22 (as per the Chancellor’s budget), and discussions have started around how payments to people supporting Ukrainian refugees can be urgently processed. The Accounts Payable team continue to work closely with all key stakeholders to ensure suppliers are paid quickly.
- 1.3. In 2021/22 a total of 83,858 payments were made (an increase of 8,550 from 2020/21,) of which 80,861 were paid within 30 days
- 1.4. The total value of payments made in 2021/22 was £372.6m (up by £58.7m). Of these:
  - £372.2m (99.9%) was paid out electronically to suppliers via either BACS or CHAPS
  - £0.4m (0.1%) was paid by cheque (292 cheques), 24 more than in 2020/21

## 2. Sundry Debt Performance

2.1. The total outstanding sundry debt on 31 March 2022 was £20.6m, which is a reduction of £1.2m in comparison to the previous year (£21.8m at 31 March 2021). As part of this total, £7.3m accounted



for debt aged over 6 months old and this is set out in Chart 2 alongside the comparative figures for 2020/21.

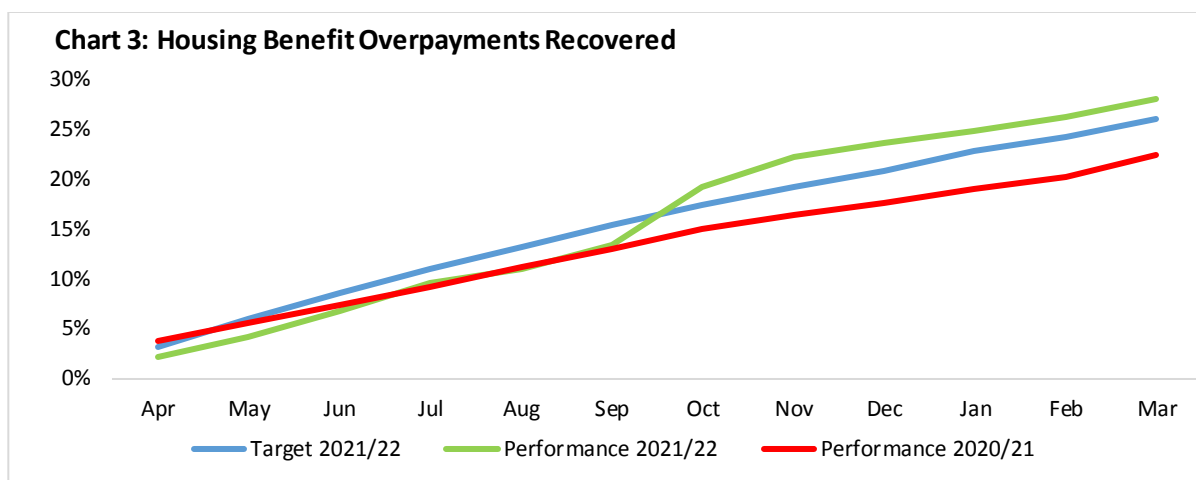
- 2.2. The £7.3m debt over 6 months old is down by £3.4m from last year. Of this balance, £4.6m (63%) relates to debt outstanding from NHS organisations and the Clinical Commissioning Group (CCG). It should be noted that £1.1m of NHS/CCG payments are unallocated and have not been included within the figure quoted due to the poor quality of information on remittances that the CCG submit and ongoing disputes. PCC finance/ AR team are working with the CCG to resolve this.
- 2.3. During 2021/22 a new (overarching) sundry debt policy document has been agreed and published on InSite. Alongside this, new “real time” reports for budget managers are continually being developed.

These will give better visibility over specific debts and the recovery stage that an individual debt is at. Additional controls at the billing stage to improve accuracy for invoices and ensure evidence is strong to support latter stage recovery action continues.

- 2.4. In 2021/22 invoices totalling £62.0m were raised, with a total of £63.5m being collected against the total outstanding debt (across all years). Serco have been carrying out two projects to recover aged debts, and during 2021/22 a total of £29k has been collected.

### 3. Housing Benefit Overpayments

- 3.1. Chart 3 shows the total amount of housing benefit overpayments recovered against the cumulative target rate set for 2021/22 and the 2020/21 performance.



- 3.2. Housing benefit overpayment collection as at the 31 March 22 was 28.05%, which is above the target of 26.0% and 5.66% higher than the figure for March 2021 (22.39%). The amount of debt carried forward from 2020/21 was c£5.5m and the amount of newly identified debt in 2021/22 was c£1.6m, which remains significantly lower than historical levels. As a result, the age profile of the debt continues to get older.

- 3.3. The value of debt collected as a percentage of new debt raised continues to remain above 100% (at 120% in 2021/22), meaning the amount of overall debt continues to reduce.

- 3.4. Overall overpayments remain low for a number of reasons, including:

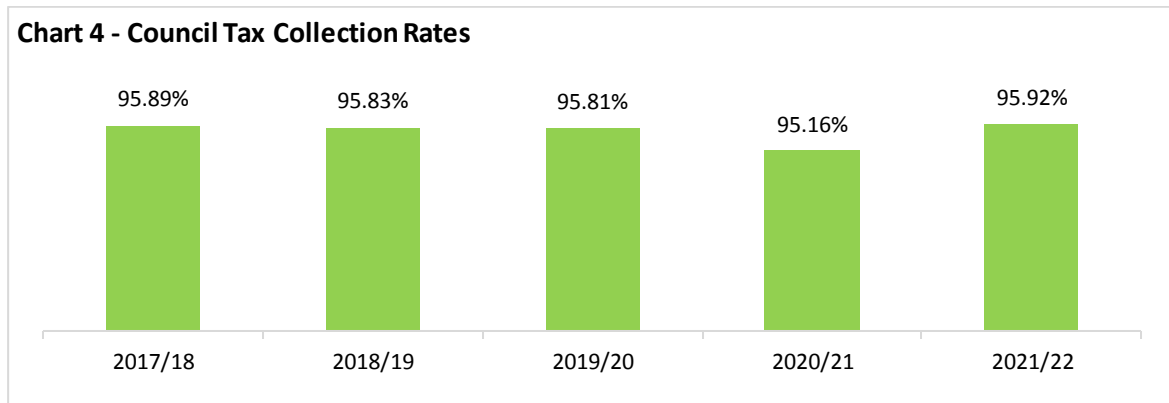
- 3.4.1. Universal credit migration continues to reduce the caseload of Housing Benefit claims. The reduction in claim numbers ultimately leads to a reduction in identification of new debt, and this is of overall benefit to the Council, but this does mean the achievement of the KPI becomes increasingly difficult due to the way it is measured.
- 3.4.2. Benefits processing remains significantly more up to date than it has been historically, leading to fewer overpayments caused by delays in processing.
- 3.4.3. Increased data matching of earnings and other changes with DWP and HMRC has led to claims being more promptly updated when changes occur.

- 3.5. While the age profile of the debt is making achievement of the KPI increasingly difficult, the actual underlying levels of outstanding debt are continuing to decrease after several years of increases. The carried forward debt in to 2022/23 has reduced to c£5m.

#### 4. Council Tax and Non-Domestic Rates Collection

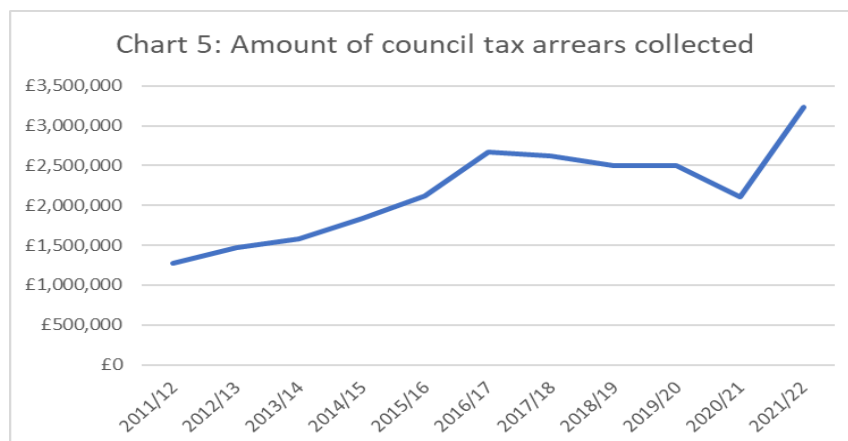
##### Council Tax

4.1. Chart 4 shows the performance in respect of Council Tax collection over the last 5 years, which outlines a very steady trend. Although the in-year collection rate for 2020/21 reduced by 0.65% in comparison to 2019/20, this position is much improved for 2021/22, exceeding the target of 95.8% by 0.12%.

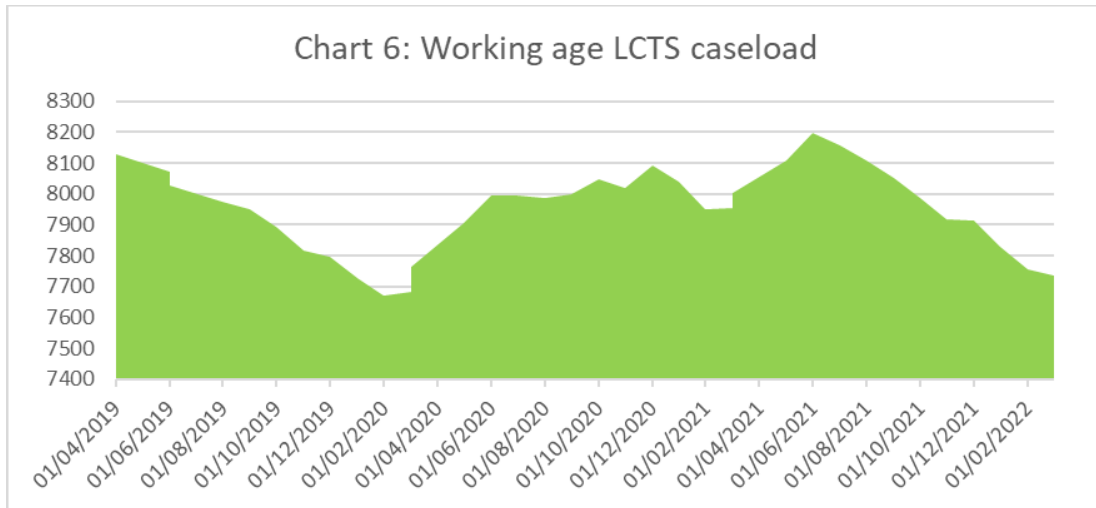


4.2. Following the delays in recovery in 2020/21 due to the impacts of covid-19, normal recovery resumed in 2021/22. The service took the opportunity to review recovery processes during this time and as a result has streamlined some of the latter stage recovery action. Despite the impacts of covid on the economy, collection rates have actually increased from pre-covid levels.

4.3. Prior years (arrears) debt collection also showed significant improvements, with collection of 17.82% against a target of 14.31%, with over £3m of arrears collected.

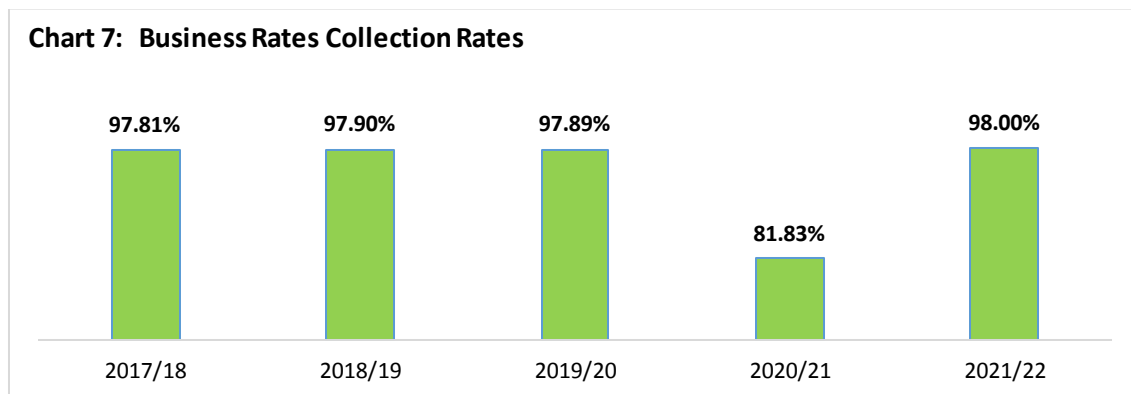


4.4. The previous year saw a steady rise in the working age Local council Tax Support (LCTS) caseload. At the start of the pandemic, the increase was sharp in line with the rise in unemployment, lockdown and the introduction of furlough. During 2021/22 the caseload started to reduce and is now only just above pre-pandemic levels. Chart 6 outlines the trend throughout the last three years.



**Non-Domestic Rates**

4.5. Chart 7 shows the performance for the collection of Non-Domestic Rates (NNDR) over the last 5 years. This usually remains steady at around 97.85%, however Covid-19 significantly impacted the collection of NNDR income during 2020/21, with the collection rate reducing by 16.06% compared to the level achieved in 2019/20 (in monetary terms this equated to £11.5m of uncollected NNDR income). For 2021/22, collection of NDR income rebounded significantly, exceeding the target of 97.8% by 0.2% with an overall collection of 98.0%, achieving the best collection rate in over 10 years.



4.6. Non-Domestic Rates recovery action was put on hold during the early part of the pandemic and the resulting financial situation many businesses faced. This significantly contributed to the collection rate of 81.83% in 2020/21. However, once recovery restarted in February 2021 with soft reminders and targeted calls and due to the challenges of debt collection last year, a more robust approach was taken to recover the 2020/21 arrears that were owed. This approach has had positive results with 2020/21 debt reducing by 83%, from £11.5m down to £1.9m, and reducing the number of businesses in debt in this period from 1,068 down to 274.

4.7. Business Rates relief for Retail, Hospitality and Leisure continued in 2021/22, with an initial 3-month period of 100% relief, following by 9 months of 66% relief. In addition to this, a new relief for those not covered by the above Retail scheme was available from February 2022 – called the Covid Additional Relief Fund (CARF).

4.8. Temporary staff continued to be employed throughout 2021/22 to help maximise recovery as well as additional permanent staff being recruited into the service. Additional staffing resource will continue in 2022/23 to allow additional ongoing recovery action for the remaining prior year arrears.

## 5. Covid-19 Grant Administration

### Business Rate Relief and Grants

5.1. Following the award of £90m of grants and reliefs to businesses in 2020/21 further schemes were announced in 2021/22 to provide additional support to those continuing to be affected by the impacts of covid-19.

5.2. The various grants schemes and reliefs awarded to businesses throughout 2021/22, include:

**5.2.1. Lockdown Grants:** A further £2.2m was paid in grants for applications relating to the November 2020 to March 2021 lockdown period.

**5.2.2. Restart Grant:** £7.2m administered from April - July 2021 and awarded under 2 different schemes and supporting 927 local businesses.

**5.2.3. Additional Restrictions Grants:** this is a continuation of the scheme that started in December 2020. Prompt allocation of funding in April – June 2021 resulted in the council being awarded a further £1.4m of support in July 2021. This was followed by an additional £0.3m in December due to the impacts of Omicron. In total, a further £5m in support was provided under this scheme in 2021/22, bringing ARG funding to £7.6m.

**5.2.4. Omicron Grant** – support for the Hospitality and Leisure sector, resulting in 286 awards totalling £1m.

**5.2.5. Extended Rate Relief and Nursery Discount:** a further £16.6m of relief was awarded under the amended schemes for 2021/22.

**5.2.6. Covid Additional Relief Fund (CARF):** £0.9m of relief was awarded to those businesses not eligible under the Retail Relief and Nursery schemes.

This brings the total level of grants and rate relief to £33m for the year and total covid-19 related funding since March 2020 to over £123m.

5.3. The Council is continuing to administer relief schemes in 2022/23. The Retail Relief scheme continues in 2022/23 at a lower rate of 50% and there remains £4.8m of CARF to distribute to eligible businesses.

### Test and Trace Self Isolation payments

5.4. In addition to business grants and reliefs the team administered the government Test and Trace isolation payments. The scheme opened in September 2020 and closed for new isolation cases in February 2022. In total 13,391 claims have been made, resulting in 6,845 payments and £3.4m being awarded to individuals to assist them to self-isolate.

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<b>CABINET</b>	<b>AGENDA ITEM No. 13</b>
<b>20 JUNE 2022</b>	<b>PUBLIC REPORT</b>

Report of:	Fiona McMillan, Director of Law and Governance	
Cabinet Member(s) responsible:	Councillor Coles, Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Pippa Turvey, Democratic and Constitutional Services Manager	Tel. 452460

## OUTCOME OF PETITIONS

RECOMMENDATIONS	
<b>FROM:</b> <i>Directors</i>	<b>Deadline date:</b> <i>N/A</i>
It is recommended that Cabinet notes the actions taken in respect of petitions.	

### 1. ORIGIN OF REPORT

- 1.1 This report is submitted following the submission of E-Petitions, the presentation of petitions to Council officers, and the presentation of petitions at Council meetings.

### 2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to update Cabinet on the progress being made in response to petitions submitted to the Council.
- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.7, '*To take a leading role in promoting the economic, environmental and social well-being of the area*'.

### 3. TIMESCALES

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

#### **Petitions Received by the Council**

##### Gates on Litter Park, Fulbridge Road Entrances

The petition was submitted by Mrs E Dawson on 5 November 2021. The petition contained 119 valid signatures and called for the Council to 'install gates on all the entrances to Litter Park on Fulbridge Road'.

The Head of Environmental Partnerships responded:

"Thank you for your petition and I am very sorry to hear this sad news.

litter Park is currently fenced around the perimeter and also around an area within the park with both natural and hard landscaping, and there are currently gates at both main entrances; however, one gate is left open and on litter Crescent there are two open access areas to make the park accessible for all. These access points allow easy access for prams and mobility scooters / wheelchairs, and we do not currently fully gate off any of our parks, so they are open to all to access.

The park is not currently promoted as an off lead dog walking area, and whilst I fully sympathise with the tragic circumstances that led to your petition, given the current financial pressures on the council and the need to ensure the parks remains accessible for all we would not be looking to install gates at this time.

In relation to your request for traffic calming measures on Fulbridge Road. I can confirm that Peterborough City Council works to the cluster site list as a means of prioritising safety measures. This stretch of Fulbridge Road does not feature and therefore would not currently be identified for measures such as traffic calming. We will however keep this under review. I will send on your concerns in relation to speeding on this road to the Police for enforcement purposes.

In relation to your concerns around the safety of people using this park and the footpaths around the area. I can confirm we work closely with the local schools to highlight key messages in relation to pedestrian and cycle safety to students. This is offered to reception aged children and their parents as well as older students including those in secondary schools. Key messages are highlighted to all age groups. If you are aware of any community groups that would benefit from some Road Safety advice and information then please do contact my colleague Jenny Wright, [jenny.wright@peterborough.gov.uk](mailto:jenny.wright@peterborough.gov.uk).”

### Keep the Key Theatre Open

The petition was submitted by Mr Ashley-Cooper on 16 December 2021. The petition contained 2943 valid signatures and called for the Council to ‘Keep the Key Theatre open as a place of important arts and culture in the City and to engage with those who use the building before making the disastrous decision to close it’.

The Executive Director for Place and Economy responded:

“Thank you once again for organising the petition relating to the future of the Key Theatre.

We're so very grateful for the amount of support for the Key that has been demonstrated through your petition.

You will by now be aware of the negotiations that we have had with Selladoor, the operators of the Peterborough New Theatre. Subject to confirmation of an emergency funding grant from Arts Council England, Selladoor have agreed to take over the management of the Key Theatre as a going concern.

Selladoor have extensive experience of managing theatres, as well as production management, expansive commercial expertise, and an impressive list of industry-leading national and international contacts.

Their management of the Key will help to build a strong performance culture across both of their Peterborough sites, with the New Theatre and the Key offering a very different set of productions and having multiple uses, as well as building a complementary rather than competitive programme. They are also keen to work closely with the Cresset as the city's third main performance space.

As part of our negotiations, we have also secured the future of the Key Youth Theatre which has its home at the Key.

As I say, the final deal with Selladoor is subject to confirmation of ACE funding, and we will know the outcome of that in the next three or four weeks. Selladoor have a very positive track record



of securing and managing grant funding, and so we and they are optimistic their bid will be successful, but of course that decision is out of our hands. Meanwhile, we have asked the current operator, City Culture Peterborough Ltd, to continue to manage the Key until the transfer can take place.

I very much hope you are as encouraged by the progress we've made as we have been by the volume of support expressed through your petition."

### Keep Werrington Sports Centre Open to the Public

The petition was submitted by Mr Beard on 19 December 2021. The petition contained 655 valid signatures and called for the Council to 'reverse the decision to close Werrington sports centre to the public from Jan 2022'.

The Service Director for Communities and Partnerships responded:

"Thank you very much for organising and submitting the petition to keep Werrington Sports Centre open.

The decision to temporarily close the Centre was not one we have taken lightly. You may be aware that the Centre is operated on behalf of the Council by Peterborough Ltd, trading as Vivacity. Peterborough Ltd are a Local Authority Trading Company, and they notified us of severe qualified staff shortages late last calendar year. This, they confirmed, is seriously hindering their ability to sustain a regular, reliable and safe leisure service offer across the full range of sports centres and other venues they operate for the city. The staffing shortage is particularly prevalent in relation to qualified duty managers and lifeguards.

The impact on services as a result of staff shortages is likely to manifest itself in the form of emergency closures, unreliable opening hours, reduced classes, and ultimately increased risk right across the leisure estate. An unreliable service is likely to lead to memberships being cancelled making the whole leisure service vulnerable.

The operator therefore asked us to consider, with them, ways in which these risks could be mitigated, and we jointly determined that ensuring the best performing centres were properly staffed and therefore reliably open would be the most appropriate way forward.

Regrettably, analysis does show that Werrington Sports Centre currently operates at a greater financial loss than the other centres within the portfolio. Much of this is of course due to the impacts of the pandemic, but is the sole reason Werrington was selected as the site to temporarily close.

This has enabled the operator to redeploy qualified staff from Werrington to the other centres they operate, resolving the issues and risks I've described above.

We are extremely sorry that this decision will so clearly impact the residents to the north of Peterborough. With that in mind, and with the support of Ken Stimpson school, the local ward councillors, and representatives from the local community, we have been able to put in place some bespoke arrangements with a number of groups that regularly use the centre for their activities, enabling them to continue that usage during this temporary closed period. Those groups have been incredibly flexible and have agreed in some cases to change the times they use the centre so as to share the increased costs this arrangement has incurred. We are very grateful to them and to the school, and as a result hundreds of people who access these groups will continue to be able to do so. It is worth noting that the local Werrington Councillors -John Fox, Judy Fox and Steve Lane -were unaware of the proposal to temporarily close the centre prior to the decision being taken.

I appreciate though that community use for the wider population remains unavailable, which we do regret. I understand that Peterborough Ltd are offering a complementary upgrade to

Werrington Centre users to their Gold Membership Package, which will allow them to use the Regional Fitness and Swimming Centre and the Hampton Leisure Centre for the duration of the closure. This upgrade has been automatically applied. Alternatively, they are offering the option for memberships to be frozen until the Centre reopens. These are clearly not a replacement for having access to a local facility, but hopefully may go some way for some users to mitigating the inconvenience caused.

Finally, Peterborough Ltd are working hard to recruit new staff that can be trained up to take on the roles where there are significant shortages. I would also like to reiterate that the closure is a temporary one, and we will continue to work hard with the operator to reopen the Centre as quickly as we possibly can.

I hope this response is helpful, and I would like to sincerely thank you once again for organising the petition.

My colleague, Paulina Ford, will be able to advise you on your options regarding the petition as referred to in her letter to you dated 7 January.”

### Save New Ark City Farm Eco Centre

The petition was submitted by Mr Scotten on 5 April 2022. The petition contained 681 valid signatures and called for the Council to ‘Reverse its decision to withdraw vital funding enabling New Ark to keep offering support and vital services for children and families within Peterborough, continuing its 40-year legacy for future generations’.

The Commissioning Manager responded:

“Thank you for making us aware of the petition relating to New Ark Adventure Play Centre and City Farm. We appreciate the services that are provided by this facility for the community.

The Local Authority has supported the New Ark Play Association Charity for a number of years. An agreement for New Ark Adventure Playground and City Farm was in place and due to expire on 31 August 2018. This funding was to support the services delivered by the New Ark Play Association and was separate from the funding that was provided by the Local Authority for the preschool. At this time the Local Authority acknowledged that it could not continue to contribute to these services indefinitely. They are not part of a statutory responsibility of the Local Authority. Nevertheless, the Local Authority agreed a grant fund over a 36-month period, reducing each 12-month period by £11,000, ending August 2021, in order to provide a period for New Ark Play Association to develop a more sustainable service and end the reliance on the Local Authority funding. Over this period the Authority has continued to support the charity through:

- Regular meetings to provide opportunity to review services and discuss funding challenges
- Support to advertise the charity and events through the Families Information Service
- Information on potential funding opportunities available to charitable organisations

COVID brought about several challenges. However, New Ark Play Association has been able to access continued financial support through the Local Authority:

- The Local Authority Grant continued to be paid during the COVID period
- The Local Authority continued to pay the Nursery Education Grant, based on the previous year’s attendance figures, despite the temporary closure of the service, and reduced numbers attending when opened. The preschool continues as a viable part of New Ark services.
- COVID Grants were accessed totaling £13,506.80, since the initial lockdown

The media announcement of the risk of closure to the centre was unexpected. There had been no mention of closure during meetings leading up to the end of the grant period, nor immediately

afterwards. Annual reports for 2018/19, 2019/20 and 2020/21 reported small profits for the charity, despite COVID and the reducing grant funding. The meetings held reported the recovery of the centre, increased numbers attending the centre, and the reinstatement of fund-raising events. Alternative opportunities to increase income were available prior to the end of the grant period. The Holiday and Food Activities Programme (HAF), provided funding to deliver services for targeted children in the local area. Unfortunately, New Ark Play Association chose not to take up this opportunity.

There have been further funding opportunities that have been discounted by the organisation such as through the opportunity to develop the provision for 2-year-olds, a very popular model with many pre-schools in the city.

The grant funding that was allocated to New Ark Play Association in August 2018 is no longer available. However, funds continue to be available through the delivery of the Holiday and Food Activities Programme. This government funding has been confirmed over the next three years, and subject to you successfully delivering the programme, could enable you to apply for funding and run the holiday activity to our most vulnerable children during this time. This could financially support those areas of your offer that are currently not sustainable, whilst providing an essential service for children in the community. We would encourage you to consider this opportunity.

In the meantime, should further funding opportunities arise either through the Local Authority or via our research on funding opportunities, we will of course let you know and encourage you to take up these when they become available.”

## **5. REASON FOR THE RECOMMENDATION**

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

## **6. ALTERNATIVE OPTIONS CONSIDERED**

- 6.1 There have been no alternative options considered.

## **7. IMPLICATIONS**

- 7.1 There are no legal, financial, or equalities implications arising from the issues considered.

## **8. BACKGROUND DOCUMENTS**

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

- 8.1 Petitions presented to the Council and responses from officers.

## **9. APPENDICES**

- 9.1 None.

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