

## CABINET

**MONDAY 19 JUNE 2023**  
**4.00 PM**

**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 CABINET MEETING  
HELD AT 10:00AM, ON  
MONDAY 13 MARCH 2023  
COUNCIL CHAMBER, TOWN HALL, PETERBOROUGH**

**Cabinet Members Present:** Councillor Fitzgerald (Chair), Councillor Steve Allen (Vice-Chair), Councillor Ayres, Councillor Cereste, Councillor Coles, Councillor Simons

**Cabinet Advisor Present:** Councillor Bisby, Councillor Hussain, Councillor Moyo, Councillor Gul Nawaz

**97. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Sainsbury and Councillor Howard.

**98. DECLARATIONS OF INTEREST**

Agenda Item No. 9 - Peterborough City College Day Opportunities and Supported Employment Extension

Councillor Ayres declared a non-pecuniary interest this agenda item due to her position on the Board of Peterborough City College.

**99. MINUTES OF THE CABINET MEETING HELD ON 13 FEBRUARY 2023**

The minutes of the Cabinet meeting held on 13 February 2023 were agreed as a true and accurate record.

**100. PETITIONS PRESENTED TO CABINET**

There were no petitions presented to Cabinet.

**STRATEGIC DECISIONS**

**101. A1260 NENE PARKWAY JUNCTION 3 IMPROVEMENT SCHEME**

The Cabinet received a report in relation to the A126 Nene Parkway Junction 3 Improvement Scheme.

The purpose of this report was for Cabinet to consider and approve the award of £9,291,880 to Milestone Infrastructure Limited to deliver construction of the highway improvement scheme for A1260 Nene Parkway Junction 3.

Councillor Cereste, Cabinet Member for Climate change, Planning, Housing and Transport, introduced the report, as well as the report for Agenda Item 6 'Eastern Industries Access – Construction of Improvement Scheme' and provided an overview of the key points.

Cabinet Members debated the reports for Agenda Item 5 and Agenda Item 6, and in summary responses to questions raised included:

- Members were pleased that investments were being made in these areas.
- It was commented that investment in roads was necessary in order to provide sustainable growth in the city.
- Active travel schemes, it as advised, were still being pursued and funding had been secured for a number of walking and cycling schemes. Bids continued to be submitted for active travel schemes in the next round of funding.
- Members were encouraged to see that HVO fuel was to be used for construction vehicles.
- It was noted that the Council's Walking and Cycling Infrastructure Plan was currently being review and would be presented to Cabinet in due course.
- Members were advised that there wasn't any inflationary gap within the scheme. There had been an increase in cost of the scheme in between the original business case and the final business case, due to inflation, but this was all covered by the Combined Authority funding.
- It was suggested that work be considered around the Eye Road approach to the Junction 8 "Van Hage" Roundabout, which suffered from congestion.
- Further comment was made that work should be done to ensure that Eyebury Road wasn't used as a short cut during improvement works.
- It was suggested that a balance was needed between road users and cycling and walking, with comment made that the quicker cars could move through J8, the better.

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

1. Approve the award of £9,291,880 to Milestone Infrastructure Limited to deliver construction of the highway improvement scheme for A1260 Nene Parkway Junction 3.

## **REASONS FOR THE DECISION**

The decision had been made to ensure that the Council was able to effectively deliver grant funding awarded to it by the CPCA for A1260 Nene Parkway Junction 3 improvement scheme. Successful delivery of the funding would help the Council to obtain further funding from the CPCA in future for other highway schemes. Delivery of the scheme would improve the capacity and operational performance of the highway network which was crucial to supporting future growth of Peterborough.

## **ALTERNATIVE OPTIONS CONSIDERED**

Not to deliver the scheme: This had been discounted because the highway network around Junction 3 would suffer from heavy congestion at peak times. This would have a negative impact on the local economy by deterring potential new businesses looking to invest in the city due to the long journey times in the area. Successful delivery of the scheme would provide significant benefits to the wider travelling public, resulting in improvements to; journey times, accessibility and the environment.

## **102. EASTERN INDUSTRIES ACCESS – CONSTRUCTION OF IMPROVEMENT SCHEME**

The Cabinet received a report in relation to the Eastern Industries Access Improvement Scheme.



The purpose of this report was for Cabinet to consider and approve the award of £6,665,696 to Milestone Infrastructure Limited to deliver construction of the highway improvement scheme for Eastern Industries.

Cabinet Members debated the report as above.

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

1. Approve the award of £6,665,696 to deliver construction of Eastern Industries access improvement scheme. Contract to be awarded to Milestone Infrastructure Limited to deliver the construction phase of the scheme as per the Peterborough Highway Services contract.

## **REASONS FOR THE DECISION**

The decision been made to ensure that the Council was able to effectively deliver grant funding awarded to it by the CPCA for Eastern Industries Access Improvement scheme. Successful delivery of the funding would help the Council to obtain further funding from the CPCA for construction of other future schemes. Delivery of the scheme would improve the capacity and operational performance of the highway network which is crucial to supporting the future growth of Peterborough

## **ALTERNATIVE OPTIONS CONSIDERED**

Not to deliver the scheme: This had been discounted because the highway network around the Fengate area would suffer from heavy congestion at peak times. This would have a negative impact on the local economy by deterring potential new businesses looking to invest in the city due to the long journey times in the area. Successful delivery of the scheme would provide significant benefits to the wider travelling public, resulting in improvements to; journey times, accessibility and the environment.

### **103. PETERBOROUGH FLOOD RISK MANAGEMENT STRATEGY 2021-2027**

The Cabinet received a report in relation to the Peterborough Flood Risk Management Strategy for 2021 to 2027.

The purpose of this report was to inform and consult the Cabinet about the Peterborough Flood Risk Management Strategy following its presentation to the Climate Change and Environmental Scrutiny Committee on 28 February 2023. The scrutiny committee endorsed the strategy for approval. The Cabinet was requested to recommend to Full Council that the strategy be adopted by Peterborough City Council.

Councillor Cereste, Cabinet Member for Climate change, Planning, Housing and Transport, introduced the report and provided an overview of the key points.

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

- Members were pleased with the update to the strategy.
- It was noted that the strategy emphasised other preventative measures to address flooding, rather than focusing on the use of sandbags, as it was advised that sandbags were not a perfect solution. It was acknowledged, however, that if there was spare capacity, sandbags would be provided.

- Suggestion was made that West ward had been referred to by error in table 57 and that this should read Fletton and Woodston following updated ward boundaries.
- It was advised that surface water flooding issues had been caused mostly by the incapacity of the sewer systems and officers were liaising with Anglian Water to determine how this could be resolved. Sustainable drainage options and drainage software were also being considered.
- It was further noted that Bourges Boulevard was primarily a hard surface water area, which created high levels of water flows. Solutions to this were being considered, such as permeable paving.
- Comment was made that the North Level Internal Drainage Board would be engaged with, as well as other relevant partners.

Cabinet considered the report and **RESOLVED** to recommend that Full Council:

1. Approve the updated Peterborough Flood Risk Management Strategy (FMS).

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

The production and monitoring of the FMS were a statutory requirement and the existing FMS and associated action plan that were produced in 2015 required updating.

#### **ALTERNATIVE OPTIONS CONSIDERED**

- a. Wholesale review and rewrite of existing FMS – Rejected due to additional costs of external resource and significant amount of extra time required to deliver with potentially limited benefits from that process.
- b. No review or update of existing FMS – Rejected due to the FMS and the need for its monitoring being a statutory requirement. The legislative environment in the flood risk and water sector was constantly changing and opportunities would be missed if this monitoring and update did not reflect that.

#### **104. HOUSEHOLD SUPPORT FUND ROUND 4**

The Cabinet received a report in relation to the forth round of the Household Support Fund.

The purpose of this report was to decide on the overall approach to the delivery of the Household Support Fund extension, including the spend proportions and areas of focus and delegation of authority.

Councillor Ayres, Cabinet Member for Children’s Services, Education, Skills and the University, introduced the report and provided an overview of the key points.

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

- The administration costs of the fund were question, and Members were advised that this did impact the amount of the fund that ending up with communities, however it was important that the right administration was in place in to ensure that funding went to the right places.

- Members noted the contribution of volunteers to Peterborough’s communities, and funding had been allocated in order to support this network and to provide training.
- Comment was made that the Council had a good relationship with Age UK and was now providing the support needed within its Adults Social Care teams to assist more elderly residents as well as those who weren’t computer literate.
- It was noted that the funding was provided by central Government and the Council was supporting its facilitation and distribution.

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

1. Approve the overall approach to the delivery of the Household Support Fund extension including the spend proportions and areas of focus.
2. Delegate authority to the Executive Director for Place, Economy and Communities, in consultation with the Executive Director for Corporate Resources and the Cabinet Members listed above, to finalise the detailed arrangements for all aspects of the scheme within the guidelines of the scheme and up to the grant determination limit of £3.65m.

### **REASONS FOR THE DECISION**

The grant was flexible, and the Council had targeted it at the areas that it considered to be the greatest need.

### **ALTERNATIVE OPTIONS CONSIDERED**

A number of options for delivery were explored:

Option 1 - Continue with the exiting arrangements for elements of the scheme including delivery by Cambridgeshire County Council for pensioner elements. This option would not facilitate the direction of travel for the council in terms of shared services coming to an end and also would not yield the efficiencies set out in the report meaning that more of the fund would be spent on administration – therefore this option had been discounted.

Option 2 - Do not draw down the funding or deliver any of the elements of the scheme, due to the adverse impact on households who are experiencing financial hardship as well as the preventative effect this funding would have in other areas of residents' lives such as impact on children’s learning and wellbeing, mental health and wider health issues this option had been discounted.

Option 3 - Deliver the full funding through free school meals or through a larger application-based voucher scheme. The 3 elements of the Peterborough HSF had been developed over the last 18 months through the learning of what worked and how to target different sections of our residents, the model described in the report was the most balanced and therefore option 3 had been discounted.

## **105. PETERBOROUGH CITY COLLEGE DAY OPPORTUNITIES AND SUPPORTED EMPLOYMENT EXTENSION**

The Cabinet received a report in relation to Peterborough City College Day Opportunities and Supported Employment Services.

The purpose of this report was to approve an extension of the funding for the Day Opportunities and Supported Employment Services delivered by Peterborough City College, from 1 April 2023 to 31 March 2025.

Councillor Fitzgerald, Leader of the Council, introduced the report and provided an overview of the key points.

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

- Officers confirmed that they would engage with Westcombe Engineering and report back to Cabinet Members.
- It was noted that City College were delivery Day Opportunities well, though provision did dip during COVID.
- A Skills Board was being proposed, in order to bring together various elements of the Council that supported the development of skills.
- Members requested that it would be useful to include statistics for the number of disabled individuals who worked for the Council in annual reviews, in order to improve inclusion and promote that the Council was an equal opportunities employer.

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

1. Approve the extension of £3,656,914 funding for Peterborough City College to continue delivering Day Opportunities and Supported Employment Services in Peterborough from 1 April 2023 to 31 March 2025.

## **REASONS FOR THE DECISION**

The reason for the decisions was to ensure the continuity of an effective service for 106 people with eligible needs and a further 43 accessing services without eligible care and support. It would also enable the opportunity to further develop the Employment Support Offer having clear performance indicators to increase the number of people with a learning disability and/or autism to gain paid employment (ASCOF measure 1E).

The reason that a 2-year extension was approved, was to enable enough time to complete more in-depth financial modelling, to begin in April 2023, to determine value for money as the budget was transferred over in 2016 and had not been reviewed since. By continuing to provide the day opportunities through the City College, it was advised that monitoring data was continuously collected so that a soft market test and benchmarking was carried out to ensure best value was being achieved. This could lead to commissioners needing to plan and develop the market for potential competition and a shorter extension period would not be sufficient to complete this, and any subsequent procurement activity.

## **ALTERNATIVE OPTIONS CONSIDERED**

- Do nothing i.e., not continue to fund Peterborough City College Day Opportunities and Employment Support services. This option was not a desirable or viable option, as it would not meet the Council's strategic aims and would leave vulnerable people without a service. Whilst Day Opportunities were not statutory this would likely have a knock-on effect on other areas with people needing additional services from alternative provision e.g., homecare or accommodation.

- Procure the service to the external market. This option was not a viable option, going to the market would leave a service delivery gap.

## 106. AMENDMENT TO HOTEL LOAN FACILITY

The Cabinet received a report in relation to the extension of the loan facility with Propiteer Hotels Ltd.

The purpose of this report was for Cabinet to approve the extension of the expiry date of the Hotel Loan Facility from 31 March 2023 to 31 December 2023.

Councillor Coles, Cabinet Member for Finance and Corporate Governance, introduced the report and provided an overview of the key points.

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

- It was noted that the amendment of the loan facility was a continuation of the existing agreement and would support the provision of a new facility for the city from the Hilton brand.
- The Council, it was advised, was making a commercial return on the loan which contributed towards the Council's services.

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

1. Approve the extension of the expiry date of the £15m loan facility with Propiteer Hotels Ltd and its subsidiary Fletton Quays Hotels Ltd from 31 March 2023 to 31 December 2023 subject to confirmation being received that the rights and security of the Council will be unaffected by this extension.
2. Delegate authority to the Director for Law and Governance (Monitoring Officer) and the Executive Director for Corporate Service and s151 officer in consultation with the Cabinet Member for Finance and Corporate Governance, following receipt of confirmation that the rights and security are unaffected of the Council are unaffected by this extension to take all necessary steps to finalise, agree and enter into all necessary legal agreements for the purposes of facilitating the decision in Recommendation 1.

### REASONS FOR THE DECISION

The Hotel would not be fully constructed by the expiration of the current loan facility. By approving the recommendation, the Council would ensure its loan could be refinanced in an orderly manner once the hotel construction had completed and begun trading.

### ALTERNATIVE OPTIONS CONSIDERED

The Council could refuse to extend the loan facility; however, this would require Propiteer to refinance in the middle of construction, which although not impossible, gave rise to a risk that the refinance was not achieved and there was a significant delay in build completion.

If refinance was not achieved for the uncompleted hotel the Council would need to exercise its security and take over the hotel building. The Council would then need to market the hotel on the open market in its uncompleted state or assume the responsibility for its construction and fit out in order to market for sale or operate itself once completed. The Hilton brand hotel franchise agreement was with Propiteer and any transfer of the brand to the Council would need to be separately negotiated, again leading to the risk of the city losing a prestigious Hilton Garden Inn hotel on the Fletton Quays site.

#### **107. DISPOSAL OF FREEHOLD LAND AT HEReward CROSS**

The Cabinet received a report in relation to the disposal of freehold land at Hereward Cross.

The purpose of this report was to consider the individual disposal of freehold land in Peterborough City Centre.

Councillor Coles, Cabinet Member for Finance and Corporate Governance, introduced the report and provided an overview of the key points.

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

1. Approve the disposal of the freehold land at Hereward Cross as set out below and detailed in the Heads of Terms within the Appendix 1 to the report and subject to receipt of a satisfactory Red Book Valuation.
2. Delegates authority to the Executive Director of Corporate Services and Director of Law and Governance after consultation with the Cabinet Member for Finance and Corporate Governance, following receipt and approval of the Red Book Valuation to take all necessary steps to effect the decision in Recommendation 1 including entering into all agreements.

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

The Council needed to secure capital receipts in this financial year and up to 24/25 as part of its overall capital programme.

#### **ALTERNATIVE OPTIONS CONSIDERED**

The Council had the option to continue with the lease currently in place and receive the annual rent. However, this would not enable the Council to fulfil its requirement for significant capital receipts.

#### **108. AWARD OF INSURANCE CONTRACT**

The Cabinet received a report in relation to the award of an insurance contract.

The purpose of this report was to provide Cabinet with the details of the tender exercise undertaken to procure external insurances to meet the Council's needs for the next 3 to 5 years for their approval, so the contract may be awarded.

With the approval of the Chairman of the Growth, Resources and Communities Scrutiny Committee, the waiver of call-in procedure had been invoked to suspend the 3-day call in period. This procedure had been invoked because there was

insufficient time to implement the contract on 1 April 2023 if the decision was called in and the Council could not be without insurance.

Councillor Coles, Cabinet Member for Finance and Corporate Governance, introduced the report and provided an overview of the key points.

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

- Members were advised that the Council's excesses totalled £50,000. Peterborough Limited's excess was £10,000.
- It was noted that the procurement of brokers took place every five to seven years, at a different point to the procurement of the insurance contract, in order to avoid having new brokers dealing with new contracts.

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

Authorise the award of a new insurance contract for PCC and Peterborough Ltd, to run between 1 April 2023 and 31 March 2028. It is proposed that the contract be awarded to Zurich Municipal Insurance in the sum of £872,859.22 plus Insurance Premium Tax for PCC and £339,496.19 plus IPT for Peterborough Ltd.

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

The insurer awarded the contract scored the best against the relevant criteria and was considered to meet the Council's insurance needs going forward.

#### **ALTERNATIVE OPTIONS CONSIDERED**

The insurance contract could be awarded to other insurers who submitted a tender bid, however as they scored less highly than those recommended, there would be adverse costs implications for the Council or issues with policy cover.

### **MONITORING ITEMS**

#### **109. CORPORATE PERFORMANCE REPORT**

The Cabinet received a report in relation to the Corporate Performance Report.

The purpose of this report was to provide an update to Cabinet and to provide the direction of travel on the Council's Corporate Performance in line with the Council's Priority Outcomes as set out in the Sustainable Future City Council Strategy 2022-25.

Councillor Fitzgerald, Leader of the Council, introduced the report and provided an overview of the key points.

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

- Members were pleased to note the attainment of children in primary and secondary schools, and praised all those involved.

- It was advised that the Council had collective responsibility for its performance management, and that a delivery programme board had now moved from an interim arrangement to a permanent resource.
- Cabinet would receive performance oversight every quarter.
- It was noted that the performance management programme represented a real opportunity to strategically align and identify areas of improvement for the Council.
- It was considered that the team would continue the work started by Jens Gemmel and the team would be resources as the need arose as capacity across the Council was more fully understood.

Cabinet considered the report and **RESOLVED** to note the Corporate Performance Report and endorses the proposed direction of travel for the way the Council reports on performance to members going forward.

### **REASONS FOR THE DECISION**

The Corporate Performance report would support Members to monitor performance across the Services and progress towards delivering against our Priority Outcomes.

### **ALTERNATIVE OPTIONS CONSIDERED**

There were no alternative options considered.

Chairman  
11.15am to 12.15am  
13 March 2023



**MINUTES OF THE EXTRAORDINARY CABINET MEETING  
HELD AT 10:00AM, ON  
THURSDAY 23 MARCH 2023  
COUNCIL CHAMBER, TOWN HALL, PETERBOROUGH**

**Cabinet Members Present:** Councillor Fitzgerald (Chair), Councillor Steve Allen (Vice-Chair), Councillor Ayres, Councillor Cereste, Councillor Coles, Councillor Howard, Councillor Simons

**Cabinet Advisor Present:** Councillor Bisby, Councillor Hussain, Councillor Gul Nawaz

**110. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Moyo and Councillor Sainsbury.

**111. DECLARATIONS OF INTEREST**

There were no declarations interest received.

**112. PETITIONS PRESENTED TO CABINET**

There were no petitions presented to Cabinet.

**STRATEGIC DECISIONS**

**113. RECOMMISSIONING OF DRUG AND ALCOHOL SERVICES IN PETERBOROUGH**

The Cabinet received a report in relation to the recommissioning of the Drug and Alcohol Treatment Service in Peterborough.

The purpose of this report was to secure support for a contract modification to PCC's current Integrated Drug and Alcohol Treatment Services contract, in consideration of Regulation 72(1)(b), Public Contracts Regulations 2015, to modify the contract to allow for a two-year contract extension until 31 March 2026.

Councillor Howard, Cabinet Member for Adult social Care, Health and Public Health, introduced the report and provided an overview of the key points.

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

- Members were advised that the grant came with delivery requirements that officers felt were currently being met.
- It was noted that there was sufficient time to renegotiate another contract, however, the potential disruption to service delivery and performance that may result was deemed undesirable, given the ongoing requirements of the grant.
- It was advised that this route had been proposed in consultation with procurement and legal advice.

- Members considered the issue of dirty needles being left in open areas. It was suggested that further work needed to be done to co-ordinate different Council's areas to address the issue.
- It was noted that family safeguarding arrangements were central to the service, with Drug and Alcohol staff being within the social care services and working directly with families, which had been well evaluated and had received funding to continue the arrangement.

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

A contract modification for a 2-year contract extension to the Change Grow Live (CGL) Aspire Integrated Drug and Alcohol Treatment Service for the period 1 April 2024 to 31 March 2026.

### **REASONS FOR THE DECISION**

- To provide stability in the current services to increase the numbers in treatment, improve the quality of services and provide stability in staffing in line with the expectations of the additional grant finding which was allocated to support delivery of the National Drugs Strategy
- To provide sufficient time and stability to deliver and evaluate the services established through the grants and ensure that the expectations and Terms and Conditions of the grants are met.
- It was likely that the Rough Sleeper and potentially the other grants would be extended into 2025/26 adding further to the complexity of delivering new models. A longer period without substantial changes enabled them to become embedded and established.
- The Provider Selection Regime (PSR) would come into force during any re-commission undertaken in 2023/24. Its adoption would allow the complexities of health service contracts to be addressed.
- The option to jointly commission with Cambridgeshire County Council from the 1 April 2026 would enable pooling of resources and take a more collaborative approach across Cambridgeshire and Peterborough especially in relation to organisations that work across the two local authorities.
- The current provider was performing to high standard and had worked hard to implement the new grant requirements despite huge challenges with workforce recruitment.

### **ALTERNATIVE OPTIONS CONSIDERED**

Procurement and New Service commencing April 2024 - The option of undertaking a competitive procurement for Adult and Children and Young People's Drug and Alcohol Treatment Service in Peterborough during 2023/24 with only with a new contract commencement of 1 April 2024 was explored and dismissed due to service disruption and non-delivery of the grants' expected outcomes, and procurement and financial risks.

Direct award for a two-year period - To direct award to the supplier following contract expiry of these services would be a breach of the Council's Contract Rules and Public Contracts Regulations 2015, therefore this option was not considered further.

## **114. ADOPTION OF THE PLANNING COMPLIANCE PLAN 2022**

The Cabinet received a report in relation to the Planning Compliance Plan for 2022.

The purpose of this report was to seek approval for adoption of the revised Planning Compliance Plan (2022). The revision is a result of the Planning Service review which found that the current Planning Compliance Plan adopted in 2013 (the 2013 plan) is not sufficiently up to date.

Councillor Cereste, Cabinet Member for Climate Change, Planning, Housing and Transport, introduced the report and provided an overview of the key points.

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

- Members noted that a significant intention of the policy was to improve the service and focus on addressing national criticism for slow and unpredictable delivery through the implementation of a triage process.
- It was highlighted that the new policy removed the requirement to update informants of the process and would now rely on informants requesting updates.
- This, it was advised, would be communicated to informants and the initial triage stage, with a generic inbox having been set up in order to better manage communications.
- It was noted that decisions in relation to planning applications for listed buildings may take longer than non-listed building, due to the need to consult with government heritage advisors.
- Members were reassured that the triage process was to keep cases at a manageable level. If new or additional information became available in relation to previously closed cases, these would be reopened.

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

1. Adopt the Planning Compliance Plan 2022 included at Appendix A.

## **REASONS FOR THE DECISION**

The current Compliance Policy was adopted in 2013 and, whilst the planning legislation was still relevant, the policy had been made more concise. It required updating to reflect more effective working practices and new service timescales according to the priority of the case.

## **ALTERNATIVE OPTIONS CONSIDERED**

The alternative would be to retain the 2013 Plan. However, this had led to time being wasted on the investigation of alleged breaches of planning control that could have been dealt with more quickly had the informant provided additional information at the start of the process. This had resulted in additional staff costs and in less time being focused on breaches of planning control that were more harmful or irreversible.

## **115. SUBSIDIARY PROPOSAL: LEISURE SERVICES**

The Cabinet received a report in relation to subsidiary arrangements for leisure services.

The purpose of this report was to present recommendations to Cabinet following Peterborough Limited's review of options relating to the company structure operated

by Peterborough Limited for the delivery of leisure services, to ensure that the delivery of the leisure services achieves best value for money.

Councillor Steve Allen, Deputy Leader and Cabinet Member for Communication, Culture and Communities, introduced the report and provided an overview of the key points.

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

- Members were advised that external support was being sought for taxation advice and legal advice around corporate entities, as the Council did not have this expertise in-house.
- It was noted that the nature of the guarantee for the Company Limited by Guarantee would be part of the next stage of considerations, and would be taken under advice.

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

1. Subject to the undertaking of due diligence on and receipt by the Council of satisfactory legal, financial, procurement and taxation advice in connection with the proposed delivery structure, approve that Peterborough Limited establish a not-for-profit company limited by guarantee as a wholly owned subsidiary to deliver the Council's leisure services on an interim basis until 31 March 2024.
2. Approve the amendment of Peterborough Limited's Articles of Association, accounting and reporting practises as may be necessary to affect the decision in recommendation 1, and the adoption of a further Peterborough Limited reserved matter, namely that Cabinet must approve the alteration of any matter reserved to Peterborough Limited in relation to any subsidiary.
3. Following receipt and approval by the Executive Director of Corporate Services of the satisfactory legal, financial, procurement and taxation advice referred to in Recommendation 1, to approve the delegation of authority to the Executive Director of Corporate Services, in consultation with the Director of Governance, the Executive Director for Place and Economy, and the Cabinet Member for Communication, Culture and Communities, to take all necessary steps to protect the interests of the Council and effect the decision in Recommendations 1 and 2, including negotiating and entering into agreements.

## **REASONS FOR THE DECISION**

A not-for-profit company limited by guarantee was P-Ltd's preferred option in principle, but this was subject to further due diligence on the part of the Council and receipt of advice in accordance with Recommendation 1.

The Council would then be able to assess which option would enable P-Ltd to continue to deliver leisure services on behalf of the Council in the most cost-effective way. This report did not impact on the separate work which was being carried out to explore long-term delivery options for the leisure services.

## **ALTERNATIVE OPTIONS CONSIDERED**

Alternative options were set out within Appendix 1 - Exempted Section Not for Publication Business Case.

## **116. SALE OF OPTION - NURSERY LANE DEPOT**

The Cabinet received a report in relation to the sale of option for Nursey Lane Depot.

The purpose of this report was to enter into an Option Agreement with Cambridgeshire and Peterborough Combined Authority for the sale of Nursery Lane Depot as detailed in the report and exempt appendix.

Councillor Coles, the Cabinet Member for Finance and Corporate Governance, introduced the report and provided an overview of the key points.

Cabinet Members noted that the matter had been discussed at length by the Cambridgeshire and Peterborough Combined Authority.

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

1. That the Council enters into an Option Agreement with Cambridgeshire and Peterborough Combined Authority for the disposal of the freehold land at Nursery Lane Depot at Market Value but subject to all current constraints being resolved, as detailed below and in the exempt annex.
2. That authority is delegated to the Executive Director of Corporate Services and Director of Law and Governance after consultation with the Cabinet Member for Finance and Corporate Governance to take all necessary steps to negotiate the terms of the option agreement following receipt of satisfactory, legal and property advice on the terms of the option agreement.

### **REASONS FOR THE DECISION**

A new bus depot would enable the Council to achieve a future-proofed, accessible, and sustainable public transport system.

### **ALTERNATIVE OPTIONS CONSIDERED**

The Council could decide not to agree to the disposal of the site to CPCA but this could risk the grant funding secured and capital receipt programme.

As it was the last Cabinet meeting of the municipal year, the Leader of the Council thanked Members and officers for their hard work throughout the year.

Chairman  
10.00am to 11.33am  
23 March 2023

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**MINUTES OF THE EXTRAORDINARY CABINET MEETING  
HELD AT 3:00PM, ON  
TUESDAY 18 APRIL 2023  
BOURGES/VIERSEN ROOM, TOWN HALL, PETERBOROUGH**

**Cabinet Members Present:** Councillor Fitzgerald (Chair), Councillor Steve Allen (Vice-Chair), Councillor Ayres, Councillor Cereste, Councillor Coles, Councillor Howard, Councillor Simons

**Cabinet Advisor Present:** Councillor Bisby, Councillor Moyo, Councillor Sainsbury

**117. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Hussain and Councillor Gul Nawaz.

**118. DECLARATIONS OF INTEREST**

There were no declarations interest received.

**119. PETITIONS PRESENTED TO CABINET**

There were no petitions presented to Cabinet.

**STRATEGIC DECISIONS**

**120. ACQUISITION OF SAND MARTIN HOUSE**

The Cabinet received a report in relation to the acquisition of the freehold interest of Sand Martin House.

The purpose of this report was to consider the acquisition of the freehold interest of Sand Martin House as detailed in the report and exempt appendix.

Councillor Coles, Cabinet Member for Finance and Corporate Governance, introduced the report and provided an overview of the key points.

In accordance with Standing Orders, Cabinet was asked to determine whether item 4 'Acquisition of Sand Martin House', as defined by Paragraph 3 and 4 of Schedule 12A of Part 1 of the Local Government Act 1972, should be exempt and the press and public excluded from the meeting when they were discussed, or whether the public interest in disclosing this information outweighed the public interest in maintaining the exemption.

Cabinet resolved (unanimous) to agree the exclusion of the press and public for agenda item 4.

Cabinet therefore moved into exempt session.

Cabinet Members debated the report and in summary responses to questions raised that did not relate to exempt information included:

- The decision before Cabinet was significant but was of great strategic value. All opposition parties had been briefed on the situation and had not raised any concerns.
- It was felt the decision to purchase the Sand Martin House site was in the best interest of the taxpayers and the Council, in order to be more in control of its own destiny.

Cabinet considered the report and **RESOLVED** to recommend that Full Council:

1. Approve an additional capital budget for the purchase of the freehold interest of Sand Martin House

Cabinet further **RESOLVED** to:

1. Approve the acquisition of the freehold interest of Sand Martin House on the terms set out in Appendix 2 subject to Full Council approval of the amended budget on 22 May 2023; and
2. To delegate authority to the Executive Director of Corporate Services and Director of Law and Governance, in consultation with the Cabinet Member for Finance and Corporate Governance to take all necessary steps including agreeing final terms and entering into all necessary agreements to facilitate the decision in Recommendation 1.

## **REASONS FOR THE DECISION**

Following the acquisition of the freehold interest of the site, the Council would have the ability to make financial savings in the short, medium, and long term and would have full control of the use of the building.

## **ALTERNATIVE OPTIONS CONSIDERED**

The Council could choose not to proceed with the purchase of the freehold interest in Sand Martin House. In this scenario, the lease would continue for the remaining 20-year term which was subject to five yearly upward only RPI rent reviews with no break options. In addition, the council would be limited to future options for the site and additional operational costs. This was therefore not recommended.

Chairman  
3.00pm to 3.27pm  
18 April 2023



<b>CABINET</b>	<b>AGENDA ITEM No. 5</b>
<b>19 JUNE 2023</b>	<b>PUBLIC REPORT</b>

Report of:	Adrian Chapman Executive Director Place and Economy	
Cabinet Member(s) responsible:	Councillor Nigel Simons, Cabinet Member for Infrastructure, Environment and Climate Change	
Contact Officer(s):	Peter Gell, Head of Regulatory Services	Tel. 07920 160701

## **HOUSING LICENSING SCHEME - AWARD OF CONTRACT**

<b>RECOMMENDATIONS</b>	
<b>FROM:</b> Executive Director Place and Economy	<b>Deadline date:</b> 19 June 2023
<p>It is recommended that Cabinet:</p> <p>Authorises the award of a services concession contract to The Home Safe Scheme Ltd for the administration of a Selective Licencing Scheme for private sector housing covering the area approved by council on the 25 January 2023 and included at Appendix 1, subject to approval for the Scheme being granted by the Secretary of State.</p>	

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

- 1.1 This report is further to that received by Cabinet on the 16 January 2023 and Full Council on 25 January 2023 regarding housing standards in Peterborough that had been requested by the Cabinet Member for Climate Change, Planning, Housing and Transport.

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

- 2.1 The purpose of this report is to update Cabinet on the progress towards implementation of licensing schemes in the city to regulate private sector housing, and to seek approval to award a contract to a third-party to administer a Selective Licensing Scheme.
- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.2, 'To take collective responsibility for any Executive decision that has significant implications across two or more portfolios.'

### **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 On 16 January 2023 Cabinet agreed to recommend to Council that an application for a Selective Licensing Scheme for the area defined within the public consultation undertaken between 20 January 2022 and 13 April 2022 be submitted to the Secretary of State. Cabinet further agreed that analytical work be undertaken to identify areas within the city suitable for

the implementation of Additional Licensing Schemes and the subsequent public consultation on a proposed scheme.

- 4.2 On the 25 January 2023 Council agreed, following the recommendation by Cabinet, that an application for a Selective Licensing Scheme be submitted to the Secretary of State.
- 4.3 Following an extensive piece of work to collate the required evidence base, data, and information to meet application requirements, an application was submitted to the Secretary of State for the Department for Communities and Local Government on the 20 March 2023. The Department confirmed that it would take in the region of three months to make a determination regarding the application. At the time of writing a determination has yet to be made.
- 4.4 As previously advised to Cabinet the approach to raise housing standards included procuring a third-party provider to administer housing schemes. The procurement to find a provider commenced on 20 April 2023 through an open procurement exercise inviting interested suppliers to submit a tender in response to an opportunity notice, this following a period of soft market testing. The procurement was undertaken in compliance with the Concession Contracts Regulations 2016. A services concession contract differs from a services contract in that a service provider is provided a right to exploit the services, with payments for the services based on a percentage of the income collected. The details are set out in the financial implications section of this report.
- 4.5 As a result of the procurement exercise one tender was received, this meeting the assessment criteria. The Service provider is The Home Safe Scheme Ltd, the company have experience in working with local authorities to manage housing licensing schemes and have a track record of tailoring their approach to meet local needs.
- 4.6 Appointment of The Home Safe Scheme Ltd will enable the council to continue its transformation of the approach to raise housing standards in the city. A period of onboarding the service provider would commence following appointment, and preparing landlords and agents for implementation, this expected to take approximately 3 months.
- 4.7 A decision from the Secretary of State regarding the implementation of a Selective Licensing Scheme is expected by the end of June. It is anticipated that approval will come with conditions in that a scheme can not commence before 3 months from approval has elapsed and must be implemented before 6 months has expired.
- 4.8 Regarding the wider housing standards transformation, the Housing Standards Service restructure changes have been completed, and work is underway to go out to a public consultation regarding Additional Licensing Scheme in the city this summer.

## **5. CORPORATE PRIORITIES**

The following outlines how the recommendation links to the Council's Corporate Priorities:

### **5.1 The Economy & Inclusive Growth**

#### Environment/Carbon Impact

The approach outlined in this report will have a positive impact on the environment in that property related energy efficiency standards will be promoted, and their compliance checked through the licensing regime.

Having sufficient good quality housing provision is key to the city successfully achieving economic growth in a sustainable way.

### **5.2 Our Places & Communities**

#### Health and Wellbeing

Good housing conditions are an important contributory factor in the overall health and wellbeing of those living in a property. The proposed Schemes will help improve housing standards.

### 5.3 **Prevention, Independence & Resilience**

#### Adults & Children

Opportunities to prevent crises for both adults and children will at times be identified during inspections of accommodation, ensuring these are not lost and the appropriate support is put in place will be a priority for the Service. Category 1 hazards, and as recently reported in national media, damp and mould can and do lead to serious poor health consequences if not addressed.

### 5.4 **Sustainable Future City Council**

#### How we Work, how we serve, how we enable

Using good qualitative data and information will help inform and drive interventions to improve housing standards compliance. Working collaboratively with other council services and external providers will help address the wider issues impacting negatively on communities, resulting in better outcomes.

## 6. **CONSULTATION**

6.1 A public consultation was undertaken regarding the implementation of a Selective Licensing Scheme for 12 weeks commencing on the 20th of January 2022 and finishing on the 13th of April 2022.

6.2 The approach to improve housing standards was considered by the Corporate Leadership Team (CLT) on 21st December 2022, Cabinet Policy Forum on 9th January 2023, and Cabinet on 16th January 2023. The Growth, Resources and Communities Scrutiny Committee in addition debated the housing approach and plans for the year on the 7 March 2023.

6.3 The Council approved the submission of an application to the Secretary of State for a Selective Licensing Scheme on the 25 January 2023.

## 7. **ANTICIPATED OUTCOMES OR IMPACT**

7.1 The anticipated impact that agreement of the recommendation in this report will deliver is improvements to housing standards in rented accommodation leading to better outcomes for tenants.

## 8. **REASON FOR THE RECOMMENDATION**

8.1 The council has a statutory responsibility with regards to regulating housing standards in the private rented sector. The introduction of a Selective Licensing Scheme is one of several measures designed to improve housing standards in the sector.

8.2 A previous Selective Licensing Scheme ended in October 2021 after its 5-year period, and consequently there has been a gap in the regulatory controls in the locality. Housing standard complaints and officer inspections confirm there remain properties providing poor housing condition standards.

8.3 Awarding a contract for the administration of the Selective Licensing Scheme to the third-party provides the infrastructure and associated resources necessary to implement the Scheme, the service provider working collaboratively with the council to ensure an effective and efficient service is provided.

## 9. **ALTERNATIVE OPTIONS CONSIDERED**

## 9.1 **Option One (Status Quo)**

Continuation of the current delivery arrangement does not provide the resources nor the operational framework necessary to materially improve housing standards across the breadth of our rental sector. The arrangement is in addition not sustainable financially as much of the current staffing was funded out of the previous Selective Licensing Scheme, therefore without additional revenue the size of the team would have to be reduced to reflect cash limits. The status quo position would rely on the Mandatory Licensing Scheme alone in conjunction with the enforcement sanctions available to officers.

## 10. **IMPLICATIONS**

### 10.1 **Financial Implications**

10.1.1 The proposal would result in a third-party provider being funded from the fees derived from the licences they administer for the council, the council receiving a proportion of the fees to cover the cost of issuing the licence once the third party has completed all the compliance checks and confirmed the scheme requirements have been met and a licence can be issued.

10.1.2 The financials associated with this approach have been scrutinised through the Transformation Project Programme and through the procurement processes.

10.1.3

Through this contract the provider would receive approximately £4.4million from licence fee income over the 5-year Selective scheme lifetime. This figure is approximate due to the fact that the number of rental properties constantly changes.

10.1.4

The council would retain approximately £1,014,500 from licence fees derived from the Scheme.

### 10.2 **Legal Implications**

10.2.2 The procurement was undertaken in compliance with the Concession Contracts Regulations 2016. A services concession agreement will govern the contractual relationship between the Council and The Home Safe Scheme Limited.

The contract award letter expressed the award to be subject to the Councils' internal approval process authorising the contract award, and Secretary of State authorisation of Peterborough City Council's Selective Licensing Scheme (which it is expected will be received by 1st July).

### 10.3 **Equalities Implications**

10.3.1 The proposal does not negatively discriminate against any group with protected characteristics. The proposal, if adopted, will improve living conditions for people living in poor housing conditions in the rented sector. Younger households are more likely to live in the private rented sector than older households according to Office of National Statistics (ONS) data, the largest age group being 25-34. Any improved standards will benefit all those in rented accommodation, slightly more so those in the 25-34 age group as the biggest age grouping, though not disproportionately.

10.3.2 Poor housing standards are known to have a significant detrimental impact on peoples' health, so improvements help contribute towards achieving better health outcomes. Due to high inflation, and heating costs some tenants will be experiencing extreme hardship, compliance checks therefore provide an opportunity to put people in touch with available support.

10.3.3 Good responsible landlords will benefit as they can invest in providing good quality accommodation knowing it is a level playing field, as rogue landlords will not be able to cut corners.

### 10.4 **Other Implications**

- 10.4.1 This report has implications for landlords and agents of private rental accommodation in the Selective Licensing Scheme area, and tenants of those properties, including the wider community. The Scheme imposes requirements which properties within its remit must comply with, leading to improved standards and better outcomes for tenants and communities.

## **11. BACKGROUND DOCUMENTS**

- 11.1 Cabinet 16 January 2023 Report – Licensing Schemes – Raising Housing Standards
- 11.2 Council 25 January 2023 Report – Executive Recommendation – Licensing Schemes – Raising Housing Standards

## **12. APPENDICES**

- 12.1 Appendix 1 - Proposed Selective Licensing Scheme Area

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## Selective Licensing Scheme Proposed areas for 2023 - 2028

Data held was reviewed to understand how the private rented market has changed over the five years since the previous scheme (2016- 2021) came into place.

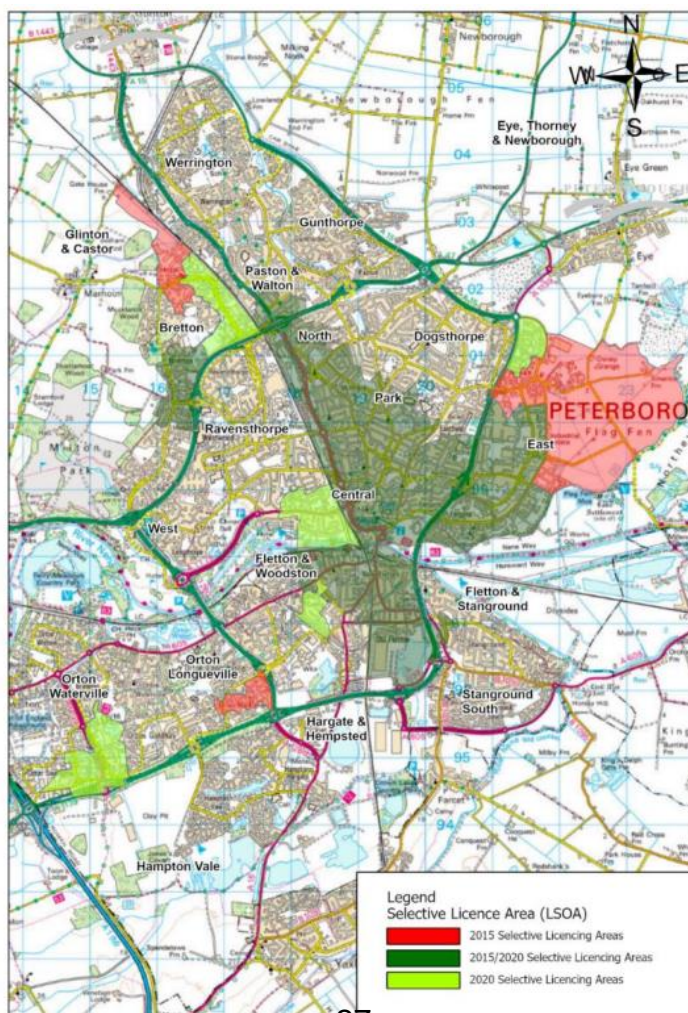
As a result, three areas which were designated under the original scheme no longer meet the threshold for selective licensing; these are located within Bretton, East, and Orton Longueville wards.

An additional five areas now meet the criteria for a selective licensing designation; these are located within Bretton, East, Fletton and Woodston, Stanground South and Orton Waterville wards.

The specific areas that such a scheme will cover are located within, but not coterminous with, the following electoral wards:

- Central
- North
- East
- Park
- Bretton
- Fletton and Stanground
- Fletton and Woodston
- Paston and Walton
- Stanground South
- Orton Waterville

A map showing the areas covered by the proposed new scheme, compared with the original scheme, is below.



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<b>Cabinet</b>	<b>AGENDA ITEM No. 6</b>
<b>19 June 2023</b>	<b>PUBLIC REPORT</b>

Report of:	Adrian Chapman, Executive Director of Place and Economy	
Cabinet Member(s) responsible:	Councillor Nigel Simons, Cabinet Member for Infrastructure, Environment and Climate Change	
Contact Officer(s):	Hannah Swinburne, Principal Climate Change Officer Charlotte Palmer, Head of Environment and Climate Change	Tel. 07920 160728

## 2023 Council Climate Change Action Plan

RECOMMENDATIONS	
<b>FROM:</b> Climate Change and Environment Scrutiny Committee	<b>Deadline date:</b> 19 <sup>th</sup> June 2023
It is recommended that Cabinet:	
<ol style="list-style-type: none"> <li>1. Endorses the 2023 Council Climate Change Action Plan; and</li> <li>2. Recommends that Full Council adopts the 2023 Council Climate Change Action Plan.</li> </ol>	

### 1. ORIGIN OF REPORT

- 1.1 This report is submitted to Cabinet following referral from the Climate Change and Environment Scrutiny Committee on the 28 February 2023.

### 2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to share the Council Climate Change Action Plan. Should the plan be supported by Cabinet, it will be considered for adoption by Council.
- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.14, '*... 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>YES</b>	If yes, date for Cabinet meeting	<b>19 June 2023</b>
Date for relevant Council meeting	<b>21 June 2023</b>	Date for submission to Government Dept. <i>(Please specify which Government Dept.)</i>	<b>N/A</b>

### 4. BACKGROUND AND KEY ISSUES

#### 4.1 **Background**

On 24 July 2019, the council declared a climate emergency, the council then approved and adopted the first council carbon management action plan in March 2020. Council agreed to update this action plan annually. This report is the fourth edition of a climate change action plan to reduce emissions across the council.

#### 4.2 **Report overview**

The Council Climate Change Action Plan is brought to Cabinet to seek support ahead of seeking adoption at Council.

#### 4.3 **Carbon footprint**

The Council calculates its carbon footprint annually. In 2021/22 the Council emitted 13,647 tonnes CO<sub>2</sub>e. Emissions have reduced from the previous financial year, primarily through the reduction in emissions from purchased goods and services within the Peterborough Highways Service. Another key action to reduce emissions is the use of HVO (Hydrotreated Vegetable Oil) fuel instead of diesel within this contract. HVO releases 90% less CO<sub>2</sub>e per litre of fuel in comparison to diesel. This occurred partway through the financial year, so vehicle emissions are expected to reduce further in future years.

1,224 MWh of electricity was generated via solar panels across the Council's estate. Some of this electricity will have been used on site, with some exported to the national grid.

The Council purchased 95% of its electricity use through a green electricity tariff, which reduced net emissions to 9,927 tonnes CO<sub>2</sub>e. When considering net emissions (i.e., with consideration of the green electricity tariff), the Council's most significant areas of emissions are the goods and services purchased through the highways contract (4,809 tonnes CO<sub>2</sub>e), Council purchased gas (2,780 tonnes CO<sub>2</sub>e) and Aragon-owned transport (1,670 tonnes CO<sub>2</sub>e).

An assumption for the amount of waste produced from Council buildings has been used (based on previous financial years). Officers have identified improvements that are required for this data collection, which will be performed for future calculations. Using assumed data is not expected to significantly impact the overall data or conclusions as it represents under 1% of the council's emissions.

#### **Progress in the last year**

4.4 The previous report was adopted by council in June 2022. This report details progress made on some of the commitments since its adoption; work will continue to complete these commitments. Below are some highlights from the previous year:

- The council received funding for the development of heat decarbonisation plans for 14 of the council's buildings. Suitable energy efficiency measures and low carbon heating installations were identified for each building and estimated costs and suggested project timelines were proposed. This was completed in March 2023. Analysis of these plans will help aid future decarbonisation plans. In total, energy efficiency studies have been completed for 25 of the council's highest emitting buildings.
- The council has been successful in recent funding applications to fund the planting and establishment of trees. £261,100 was received through Treescape 1 for planting and establishing trees in 2021/22, and £299,900 was received through Treescape 2 for tree planting and establishment in 2022/23. In addition, the council has also been successful in receiving funding through the Woodland Creation Accelerator Fund to employ an officer and work with PECT to develop tree planting plans and seek additional funding. (£149,800).
- HVO has continued to be used in the Peterborough Highways Service, delivering a 90% reduction in emissions in comparison to diesel.
- The council is working with Aragon to optimise climate friendly practices. Aragon is trialling the use of glyphosate alternatives as weedkillers this summer. Previous trials have included the use of a biodegradable foam-based solution to kill weeds.

- The council will continue to support the highways contractor to seek PAS2080 accreditation, which is a standard associated with carbon management in infrastructure projects.

### **Proposed 2023 commitments**

4.5 There are several commitments proposed within the report. These include the development of a roadmap to net zero emissions, installation of solar panels and LED lighting for suitable buildings, and implementation of a carbon reduction procurement plan to support suppliers to reduce emissions. It is recommended that selection of projects considers the following aspects:

- Project cost. Projects which could be funded by external grants or will offer financial savings may be prioritised.
- Potential impact to emissions. Projects with the highest potential impact to emissions may be prioritised.
- Ease of implementation. Staffing resources must be utilised efficiently to ensure that maximal projects can be delivered.
- Public demonstration. The Council has an important leadership role in demonstrating how projects which tackle climate change can be completed to other organisations and businesses.

Several of the proposed commitments are expected to deliver co-benefits which align with council priorities.

These three areas: reducing Council emissions; reducing city emissions; and adapting to climate change, form the main focus of the climate change programme.

## **5. CORPORATE PRIORITIES**

### *5.1 The Economy & Inclusive Growth*

The proposed commitments for the upcoming year will decrease carbon emissions, through reduced electricity consumption, decreased staff travel and increased carbon capture through tree planting.

There are several commitments which aim to empower staff and councillors to develop carbon reduction projects. Additional projects that reduce carbon emissions will likely be brought forward and have not yet been identified.

The Council Climate Change Action Plan focuses on actions that can reduce Council emissions rather than city wide emissions, however the council does play a leadership role in demonstrating good practices and therefore may have an impact on wider emissions.

#### *Sustainable Future City Council*

Financial savings are expected to be made through the generation of electricity from solar panels and the reduced energy consumption through LED lighting.

## **6. CONSULTATION**

6.1 Relevant officers have input into the report to comment on progress on the 2022 commitments and propose commitments for the 2023 action plan.

The paper has been considered by the Climate Change and Environment Scrutiny Committee. There were no changes suggested for the upcoming 2023 commitments.

6.2 The report has been considered by the Corporate Leadership Team .

## **7. ANTICIPATED OUTCOMES OR IMPACT**

7.1 It is anticipated that Cabinet recommends that the Council adopts the 2023 Council Climate Change Action Plan.

## **8. REASON FOR THE RECOMMENDATION**

8.1 The Council has previously committed to the action of preparing an updated Council Climate Change Action Plan.

The 2023 Council Climate Change Action Plan was supported by the Climate Change and Environment Scrutiny Committee in February 2023.

The Action Plan has been developed by officers and has taken account of reasonable and viable options for the Council to cut its carbon emissions.

## **9. ALTERNATIVE OPTIONS CONSIDERED**

9.1 The option of not preparing a Council Climate Change Action Plan is dismissed, because the Council has already committed in principle to its preparation. Alternative content within the Action Plan could have been prepared and recommended, which could have committed additional, fewer, or different projects to reduce the council's carbon emissions. However, in order to start to reduce our emissions to net-zero by 2030, yet take account of the resources available, the content of the action plan is deemed a reasonable and practical set of actions for the next 12 months.

## **10. IMPLICATIONS**

### **Financial Implications**

10.1 The proposal to install LED lighting and solar panels for suitable buildings and the proposal to transform energy management to identify potential energy reduction will require council funding. These have been proposed in the transformation bid and will require full business case development ahead of securing finance.

### **Legal Implications**

10.2 There are no direct legal implications associated with this report.

### **Equalities Implications**

10.3 There are no equality implications associated with this report.

## **11. BACKGROUND DOCUMENTS**

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

11.1 Peterborough City Council's declaration of a climate emergency, July 2019  
Council Carbon Management Action Plan, March 2020  
Council Carbon Management Action Plan, March 2021  
Council Climate Change Action Plan, June 2022

## **12. APPENDICES**

12.1 Appendix 1 - 2023 Council Climate Change Action Plan

# Council Climate Change Action Plan

June 2023

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## Executive Summary

Peterborough has the potential to be a truly sustainable city. A city which has a thriving local economy, strong communities and a sustainable way of life. A city where our residents are healthy, happy and prosperous. We are committed to environmental leadership, decision-making and continuous improvement.

To achieve this we will need to do things differently. If everyone on Earth lived as the average Peterborough, British or European citizen does, we would need nearly three planets' worth of resources to sustain us<sup>1</sup>. This means, on average, each of us is using too much of the world's resources to produce the food we eat, treat the waste we produce, generate the energy we use, consume the goods and services we take for granted, and the travel around the area and beyond.

Peterborough City Council has committed to take action to help support Peterborough to become a net zero carbon city, reversing the trend of increasing consumption of natural resources and instead put Peterborough on the road to becoming a truly sustainable city.

Peterborough City Council not only has an important role in place-shaping and in developing a city-wide vision, but also wishes to demonstrate leadership in tackling climate change and has therefore committed to becoming a net zero carbon organisation by 2030. In order to deliver upon this, the council annually measures its carbon footprint and produces an action plan to achieve further reductions in greenhouse gas emissions.

In the financial year 2021/22, Peterborough City Council emitted 13,647 tonnes CO<sub>2</sub>e. In this and the previous financial year, the council's carbon footprint has included emissions from the goods and services purchased through the Peterborough Highways Services contract, however this data was not available prior to this, or for other contracts which the council holds. Excluding this data, the council emitted 8,839 tonnes CO<sub>2</sub>e, this represents a 24% reduction in greenhouse gas emissions relative to the 2018/2019 baseline. After reductions due to the purchase of green electricity, net emissions reduced from 13,647 to 9,927 tonnes CO<sub>2</sub>e.

Last year, the council committed to 25 actions to reduce its carbon emissions. Key successes have included securing funding to plant trees and researching and drafting a procurement plan to reduce supply chain emissions.

This action plan proposes 11 actions to reduce greenhouse gases in the upcoming year. These include developing a roadmap to net zero emissions, installation of solar panels and LED lighting for

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<sup>1</sup> WWF (2019) EU Overshoot Day. Living beyond nature's limits  
[https://wwfeu.awsassets.panda.org/downloads/wwf\\_eu\\_overshoot\\_day\\_living\\_beyond\\_nature\\_s\\_limits\\_web.pdf](https://wwfeu.awsassets.panda.org/downloads/wwf_eu_overshoot_day_living_beyond_nature_s_limits_web.pdf)



suitable buildings and implementation of a carbon reduction procurement plan to support suppliers to reduce emissions.

## Climate change

The climate science is undeniable, with the impacts of climate breakdown already causing serious damage around the world. Extreme weather events are likely to occur more severely and more frequently across Peterborough.

### Global climate change commitments

Since the industrial revolution it is estimated that humans have caused global temperatures to increase by 1.07°C, as of 2019<sup>2</sup>. The Paris Agreement, which has been signed by almost all countries across the world, commits each signatory to aim to keep global temperatures to a 2°C rise, aiming for below 1.5°C. The Intergovernmental Panel on Climate Change (IPCC) Special Report on Global Warming of 1.5°C, describes the enormous harm that a 2°C average rise in global temperatures is likely to cause compared with a 1.5°C rise. The United Nations Climate Change Conference of Parties (COP) is held annually to ensure action continues towards the Paris Agreement goals. COP27 was held in Egypt in November 2022, where it was noted that there is a “clear emissions gap between current national climate plans and what’s needed to limit temperature rise to 1.5 degrees C.”<sup>3,4</sup>

### Climate impacts

Climate impacts are being seen across the world. Global temperatures have increased faster over the past 50 years than at any other time within the past 2000 years. In the 2010s, Arctic sea ice was at its lowest level since at least 1850 and global sea levels have risen faster since 1900 than any other century in the last 3000 years. Each of these scientific observations has high certainty.<sup>2</sup>

The impact of climate change is also being seen locally today. The highest temperature ever recorded in the UK occurred in 2022; temperatures of 39.9°C were recorded at Wittering (the Met Office station closed to Peterborough). Intense periods of rainfall have occurred across Peterborough, most recently in December 2020, July 2021 and October 2022 where several properties were flooded internally for the first time in roughly 20 years, impacting people’s lives and livelihoods. In the summer of 2022, 8 areas across the UK were declared to be in drought. These weather events are predicted to become more severe and more frequent as global temperatures rise further. The latest UK climate projections suggest that the UK climate will continue to warm over

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<sup>2</sup> Intergovernmental Panel on Climate Change (IPCC) (2021) Climate Change 2021, The Physical Science Basis, Working Group I contribution to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change

<sup>3</sup> World Resources Institute (2022) [COP27: Key Outcomes from the UN Climate Talks in Sharm el-Sheikh | World Resources Institute \(wri.org\)](#)

<sup>4</sup> House of Commons Library (2023) [What was agreed at COP27? \(parliament.uk\)](#)

the rest of this century and on average will result in hotter and drier summers, warmer and wetter winters with more extreme weather events expected.<sup>5</sup>

The Cambridgeshire and Peterborough Independent Commission on Climate was established by the Cambridgeshire and Peterborough Combined Authority in 2020. The Commission identified a number of severe climate risks to people, infrastructure and the natural and built environment across the local area. For example, across the county, one in 10 homes are predicted to face river flooding, with higher risk in East Peterborough. Surface water flooding is a risk in paved areas due to intense rainfall over short periods of time. Storm surges may cause the Nene to tidal flood. Temperatures above 36°C are likely to occur every 20 years by 2050; overheating may lead to health risks. Drier summers will stretch water resources and impact farming, industry and the natural environment. Warmer and drier summers will also lead to rapid degradation of peatlands. Peatland degradation will increase carbon emissions and make land less suitable for farming.<sup>5</sup> These observations and scientific predictions evidence the need to act urgently to minimise the impact of climate change.

### Greenhouse gases

Human activity has caused accelerated release of greenhouse gases, which has caused heat to become trapped, resulting in global temperature rises. Solar energy travels from the sun to Earth, some of this energy is reflected back into space, whilst some becomes trapped by greenhouse gases. The greenhouse effect is essential in warming earth to a temperature which can sustain life, however since the industrial revolution, humans have been responsible for releasing unsustainable amounts of greenhouse gases. This has caused more and more energy to become trapped and has led to rising global temperatures.

There are four main gases which have contributed to global temperature rises, these are carbon dioxide, methane, nitrous oxide and fluorinated gases. Carbon dioxide is responsible for 81% of global warming, methane 11%, nitrous oxide 4% and fluorinated gases 3%. To ensure that global temperatures do not exceed a 2°C rise, it is essential that greenhouse gas emissions are limited and a net zero state is reached as soon as possible. A net zero state is defined as when an equal amount of greenhouse gas emissions are captured, as those emitted.

### Peterborough City Council Commitment

In 2019 Peterborough City Council declared a climate emergency, committing to becoming a net zero carbon organisation by 2030 and to supporting Peterborough to become a net zero carbon city.

In making this declaration the Council committed to a wide range of comprehensive actions, including, in summary:

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<sup>5</sup> Cambridgeshire & Peterborough Independent Commission on Climate (2021) Fairness, nature and communities: addressing climate change in Cambridgeshire and Peterborough October 2021

- Ensure political and chief officer leadership to embed this priority into work, ensuring all decisions are in line with net zero carbon by 2030.
- Undertake public engagement by establishing a Climate Change Partnership group, proactively involving young people and convening a people's assembly.
- Review budget proposals and the ascertain environmental impact.
- Use planning powers to deliver net zero carbon new developments and communities.
- Increase tree planting.
- Achieve 100% green energy across the council's full range of functions by 2030 and explore renewable generation and storage.
- Replace all council vehicles with electric or hybrid vehicles including the mayor's car, provide electric vehicle infrastructure and encourage alternatives to private car use across the city.
- Increase the efficiency of buildings and help to address fuel poverty.
- Coordinate events to raise awareness, share best practice and provide information on council activities.
- Call on the UK Government to provide the powers, resources and help with funding to make this possible and ask local MPs to do likewise.

In 2021, Peterborough City Council signed up to the Peterborough Climate Commitment. The council joined organisations across the city who have committed to improve their environmental impact. Organisations, such as businesses, schools and charities, agreed to measure, monitor and act to reduce carbon emissions, improve the natural environment and reduce consumption of resources. Peterborough based organisations are invited to sign up to the Peterborough Climate Commitment.

## Peterborough City Council's Carbon Footprint

### Methodology

To determine the effectiveness of the council's actions and to prioritise plans for future decarbonisation, organisational emissions need to be calculated. A few key features of the approach to carbon footprinting are highlighted below.

#### **1. Emissions are reported in CO<sub>2</sub>e**

There are four main gases which contribute to global temperature rises, these are carbon dioxide, methane, nitrous oxide and fluorinated gases. Each greenhouse gas has a different capacity for trapping heat. The amount produced of each gas is multiplied by its Global Warming Potential to calculate a carbon dioxide equivalent (CO<sub>2</sub>e) value, this allows for easy comparison between emission causing activities. All data within this document is reported using CO<sub>2</sub>e values.

#### **2. Greenhouse gas emissions are reported in three scopes**

Scope 1 emissions are those which are released on site. These include emissions from the fuel used in gas boilers and combustion engine vehicles.

Scope 2 emissions are those which are released by purchased energy where the emissions are released offsite. These include emissions from electricity from the national grid.

Scope 3 emissions are those which are released by indirect activities. These can include emissions produced by the goods and services we purchase, by staff travel, by the processing of waste produced, by the energy dissipated through the transmission and distribution of the energy supply system or by a number of other activities.

#### **3. Scope 3 emissions are incomplete**

Scope 3 emissions are difficult to measure as they are not controlled by the organisation. There is a data collection challenge, made more difficult by the large number of suppliers the council works with and the immaturity in emission reporting seen across many organisations nationally. For goods and services that are purchased from a non-exclusive supplier, there is the additional difficulty in assigning emissions to each customer and for materials purchased from sub-contractors there are additional layers of emission reporting required. There is an acknowledgement that not all of the council's scope 3 emissions are included in the carbon footprint presented.

Calculating scope 3 emissions remains a challenge for all organisations, including local authorities. Work is being undertaken in some councils to estimate these emissions, early outputs indicate that this activity accounts for the vast majority of council emissions. Local authorities differ significantly in the activities they have responsibility for and the activities they deliver in house or outsource. As

few local authorities have undertaken this work, a comparator organisation has not yet been identified. However, it is likely that Peterborough City Council's emissions from purchases would also account for a significant proportion of total emissions.

Work will continue to increase the scope 3 emissions measured and therefore scope 3 emissions are likely to rise in future years due to improved data collection. This rise in reported emissions would not be reflective of a worse environmental impact. The council's net zero carbon ambitions relate to all scopes, and so work will be undertaken to reduce scope 3 emissions as well in addition to better monitoring.

#### **4. Gross emissions and net emissions are reported**

In April 2020, the council started to purchase electricity using a green electricity tariff offered by Total Power and Gas.

Electricity used on site is drawn from the national grid, which is produced by a variety of renewable and non-renewable sources. Each year a national electricity grid carbon factor is calculated which reflects the carbon intensity of the electricity used that year. As the contribution of renewable sources has already been factored into calculations, to avoid double counting any zero carbon electricity, the national electricity carbon factor should be used to determine the organisation's carbon footprint, this is termed location-based emissions reporting.

The green tariff electricity purchased by the council from Total Power and Gas is certified by Ofgem under the Renewable Energy Guarantee of Origin scheme. The electricity purchased under this tariff can be matched to zero carbon renewable sources and this reduction in emissions can be reflected in market-based reporting. For full transparency of data, both location-based and market-based emissions are reported.

The gross emissions (calculated using the location-based system for electricity reporting) can be offset by reductions owing to purchase of a green electricity tariff. This results in a net emissions value, which has been reported.

Our carbon footprint is calculated in line with the UK Government's Environmental Reporting Guidelines for Voluntary Greenhouse Gas Reporting<sup>6</sup>. A fuller explanation of the methodology used to calculate the council's carbon footprint can be found in appendix A.

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<sup>6</sup> HM Government (2019) Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance March 2019 (Updated Introduction and Chapters 1 and 2)

## Council carbon footprint 2021/22

The council's carbon footprint has been calculated for the year 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022. The total emissions equals 13,647 tonnes CO<sub>2</sub>e.

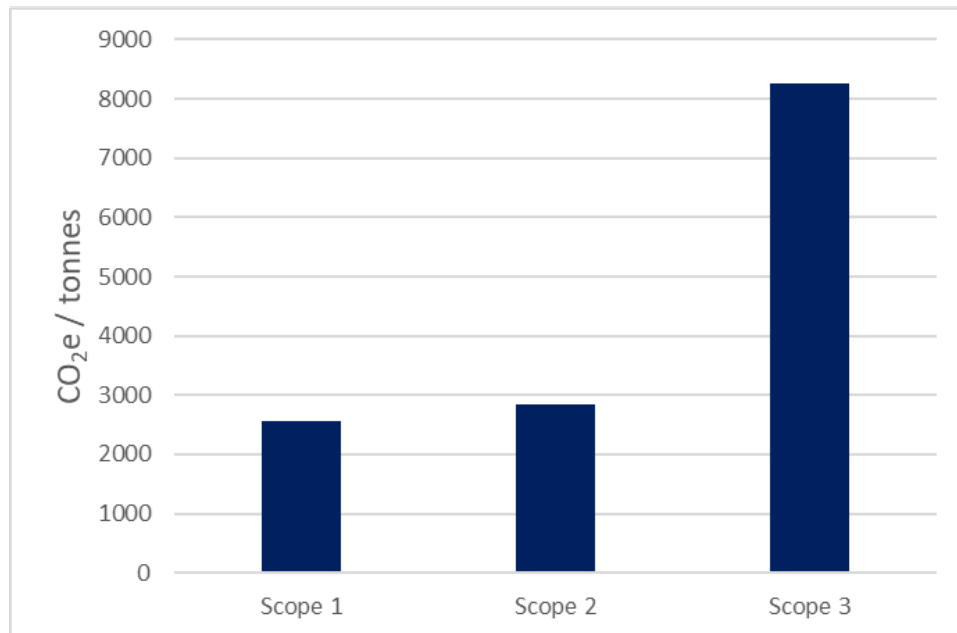


Figure 1: Council carbon footprint 2021/22 (gross emissions)

## Comparison to previous years

Peterborough City Council has reported its carbon emissions in this manner since 2018/19, data is shown for comparison.

	Emissions (tonnes CO <sub>2</sub> e)			
	2018/19	2019/20	2020/21	2021/22
<b>Scope 1</b>	2,721	2,255	2763	2554
<b>Scope 2</b>	4,924	3,503	2551	2838
<b>Scope 3</b>	3,962	3,855	9476	8256
<b>Total</b>	<b>11,607</b>	<b>9,613</b>	<b>14,789</b>	<b>13,647</b>

Table 1: Council carbon footprint comparison of years 2018/19, 2019/20, 2020/21 and 2021/22 (gross emissions)

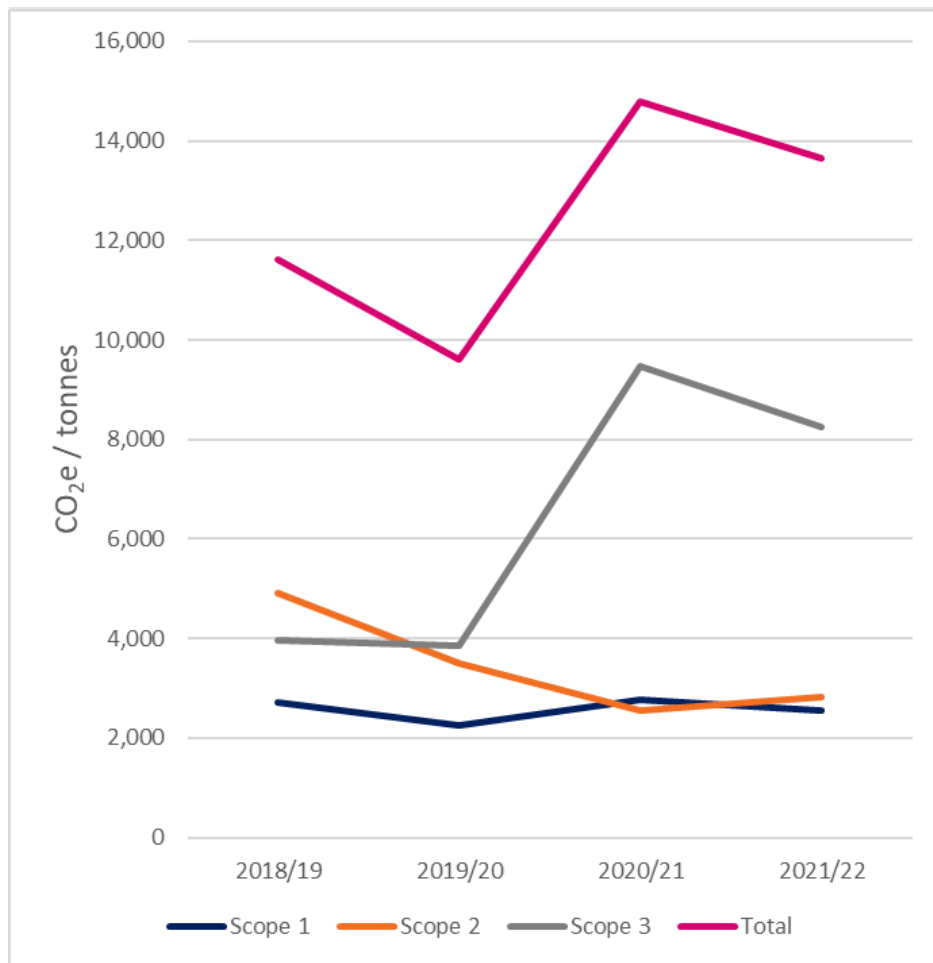


Figure 2: Council carbon footprint comparison of years 2018/19, 2019/20, 2020/21 and 2021/22 (gross emissions)

The council's carbon footprint can be allocated to different categories to allow fuller understanding of what activities are contributing to emissions.

	2021/22 Greenhouse gas emissions (tonnes CO <sub>2</sub> e)	2021/22 Percentage of total emissions
<b>Buildings &amp; utilities</b>	<b>6809</b>	<b>49.9%</b>
Council buildings* – electricity	2392	17.5%
Council buildings* – gas	2780	20.4%
Street lighting – electricity	1394	10.2%
Car parks – electricity	42	0.3%
Milestone buildings – electricity	6	0.0%
Milestone buildings – gas	17	0.1%
Aragon buildings** – electricity	65	0.5%
Aragon buildings** – gas	114	0.8%
<b>Transport</b>	<b>2013</b>	<b>14.8%</b>
Council transport	102	0.7%

Council staff business travel	193	1.4%
Milestone transport	48	0.4%
Aragon transport	1670	12.2%
<b>Purchased goods and services</b>	<b>4809</b>	<b>35.2%</b>
Milestone purchased goods and services	4808	35.2%
Hotel stays	1	0.0%
<b>Waste</b>	<b>16</b>	<b>0.1%</b>
Council waste	7	0.1%
Milestone waste	9	0.1%
<b>Total</b>	<b>13647</b>	<b>100%</b>

Table 2: Breakdown of council emissions 2021/22 (gross emissions)

\*Some of the buildings which Peterborough City Council pays the energy bills for are rented to commercial organisations, therefore although the council owns the asset, it is not under full control of its operation.

\*\*Aragon utilities are purchased by the council, however are reported here separately to show organisational boundaries.

\*\* An assumption for the amount of waste produced from council buildings has been used (based on previous financial years). Officers have identified improvements that are required for this data collection, which will be performed for future calculations. Using assumed data is not expected to significantly impact the overall data or conclusions as it represents less than 1% of the council's emissions.

There are several factors that have contributed to the change in 2021/22 carbon footprint from the previous year, 2020/21.

The most significant impact to the carbon footprint is the decrease in emissions from materials and sub-contractors within the Peterborough Highways Services contract, which is operated by Milestone, as reflected in the decreased scope 3 emissions. In 2020/21 this equated to 6,093 tonnes CO<sub>2</sub>e, in 2021/22 this had dropped to 4,809 tonnes CO<sub>2</sub>e.

It should be noted that the financial year 2020/21, saw disruption to previous ways of working, including closures of some buildings. Therefore in the past year electricity usage has increased, as did business mileage.

Transport emissions within the Milestone contract were also reduced. In part this is due to switching to HVO, a biodiesel, part way through the year. HVO releases 90% less CO<sub>2</sub>e per litre of fuel in comparison to diesel. Emissions from this fleet are expected to reduce further next year when HVO is used in place of diesel throughout the reporting period.

The council's gas usage was decreased in comparison to the previous year, this is likely due to a comparatively warm winter period.



	2021/22 Greenhouse gas emissions (tonnes CO <sub>2</sub> e)	2021/22 Percentage of total
<b>Buildings &amp; utilities</b>	6809	50
<b>Transport</b>	2013	15
<b>Purchased goods and services</b>	4809	35
<b>Waste</b>	16	0
<b>Total</b>	<b>13,647</b>	<b>100</b>

Table 3: Council carbon footprint 2021/22. Data categorisation showing percentage contribution to the total carbon footprint (gross emissions)

## Green electricity tariff

The above data reports on gross greenhouse gas emissions. There are a number of items which can be deducted from an organisation's gross emissions to obtain its net emissions. Examples of deductions include emissions offset by purchasing zero carbon energy by verified carbon capture schemes, by owned renewable energy generation or by verified offsetting schemes.

In April 2020, the council started to purchase electricity using a green electricity tariff offered by Total Power and Gas for the majority of its electricity meters. The green tariff electricity is certified by Ofgem under the Renewable Energy Guarantee of Origin scheme. The electricity purchased under this tariff can be matched to zero carbon renewable sources, and this reduction in emissions is reflected in market-based reporting.

95% of the council's electricity use is supplied via a green electricity tariff. Most electricity accounts the council has, used a green tariff throughout the year. A small number of meters have transitioned across to a green electricity tariff part way through the 2021/22 financial year. The council seeks to transition more electricity meters across to a green electricity tariff.

The following graph shows how the reduction in electricity emissions contributes to the overall carbon footprint. It is reflected in reduced scope 2 and scope 3 emissions. After considering the market-based emissions from electricity, the net carbon footprint of the council is reduced from 13,647 tonnes CO<sub>2</sub>e to 9,927 tonnes CO<sub>2</sub>e.

	Emissions (tonnes CO <sub>2</sub> e)			
	2018/19	2019/20	2020/21	2021/22
<b>Scope 1</b>	2,721	2,255	2,763	2554
<b>Scope 2</b>	4,924	3,503	2,551	2838
<b>Scope 3</b>	3,962	3,855	9,476	8256
<b>Total gross emissions</b>	<b>11,607</b>	<b>9,613</b>	<b>14,789</b>	<b>13,647</b>
<b>Green tariff</b>	N/A	N/A	2,713	3,720
<b>Total net emissions</b>	<b>11,607</b>	<b>9,613</b>	<b>12,076</b>	<b>9,927</b>

Table 4: Council carbon footprint comparison of years 2018/19, 2019/20, 2020/21 and 2021/22 (gross and net emissions)

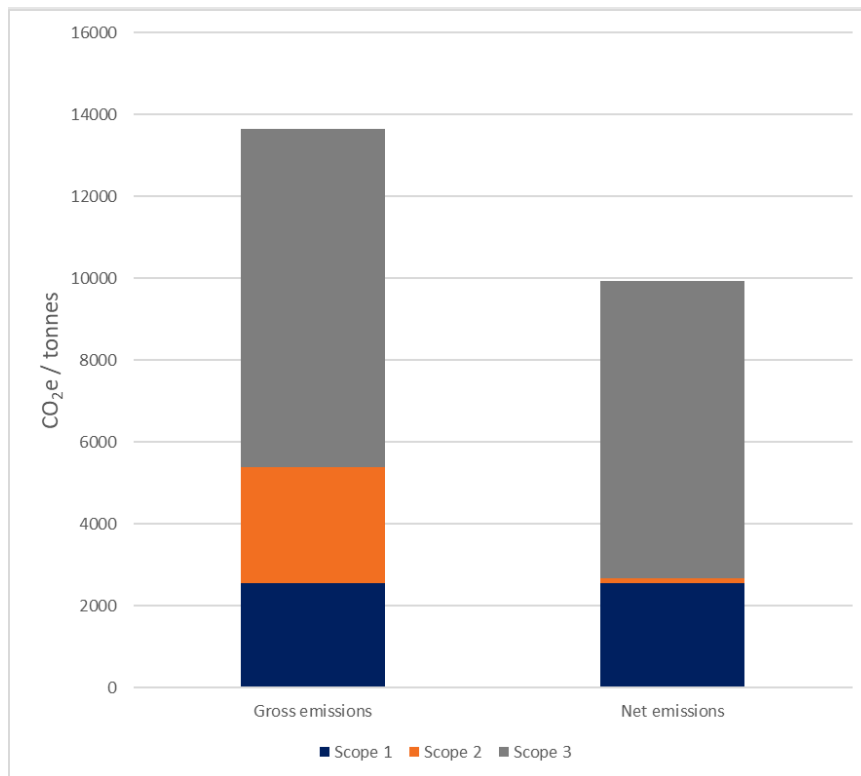


Figure 3: Council carbon footprint comparison of gross and net emissions for the financial year 2021/22

### Renewable energy

1,224 MWh of renewable energy was generated in 2021/22 from Peterborough City Council owned solar panels. This generation offset 356 tonnes CO<sub>2</sub>e that would have otherwise been produced.

### Intensity ratio

Local government responsibilities are often flexible with activities differing over time. These changing activities may affect the amount of greenhouse gas emissions and therefore it can be useful to express carbon emissions as intensity ratios.

Intensity ratios express the greenhouse gas impact per unit of spend or per member of staff. The council employed 1,122 full time equivalent (FTE) staff in 2021/22 which equates to an intensity measure of 8.85 tonnes CO<sub>2</sub>e/FTE. There are limitations in this data as there are buildings which are rented to external organisations, for which the staffing count is not considered.

The council spent £549,480,000 in 2021/22<sup>7</sup> (subject to audit), which equates to an intensity measure of 18.07 tonnes CO<sub>2</sub>e per £1m spent.

	2018/19 Gross emissions	2019/20 Gross emissions	2020/21 Gross emissions	2020/21 Net emissions	2021/22 Gross emissions	2021/22 Net emissions
<b>Intensity ratio – greenhouse gas emissions per staff (tonnes CO<sub>2</sub>e/FTE)</b>	12.17	10.08	13.12	10.43	12.16	8.85
<b>Intensity ratio – greenhouse gas emissions per spend (tonnes CO<sub>2</sub>e/£1m spent)</b>	19.18	19.01	29.88	23.76	24.84	18.07

Table 5: Intensity ratio comparison of years 2018/19 (gross), 2019/20 (gross), 2020/21 (gross), 2020/21 (net), 2021/22 (gross) and 2021/22 (net) emissions.

It should be noted that the council delivers some of its services via 3rd party arrangements and the staff number for these services is not included. The council also delivers a number of services via partnership arrangements with Cambridgeshire County Council; this is reflected in the overall FTE count.

#### Future decarbonisation of the national electricity grid

The national electricity grid is expected to show a decarbonising trend over time. From a 2021 baseline, the carbon emissions factor is expected to reduce by 77% by 2030 and by 99% by 2050<sup>8</sup>. This will mean that future electricity use will become less carbon intensive. If the council's electricity use remained at 2021/22 levels, this would represent a 3,002 tonne decrease in the council's gross carbon emissions by 2030. Additional emissions savings would be made as the carbon footprints of suppliers from which the council purchases goods and services would also be reduced. However as the total emissions are not currently included in the council's emissions, the reduction cannot be calculated.

<sup>7</sup> Peterborough City Council (2022) Statement of Accounts 2021/22 [Statement of Accounts 2021-22 - Draft \(peterborough.gov.uk\)](#)

<sup>8</sup> Department for Business, Energy and Industrial Strategy (2023) Green Book supplementary guidance: valuation of energy use and greenhouse gas emissions for appraisal – Data tables - Electricity emissions factors to 2100, kgCO<sub>2</sub>e/kWh

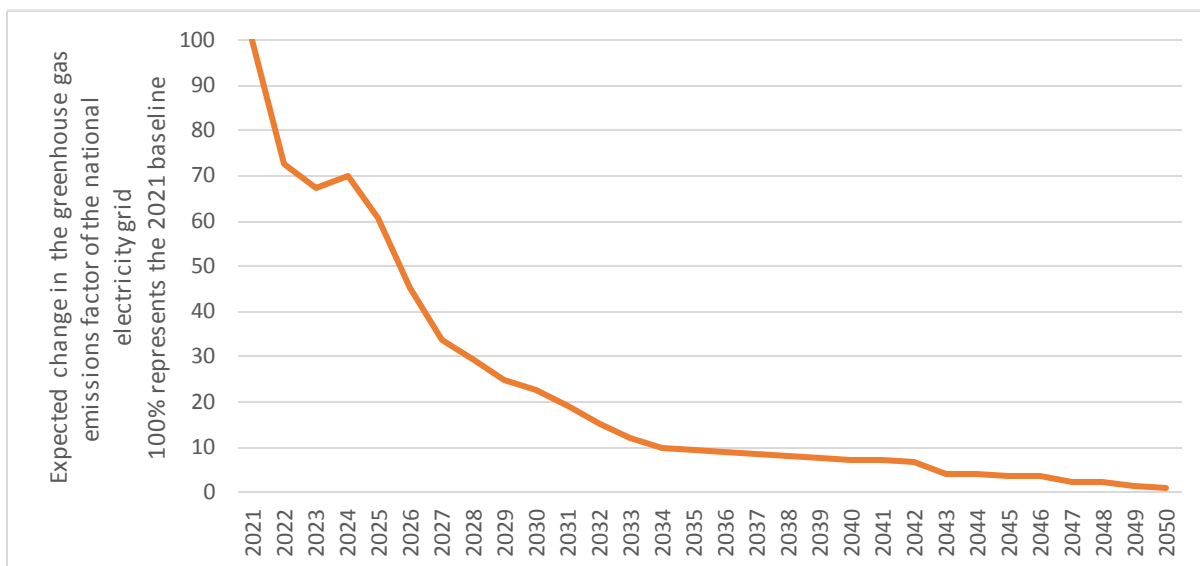


Figure 4: Governmental projections for the carbon emissions factor for the national grid, assuming public sector use, calculated using a consumption based grid-average.

### Project development

Analysis of the carbon footprint data enables identification of high emitting areas to prioritise decarbonisation projects. The most significant area of emissions is purchased goods and services through the highways contract (4,809 tonnes CO<sub>2</sub>e), followed by council purchased gas (2,780 tonnes CO<sub>2</sub>e) and Aragon-owned transport (1,670 tonnes CO<sub>2</sub>e).

## Decarbonisation projects

In order to become a net zero carbon organisation, the council has commenced a programme of climate change projects. Each year the council makes a number of commitments to reduce organisational greenhouse gas emissions.

### 2022 Commitments to address carbon emissions

The council made 25 commitments in the 2022 Council Carbon Management Action Plan. Progress on these commitments is discussed below, any tasks which are ongoing will be continued.

<b>Progress on 2022 Commitments</b>			
	<b>Commitments</b>	<b>Area of emissions</b>	<b>Update</b>
1	Develop a communications plan to support staff to lower carbon emissions.	Overarching	A communications plan has been developed. Messages will be circulated to staff over the following year.
2	Deliver carbon literacy training to councillors and officers. Aiming to achieve 70% over the next few years.	Overarching	Carbon literacy training has been delivered to senior officers in the Place and Economy directorate. Further opportunities will be promoted to staff and Councillors shortly.
3	Monitor and support councillors and officers to deliver upon carbon reduction pledges made during carbon literacy training.	Overarching	Trainees have been contacted to discuss progress on their carbon literacy pledges. Support will be offered where needed.
4	Work with officers to conduct a review of each service to determine how the council can reduce carbon emissions.	Overarching	A draft template has been created for discussions with service leads. It is anticipated that this work will progress in coming months.
5	Develop a process by which in the council's budget setting process, wherever possible, spending plans are reprioritised to enable Peterborough City Council to better achieve its corporate objective of achieving net zero carbon by 2030.	Overarching	Officers from the climate change team were represented through the budget setting process to make suggestions on proposals to reduce carbon. Further work will be undertaken to improve for the following year's budget setting process.
6	Develop a process to consider the financial and environmental value of carbon capture and carbon emission reductions. Financial and environmental costs will result from the impacts of climate change if global carbon reduction is not achieved.	Overarching	Research on this activity is ongoing.
7	Collaborate with other local authorities to ensure best practice is shared and opportunities to collaborate are identified and developed.	Overarching	Officers have been collaborating closely with colleagues from neighbouring local authorities and with the Cambridgeshire and Peterborough Combined Authority. Officers regularly attend webinars to share

			insight on decarbonisation projects.
8	Engage with national government on the resources and legislation necessary to empower and fund local government to deliver the council's climate ambitions.	Overarching	Officers respond to relevant consultations and are in discussions with government departments on specific projects.
9	Seek to utilise section 106 and other external funding to expand the capacity of the climate change core team.	Overarching	A School Climate Change officer joined the climate change team in July 2022. The council is currently recruiting a Climate Change Public Education Officer, funded by the Shared Prosperity Fund. Officers are currently in the process of restructuring the climate change team.
10	Develop a business case for Aragon to use low carbon fuel (e.g. HVO) across its fleet.	Transport	HVO has been trialled in two waste fleet vehicles. Officers are in the process of writing a business case, considering learnings from this trial.
11	Work with Milestone to increase the uptake of low carbon fuel across the supply chain.	Transport	Officers are in close conversation with Milestone to progress this.
12	Develop an air travel policy which seeks to eliminate air travel for journeys within Great Britain and require Director signoff for overseas air travel.	Transport	Officers are researching similar policies in other organisations to inform the development of a draft air travel policy for Peterborough City Council.
13	Conduct a council-wide travel survey to determine post-pandemic travel habits to inform plans which could reduce emissions from business mileage.	Transport	Plans have been developed to undertake a staff travel survey; it is anticipated that this will be shared with staff shortly.
14	Support and promote car sharing, active travel and use of public transport to staff and councillors.	Transport	Officers are developing a communications plan, which we anticipate being complete shortly.
15	Develop a policy to incorporate the transport hierarchy across the council's capital projects. This would ensure that facilities were in place and information available to support staff and visitors to walk, cycle or take public transport over travelling by car.	Transport	Officers are researching policies from other organisations to develop a version for Peterborough City Council.
16	Develop a policy to incorporate the waste hierarchy across the council's capital projects and service delivery. This would ensure that facilities were in place and information available to support staff and visitors to deal with	Waste	Officers are researching policies from other organisations to develop a version for Peterborough City Council.



	waste in the following order of prioritisation: prevent, reduce, reuse, recycle, recover and dispose.		
17	Conduct a sampling exercise of council waste to inform the setting of a council waste target. Deliver targeted communications to improve waste reduction and separation.	Waste	Officers have observed an altered waste pattern, likely to be due to increased home working. Recently members of staff have begun to return to the office and it is expected that the current arrangements (and therefore waste patterns) are expected to remain constant. For this reason, plans for a waste audit have been delayed, however this will be commenced shortly.
18	Ensure the council's use of single use plastic is reduced.	Waste	This is being considered within the development of the procurement plan and staff communications plan.
19	Research and explore options with the ambition of developing a procurement plan which will look to include progressive milestones to 2030 to support the council's supply chain to reduce emissions.	Purchases	Officers in procurement, legal and climate change have drafted a procurement plan for consideration.
20	Set low carbon construction methods and materials as default options within the Milestone highways contract.	Purchases	Milestone intends to obtain PAS2080 accreditation, which is a standard associated with carbon management in infrastructure. Council officers have undertaken training on the PAS2080 standard and will support Milestone to reduce carbon emissions across the service.
21	Continue to improve asset management of council owned mobile phones and IT equipment to further reduce unnecessary purchases and wastage.	Purchases	There is a recycling process for all IT equipment. Chromebooks which are no longer used by staff have been given to adults leaving care and Ukrainian refugees. Officers will continue to prioritise asset management of devices.
22	Seek grant funding or sponsorship to support delivery of 125 hectares of tree planting per annum to deliver the council's 25% tree canopy cover target by 2035.	Land Use	The council has been successful in recent funding applications to fund the planting and establishment of trees. £261,100 was received through Treescape 1 for planting and establishing trees in 2021/22 ;

			<p>and £299,900 was received through Treescape 2 for tree planting and establishment in 2022/23.</p> <p>In addition, the council has also been successful in receiving funding through the Woodland Creation Accelerator Fund to employ an officer and work with PECT to develop tree planting plans and seek additional funding. (£149,800)</p> <p>A funding bid for Treescape 3 is currently being drafted with the intention to submit in June 2023.</p>
23	Investigate the potential of setting up a carbon credit scheme to complement the council's tree planting ambition.	Land Use	The Combined Authority Climate Change Programme contains a sustainable finance workstream. Peterborough City Council officers support this work. As this work develops, council officers will determine if this action sits best at the Local or Combined Authority level.
24	Work with Aragon to optimise climate friendly practices, both to mitigate and adapt to climate change.	Land Use	Aragon is trialling the use of glyphosate alternatives as weedkillers this summer. Previous trials have included the use of a biodegradable foam based solution to kill weeds. Councillors have suggested areas of grass that could be left uncut to promote biodiversity.
25	Promote licences to cultivate. These allow local residents and community groups to tend to planted areas of council-owned land.	Land Use	PECT has taken on areas in alliance with residents.

Table 6: Progress update of 2022 climate change commitments

In addition to the above commitments, the council received funding for the development of heat decarbonisation plans for several of the council's buildings. Suitable energy efficiency measures and low carbon heating installations were identified for each building within scope and estimated costs and suggested project timelines were proposed. This was completed in March 2023. Analysis of these plans will help aid future decarbonisation plans.

## 2023 Commitments to address carbon emissions

To reduce the council's organisational emissions, a programme of projects for the upcoming year has been proposed.

Several aspects are considered when developing proposed actions:

- **Project cost.** Projects which could be funded by external grants or will offer financial savings may be prioritised.
- **Potential impact to emissions.** Projects with the highest potential impact to emissions may be prioritised.
- **Ease of implementation.** Staffing resources must be utilised efficiently to ensure that maximal projects can be delivered.
- **Public demonstration.** The council has an important leadership role in demonstrating how projects which tackle climate change can be completed to other organisations and businesses.

The potential impact to emissions has been assessed assuming the project was taken through to completion. For instance, the potential impact on emissions for seeking funding for energy efficiency and low carbon heating, has been assessed assuming that funding was sought and measures installed.

2023 Commitments			
	Commitments	Area of emissions	Potential impact to emissions
1	Develop a roadmap to detail the transition of the council's organisational emissions to net zero by 2030	Overarching	Enabling action
2	Expand carbon literacy training offer to staff and councillors.	Overarching	Enabling action
3	Seek funding to introduce energy efficiency and low carbon heating in council buildings	Buildings	High potential impact
4	Support staff to adopt energy saving behaviours at work	Buildings	Medium potential impact
5	Secure funding from the council's transformation reserve to review utility billing reform.	Buildings	Enabling action
6	Install LED lighting in council buildings where it is not already insitu	Buildings	Medium potential impact
7	Install solar panels on council buildings where there is an opportunity to do so	Energy	High potential impact
8	Continue to seek grant funding or sponsorship to support delivery of 125 hectares of tree planting	Land use	Medium potential impact

	per annum to deliver the council's 25% tree canopy cover target by 2035		
9	Explore options for additional electric vehicle charging at council buildings	Transport	Medium potential impact
10	Implement actions identified within the council's travel plan, which will be developed following completion of the travel survey by staff.	Transport	Low potential impact
11	Implement actions within the procurement plan which is currently in development. The plan will aim to reduce emissions throughout the council's supply chain, by working with and supporting suppliers.	Purchases	Very high potential impact

Table 7: Potential 2023 climate change commitments

It should be noted that actions within the climate change programme will not be limited to the above list, additional projects will be developed and pursued as opportunities are presented. External grant funding opportunities will likely influence the development of additional projects.

Several of the above commitments are expected to deliver co-benefits which align with other council priorities. Implementing actions within the staff travel plan to support cycling and walking will result in improved health and wellbeing due to the positive effect of exercise on both physical and mental health. This will also play a role in improving air quality due to reduced car usage. Exploring options for increased electric vehicle charging will help strengthen the local charging infrastructure network, enabling staff to transition to electric vehicles; this will contribute to improved air quality. The installation of solar panels will reduce electricity costs and therefore result in a financial saving to the council over time. Tree planting will improve the local natural environment, support wellbeing and improve biodiversity.

## Finance

The action plan features commitments which will aid the council in reaching its goal of becoming a net zero carbon organisation by 2030. It is acknowledged that the council is not currently in a financial position to commit to significant additional expenditure. Where additional funding is required to progress actions further, approvals will be sought via existing governance structures and the development of business cases to ensure value for money is achieved. It is acknowledged that additional finance is required to address the urgency of climate change and will likely be sought when the council is in a sustainable financial position.

The council will explore various finance options for project development. External funding will always be considered before the use of internal council funds. Finance options include:

- Grants: The Climate Change Act and agenda to achieve a green recovery from Covid-19 have given rise to a number of climate change and energy efficiency funds. These will be interrogated to determine if any funding streaming are suitable for projects within Peterborough.
- Match-Funding: Grant awarding bodies and other third-party funders may offer part funding for projects with the stipulation that the council funds the remaining costs.
- Transformation or invest to save: Projects funded via invest to save budgets will deliver future savings to the council. Business cases for proposals are required to demonstrate how the cost of borrowing will be covered and show how the individual scheme is self-financing and so has no overall negative impact against the council's long-term financial position.
- Internal Resources: Schemes may also be considered that require investment through the medium term financial strategy (i.e. carry an additional cost to be factored into the budget, subject to approval) where they contribute towards delivery of service improvements, or to achievement of council priorities. This includes funding for revenue schemes or financing the borrowing for capital schemes. Should any schemes be identified they will undergo business case development and appropriate approvals will be sought.

## Offsetting

For an organisation to become net zero carbon, it must capture or offset as many greenhouse gas emissions as it is responsible for emitting, including the organisation's scope 3 emissions where calculable. Validated offsetting schemes exist in which organisations can financially contribute to to facilitate projects which lower carbon emissions. This allows the organisation to offset its greenhouse gas emissions and achieve a net zero carbon status without eliminating all its carbon emissions.

The council has not participated in any offsetting schemes to date. It is deemed that there are additional projects that could be done to lower the council's gross emissions and any available funds should prioritise this work before offsetting is considered. Should this position change in the future and all viable projects to reduce emissions were already completed, then the approach to offsetting may be reconsidered. This will be addressed in the proposed roadmap.

## Project management

Successful implementation and delivery of the action plan requires a robust, transparent governance structure which will ensure strategic ownership of the council's carbon reduction aims. This governance process will bring together the diverse range of projects undertaken throughout the council which contribute to the organisation's overall environmental impact.

### Identifying Projects

The council is committed to identifying opportunities to reduce carbon emissions across all areas of its operations.

There are a number of routes to identifying carbon reduction projects.

- A core group of officers, representing key service areas, has been identified. These officers will meet on a regular basis in order to discuss ongoing and forthcoming projects. This allows early conversations about opportunities to reduce carbon to take place.
- Carbon literacy training is being delivered to officers and councillors. The training equips attendees to consider climate change in project development and requires delegates to make climate action pledges to reduce organisational emissions. This process will directly create a series of carbon reduction projects and will empower officers and councillors to identify projects in the future.
- Service reviews will be undertaken to determine activities of high emissions and projects to reduce these. Projects will focus on reducing organisational and city-wide emissions.
- Decisions taken by the council are subject to a Carbon Impact Assessment (CIA). Responsible officers are required to undertake a review of their project/decision and consider the impact it will have on the council's target to achieve net-zero carbon emissions for the organisation and the city. A summary of the CIA is included in the accompanying governance report to enable the relevant decision maker to make an informed decision considering the impact of carbon emissions. This process enables officers and councillors to consider the potential impacts on carbon emissions throughout the project design and decision-making process.
- Close working relationships with the Combined Authority and constituent Local Authorities will ensure that regional efficiencies are realised and guidance and opportunities are shared.

### Initiating Projects

Before any project is initiated the relevant lead council officer will ensure that all of the necessary procurement and governance steps are undertaken. Consideration will be given to any communication activity that may be required.

### Monitoring Projects

The impact of individual projects will primarily be monitored by analysing emissions data, accompanied by other relevant available data. Data will be used to ensure resources are directed to projects with the most significant impact. Where appropriate, engagement activities will be

undertaken to monitor the impact of projects. Programme management will be undertaken centrally to ensure that all projects progress.

### Reporting Progress

Each year the council will produce an annual report detailing the emissions arising from all emissions sources within the organisation's operational boundary as well as reporting progress on previous climate change commitments.

### Climate Change and Environment Scrutiny Committee

The Climate Change and Environment Scrutiny Committee is a cross-party group of elected members, whose role includes scrutinising elements of the climate change programme, including mitigation of council and city-wide carbon emissions and adaptation to climate change. The scrutiny committee is a vital part of the governance structure of the programme, directing the climate change programme. This is a newly introduced committee, and it replaces the work of the Climate Change Working Group which was in operation previously.

### Council adoption / approval

Any new policy which requires Cabinet or Council adoption will be developed in line with the council's governance process.

## City-wide climate action plan

When declaring a climate emergency, Peterborough City Council made two major commitments. Alongside becoming a net zero organisation by 2030, the council also committed to helping support the Peterborough to become a net zero carbon city.

### Update on the development of a city-wide climate action plan

Action on this second commitment will be the focus of a plan due to be released later in 2023. The council previously intended to release the city-wide climate action plan earlier, however it was deemed beneficial to delay this to ensure that several activities could influence strategic direction of the plan. These include:

- A local area energy plan for Peterborough has been developed and was adopted by Peterborough City Council in December 2022. This evaluated current and future energy demands for the city, considering electricity consumption and heating in buildings, retrofitting of buildings to improve energy efficiency and electricity demands for electric vehicles. The local area energy plan gives an indication of the necessary measures and scale of the challenge.
- The Cambridgeshire and Peterborough Independent Commission on Climate report “Fairness, nature and communities: addressing climate change in Cambridgeshire and Peterborough” was released in October 2021. This report made a series of recommendations to reduce carbon emissions across the region.
- The Peterborough Climate Change Partnership was established in 2021. Local organisations with an interest in reducing environmental impacts are welcome to join. Early work of the group has led to the development of a Peterborough Climate Commitment, in which organisations agree to measure, monitor and act to improve upon their impact to the environment. Peterborough City Council has signed up to this pledge.
- The Cambridgeshire and Peterborough Combined Authority and the New Anglia Local Enterprise Partnership have commissioned the development of an alternative fuels strategy for the region. This is expected to produce recommendations to achieve carbon reduction across the transport sector.
- Engagement with our communities will help shape the city wide climate change action plan. The Peterborough Climate Debate public consultation is currently ongoing. Views from our local communities, including residents, young people and organisations such as businesses, community groups and Parish Councils are being sought to direct the city wide decarbonisation programme.

In order to achieve the ambitious target of becoming a net zero carbon city, every resident, business, organisation and community group will have a role to play. Significant behavioural change and technological changes will need to be adopted, and therefore we need to develop plans which are supported by our communities. The council will continue to engage with our communities following the development of the city wide climate change action plan.

- **Public engagement** The aims of public engagement will be to inform residents of climate impacts and carbon reduction choices and gather input into the design of the city-wide plans. Information



from related public engagement programmes, such as consultations on the Local Transport and Connectivity Plan and the Local Area Energy Plan, may be used to provide additional insight into the climate change programme

- **Business engagement** The Peterborough Climate Change Partnership group of local organisations has recently been established. Business engagement plans will be developed in discussions with this group.
- **Schools** As well as potentially reducing organisational carbon emissions, schools also play a vital role in education and behavioural change. The council intends to work with any local school (both maintained and academy schools) to prepare a bespoke action plan for schools. The council's School Climate Change Officer works closely with schools and pupils to enable them to lead carbon reduction projects across their school.
- **Parish councils** Parish councils have a vital role in helping to meet the city's ambitious targets. Parish councils generally have a relatively low organisational carbon impact but can have a significant role championing change within its local area. Peterborough City Council can offer support to parish councils in the development of their own climate action plans.
- **Councillors** Peterborough City Council will work with its elected members to ensure resident input is considered in action planning. Carbon literacy training will be offered to councillors to support members in communicating the impact of climate change and the benefits of carbon reduction projects.
- **Other Local Authorities** The council works closely with Cambridgeshire local authorities and the Cambridgeshire and Peterborough Combined Authority. Resources and expertise are shared across a wide range of topics and there is close collaboration in the development of the combined authority's climate action plan.

## Adaptation Plan

The council has secured funding through the UK Shared Prosperity Fund to develop a climate change adaptation plan for the city. This will consider how the city will adapt to a changing climate and weather events, such as heatwaves, droughts and flooding, that are expected to increase in intensity and frequency.

## A Just Transition

A just transition is an important concept throughout climate change action. The Cambridgeshire and Peterborough Independent Commission on Climate identified a set of principles to follow to ensure that climate change plans follow a just transition<sup>5</sup>.

Different members of our communities will be impacted differently both by climate change and by the actions to tackle climate change, and so our approach for climate change action must be fair to all. The benefits of addressing climate change should be shared by all and everyone should have equal opportunity to engage with action. The Commission's principles will be embedded into city-wide action plans.

## Co-benefits of climate action

Delivery of carbon reduction projects often also delivers upon other priority areas. Key benefits can be associated with health and wellbeing, financial savings, supporting biodiversity, strengthening communities, reducing inequalities, improving the natural environment and supporting the local economy. These aspects will be considered through the development of the City-wide Climate Change Action Plan.

## Appendix A

Methodology used to calculate the Council's carbon footprint

### Defining The Scope

The starting point for carbon management is to accurately establish the scope of the emission sources to be used to calculate the emissions baseline and subsequent carbon footprint updates. The scope of the baseline includes the required types and sources of emissions over a defined timescale. The baseline is a fixed point against which a reduction target can be set and future performance monitored.

Emissions-releasing activities are classified into three groups known as scopes. Scopes are defined in the Greenhouse Gas Protocol Corporate Standard as follows.

Scope	Definition / Activity
<b>1 (Direct)</b>	<b>Emissions from sources that are owned or controlled by the organisation</b>
Fuels	Fuel sources combusted at a site or in an asset owned or controlled by the organisation.
Refrigerants	Refrigerants that leak from air-conditioning equipment.
Passenger vehicles	Travel in cars and on motorcycles owned or controlled by the organisation.
Delivery vehicles	Travel in vans and heavy goods vehicles that are owned or controlled by the organisation.
<b>2 (Indirect)</b>	<b>Emissions that are a consequence of the organisation's operations, but occur from sources owned or controlled by another company</b>
Electricity (grid)	Electricity used by an organisation at sites owned or controlled by them.
<b>3 (Other Indirect)</b>	<b>Emissions that are a consequence of the organisation's operations, which occur at sources which they do not own or control</b>
Business travel	Travel for business purposes in assets not owned or directly operated by the organisation.
Hotel stays	Overnight hotel stays for work purposes.
Material use	Process emissions from purchased materials.
Waste disposal	Emissions from end-of-life disposal of different materials using a variety of different disposal methods.
Water supply	Emissions from water delivered through the mains supply network.
Water treatment	Emissions from water returned to the sewage system through mains drains.
Transmission & Distribution	Emissions associated with grid losses (the energy loss that occurs in getting the electricity from the power plant to the organisations that purchase it).

Well-to-Tank (WTT)	Upstream emissions of extraction, refining and transportation of a primary fuel source prior to its point of combustion.
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Table 1: Greenhouse gas emission scopes and associated emission releasing activities<sup>9</sup>

### The Organisational Boundary

The organisational boundary is defined by establishing what activities and functions are included in scope for the purpose of determining the council's emissions and what activities and functions are out of scope. This stage of the process involves reviewing the council's operations to determine activities that give rise to carbon emissions.

In most organisations, greenhouse gas emissions are reported for every operation which is owned and operated by the organisation or where there is financial control. The council has a complex operational structure, which includes a portfolio of council-owned buildings which are leased to third parties, where the council purchases the energy but does not influence energy use. These buildings have also been included in scope.

In time, the council aims to report upon all emissions arising from its purchased goods and services, however as of yet the only contracts which report into the council's scope 3 emissions are the Aragon and Milestone contracts.

Vivacity was an externally operated organisation, running cultural services within Peterborough. This service is now provided in-house, and so previous Vivacity emissions are now reported elsewhere.

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<sup>9</sup> Department for Business, Energy and Industrial Strategy (2019). Environmental Reporting Guidelines: Including streamlined energy and carbon reporting requirements  
<https://www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance>

The council's carbon footprint is calculated using the following sources.

Scope	Typical activities for a local authority organisation		Identified Council emission sources
1	Buildings	Production of electricity, heat or steam	• Gas used in buildings which is purchased by the council. The building may be operated by an external organisation.
	Transport	Fleet transportation	• Travel in vehicles operated by the council.
	Fugitive	Hydrofluorocarbons (HFC) emissions during use of refrigeration and air-conditioning equipment	• Refrigerant top-ups for air-conditioning units.
2	Buildings	Consumption of purchased electricity, heat or steam	<ul style="list-style-type: none"> <li>• Electricity used in buildings which is purchased by the council. The building may be operated by an external organisation.</li> <li>• Electricity used in streetlighting and car park lighting which also includes road signs and illuminated bollards</li> </ul>
3	Purchases	Production emissions from purchased goods and services	Included where available (see below)
	Transport	Transportation, employee business travel, employee commuting	<ul style="list-style-type: none"> <li>• Staff business travel and accommodation.</li> <li>• Employee commuting – excluded (see below).</li> <li>• Buildings and fleet used to deliver services by Milestone and Aragon.</li> </ul>

Table 2: Identified in scope council emissions<sup>10</sup>

### Excluded Emissions

The council has deemed that the following emission sources remain out of scope for the council's carbon footprint calculation. Reasons are detailed below:

#### Scope 3

- **Water supply and treatment** – Water supply emissions arise from the treatment and pumping from the water source to the tap. It was deemed that the emissions contribution from water consumption is too insignificant to justify the additional reporting burden. Water consumption is not currently calculated at an organisation wide level, and so data is not easily accessed.
- **Waste water treatment** - It was deemed that the emissions contribution from waste water treatment is too insignificant to justify the additional reporting burden. Waste water is not currently calculated at an organisation wide level, and so data is not easily accessed.
- **Waste disposal** – This plan excludes emissions arising from city-wide waste treatment. Details on this source of emissions will be included in the city-wide climate change action plan. The rationale for this decision is that this waste is a citywide resource,

<sup>10</sup> World Resources Institute and World Business Council for Sustainable Development (2004) The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). [Corporate Standard | Greenhouse Gas Protocol \(ghgprotocol.org\)](https://www.ghgprotocol.org/)

some of which currently generates enough electricity to power over 16,000 homes through the Energy Recovery Facility, and therefore offsetting of these emissions should be accounted for on a city-wide level.

- **Employee commuting** – Whilst the emissions relating to employees travelling for the purposes of work for which expenses are claimed is included within this report, the emissions arising from employees travelling from home to work are not included. This approach is accepted within the Greenhouse Gas Protocol guidance.
- **Peatland** – The council holds a farm estate of approximately 3,000 acres, a proportion of which is comprised of peatland soils. Whilst healthy peatland is able to capture and store carbon emissions, degraded soil emits carbon. At this stage there is no data available for inclusion in this plan. The council is committed to not only understand the emissions arising as a result of its agricultural land but also to seek opportunities to reduce emissions both through revised land management practices and development of energy projects to bring forward local decarbonised heat and power.
- **Carbon capture by council owned trees** – Carbon capture from council owned trees has not been calculated.
- **Purchased goods and services** – The largest exclusion relates to purchased goods and services. Data is not yet available for the majority of the council's purchases, this data will be added when available and so the calculated carbon footprint of the council is expected to rise over the coming years due to improved reporting.

The council will review the scope on an annual or biennial basis to ensure that data is collected from all relevant sources.

## Data Collection

The emissions data used to calculate the carbon footprint was gathered from different sources including: invoices received by the Council, annual energy statements from utility providers, vehicle fuel data, property services and third party providers. Work continues to ensure that this data is robust and systems are in place to ensure ongoing timely and accurate collection of data.

Energy Type	Source	Data Quality/Estimation techniques
Gas	Energy invoices and annual energy statements from suppliers.  Collated data from third party providers.	Where estimations have been used, records are held with source data.  <b>Methods include:</b> Annualising consumption or average data calculated using bookended data.
Electricity	Energy invoices and annual energy statements from suppliers.  Collated data from third party providers.	Where estimations have been used records are held with source data.  <b>Methods include:</b> Annualising consumption or average data calculated using bookended data.
Renewable electricity generation	Electricity generation from the council's solar panels is recorded via a central site.	Where outlying data has been identified, this has been removed.
Passenger vehicles	Staff mileage claims, fuel purchased and vehicle log books.	Annualising consumption where required.
Fleet vehicles	Fuel purchased and vehicle log books	Annualising consumption where required.
Purchases	Data provided by suppliers	Data quality is not checked by the council.

Table 3: Source of data by energy type

## Calculating emissions

To calculate CO<sub>2</sub>e emissions, raw usage data (such as kWh of electricity used) is multiplied by a conversion factor.

### Conversion Factors

The carbon conversion factors used for this action plan are the 2021 UK Government published carbon conversion factors. The council uses the conversion factors which match to the year in which the majority of the relevant financial year sits. For instance for the financial year 2021/22, the 2021 conversion factors are used.

The key conversion factors used are as follows:

Energy Type	Conversion factor
<b>Fuels</b>	
Natural Gas	0.18316 kg CO <sub>2</sub> e / kWh (Gross CV)
Propane	0.21411 kg CO <sub>2</sub> e / kWh (Gross CV)
Diesel (average biofuel blend)	2.51233 kg CO <sub>2</sub> e / litre
Petrol (average biofuel blend)	2.19352 kg CO <sub>2</sub> e / litre
HVO	0.03558 kg CO <sub>2</sub> e / litre
<b>Electricity</b>	
UK electricity	0.21233 kg CO <sub>2</sub> e / kWh (Gross CV)
<b>Vehicles (passenger, delivery and business travel)</b>	
Average car (unknown fuel type)	0.07255 kg CO <sub>2</sub> e / mile
Domestic flights	0.24587 kg CO <sub>2</sub> e / km
National rail	0.03549 kg CO <sub>2</sub> e / km
<b>Purchases</b>	
Milestone purchased goods and services	Various. Calculated by Milestone
Hotel stays (UK)	13.9 kg CO <sub>2</sub> e / night
<b>Waste</b>	
Residual waste	21.294 kg CO <sub>2</sub> e / tonne
Recycling	21.294 kg CO <sub>2</sub> e / tonne
Organic waste	8.951 kg CO <sub>2</sub> e / tonne
Inert waste	0.989 kg CO <sub>2</sub> e / tonne
Active waste	21.294 kg CO <sub>2</sub> e / tonne
<b>Transmission &amp; Distribution</b>	
UK electricity	0.01879 kg CO <sub>2</sub> e / kWh
<b>Well-To-Tank</b>	
Various	Various, used as appropriate from 2021 Conversion factors

Table 4: Key greenhouse gas conversion factors<sup>11</sup>

<sup>11</sup> Department for Business, Energy and Industrial Strategy (2020) Greenhouse gas reporting: conversion factors 2021 [Greenhouse gas reporting: conversion factors 2020 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020)

### Baseline Year Recalculation Policy

There may be circumstances under which it becomes necessary to recalculate the council's baseline year emissions. If significant changes were to occur, either within the council's organisation or to recognised methodologies, it could challenge the validity of comparing to existing data. To ensure comparisons remain valid, the following baseline year recalculation policy has been developed. This ensures that any significant changes are identified, measured for a recalculation threshold and processed accordingly.

Change scenario	Baseline year recalculation?
<b>Mergers, Acquisitions, Divestitures</b>	
Acquisition of (or insourcing) a facility that did not exist in the baseline year.	Potentially recalculate baseline year emissions depending on likely impact
Disposal of (or outsourcing) a facility to another company.	Potentially recalculate baseline year emissions depending on likely impact
Transfer of ownership/ control of emissions sources. This includes changes in lease status.	No base year recalculation required
<b>Organic Growth and Decline</b>	
Organic growth	No base year recalculation required
Organic decline	No base year recalculation required
<b>Changes in Quantification Methodologies / Errors</b>	
Changes in emission factors or methodologies (e.g. change in activity data) that reflect real changes in emissions (i.e. changes in fuel type or technology)	No base year recalculation required
Changes in measurement methodologies, improvements in the accuracy of emission factors, improvements in the accuracy or availability of activity data or discovery of previous errors/ number of cumulative errors	Potentially recalculate baseline year emissions depending on likely impact if data is available for baseline year, or correct errors

Table 5: Baseline year recalculation policy



<b>CABINET</b>	<b>AGENDA ITEM No. 7</b>
<b>19 June 2023</b>	<b>PUBLIC REPORT</b>

Report of:	Adrian Chapman, Executive Director Place and Economy		
Cabinet Member(s) responsible:	Cllr Marco Cereste, Cabinet for Growth and Regeneration		
Contact Officer(s):	Karen Lockwood, Programme Manager	Tel.	07825 902794

**PETERBOROUGH STATION QUARTER REDEVELOPMENT SCHEME –  
CONTRACT FOR APPOINTMENT OF MULTI-DISCIPLINARY TEAM RELATING TO  
THE DESIGN AND ASSURANCE PROCESS**

RECOMMENDATIONS	
<b>FROM:</b> Executive Director, Place and Economy	<b>Deadline date:</b> 19 June 2023
It is recommended that Cabinet authorises the award of a contract to Bloom Procurement Services Limited, for £924,000, relating to the period 23 June 2023 to 1 November 2024, for a multi-disciplinary team to undertake design and assessments as part of the assurance process for accessing LUF2 funds. Bloom Procurement Services Limited propose to award Ove Arup Limited to deliver the multi-disciplinary team services.	

**1. ORIGIN OF REPORT**

1.1 The report is submitted to Cabinet as a referral from Corporate Leadership Team on 30 May 2023 as part of the governance process to issue a services contract. The services contract has a value over £500,000 and is therefore a key decision (KEY05JUN23/02).

**2. PURPOSE AND REASON FOR REPORT**

2.1 The purpose of this report is to provide information to Cabinet to request a contract award to be made to Bloom Procurement Services Limited. Bloom Procurement Services Ltd will manage the activities of the awarded supplier, Ove Arup Limited, to deliver the required Specialist Professional Services to deliver the successful Station Quarter Bid and secure LUF2 Funds.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.5, 'To make decisions on actions relating to the awarding, assigning and termination of contracts over £500k, and waiving or granting exemptions to Contract Regulations where contracts are over £500k'.

**3. TIMESCALES**

3.1

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

4.1 On 19 January 2023, the Department for Levelling Up, Housing and Communities (DLUHC) announced that the Peterborough Station Connectivity and Enhancements Project had been successful in its bid for funding from the Levelling Up Fund 2, for £47,850,000. The bid was submitted on 2 August 2022 by the CPCA (Cambridgeshire and Peterborough Combined Authority) for a Transport Allowance and was supported by a Strategic Outline Business Case (SOBC).

4.2 This funding is for a fundamental component of the Peterborough Station Quarter programme, the aim of which is:

*“To stimulate the local economic, social, and cultural landscape of Peterborough through the delivery of a new Peterborough Station and Station Quarter precinct.”*

4.3 Peterborough Station is an important rail interchange on the East Coast Main Line offering express rail connections to London Kings Cross in just under 50 minutes and to York in 1 hour 15 minutes. Prior to the COVID-19 pandemic, the Station had an annual throughput of 5 million passengers, including 960,000 passengers who use it as an interchange for services to other destinations.

4.4 The Station is located approximately 500m west of the city centre (defined as Peterborough Cathedral Square) and 200m west of the Queensgate Shopping Centre and Peterborough Bus Station. However, despite its proximity to these key facilities, the Station feels isolated from the city centre, both visually and from an active modes perspective. This is demonstrated by the severance created by the dual carriageway Bourges Boulevard between the Station and city centre, and presence of multiple underpasses that allow pedestrians to move between these locations.

4.5 The Peterborough Station Quarter Redevelopment Scheme will be led by PCC with partnership working with Network Rail and LNER (London North Eastern Railway). It will be funded through LUF2 funding and other match funding, with a total budget of around £64,855,000.

4.6 This project focuses on the creation of an enhanced gateway Station including a new western entrance, improved passenger facilities and better active travel connections to the city, delivering:

- Economic growth and levelling up, providing a catalyst for wider regeneration
- Improved accessibility and journey quality at and around this important Station
- Less congestion on surrounding highway network
- Health and wellbeing improvements

4.7 The options must be developed for the next stage of the project as part of the assurance process for accessing the LUF2 funds. This will involve a multi-disciplinary team undertaking design and assessment equivalent to PACE ES3/ RIBA Stage 3, working alongside other Specialist Service Providers (SSP) appointed by PCC and Network Rail. There will also be a need to future-proof any designs.

4.8 The scope of works envisaged for the multi-disciplinary team is as follows and comprises four phases of work:

1. Gather data, identify all stakeholders, clarify the remit and confirm the delivery plan
2. Complete surveys and develop the multi-disciplinary options, including targeted stakeholder workshops and liaison for the Station, interchange/public realm and car parking
3. Prepare estimates and option presentations, stakeholder workshops and option selection
4. Client review and close out of PACE ES3/RIBA3

4.9 The contract call off has been made under the NEPRO3 Specialist Professional Services Framework which has been established by the Association of North East Councils Limited trading as the North East Procurement Organisation. The framework commenced on 1 September 2019 and expires on 31 August 2025 with an option to extend for a further two years. A call-off can be

made at any time during this period. Bloom Procurement Services Limited are the sole provider on the framework.

- 4.10 The Council is permitted to utilise the framework and the call off has been made in compliance with the framework rules. The benefits of using this framework are that Bloom have the ability to use their extensive supply chain of specialists to tailor a procurement to meet the need of Local Authorities in a way that other types of framework cannot, for example restricting the number and nature of the suppliers bidding in a procurement to be able to deliver exactly what is needed in a much reduced time frame. This framework has a rigorous supplier on-boarding process and ensures that suppliers are and continue to be fit to deliver their stated service offer and are fit and proper organisations to be doing business with. The framework records any agreed delivery of Social Value and Climate Action benefits relating to procurements. The framework includes full management of the procurement process, documentation, advertisements and award (following Local Authorities' internal Governance). The Bloom Framework also includes full management of the awarded services in order to hold payments to suppliers until satisfied that the key milestones agreed when developing the service specification, are fully met.

## 5. CORPORATE PRIORITIES

- 5.1 The following outlines how the recommendation links to the Council's Corporate Priorities:

### **The Economy & Inclusive Growth**

#### Environment

A Carbon Impact Assessment has been completed. It states that:

There will be no change to council or city-wide emissions through the design stage of the project. Emissions will rise through the construction phase due to increased travel, construction and waste. City wide emissions are expected to decrease once the station is improved due to increased attractiveness of travel to Peterborough by train, thus reducing car usage. The project brief will include consideration by the contractors for emissions reduction.

#### Homes

The release of land on the western side of the Station will free up land for residential development.

#### Jobs & Money

To the east of the Station, the design will be developed, and concepts progressed that will offer commercial opportunities and workplaces and provide economic growth in the area.

### **Our Places & Communities**

#### Places and Safety

The Station Quarter will be designed to create a safe environment where people want to live, invest, work and visit. This will be achieved through the new public realm, improved access routes, commercial offering and the new housing with local access to such facilities.

#### Health and Wellbeing

The project will improve the active travel routes to and from the Station. The new western entrance will reduce car travel distances and hence reduce emission from vehicular travel.

## 6. CONSULTATION

- 6.1 Engagement with stakeholders, has taken place during the LUF2 bid and to date, with the following:
- CPCA
  - Network Rail
  - LNER
  - DtT (Department for Transport)
  - DLUHC

Following appointment, a detailed programme for the project will be provided by the multi-disciplinary team, that will include stakeholder mapping and engagements and a public consultation.

- 6.2 This recommendation has been considered by:
- Corporate Leadership Team (CLT) - 30 May 2023
  - Cabinet Policy Forum (CPF) - 5 June 2023

## 7. ANTICIPATED OUTCOMES OR IMPACT

- 7.1 Approval of the award of the contract to Bloom Procurement Services Limited and for them to confirm their arrangements with Ove Arup Limited, would enable the project to move to the next stage and enable the Council to access the LUF2 funds against the LUF2 Grant, in accordance with the Monitoring and Evaluation criteria.

This will support the key outcomes as stated in the LUF2 bid as agreed with government including:

- A substantial reduction in vehicle trips through the city centre, and the location of one of the identified travel hubs
- A well-connected network of public realm corridors, providing a safe and pleasant space for sustainable modes of transport
- A vibrant and thriving city centre economy, accessible to all users
- An urban environment where nature has a home, and urban greening is used to soften the visual impact of infrastructure

## 8. REASON FOR THE RECOMMENDATION

- 8.1 The recommendation is put forward to progress with the development of the Peterborough Station Quarter (PSQ) Redevelopment Scheme, following the approval of funding through LUF2. There are 5 key areas identified to progress, as part of a Phase 1.

### **Station West**

The Station is currently accessible from one side only (east) meaning that passengers need to traverse a connecting link bridge to access the most westerly platforms. Car parking provision is also concentrated on the east side of the Station, where there is approximately 4 hectares of surface car parking. Therefore, some passengers experience additional journey times in excess of 15 minutes from car park to platform edge.

The fact that the Station can only be accessed from the east creates additional pressures on the road network at the Crescent Bridge roundabout. A feasibility study for the PSQ Masterplan (2020) revealed that around 30% of Station users travel from the west along Thorpe Road. If the Station could be accessed from the west with adequate car parking provision it would ease pressure on the city's road network at Crescent Bridge/Bourges Boulevard, reduce congestion, vehicular/pedestrian interface risk and air pollution.

### **Station East and Main Footbridge**

There is a shortage of quality food and beverage, meeting and conferencing facilities around the Station compromising the overall customer experience. Post-COVID work and leisure patterns are likely to see migration from centres such as London to a more dispersed model, and Peterborough is ideally suited to continue its upward population growth in addition to acting as concentrated point from local commuters in East Northamptonshire, South Lincolnshire, Rutland and North West Cambridgeshire. The multi-disciplinary team will further develop /progress concepts for the eastern Station building, main footbridge (parcel bridge is excluded) and commercial opportunities ensuring it continues to achieve the outcomes stated in the LUF 2 bid and agreed with government.

### **Station Facilities**

The multi-disciplinary team will agree with PCC, NR and LNER the specification of the Station in terms of facilities in light of previous work and the budget envelope. Equalities Act 2010 compliance and connectivity through the Station is critical to the success of the project and this must be considered.

### **Car Park Provision**

Surface level car parking occupies approximately 5 hectares of land around the Station. This high value land has the potential to transform the local area and could be unlocked for greater commercial and housing development. This is particularly significant as there is a substantial lack of high quality commercial and office space in Peterborough and particularly in the proximity of Peterborough Station.

The relocation of the Network Rail Maintenance Delivery Unit (MDU) to Mayors Walk and Spital Bank car parks, freeing up land for residential development on the western side, will mean such re-provision of parking space is required.

### **Onward Connectivity**

There is a lack of accessible and level pedestrian and cycle links between the heart of the city and the train Station and from the west to the Station – Bourges Boulevard interrupts the movement of active modes and the existing buildings provide visual severance.

There are three routes into the city centre from the rail Station, but these are via an underpass that is unattractive and of poor quality. The underpass could be perceived as intimidating and offers a very poor first impression of Peterborough. A strong connection between the railway Station entrance and Cowgate could become an accessible route suitable for all which would introduce visitors to the city through a series of legible spaces, finally culminating in the west face of the Cathedral.

Station West will also be a new prominent approach and as such an interchange area is required from Midlands Road that enables drop-off, walking and cycling arrivals.

### **Timeline**

The high-level timeline is as follows for the Peterborough Station Quarter Redevelopment Scheme:

- Appointment of a Multi-Disciplinary Consultant Team – June 2023
- Development of a Masterplan Framework – July 2023
- Agreement of Phase 1 Components – August 2023
- Stakeholder Consultation on Phase 1 Components – Autumn 2023
- Design and Appraisal of Phase 1 Components – December 2023
- Submission of Outline Business Case – end of 2023
- Detailed Design of Phase 1 Components – through 2024
- Submission of Full Business Case – Autumn 2024
- Construction of Phase 1 Components – Early 2025 to March 2026

## **9. ALTERNATIVE OPTIONS CONSIDERED**

- 9.1 **To do nothing** – This option was discounted on the basis that the LUF2 funding would be a missed opportunity for Peterborough.

**Use internal resources** – Specialist knowledge is required for this work, and this is not available internally at PCC or the CPCA.

By commissioning an external specialist consultant to deliver this work Value for Money will be achieved through the specialist knowledge in order to achieve the project outcomes.

## **10. IMPLICATIONS**

### **Financial Implications**

- 10.1 The costs are up to £924,000, for the commission of the multi-disciplinary team to undertake design and assessments as part of the assurance process for accessing the LUF2 funds to progress the Station Quarter Redevelopment.

It shall be noted that the overall Peterborough Station Quarter Redevelopment Scheme has an overall funding envelope as follows:

<b>Funding Source</b>	<b>Value</b>
LUF2	£47,850,000
Private match funding	£15,210,000
Towns Fund	£1,794,687
<b>Total</b>	<b>£64,854,687</b>

This report and request for contract placement is for the LUF2 budget which is managed by PCC.

The options must be developed for the next stage of the project as part of the assurance process for accessing the LUF2 funds.

The funding available from LUF2 of £47,850,00 is subject to business case approval at each stage. CPCA will be the accountable body to DLUHC for the use of this funding, and in order for PCC to draw down the funds to meet project expenditure a Grant Funding Agreement will be in place between CPCA and PCC, giving PCC responsibility for financial control of the grant it receives and ensuring the terms of the LUF2 funding are complied with.

The LUF2 government assurance process is administered by the Department for Levelling Up Housing and Communities (DLUHC) and the Department for Transport (DfT). PCC will submit quarterly monitoring returns covering, Project Expenditure, Project Progress & Changes, and Risks. In addition to this, PCC is required to report every 6 months on their Outputs and Outcomes. This is a robust process to facilitate reducing all risk including financial.

### **Legal Implications**

- 10.2 The framework referred to in this report is compliant with the Public Contracts Regulations 2015 and the Council's Contract Rules.

A call-off contract with Bloom Procurement Services Limited was entered into by the Council on 2 November 2022 allowing the Council access to Bloom's extensive supply chain of specialist professional services suppliers.

In April 2023 the Council issued a detailed specification of the required services to Bloom Specialist Services who ran a procurement to seek an appropriately experienced supplier to be able to deliver the Appointment of a Multi-disciplinary Team Relating to the Design and Assurance Process. Arup was the selected supplier.

### **Equalities Implications**

- 10.3 For the Station Facilities, the Equalities Act 2010 informs that compliance and connectivity through the Station is critical to the success of the project and this must be considered.

An access audit will be carried out on the design proposals to ensure compliance with Equality Act 2010, "Access for All" and allow for a meeting with Disability Peterborough to discuss the proposals and possible presentation to Network Rail's Built Environment Accessibility Panel (BEAP). Improvements will be in scope for disability users.

## **11. BACKGROUND DOCUMENTS**

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

- 11.1 The LUF2 Bid has been used for background.

## **12. APPENDICES**

12.1 There are no appendices to the report.

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<b>CABINET</b>	<b>AGENDA ITEM No. 8</b>
<b>19 JUNE 2023</b>	<b>PUBLIC REPORT</b>

Report of:	Adrian Chapman, Executive Director for Place and Economy	
Cabinet Member(s) responsible:	Cllr Lynne Ayres, Cabinet Member for Education, Skills, and Children's Services	
Contact Officer(s):	Adrian Chapman, Executive Director for Place and Economy	Tel. 07920 160441

### **ADDITIONAL EQUITY INVESTMENT INTO PETERBOROUGH HE PROPERTY COMPANY LTD FOR PHASE 3 OF THE UNIVERSITY**

<b>RECOMMENDATIONS</b>	
<b>FROM:</b> Executive Director – Place and Economy	<b>Deadline date:</b> N/A
<p>Cabinet is recommended to:</p> <ol style="list-style-type: none"> <li>1. Review recommendation 2 which will be considered at Shareholder Cabinet Committee, on 12 June 2023 and subject to its approval;</li> <li>2. Approve an additional investment of 1,300,000 Ordinary Shares (to the value of £1 per share) into Peterborough HE Property Company Ltd, to enable phase 3 of the University development to proceed, should Shareholder Cabinet Committee, at its meeting on 12 June 2023, have made the appropriate recommendation to Cabinet;</li> <li>3. Delegate authority to the Executive Director for Place and Economy, in consultation with the Executive Director for Resources, to agree final versions of the subscription letter and the funding profile to be included in the shareholder's agreement with Peterborough HE Property Company Ltd.</li> </ol>	

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

- 1.1 This report is submitted to Cabinet at the request of the Executive Director for Place and Economy.

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

- 2.1 The purpose of the report is to seek approval from Cabinet, subject to approval of the recommendation at Shareholder Cabinet Committee on 12 June, to invest an additional £1.3m equity into the Peterborough HE Property Company Ltd (known as PropCo1) to contribute towards additional construction costs on the University of Peterborough Phase 3 Living Lab project.
- 2.2 Peterborough City Council (PCC) is party to a Shareholders Agreement in respect of the Company dated 23 December 2020 as amended and restated on 1 April 2022. Should the additional equity investment be agreed, PropCo1 will be entitled to call upon PCC to pay the Subscription Amount in exchange for the allotment of the relevant number of New Shares. A request for additional investment into PropCo1 is a shareholder consent matter, and, as one of the shareholders in PropCo1, this decision is required to be made by Cabinet via a recommendation from Shareholder Cabinet Committee.

- 2.3 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 ... (e) The determination of the investment of funds and assets.*’

**3. TIMESCALES**

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

4.1 Phase 3 of the new university is a new teaching building and Living Lab. The delivery of this phase is largely funded via Levelling Up Funding (LUF) which requires completion of the project by September 2024.

4.2 In early 2023, at tender stage the main contractor flagged significant cost pressures relating to specific packages of work, namely cladding, external, and mechanical and electrical works. Work has been undertaken to value engineer costs down, and addressing the remaining cost pressure via detailed re-design would have resulted in a delay to completion to Summer 2025, with likely cost increases and significant changes to outcomes, and ultimately would have placed the LUF funding at risk. DLUHC have been notified of the issue, but additional funding via LUF is not an option. Furthermore, a loan to the company was also discounted on the grounds that the leasehold and shareholder arrangements mean that the company is not income generating until 2032. It therefore would not have sufficient funds in place to repay the loan.

4.3 Following the outcomes of the value engineering work, an additional £3.9m funding is required to meet the programme and project objectives. Prior to confirming this figure, PropCo1 directors and support staff have met on various occasions to examine in detail the budget information to satisfy themselves that all other options have been exhausted.

4.4 This means that there is insufficient funding within the budget to bridge the cost variance. As a result, PropCo1 have approached its Shareholders (Peterborough City Council, Cambridgeshire and Peterborough Combined Authority, and Anglia Ruskin University), who have all agreed, in principle and subject to appropriate governance, to identify additional funding to bridge the cost variance.

4.5 Following a review between the shareholders, it was agreed that an equal contribution of £1.3m each towards the funding gap was appropriate due to the short notice required to support the company, lack of available funding opportunities to shareholders via central government or other potential investors, and lack of sufficient income streams to repay a loan. Furthermore, an additional £1.3m investment from each shareholder does not significantly impact the overall proportion of the shareholding, which means that the principles regarding the shareholders agreement remain in place.

**5. CORPORATE PRIORITIES**

*The Economy & Inclusive Growth*

The new University in Peterborough will improve access to better quality jobs and improve access to better quality employment, helping to reverse decades of relative economic decline, and increasing opportunities, aspiration, wages and social mobility for residents.

*Our Places & Communities*

The expanded University in Peterborough will translate the resulting increase in individual opportunity, prosperity, and social mobility into outcomes across wellbeing, health, and healthy life expectancy from the programme, and on into people living happier, healthier lives.

### *Prevention, Independence & Resilience*

The new University in Peterborough will address one of the country's most significant "cold spots" for Higher Education. With a curriculum co-created by local employers it will give both students the skills they need for great careers and offer employers access to the talent they need to thrive in the modern economy.

### *Sustainable Future City Council*

The new University in Peterborough will accelerate the renaissance of Peterborough as a knowledge-intensive university city, increasing civic pride and satisfaction within Peterborough as a place offering a good quality of life with improved public facilities, and providing a tangible example of levelling up.

## **6. CONSULTATION**

6.1 Consultation with other shareholders has taken place via formal PropCo1 Board meetings. Relevant Cabinet Members has also been consulted.

## **7. ANTICIPATED OUTCOMES OR IMPACT**

7.1 It is proposed that PCC will invest a further 1,300,000 Ordinary Shares (to the value of £1 per share) into PropCo1 to contribute towards additional construction costs that have resulted from increases in inflation and rising materials costs.

7.2 PCC are the legal and beneficial owners of 38.7% of the existing share capital of the Company. It is proposed that PCC subscribe to more shares that, along with the known intention of the other two existing shareholders (Cambridgeshire and Peterborough Combined Authority and Anglia Ruskin University), will result in a 37.6% holding in the PropCo1 shares.

7.2 The additional shares will ensure that the Phase 3 building is delivered to the original programme and agreed outcomes as detailed and agreed by the Cabinet at their meeting on 16 January 2023.

## **8. REASON FOR THE RECOMMENDATION**

8.1 The recommendations contained in this report are designed to ensure that phase 3 of the new university programme can continue as planned and on schedule.

## **9. ALTERNATIVE OPTIONS CONSIDERED**

9.1 These are described in section 4 of this report.

## **10. IMPLICATIONS**

### **10.1 Financial Implications**

It is proposed that the additional funding requested in this report will be found within the existing approved Capital Programme. To achieve this, officers will:

- (i) Further review the projects within the existing programme to determine whether any could be reduced or delayed.
- (ii) Replace corporate borrowing required within the existing capital programme with grant funding that is or becomes available – for example, we currently plan to fund Highways-related extreme weather works with borrowing but could switch this with DfT pothole funding.

The financial planning intention is to drawdown and expend the £20m Levelling Up funding first, and the already planned shareholder call downs of funding, so it is expected that the additional share for £1.3m will be required in the last quarter of 2023/24. This additional shareholder share

profiling, and subsequent cash drawdown, is being reviewed once the final expenditure profile is agreed.

## 10.2 **Legal Implications**

Section 1 of the Localism Act 2011 provides that a local authority has power to do anything that individuals generally may do. Consequently, PCC is able to invest in a company as an individual can do, bearing in mind the limitations of Section 4. This is not a commercial venture, as the company was set up for the provision of education.

The Local Authorities (Capital Financing and Accounting) (England) Regulations 2003 include the requirement for local authorities to have regard to CIPFA guidance.

Revised reporting is required due to revisions of the Ministry of Housing, Communities & Local Government ('MHCLG') Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

The Legal Team will be involved in the preparation of any legal documents relevant to the investment.

## 10.3 **Equalities Implications**

The new University in Peterborough will improve access to better quality jobs and improve access to better quality employment, helping to reverse decades of relative economic decline, and increasing opportunities, aspiration, wages, and social mobility for residents.

## 11. **BACKGROUND DOCUMENTS**

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

[Cabinet meeting paper 16 January 2023](#)

## 12. **APPENDICES**

None.

<b>Cabinet</b>	<b>AGENDA ITEM No. 9</b>
<b>19 June 2023</b>	<b>PUBLIC REPORT</b>

Report of:	Financial System Procurement
Cabinet Member(s) responsible:	Councillor Coles, Cabinet Member for Legal, Finance and Corporate Services
Contact Officer(s):	Name: Chris Stromberg Email: chris.stromberg@cambridgeshire.gov.uk Tel: 07876578093

### FINANCIAL SYSTEM PROCUREMENT 2023

RECOMMENDATIONS	
<b>FROM:</b>	<b>Deadline date: N/A</b>
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> <li>1. Authorise the contract award of the Financial Management IT solution to Unit4 Business Software Limited for a sum not exceeding £2,700,000 for a three-year period commencing on 1<sup>st</sup> July 2023, with an option to extend for a further year.</li> </ol>	

#### 1. ORIGIN OF REPORT

- 1.1 This report is submitted to Cabinet following a referral from the Corporate Leadership Team on 30<sup>th</sup> May 2023.

#### 2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to:

Seek approval for the award of the contract of the current IT solution used for Financial Management to Unit 4 Business Software Limited.

- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.5, *'To make decisions on actions relating to the awarding, assigning and termination of contracts over £500k, and waiving or granting exemptions to Contract Regulations where contracts are over £500k, with the exception any time-critical, operational, or routine 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 Background

Approval is sought to approve the contract award of the IT solution supporting the Financial Management of Peterborough City Council (PCC)

Unit4 (previously known as Agresso) has been the financial management solution for the Council for nearly 8 years. The current contract expires on 30 June 2023, and it is proposed the Council procures the solution for an additional 4 years under the Crown Commercial Services G-Cloud 13 framework.

In addition to the procurement of the current solution, the roadmap of development includes 3 areas requiring approval in this Cabinet paper. The costs are not currently included within the existing Capital Programme, but these will be reviewed alongside the current programmes, where it is expected there will be some reprioritisation and reprofiling to ensure this cost can be met within the 2023/34 budgeted resources.

One of the modules proposed, bares a financial saving to rising up to £0.1m in future years, therefore there is a notable financial return on investment for these additional modules in addition to the softer reporting benefits and efficiencies which should be achieved.

## 4.2 Main Issues

With the current financial pressures within the organisation, having a stable, well known and used solution supporting the Council ensures risks relating to system change are avoided.

To support the organisation in mitigating the financial pressures, there is a significant roadmap of transformative development proposed, further increasing the requirement to retain the current solution.

The costs for the areas to be developed and implemented are included within this Cabinet paper, however each area will follow the required governance, including assessment of requirements and business cases. They will not proceed if the requirements are not met or business case not approved. These areas are not currently factored in current budgets.

## 4.3 Overview of these key development areas:

### FP&A (Financial Planning & Analysis)

- Provides in depth reporting and analysis of Unit4 data
- Allows for a more accurate and faster financial planning and analysis.
- Enables a single source of truth of financial information.
- Visual dashboards allowing ease of access to data
- Will support the Council financial transformation programme ensuring that budget managers have the information and tools in place to effectively manage their budgets and make more informed decisions.

### Contract Accounting & Supplier Management

- Ability to match contract data with spend data, allowing for robust reporting on contract and supplier management and performance.
- Streamlined P2P processes, improving efficiencies.
- Reduce or eliminate the risk associated with manual processing in procurement activities, particularly with supplier onboarding, unparking and change of details.
- More control over the procurement process as it will enable the ability to prevent the raising of a requisition in situations where a contract or governance report has not been approved.

### HR & Payroll

- Directly links staff/role costs to budgets, including expenses and additional costs.
- Enables a fully managed, single establishment list.

- Increased efficiencies as currently identified manual processes are reduced or eliminated.
- Streamlines the onboarding, offboarding and moves of staff.
- Prevents data duplications between Payroll system and Finance, thereby reducing incorrect data matching and provides a significantly more robust single version of the truth.

In line with the IT Strategy, we will also be moving the solution to the suppliers Cloud environment, reducing our use of and reliance on internal infrastructure.

#### Procurement

The Council shall award the contract for a 3 year +1 year optional extension term via the publicly available Crown Commercial Service's G-Cloud 13 framework which enables a contracting authority to make a direct award of contract, without any competition, subject to the requirements for a direct award being met. The proposed direct award meets those requirements.

## **5. CORPORATE PRIORITIES**

- 5.1 Having a financial system in place ensures the Council is able to financially operate effectively, has appropriate financial controls and maintains suitable financial records.

It is a system used widely across the council and therefore supports all the Council's priorities, but it is strongly geared towards enabling the Council to deliver on the following priority:

- Supported by a Sustainable Future City Council - adjust how we work, serve, and enable, informed by strong data and insight capability, and led by a culture of strong leadership.

## **6. CONSULTATION**

- 6.1 As part of the decision, consultation was undertaken with the relevant Service leads within the Council.
- 6.2 The report had also been considered by the Corporate Leadership Team and Cabinet Policy Forum. in addition to the officer led Capital Review Group and Capital and I2S Board, which provide scrutiny and challenge to ensure value for money is being achieved and programmes are within the Councils priorities.

## **7. ANTICIPATED OUTCOMES OR IMPACT**

- 7.1 Award the 4-year contract for the provision of the Financial Management system to the current system provider, Unit4 Business Software Limited.

Approve expenditure in relation to the additional 3 modules to be met within the existing Capital Programme.

## **8. REASON FOR THE RECOMMENDATION**

- 8.1 To ensure the stability of the organisation facing significant delivery challenges, and to ensure the continued value provided by the previous and current investment for a longer-term contract period.

## **9. ALTERNATIVE OPTIONS CONSIDERED**

- 9.1 Go out to market to seek a replacement solution via a competitive tender or mini-competition.

However, given the investment to date, and the current requirement for significant development, the benefits of changing to a new system would disproportionately affect the management of the Councils finances.

## 10. IMPLICATIONS

### Financial Implications

- 10.1 The cost associated with the contract award is outlined in within table 1, totalling £0.929m over the 4 year period. This is already incorporated within the Councils 2023/24 Budget and future years Medium Term Financial Strategy.

**Table 1: Annual costs for the current instance of Unit 4.**

	2023/24	2024/25	2025/26	2026/27	Total
Unit4 Annual Licence and support	£190,224	£215,904	£245,051	£278,133	<b>£929,312</b>

\* costs increase annually based on projected RPI

**Table 2: Additional modules to be approved**

Product	One Off	Ongoing Revenue Costs			
	Implementation Cost (Reserves/ Capital)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	2026/27 (£000's)
Financial Planning & Analysis		46	69	79	89
Contract Accounting & Supplier Management (Proactis)		34	52	58	66
HR & Payroll		49	74	84	95
Implementation costs	695				
Current HR solution costs to be saved (annual increase based on current RPI)*			-130	-195	-220
<b>+cost/(saving)</b>	<b>695</b>	<b>129</b>	<b>65</b>	<b>26</b>	<b>30</b>

\*During 2025/26 and 2026/27 costs based on projected RPI

This report seeks approval for this one off expenditure, on the basis that the existing capital programme will be reviewed, reprofiled and reprioritised to ensure this is delivered within the total current approved programme. Therefore it is anticipated there will be no change to the value of the Capital Programme in 2023/24.

Additionally, the Council will look at utilising reserves particularly for the HR and Payroll module where the investment generates a significant saving in future years, where the innovation fund reserve could be fully replenished for the one-off cost. This would be in line with the approach set out within the Councils Reserves policy approved by Council in February.



In respect of the £0.179m of expected additional revenue costs in 2023/24 it is anticipated that this will be funded either via the innovation fund or through service budget efficiencies.

From 2024/25 onwards the financial values will be factored into the Medium-Term Financial Strategy. As highlighted in the table, moving from the current HR system will generate a revenue saving which will exceed any additional costs incurred. The saving will either be factored into the Medium-Term Financial Strategy or used to replenish the reserves depending on the funding strategy adopted. These figures will be finalised as part of the budget setting process.

### **Legal Implications**

- 10.2 The procurement of the contract has been undertaken in compliance with the Crown Commercial Services G Cloud 13 Framework, such call-off contracts are compliant with the Public Contract Regulations 2015.

### **Equalities Implications**

- 10.3 N/A

## **11. BACKGROUND DOCUMENTS**

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

- 11.1 None.

## **12. APPENDICES**

- 12.1 None.

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<b>CABINET</b>	<b>AGENDA ITEM No. 10</b>
<b>19 JUNE 2023</b>	<b>PUBLIC REPORT</b>

Report of:	Cecilie Booth – Executive Director for Corporate Services and S151 Officer	
Cabinet Member(s) responsible:	Cllr Andy Coles - Cabinet Member for Legal, Finance and Corporate Services	
Contact Officer(s):	Jill Evans – Service Director Corporate Finance and Deputy S151 Officer	Tel.

## **AMENDMENT TO PETERBOROUGH LTD LOAN FACILITY**

<b>RECOMMENDATIONS</b>	
<b>FROM:</b> <i>Cecilie Booth – Executive Director for Corporate Services and S151 Officer</i>	<b>Deadline date:</b> <i>31 March 2023</i>
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> <li>1. Approve the amendment to the expiry date of the £1.75m facility with Peterborough Ltd (originally approved by Cabinet in July 2018) from 1 February 2024 to 1 February 2029.</li> <li>2. Authorise the Director for Law and Governance (Monitoring Officer) and Executive Director for Corporate Services and S151 Officer to exercise delegated authority to finalise and agree all necessary legal agreements with Peterborough Ltd for the purposes of facilitating this arrangement.</li> </ol>	

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

- 1.1 This report is submitted to Cabinet following a referral from Corporate Leadership Team (CLT) on 30 May 2023.

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

- 2.1 The purpose of this report is for Cabinet to approve the extension of the Peterborough Ltd Loan Facility to 1 February 2029.
- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.3, *‘To determine any key decision ...’* and 3.2.4, *‘To be responsible for budget planning, monitoring and expenditure/savings over £500,000 ...’*

### **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 **Establishment of a Local Authority Trading Company**

On 23 July 2018 Cabinet approved the Report JUL18/CAB/19 Establishing a Local Authority Trading Company in which recommendation 4 requested it approve a facility of £1.75m to provide working capital and to cover start-up costs.

In March 2021 Peterborough Ltd paid £825K off the loan balance, leaving the current balance at £925K. Peterborough Ltd continues to pay interest at a market rate which is in compliance with the relevant regulations.

#### 4.2 **Progress to Date**

Since it started operations in March 2019 Peterborough Ltd (P Ltd) has gone from strength to strength, increasing turn over by 90%, and increasing from 350 to 650 employees. Since 2020/21 the company has been consistently profitable, carrying out work for both PCC and commercial customers.

During the COVID lockdowns most Aragon staff were classed as key workers due to the essential nature of waste collection, fly tip clearance, building cleaning, building maintenance and passenger transport. The company were the first non-health setting to set up a lateral flow testing centre on site to help protect the work force by carrying out testing twice a week.

As part of the COVID recovery from the start of 2021/22 leisure sites started to gradually reopen, and staff returned to work. Many restrictions were still in place but by utilising reduced capacity, outdoor venues and booking systems P Ltd welcomed customers back. The total membership base is now at over 90% of Pre COVID levels, which is ahead of national trends.

Over the last year the company has continued to work to provide a diverse range of interconnected services to Peterborough residents. The company attributes its successes to the hard work and dedication of its staff, paired with strong financial and performance controls. Some highlights over the last year include:

- Collecting 7.15 million bins
- Over 100,00 Children's Swim lessons attended
- Facilitated over 252,000 book loans made through our Libraries
- Transporting 674 children to and from school each day
- Over 610,000 visits to our sports centres and pools
- Clearing over 10,000 illegal flytips
- Over 80,000 visits to Peterborough Museum and Flag Fen
- 1,259 statutory water tests carried out in schools, community, and Council facilities
- Planting over 4,400 new trees and maintaining and surveying over 20,000 existing trees

In addition to front line service delivery other notable highlights include:

- Move away from National Living Wage – For the first time since its foundation the company paid above the national living wage for all staff, who had successfully completed their probation period.
- Transfer of culture services – The transfer of culture services and the getting under the skin of the financial impact of the services and staff deployment.
- Tree Project – Following a successful bid with PCC, £99K of funding was received from Treescape for tree planting. The planting programme incorporated a mix of replacement trees and new woodland planting. Standard trees, feathered trees and whips were all planted.
- Driver Training – A ongoing programme to upskill staff has been highly successful, to train Class 2 and PSV drivers. This year nine drivers have been trained and passed their test with four more still in training.
- Vivacity Premier Fitness Café refurb – A refurbishment of the café facility at Vivacity Premier Fitness including the removal of walls has brought light and openness into the site reception. It has also enabled new grab and go functions for customers, and we are trialling new menu options.
- Netfit, A weight loss netball league -The expansion of our women's health and wellbeing scheme "Netfit" has now completed Season 5. Over 80 ladies completed this season and as it continues to prove popular, Season 6 will be adding an additional team to allow more ladies to sign up for the sessions. One of the newly appointed referees has added support

sessions in for the ladies to help improve their mental health. Scheme users are also taking a coaching course to expand their skills and develop the programme further.

#### **4.3 Loan Facility**

The loan facility was approved by Cabinet in July 2018 and when the facility was implemented the agreement was given an expiration date of 1 February 2024. An extension to 1 February 2029 has been requested by Peterborough Ltd to give the company stability going forward as it continues to provide services on behalf of the Council.

Interest will continue to be chargeable by the Council at a commercial rate of interest in accordance with the Subsidy Control Regime.

### **5. CORPORATE PRIORITIES**

#### **5.1 Agreeing the extension of the Peterborough Ltd Loan Facility supports the following of the Council's Corporate Priorities:**

##### **Our Places and Communities**

The facility extension will ensure Peterborough Ltd is able to continue to provide services on behalf of the Council in the most effective and cost-efficient way.

##### **Sustainable Future City Council**

The additional interest earned by the Council during the period of the facility extension will mean any margin the Council receives on the loan will be fed into the MTFP.

### **6. CONSULTATION**

6.1 No consultation is required with the public for this decision.

6.2 This report has been considered at CLT 30 May 2023.

### **7. ANTICIPATED OUTCOMES OR IMPACT**

7.1 The decision will enable the loan facility to be extended past the current expiry date and will enable Peterborough Ltd to conduct its business with certainty of funding for the next 5 years

### **8. REASON FOR THE RECOMMENDATION**

8.1 The approval of this recommendation will ensure P Ltd have certainty of funding from the Council once the original loan facility expires in 2024.

### **9. ALTERNATIVE OPTIONS CONSIDERED**

9.1 The Council could refuse to extend the loan facility; however, this would require Peterborough Ltd to seek funding from an external provider which is not efficient for either the Council or its subsidiary

### **10. IMPLICATIONS**

#### **Financial Implications**

10.1 The financial implications of providing a loan facility to Peterborough Ltd remain as set out in the business case contained within the Cabinet Report JUL18/CAB/19.

The extension to the loan facility will continue at a current market rate in accordance with the Subsidy Regime and any margin the Council receives on the loan will be fed into the MTFP.

The Council will continue to receive interest on the loan until the loan is repaid.

## **Legal Implications**

- 10.2 The legal implications and the Council's ability to provide a loan facility to Peterborough Ltd remain as set out in JUL18/CAB/19.

Under the original loan facility agreement of 21<sup>st</sup> May 2019 (clause 6.2.2 ) the Council is entitled to extend the repayment date of the loan to 1<sup>st</sup> February 2029, by serving notice (no later than six months before the expiry of the original loan period (2<sup>nd</sup> February 2024) and its is provided that in the event the council does so, the interest period shall be extended accordingly.

## **Equalities Implications**

- 10.3 There are no equalities implications related to this decision.

## **11. BACKGROUND DOCUMENTS**

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

- 11.1 Cabinet Report JUL18/CAB/19

## **12. APPENDICES**

- 12.1 None.

<b>CABINET</b>	<b>AGENDA ITEM No. 11</b>
<b>19 JUNE 2023</b>	<b>PUBLIC REPORT</b>

Report of:	Cecilie Booth, Executive Director of Corporate Services and S151 Officer	
Cabinet Member(s) responsible:	Councillor Andy Coles, Cabinet Member for Finance and Corporate Governance.	
Contact Officer(s):	Chris Yates – Acting Head of Finance (Corporate Services)	Tel. 01733 384552

## **IRRECOVERABLE DEBTS IN EXCESS OF £10,000**

<b>RECOMMENDATIONS</b>	
<b>FROM:</b> Councillor Andy Coles, Cabinet Member for Finance and Corporate Governance.	<b>Deadline date:</b> 19 <sup>th</sup> June 2023
<p>It is recommended that Cabinet:</p> <p><b>1. Authorise the write-off of the irrecoverable debt shown as outstanding in respect of Non-Domestic (Business) Rates, Council Tax, Housing Benefit Overpayments and Accounts Receivable (sundry debt) accounts included in the Appendices to this report (which detail the financial year and the category for the write-off request).</b></p>	
<p><b>Summary:</b></p> <p>The total value of irrecoverable debts in excess of £10,000 outlined in this report is £2,350,991. These relate to Non-Domestic Rates, Council Tax, Housing Benefit Overpayments and Accounts Receivable (Sundry debt) balances as detailed in the appendices to this report. The write-off value represents 0.07% of the total debt raised over the period.</p> <p>Each year, the Council sets aside a provision for bad and doubtful debt, and the write-off of irrecoverable debt is made against this provision. The provision covers 100% of the irrecoverable debt in this report, meaning that there is no impact on the Council's current year revenue position.</p> <p>All debt recovery action available to the Council must be exhausted before outstanding debt can be recommended for write-off. It means the Council has no prospect of recovery of these balances. Despite our best endeavours, it is inevitable that a small percentage of debt will not be collected, and the authorisation for write-off is requested due to one of the following reasons:</p> <ul style="list-style-type: none"> <li>• the individual/ company being made insolvent/ bankrupt;</li> <li>• recovery action attempted but no longer enforceable under the Limitation Act 1980 (Statute Barred);</li> <li>• the ratepayer is deceased with no further income due from the estate; and</li> <li>• disputes concluding.</li> </ul> <p>The Council is committed to reviewing debt regularly and as part of that will undertake bi-annual reviews (such as this report) for Cabinet approval. It is standard practice in local government and part of good financial management.</p>	

## 1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet following referrals from Budget Corporate Leadership Team (CLT) on 24<sup>th</sup> May 2023 and Cabinet Policy Forum (CPF) on the 5<sup>th</sup> June 2023.

## 2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is for Cabinet to approve the write-off of irrecoverable debt in excess of £10,000.

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,'* and No. 3.2.2, *'To take collective responsibility for any Executive decision that has significant implications across two or more portfolios.'*

2.3 The specific detail relating to these debts is NOT FOR PUBLICATION in accordance with paragraph (s) 3 of Schedule 12A of Part 1 of the Local Government Act 1972 in that it contains information relating to the financial and business affairs of individuals. The public interest test has been applied to the information contained within the exempt annex and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it as to do so would disclose personal and private information without the written consent of the individuals.

## 3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	YES	If yes, date for Cabinet meeting	19/06/23
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## 4. BACKGROUND AND KEY ISSUES

4.1 The Council is committed to taking all necessary action before considering a debt for write off. This includes multiple written reminder letters early in the recovery process, telephone call follow-up, senior management dialogue with counterparts, and where necessary, court and enforcement action. It can take several years before all actions have been undertaken.

4.2 The Council expects to receive approximately £108m in non-domestic rates annually, £120m for Council Tax, and in excess of £90m of sundry debt income. As a result of activity on this scale, the Council recovers millions of pounds every year relating to previous years' debt, sometimes dating back several years, due to persistent recovery activity.

4.3 Despite our best endeavours, it is inevitable that a small percentage of debt will remain uncollected and will ultimately have to be written off. There are a number of reasons why this happens, with the most common being where a company has gone into liquidation, an individual has been made bankrupt, a debtor has died with no funds available within the estate, or where it has not been possible to trace a debtor. Writing off irrecoverable debt is a necessary management tool, standard practice and recommended as part of good financial management.

4.4 In respect of sundry debt balances being written off, 98% relates to arrangements with the National Health Service (NHS)/ Clinical Commissioning Group (CCG) - which has now become the Integrated Care Board (ICB). An agreement was reached with the ICB (CCG) in respect of disputed debts totalling £7.0m over a 7-year period. £5.3m was resolved with balances allocated to debts following detailed discussions with the ICB (CCG), leaving £1.7m requiring write-off. The reasons for the remaining disputed debts are as follows

- Joint Funding assessments between the Council's Adult Social Care service and Health service not being properly completed and signed off correctly by the Authorising Officers of both parties;



- Incorrect record keeping on the Council's Framework (MOSAIC) system with records being entered prior to ratification by the ICB (CCG), and erroneous recharges resulting;
- The ICB (CCG) changing the Continuing Healthcare Joint Funding Tool during the period 2018/2019 to 2019/2020 without advising the Council, leading to recharges not being accepted by the ICB (CCG).

4.5 The Council has set-a-side full provision for these debts requiring write-off. It should be noted that the Council has worked closely with Health colleagues to resolve these issues and to put effective measures in place to ensure that we have a robust process going forward. Adult Social Care completed an internal review of the end-to-end process of Continuing Health Care and joint funded packages which included work steps on Mosaic to mitigate against future disputes with the ICB. The ICB now formally write to Adult Social Care to confirm funding for individual cases as well as implementing a robust disputes process.

## **5. CORPORATE PRIORITIES**

5.1 Writing off irrecoverable debts is standard practice and recommended as part of good financial management. While not directly impacting on the Council's Corporate Priorities, it is an important part of authority's financial governance and ensuring that the Council has robust financial reporting.

## **6. CONSULTATION**

6.1 Consultation between relevant Council Officers, the Local Taxation section and key Heads of Service within the Peterborough-Serco Strategic Partnership was undertaken to provide the relevant information for this report.

6.2 This report has been considered at Budget Corporate Leadership Team (CLT) and Cabinet Policy Forum.

The report will also be taken to Audit Committee for information on the 24<sup>th</sup> July 2023.

## **7. ANTICIPATED OUTCOMES OR IMPACT**

7.1 It is anticipated that Cabinet will approve the write-off of the debt amounts summarised in Appendix 1.

## **8. REASON FOR THE RECOMMENDATION**

8.1 The authorisation for write-off is requested due to one of the following scenarios:

- the individual/ company being made insolvent/ bankrupt;
- recovery action attempted but no longer enforceable under the Limitation Act 1980 (Statute Barred);
- the ratepayer is deceased with no further income due from the estate; and
- the result of legal processes/ negotiations/ disputes concluding

8.2 Where debt being written off is in relation to companies that have gone into administration/ individuals being made bankrupt, proof of debt has been lodged with the Administrators or Liquidators in all appropriate cases and either it has been confirmed that no dividend is payable, or a final dividend payment has been received. Recovery action has therefore been exhausted and there is no further action that can be taken to obtain any further payments in relation to the debt. Table 2 in Appendix 1 summarises the rationale for the different reasons for write-off decisions by year and by value.

## **9. ALTERNATIVE OPTIONS CONSIDERED**

9.1 The alternative option is to not write off this debt. This would result in irrecoverable debts continuing to be shown as outstanding, with a bad debt provision apportioned to these balances.

It should be noted that once a debt is no longer collectable it should be written off in the Council's accounts and the debt provision adjusted accordingly.

- 9.2 All other alternative options available to the Council to collect the debt have already been undertaken before making a decision to recommend a debt for write-off.

## **10. IMPLICATIONS**

### **Financial Implications**

- 10.1 All of the aged debt outlined in Appendix 1 has been fully provided for in the council's bad debt provision in accordance with the council's debt provision policies, local accounting procedures and statutory accounting regulations. As a result, there is no impact on the Council's revenue position as a result of this write-off exercise.

All debt recovery actions available to the council must be exhausted before outstanding debt can be recommended for write-off.

### **Legal Implications**

- 10.2 Debt recovery processes have been exhausted. The debts are deemed irrecoverable and recommended for write off.

### **Equalities Implications**

- 10.3 There are no equalities implications arising from the recommendation.

## **11. BACKGROUND DOCUMENTS**

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

- 11.1 There are no further documents apart from the exempt annex.

## **12. APPENDICES**

- 12.1 Appendix 1 - Debt Write-Offs With A Value Over £10,000 by type  
Appendix 2 - Exempt Annex – Not For Publication

**Appendix 1 - Debt Write-Offs With A Value Over £10,000****Table 1: By financial year and % of debt type raised**

Financial Year	Non-Domestic (Business) Rates			Council Tax			Housing Benefit Overpayments			Sundry Debt		
	Write-off (Inc. costs of collection) (£)	Debt raised in year (£)	Write-off in-year %	Write-off (Inc. costs of collection) (£)	Debt raised in year (£)	Write-off in-year %	Write-off (Inc. costs of collection) (£)	Debt raised in year (£)	Write-off in-year %	Write-off (£)	Debt raised in-year (£)	Write-off in-year %
Up to 2008/09	83,810	-	-	2,216	-	-	-	-	-	-	-	-
2009/10	29,243	86,843,886	0.034%	-	60,755,510	0.000%	-	1,757,300	0.000%	-	51,430,000	0.000%
2010/11	23,832	84,526,730	0.028%	230	62,681,765	0.000%	-	2,136,189	0.000%	-	51,450,000	0.000%
2011/12	21,214	89,444,197	0.024%	950	63,452,470	0.001%	-	2,182,339	0.000%	146	47,270,000	0.000%
2012/13	30,187	92,745,954	0.033%	976	65,889,575	0.001%	-	2,632,518	0.000%	1,387	48,540,000	0.000%
2013/14	15,748	94,532,290	0.017%	981	71,080,446	0.001%	13,598	3,224,687	0.000%	11,330	46,140,000	0.000%
2014/15	40,349	96,008,318	0.042%	1,052	73,109,247	0.001%	48,406	4,680,398	1.034%	3,424	45,140,000	0.000%
2015/16	19,354	100,664,032	0.019%	916	74,846,674	0.001%	-	3,975,023	0.000%	14,922	54,270,000	0.027%
2016/17	17,531	101,768,770	0.017%	948	79,093,000	0.001%	-	3,904,982	0.000%	23,572	62,238,589	0.038%
2017/18	36,425	100,459,326	0.036%	990	84,378,529	0.001%	10,248	4,499,133	0.000%	206,316	62,295,850	0.331%
2018/19	60,871	101,527,035	0.060%	1,117	91,117,767	0.001%	-	2,700,796	0.000%	846,416	72,565,265	1.166%
2019/20	57,350	101,497,506	0.057%	1,056	96,952,073	0.001%	14,455	1,638,449	0.000%	599,422	74,397,999	0.806%
2020/21	19,214	62,978,022	0.031%	1,201	100,606,009	0.001%	-	1,066,060	0.000%	607	75,167,148	0.001%
2021/22	41,642	85,618,470	0.049%	1,258	108,506,511	0.001%	-	1,634,715	0.000%	-	64,977,915	0.000%
2022/23	44,786	100,815,602	0.044%	1,295	113,239,911	0.001%	-	794,404	0.000%	-	91,838,249	0.000%
<b>Total</b>	<b>541,556</b>	<b>1,299,430,138</b>	<b>0.042%</b>	<b>15,186</b>	<b>1,145,709,487</b>	<b>0.001%</b>	<b>86,707</b>	<b>32,487,770</b>	<b>0.267%</b>	<b>1,707,542</b>	<b>847,721,015</b>	<b>0.201%</b>

Table 2: By financial year and write-off rationale

Financial Year	Company/ ratepayer placed into Administration/ Liquidation/ Bankruptcy/ IVAs/ CVAs (£)	Disputed Debts/ Statute barred - all recovery action attempted but no longer enforceable under the Limitation Act 1980 (£)	The ratepayer is deceased with no further income due from the estate (£)	Unable to trace the debtor and collect payment (£)	Total (£)
Up to 2008/09	2,216	78,029	-	5,781	86,026
2009/10	-	24,811	-	4,432	29,243
2010/11	230	23,832	-	-	24,062
2011/12	950	21,214	146	-	22,310
2012/13	17,076	14,087	1,387	-	32,550
2013/14	4,935	20,328	16,394	-	41,657
2014/15	22,223	61,383	3,424	6,201	93,231
2015/16	14,452	11,742	3,180	5,818	35,192
2016/17	18,479	20,820	2,752	-	42,051
2017/18	47,663	203,573	2,743	-	253,979
2018/19	61,988	838,820	7,596	-	908,404
2019/20	72,861	592,921	6,501	-	672,283
2020/21	20,415	-	607	-	21,022
2021/22	9,809	33,091	-	-	42,900
2022/23	18,789	27,292	-	-	46,081
<b>Total</b>	<b>312,086</b>	<b>1,971,943</b>	<b>44,730</b>	<b>22,232</b>	<b>2,350,991</b>

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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<b>CABINET</b>	<b>AGENDA ITEM No. 12</b>
<b>19 JUNE 2023</b>	<b>PUBLIC REPORT</b>

Report of:	Executive Director of Corporate Services and S151 Officer	
Cabinet Member(s) responsible:	Cllr Andy Coles, Cabinet Member for Legal, Finance and Corporate Services	
Contact Officer(s):	Cecilie Booth, Executive Director of Corporate Services and S151 Officer Emma Riding, Service Director Financial Management and Deputy Section 151 Officer	

### **BUDGET MONITORING REPORT FINAL OUTTURN 2022/23**

RECOMMENDATIONS	
FROM: Executive Director of Corporate Services and S151 Officer	Deadline date: 9 June 2023
<p>It is recommended that Cabinet notes:</p> <ol style="list-style-type: none"> <li>1. The final 2022/23 outturn position as an £0.6m underspend on the Council’s revenue budget (subject to finalisation of the statutory statement of accounts).</li> <li>2. The reserves position outlined in section 7 and Appendix B which includes a contribution of the £0.6m underspend to the General Fund Reserve.</li> <li>3. The 2022/23 Capital Programme outturn position of £43.5m outlined in section 8, with the details of schemes outlined in Appendix E.</li> <li>4. Performance against the Prudential Indicators as outlined in Appendix C.</li> <li>5. Performance on payment of creditors, debt collection performance, local taxation and benefit overpayments as outlined in Appendix D.</li> </ol>	

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

1.1 This report is sent to Cabinet for information only, the outturn position will be reported to Audit Committee on 24 July 2023 alongside the draft Statement of Accounts for 2022/23.

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

2.1 The report provides Cabinet with the 2022/23 outturn position for both the revenue budget and capital programme and performance information on payment of creditors, collection performance for debtors and local taxation. The final position is 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 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 Over the last 18 months the Council has been progressing its improvement journey, which has focussed on improving financial management and creating financial sustainability. Amongst the key financial successes outlined in the following section, this report shows a £0.6m underspend as the final revenue outturn position for 2022/23.

4.2 The Corporate Leadership Team has continued to work closely with the Independent Improvement and Assurance Panel, Cabinet and the Financial Sustainability Working Group to review the financial position, maintain tight grip and control of the Council's expenditure. In addition to the Revenue and Capital performance outlined in sections 5 and 8 respectively, there are key issues which have contributed towards delivering this final position including:

- A refreshed approach to forecasting and a revised format to the Budgetary Control Report, making it easier to understand with a focus on key messages and areas requiring management action.
- A review of the Capital Programme leading to reduced capital expenditure.
- Additional investment income due to a more pro-active approach to Treasury Management.
- Capital Training has been provided for Budget Managers, which will be extended to Revenue Training as part of the Council's financial transformation programme.
- Publication of an Asset Disposal Plan, which focuses on selling surplus assets and achieving best value for the Council.
- Improvement of the General Fund Reserves position, now at 5.7% of the Council's Net Revenue Expenditure.
- Building on the inflation reserve balance to provide a mechanism to mitigate any additional inflationary pressures.
- In-sourcing of services, including Opportunity Peterborough, NPS (property services) and Serco Procurement, all delivering ongoing revenue savings.
- Maintaining a tight grip on expenditure, including reviewing procurement policies and processes and contracts to ensure best value for taxpayers is achieved.
- An in-year review of Sales, Fees and Charges which boosted income levels.
- A refreshed approach to Budget Setting including enhanced member engagement, improved consultation and a revised timetable.
- Improved performance on Council Tax and NNDR collection rates for the second year running. This is reflected by the service winning an IRRV award for the most improved Business Rates service.
- Publication of the new Corporate Strategy and City Priorities.

4.3 The Council's Savings Board met monthly to track, review and challenge the programme to ensure the agreed £16.7m savings plan was being delivered. Although some of the original items in the plan have not been delivered as intended, mitigating actions have been taken to ensure that the overall savings were ultimately achieved.

4.4 Although the Council has an approved balanced budget for 2023/24 a number of budgetary risks still remain. These are outlined in section 6 and summarised as:

- Increased demand for some Council services.



- Inflationary pressures and rising interest rates.
- Legislative changes affecting Adult Social Care Reforms and Energy Generator Levy.
- Delivery of savings and transformation programme.

## 5.0 FINAL REVENUE OUTTURN 2022/23

### 2022/23 Budget

5.1 The approved 2022/23 Revenue Budget for 2022/23 totals £181.6m. Table 1 outlines changes to the budget throughout the year, providing a revised budget of £174.2m:

<b>Table 1: Revised Budget 2022/23</b>	<b>£m</b>
<b>Approved Budget 2022/23</b>	<b>181.603</b>
Transfer of IBCF and ASC grant	(15.233)
Transfer of budget relating to Business Rates administration costs.	0.070
<b>Use of Reserves to fund expenditure:</b>	
Departmental Reserves (mostly multi-year grant funded programmes)	2.119
Innovation Fund Reserve (To support the delivery of the improvement plan and savings programme)	2.053
Inflation Risk Reserve	3.395
Other Reserve (Insurance and Parish)	0.182
<b>Revised Budget 2022/23</b>	<b>174.189</b>

### Revenue Outturn

5.2 The Council's revenue outturn position for 2022/23 is an underspend of £0.6m with performance summarised by subjective and directorate in Tables 2 and 3.

**Table 2: Revenue outturn 2022/23 - Subjective Analysis (excluding DSG)**

<b>Directorate</b>	<b>Budget £k</b>	<b>Actual Outturn £k</b>	<b>Variance £k</b>
Employees	69,415	71,341	1,926
Premises	18,973	18,992	19
Transport	6,038	6,915	877
Supplies and Services	101,769	114,128	12,359
Third Party Payments	44,289	49,490	5,202
Transfer Payments	69,525	73,680	4,156
Support Service	0	50	50
Income	(172,303)	(199,052)	(26,749)
Financing Capital Expenditure	36,484	38,198	1,714
<b>Total</b>	<b>174,189</b>	<b>173,743</b>	<b>(446)</b>
Funding	(174,189)	(174,385)	(196)
<b>Net</b>	<b>0</b>	<b>(642)</b>	<b>(642)</b>

#### Key variances:

- **Employees:** Savings on employee costs of £2.5m in Adults and Childrens Social Care arising from high staff turnover and vacant posts due to difficulty in recruiting and retaining staff. Some of the vacant posts are covered by agency staff.

- **Transport:** mainly due to rising costs of Home to School Transport.
- **Third Party payments and transfer payments:** variance largely due to grant related expenditure, which was originally unbudgeted for and City College expenditure as noted below.
- **Supplies and Services:**
  - Pressures from rising demand for temporary accommodation (Housing Services), Adults and Childrens placements including higher-cost placements for complex individuals.
  - Additional expenditure has been offset by further grant income which is reflected in the higher income levels.
- **Income:**
  - £9.7m income from Energy Recovery Facility which has been moved to the Inflation Reserve.
  - Delays to the Capital Programme and additional grant income resulting in cash balances being available for investment, generating additional investment income.
  - £1.5m reduction in income in relation to Clare Lodge arising from recent OFSTED inspection.
  - Additional unbudgeted grant income

The year end consolidation of City College into the Council's accounts has created some variances across the subjective analysis, particularly on the staffing and income lines, however, this has a neutral effect on the bottom line. Going forward City College and DSG budgets will be profiled accurately at a subjective level.

**Table 3: Revenue outturn 2022/23 - Directorate Analysis**

Directorate	Budget £k	Actual Outturn £k	Variance £k	Overall Status
Chief Executives	341	310	(31)	Underspend
Legal & Governance	4,320	4,400	80	Overspend
Place & Economy	28,664	28,099	(565)	Underspend
People Services	80,270	81,886	1,616	Overspend
Public Health	(136)	(136)	0	On Budget
Corporate Services	29,647	29,311	(336)	Underspend
Capital Financing	31,082	29,871	(1,211)	Underspend
<b>Total Expenditure</b>	<b>174,189</b>	<b>173,743</b>	<b>(446)</b>	Underspend
Funding	(174,189)	(174,385)	(196)	Underspend
<b>Net</b>	<b>(0)</b>	<b>(642)</b>	<b>(642)</b>	Underspend

5.3 The following section summarises the key variances. Appendix A provides a full-service breakdown:

### Place & Economy

#### **Pressures:**

- **Housing:** £1.1m. The Council is experiencing increased demand for temporary accommodation, including short term use of additional B&B accommodation. It is anticipated that B&B use will reduce as other suitable temporary accommodation provision is procured. The lease for 72 units at St Michaels Gate ended in August 2022, resulting in an urgent need for re-housing. This pressure is partially mitigated by staffing savings.
- **Culture and Leisure** A £1.2m delay in delivering savings has been fully mitigated within the directorate. Plans are underway to address this pressure from 2023/24 onwards.

- **Planning development management & Building Control:** £0.3m of additional staffing costs due to an increasing focus on regeneration and economic growth of the city. This has been addressed in the MTFS, including the successful £50m Levelling up Fund bid.

#### Favourable:

- **Waste Cleansing and Open Spaces:** £2m saving due to:
  - £1.3m of compensation received from the ERF operator following an income dispute.
  - £0.7m due to a favourable change in waste treatment costs
- **Energy:** £0.3m underspend in relation to the Energy Performance Contract (EPC) schemes and on the domestic Photovoltaic (PV) system estate recently returned to Council ownership from Empower.
- **Highways and Transport:** £0.7m underspend mainly resulting from vacancies and service savings.

#### People Services

##### Pressures:

- **Commissioning (Clare Lodge):** £1.5m pressure due to reduction in Clare Lodge income following a recent OFSTED inspection. Mitigations to reduce this overspend have been put in place, including increasing fees and increasing occupancy and staffing levels.
- **Adult's Commissioning:** £1.2m Pressure on Adult Social Care package spend. Demand for social care has increased during the year due to a number of factors, including new care home placements and the use of off-framework provision. Demand on working age adults, in particular adults with a Learning Disability, has also continued to grow as needs becomes more complex. This pressure is being partially mitigated as outlined below.
- **Education:** £0.9m pressure on Home to School Transport (HtST) due to increasing number of out of city SEND placements, the requirement to transport children out of catchment area due to the lack of school places and supplier/inflationary issues. Transformation of the HtST is underway, focusing on greater efficiencies in route planning, procurement processes and more effective modes of transport. Proposals are also in place to increase places in our existing special schools and create new provision in the City.
- **Children's Commissioning:** pressures including:
  - £1.3m pressure due to significant high-cost placement which is solely funded by Social Care. Work is in progress to identify lower cost placement, and service savings have been identified to offset some of the pressures.
  - £0.8m pressure from non-achievement of savings related to fostering and generating additional income. The pressure has been fully mitigated for this financial year, and in future years, fostering will be a core pillar of the Children's transformation programme.

#### Favourable:

- **Adults Operations:** includes a £1.1m underspend on staffing costs due to difficulties in recruiting to specific roles such as reablement workers and Occupational Therapists. For future reference, recruitment to these positions is important to contributing towards the longer-term demand management of Adult Social Care packages.
- **Adult's Commissioning:** includes:
  - £0.6m Relating to inspection costs which is now delayed until 2023/24 and complaints have been at much lower levels than expected.
  - £0.4m underspend on Integrated Community Equipment Services due to lower demand and savings generated from the recent retendering of the contract.
- **Children's Operations:** £1.2m which has been largely a result of utilising one off grant funding and salary savings across the service as a result of vacancies and delays to recruitment.

#### Corporate Services (including Legal & Governance, Capital Financing and Financing)

## Pressures

- **Serco Strategic Partnership:** £0.3m mainly relating to higher indexation on the core contract which was above budget due to inflationary pressure.

## Favourable

- **HR & Workforce Development:** £0.1m due to vacancies.
- **Cemeteries, Cremation & Registrars:** £0.5m due to additional cremation fee income, partially offset by a loss of income in Registration Services due to Health & Safety restrictions on attendee numbers.
- **Internal Audit and Insurance:** £0.2m due to vacancies and savings in the Insurance Premium budget.
- **Capital Financing:** £1.2m due to reduced borrowing (interest paid) and additional investment income (interest received), further detail available in section 7.
- **Business Rates Pool (Financing):** £0.5m due to improved performance resulting in a larger dividend from the Cambridgeshire Business Rates Pool.

## 6.0 RISKS

6.1 Table 4 outlines the Council's current known budgetary risks which are being carried forward into 2023/24 and the approach being taken by the Council to mitigating these risks.

**Table 4: Budgetary Risks**

Risks	Description & Mitigation
Adult Social Care- rising demand	Demand for Adult Social care packages is higher than expected. This is under review alongside reviewing the Market Sustainability position and preventative options.
Childrens Social Care- Clare Lodge	As noted within section 5.3 Clare Lodge was subject to an Ofsted review at the end of 2022, which resulted in lower occupancy levels. Going into 2023/24 the financial challenge still remains, with the unit struggling to break even. A review of options is being undertaken to determine whether Clare Lodge is viable going forward. It is essential that the Council does not subsidise placements from other local authority areas, it would be unlawful to do so.
Childrens Social Care- high cost placements	The current level of high-cost complex placements within this area means that the Council is carrying a pressure into 2023/24. As noted above, placement searches are ongoing to identify more suitable placements for these young people.
Housing- Demand for Temporary Accommodation	At present the Council is experiencing high levels of homelessness requiring temporary accommodation, putting additional strain on the housing budget. Steps to reduce this, including a Landlord Incentive scheme, which supports private landlords to help local families access good quality private rented accommodation and participation in the government's Single Homelessness Accommodation Programme (SHAP) are actively being progressed by officers.
Delivery of Culture & Leisure Savings	Delivery of the savings within this area has been delayed and mitigated via a one-off solutions in 2022/23. Progress is being made to ensure delivery of these during 2023/24. This includes breaking the programme down into the following work streams:

Risks	Description & Mitigation
	<ul style="list-style-type: none"> <li>• <b>Not for Profit Status (interim solution):</b> Working closely with Peterborough Ltd (current provider) to seek this status during 2023/24 to secure VAT and NNDR relief.</li> <li>• <b>Culture:</b> Bringing together the operation of Flag Fen and the Museum as a single service and reviewing delivery options for this.</li> <li>• <b>Libraries:</b> Reviewing our library service model, to facilitate our work on supporting households with the current cost of living challenges at a very local level.</li> <li>• <b>Leisure:</b> Soft market testing has already taken place and plans for the next steps are underway. This will include developing refreshed service specification in line with our health and well-being agenda, then consideration of options to ensure the service provides value for money and meets the needs of users.</li> </ul>
Electricity Generator Levy	<p>The Council generates Electricity from its Energy Recovery Facility. Proposed legislation for an Electricity Generator Levy is still in draft, but could result in a Levy charge from January 2023.</p> <p>The Council would fall under the threshold of liability; however if it is deemed that the contractor, Viridor, are the generator, a liability could arise which would impact the Council's financial position. This would not only impact future years, but would be backdated to 2022/23. The Council is seeking legal advice and has raised these concerns in respect of the draft legislation, but until the final policy is set in legislation the financial impact remains unclear.</p>
Inflation	<p>Current inflationary rates have remained high, with the latest ONS forecast rates of 8.9% (CPI). This is impacting on the cost of living and will be additional costs to the Council for providing services. The Council is experiencing pressures on the following budgets:</p> <ul style="list-style-type: none"> <li>• Adult Social Care- linked to the work around market sustainability.</li> <li>• Electricity and Gas</li> <li>• Home to School Transport</li> <li>• Pay award (latest employer offer for 2023/24 represents a £0.9m potential budget pressure)</li> </ul> <p>The Council is monitoring the economic position and where possible putting mitigations in place to reduce the risk exposure to these external factors. In addition to the Inflation reserve which is in place to mitigate any immediate inflationary pressures.</p>

## 7.0 RESERVES

7.1 Overall the Council's reserves position has improved, with a net increase of £4.5m at the end of 2022/23, total balances of £70m. This has enabled the Council to build the general fund balance in line with the Council's reserves policy, redirect funds to specific reserves risk of increasing inflation and local tax income fluctuations. Table 5 summarises the balances for all reserves at the beginning and end of 2022/23, and the forecast position for future years.

**Table 5: Reserves Summary**

	2021/22	Cont from Reserves	Cont to Reserves	Movement Between Reserves	2022/23	2023/24	2024/25
	£000				£000	£000	£000
General Fund	7,300		642	2,000	9,942	10,342	10,742
Innovation Delivery Fund Reserve	25,174	(3,079)	281	1,408	23,784	10,466	10,466
Departmental and Grant Related Reserve	9,800	(2,119)	4,028	(1,408)	10,300	10,264	9,742
Tax Income Risk Reserve	12,307	(4,672)	1,919		9,555	9,155	8,755
Budget and Inflation Risk Reserve	6,693	(3,395)	10,233	(2,000)	11,532	4,231	4,231
Ring-Fenced Reserves	4,183	(606)	1,306		4,883	4,370	4,134
<b>Total Earmarked Reserves and General Fund Balances</b>	<b>65,457</b>	<b>(13,871)</b>	<b>18,409</b>	<b>-</b>	<b>69,996</b>	<b>48,828</b>	<b>48,069</b>

7.2 Key reserves movements are as follows:

**General Fund:** The General Fund balance is the working balance to manage unforeseen risk. This reserve has been increased from £7.3m to £9.9m, which represents 5.7% of the 2022/23 net revenue budget- a clear step to improving the Council's financial resilience.

**Budget Risk-** This reserve was created as part of the 2022/23 budget to mitigate the risks associated with delivering the savings programme. As this wasn't required the balance has been released to the General Fund.

**Inflation Risk-** This reserve was created to mitigate the financial risk resulting from rising rates of inflation. During 2022/23, £3.4m of this was utilised to fund the in-year inflationary pressure from higher-than-expected pay awards and rising energy costs. The Council operates an Energy Recovery Facility (ERF) which generates income from selling the electricity it generates. As a result of the current energy market, £9.9m of income, in excess of the budget, has also been transferred to the inflation reserve. We know that the energy market is volatile, so the additional income from ERF will be used as a smoothing mechanism to mitigate any future fluctuations, in addition to mitigating inflationary pressures. This means the Council has £11.5m at the end of 2022/23.

Some inflationary risks have been identified, this includes energy costs, pay award and some key contracts such as those that provide social care. To be prudent we have assumed £7.3m of the inflation reserve may be required to mitigate the financial impact of this during 2023/24, but this will be monitoring this closely and all options are being reviewed as part of the budget and MTFS process.

**Tax Income Risk-** This reserve was created as a result of timing differences due to Section 31 grants and the Tax Income Guarantee scheme grant during the pandemic. The performance on the NNDR budget has meant the Council has been able to retain some of these balances, which will be held to mitigate any future local taxation losses as a result of system changes, and any shortfalls due to the cost-of-living crisis.

**Innovation Fund-** This reserve is held to fund one-off type expenditure, such as service transformation, which will improve the longer-term financial position of the Council as contained in the MTFS.

The commitments during 2023/24 cover a range of activity including transformation, phasing the separation of Social Care from their shared services arrangements between Peterborough City Council and Cambridgeshire County Council, the implementation a refreshed Culture and Leisure service and the start of the local plan development. As outlined within the [Councils Budget report](#) £5.6m has been committed to fund transformational/invest to save capital projects, where it is expected efficiencies or savings will be generated as a result.

**Departmental & Grant Related-** These are usually grant funds which have been received in advance for specific projects covering multiple years. This includes balances for schemes such as the Ukrainian refugee scheme £0.8m, integrated communities £0.4m and Dedicated Schools Grant (DSG) £4.5m

**Public Health (within the ringfenced balances)** – at the end of 2022/23 the £0.7m favourable variance on the Public Health budget has been moved to the Public Health reserve. The use of other grants e.g. Contain Outbreak Management Fund and Family Hub grants for both projects has meant staff time has been maximised resulting in underspend on the Public Health grant. Pressures in Primary Care and Healthy Child Programme have also affected capacity to deliver commissioned Public Health Services leading to an underspend. Work is ongoing to determine areas of one-off opportunities for expenditure against this reserve, that have a high impact on health outcomes of residents and meet grant criteria.

## 8.0 CAPITAL PROGRAMME

8.1 The Capital Programme for 2022/23 totals expenditure of £125.2m. This included an expectation that new borrowing would only be undertaken where absolutely necessary. In the first part of the year a detailed review took place, which focussed on reviewing schemes where corporate resources (borrowing or use of capital receipts) would be required to fund the expenditure. The review considered:

- The individual capital scheme details and business cases.
- Compliance with the rules outlined within the Capital Strategy.
- Risks relating to delaying or stopping schemes
- Implications on the revenue budget as a result- eg where the proposal delivered future savings.
- Other benefits being generated from the scheme.

8.2 Table 6 shows the adjustments to the Capital Programme made following the review, including slippage carried forward from the 2021/22 Programme. The Programme has been closely monitored throughout the year, and steps have been introduced to improve Capital Programme budget setting, profiling and progress reporting. Such steps include challenge by the Capital Review Group and Board, training and the introduction of a “Budget Holder License”.

**Table: 6 Capital Programme Position 2022/23**

	Budget £m	Expenditure £m	Variance £m
Approved 2022/23 Capital Programme	125.2		
Plus: Slippage 2021/22	9.5		
	<b>134.7</b>		
Less: IFRS16 delayed accounting adjustment	(22.0)		
	<b>112.7</b>		
Plus: Additional bids/funding	3.4		
Less: Reduction in programme	(12.5)		
<b>Final Outturn (underspend)</b>	<b>103.6</b>	<b>43.5</b>	<b>(60.1)</b>

8.3 The major projects delivered are:

- Schools, including the build of the new St. John Henry Newman primary school (Hampton), the primary and secondary schools on the Manor Drive development, and the expansion of Heltwater special school.

- Major Highways Scheme, including replacing Safety Fencing on the Parkway Network, surface treatments across the network including areas affected by extreme weather, and a junction improvement scheme on the Nene Parkway/A47 which included a new pedestrian footbridge.

8.4 The main schemes which have reduced or been slipped into future year are as follows:

- IFRS16 Transition has been delayed for a further 2 years, this is due to the implementation date for legislation having been delayed.
- University LUF CPCA/Propco has been reprofiled to reflect the timescales for the construction.
- The final elements of the A47 Soke Parkway / A1260 Nene Parkway Junction improvement scheme were delayed until April 2023 due to weather conditions.
- Towns Fund programme spend has been adjusted to reflect the development of individual project business cases
- Aragon Fleet Renewal has been delayed due to delays in delivery.

Appendix F outlines a breakdown of the performance against all Capital schemes.

8.5 The Council aims to fund the Capital Programme from grants, third-party contributions or capital receipts, with new borrowing only being incurred only where absolutely necessary. Although there has been a requirement to undertake some borrowing during 2022/23, the Council is pursuing an accelerated Asset Disposal programme to generate Capital Receipts during 2023/24. This programme will focus on selling assets surplus to requirements.

**Table 7: Capital Programme Funding**

	£m
Grants & Third-Party Contributions	32.8
Capital Receipts	2.7
Borrowing	8.0
<b>Total</b>	<b>43.5</b>

### Borrowing and Investments

8.6 The Council's total borrowing on 31 March 2023 stands at £457.5m (31 March 2022, £447.6m). Table 8 provides a summary of the Council's debt portfolio.

**Table 8: Debt Portfolio on 31 March 2023**

	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	5,000	8,000	12,715	11,805	320,439	<b>357,959</b>	3.5	27
Local Authority	87,000	-	-	-	-	<b>82,000</b>	2.7	-
Market Loans*	12,500	-	-	-	-	<b>12,500</b>	4.4	25
<b>Total Borrowing</b>	<b>104,500</b>	<b>8,000</b>	<b>12,715</b>	<b>11,805</b>	<b>320,439</b>	<b>457,459</b>	<b>3.4</b>	<b>22</b>
% Of total Borrowing	23%	2%	3%	3%	69%			
Borrowing Limit (PI)	40%	40%	80%	80%	100%			

\* The borrowing for under 12 months includes £12.5m of Lenders Option Borrowers Option (LOBO) loans. Although the loans are due to mature in 20-32 years' time, they are classed as loans repayable within the financial year due to LOBO's having a call-in date every six months.



- 8.7 Consideration has been made to rescheduling debt, as a result the Council took advantage of a favourable market position and have benefitted from the early redemption of one LOBO loan. Although this has resulted in an early redemption premium, the reduction in interest generated a saving of up to £4.3m over the next 20 years. With only two remaining LOBO loans (£12.5m), 97% of the Council's loans are now with the PWLB and local authorities as fixed maturity loans
- 8.8 Risk exposure is therefore limited to any new loans taken for refinancing maturing debt. Loans of £92m (excluding LOBOs) are due to mature next financial year. The Treasury Management team will work to secure replacement loans at the most opportune time to reduce the cost of borrowing. The Council will utilise cash balances for internal borrowing where possible to reduce cost. This will be in accordance with the parameters set in the Treasury Management Strategy for security, liquidity and yield. The Treasury Team works closely with our Treasury Management advisors Link Asset Services, to ensure we invest with prudent and secure limits.
- 8.9 The average interest rate across the debt portfolio stands at 3.4%. The total interest paid in 2022/23 was £14.2m. During 2022/23 the Council generated £2.1m income from external investments. This position was mainly due to a reduction in planned expenditure on capital schemes and increased interest rates for investment purposes. The Council also benefitted from the extension of the Hotel Loan (extended until 31 December 2023), and a greater than anticipated ESPO dividend.
- 8.10 Further information on the Council's capital financing arrangements can be found in the Prudential Indicators performance found in Appendix C.

## **9.0 Corporate Properties**

- 9.1 Monitoring the Councils in year forecast outturn is a key part of the Council's performance and improvement framework and aims to demonstrate how the Council manages its finances and expenditure throughout the year. This therefore supports all the council's priorities, but it is strongly geared towards enabling the Council to deliver on the following priority:

**Supported by a Sustainable Future City Council - adjust how we work, serve, and enable, informed by strong data and insight capability, and led by a culture of strong leadership.**

## **10.0 Consultation**

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

## **11.0 Anticipated Outcomes**

- 11.1 That the outturn position for 2022/23 is noted.

## **12.0 Reasons for Recommendations**

- 12.1 This monitoring report forms part of the 2022/23 closure of accounts and decision-making framework, and the production of the 2022/23 Statement of Accounts and informs Cabinet of the final position.

## **13.0 Alternative Options Considered**

- 13.1 None required.

## **14.0 Implications**

### **Financial Implications**

14.1 Not Applicable - Performance report, item for information.

### **Legal Implications**

14.2 There are no legal implications from this report which is purely financial in nature and for information

### **Equalities Implications**

14.3 Not Applicable - Performance report, item for information.

## **15.0 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
- APPENDIX E – Capital Schemes

## **16.0 Background Documents:**

- [Quarter 1- June 2022 Budgetary Control Report \(agenda item 9\)](#)
- [Quarter 2- September 2022 Budgetary Control Report \(agenda item 12\)](#)
- [Quarter 3 - December 2022 Budgetary Control Report \(agenda item 10\)](#)

## Appendix A- 2022/23 Directorate Revenue Outturn report

Directorate	Budget Group	Budget £k	Final Outturn Spend £k	Variance £k	Overall Status
People Services	Director of People Services	939	936	(3)	Underspend
People Services	Education	4,154	5,063	909	Overspend
People Services	Adults - Commissioning	32,164	32,029	(135)	Underspend
People Services	Adults - Operations	9,873	8,410	(1,462)	Underspend
People Services	Children's - Operations	14,273	13,011	(1,263)	Underspend
People Services	Children's Commissioning	17,411	19,692	2,282	Overspend
People Services	Commissioning Team and Commercial Operations	1,458	2,746	1,288	Overspend
	<b>Total People Services</b>	<b>80,270</b>	<b>81,886</b>	<b>1,616</b>	<b>Overspend</b>
Public Health	Children 0-5 Health Visitors	3,690	3,649	(41)	Underspend
Public Health	Children 5-19 Health Programmes	995	995	(0)	Underspend
Public Health	Sexual Health	2,096	1,966	(130)	Underspend
Public Health	Substance Misuse	2,407	2,407	0	On Budget
Public Health	Smoking and Tobacco	298	182	(116)	Underspend
Public Health	Miscellaneous Public Health Services	1,814	1,510	(304)	Underspend
Public Health	Public Health Grant	(11,436)	(11,569)	(133)	Underspend
	<b>Total Public Health</b>	<b>(136)</b>	<b>(860)</b>	<b>(724)</b>	<b>Underspend</b>
Public Health	Contribution to Public Health Reserve	-	<b>724</b>	<b>724</b>	Cont to Reserve
	<b>Overall Public Health Total</b>	<b>(136)</b>	<b>(136)</b>	<b>(0)</b>	<b>On Budget</b>
Legal & Governance	Director of Legal & Governance	147	143	(4)	Underspend
Legal & Governance	Legal Services	1,924	1,968	45	Overspend
Legal & Governance	Information Governance	225	204	(21)	Underspend
Legal & Governance	Constitutional Services	2,024	2,085	60	Overspend
	<b>Total Legal &amp; Governance</b>	<b>4,320</b>	<b>4,400</b>	<b>80</b>	<b>Overspend</b>
Corporate Services	Director of Corporate Services	398	407	9	Overspend
Corporate Services	HR & Workforce Development	1,558	1,444	(114)	Underspend
Corporate Services	Financial Services	2,234	2,142	(92)	Underspend

## APPENDIX A

Directorate	Budget Group	Budget £k	Final Outturn Spend £k	Variance £k	Overall Status
Corporate Services	Corporate Items	7,746	7,882	136	Overspend
Corporate Services	Peterborough Serco Strategic Partnership	6,853	7,124	271	Overspend
Corporate Services	Digital, Data & Technology Services	7,050	7,048	(2)	Underspend
Corporate Services	Cemeteries, Cremation & Registrars	(1,471)	(1,912)	(442)	Underspend
Corporate Services	Corporate Property	2,816	2,930	114	Overspend
Corporate Services	Marketing & Communications	506	495	(11)	Underspend
Corporate Services	Health & Safety	143	109	(34)	Underspend
Corporate Services	Internal Audit and Insurance	1,812	1,644	(169)	Underspend
	<b>Total Corporate Services</b>	<b>29,647</b>	<b>29,311</b>	<b>(336)</b>	Underspend
Chief Executives	Chief Executive	341	310	(31)	Underspend
	<b>Total Chief Executives</b>	<b>341</b>	<b>310</b>	<b>(31)</b>	Underspend
Place & Economy	Director Place & Economy	278	253	(24)	Underspend
Place & Economy	Planning - Development Management & Building Control	58	83	25	Overspend
Place & Economy	Highways and Transport	4,929	4,344	(585)	Underspend
Place & Economy	Planning - Policy and Strategy	1,213	1,100	(113)	Underspend
Place & Economy	Waste, Cleansing and Open Spaces	13,211	11,214	(1,997)	Underspend
Place & Economy	Climate Change & Energy Services	153	(154)	(306)	Underspend
Place & Economy	Westcombe Engineering	128	133	5	Overspend
Place & Economy	Growth & Regeneration	527	518	(9)	Underspend
Place & Economy	Housing and Homelessness	3,532	4,722	1,190	Overspend
Place & Economy	Communities	2,609	3,860	1,251	Overspend
Place & Economy	Regulatory Services	1,889	1,890	0	Overspend
Place & Economy	Emergency Resilience and Planning	136	134	(2)	Underspend
	<b>Total Place &amp; Economy</b>	<b>28,664</b>	<b>28,099</b>	<b>(565)</b>	Underspend
Resources	Capital Financing	31,082	29,871	(1,211)	Underspend
	<b>Total Capital Financing</b>	<b>31,082</b>	<b>29,871</b>	<b>(1,211)</b>	Underspend
	<b>Total Expenditure</b>	<b>174,189</b>	<b>173,743</b>	<b>(446)</b>	Underspend
Financing	<b>Funding</b>	<b>(174,189)</b>	<b>(174,385)</b>	<b>(196)</b>	Underspend

## APPENDIX A

Directorate	Budget Group	Budget £k	Final Outturn Spend £k	Variance £k	Overall Status
	Net	-	(642)	(642)	Underspend

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## Appendix B: Council Reserves Position

Summary of Reserves	2022/23				2023/24	2024/25	2025/26	
	Balance C/Fwd. 1.4.22 £000	Contribution from Reserve £000	Contribution to Reserve £000	Movement between Reserves £000	Balance at 31.03.23 £000	Estimated Balance at 31.03.24 £000	Estimated Balance at 31.03.25 £000	Estimated Balance at 31.03.26 £000
<b>General Fund Balance</b>	<b>7,300</b>	<b>-</b>	<b>642</b>	<b>2,000</b>	<b>9,942</b>	<b>10,342</b>	<b>10,742</b>	<b>11,142</b>
<b>Innovation Fund, Risk &amp; Volatility, and Departmental Reserves</b>								
Innovation Fund Reserve	25,174	(3,079)	281	1,408	23,784	10,466	10,466	10,466
Departmental & Grant Related Reserve	9,800	(2,119)	4,028	(1,408)	10,300	10,264	9,742	9,352
Tax Income Risk Reserve	12,307	(4,672)	1,919	-	9,555	9,155	8,755	8,455
Inflation Risk Reserve	4,693	(3,395)	10,233	-	11,532	4,231	4,231	4,231
Budget Risk Reserve	2,000	-	-	(2,000)	-	-	-	-
<b>Innovation Fund, Risk &amp; Volatility, and Departmental Reserves Total</b>	<b>53,974</b>	<b>(13,265)</b>	<b>16,461</b>	<b>(2,000)</b>	<b>55,170</b>	<b>34,116</b>	<b>33,193</b>	<b>32,403</b>
<b>Ring-Fenced Reserves</b>								
Insurance Reserve	2,000	(135)	457	-	2,322	2,322	2,322	2,322
Schools Capital Expenditure Reserve	868	(424)	117	-	561	561	561	561
Parish Council Burial Ground Reserve	56	(5)	8	-	59	57	57	57
Hackney Carriage Reserve	221	-	-	-	221	221	221	221
Public Health Reserve	1,037	(42)	724	-	1,720	1,209	972	972
<b>Ring-Fenced Reserves Total</b>	<b>4,183</b>	<b>(606)</b>	<b>1,306</b>	<b>-</b>	<b>4,883</b>	<b>4,370</b>	<b>4,134</b>	<b>4,134</b>
<b>Total Usable and Ring-Fenced Reserves and General Fund Balance</b>	<b>65,457</b>	<b>(13,871)</b>	<b>18,409</b>	<b>-</b>	<b>69,996</b>	<b>48,828</b>	<b>48,069</b>	<b>47,679</b>

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## Appendix C - Treasury Management Strategy Prudential Indicators Outturn 2022/23

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 2022/23 Prudential Indicators are shown below and the Council's performance to date against them. All performance is within the limits. The Indicators are reviewed annually and agreed by Full Council.

### 1. Indicator 1: Capital Expenditure

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

Capital Expenditure	2022/23 Indicator £m	2022/23 Actual £m
Capital Expenditure	90.8	39.6
Invest to Save	3.2	3.9
<b>Total</b>	<b>94.0</b>	<b>43.5</b>

The actual capital programme expenditure outturn is £43.5m 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 2022/23 as well as future years. This process was carried out alongside the development of the 2023/24 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	2022/23 Indicator £m	2022/23 Actual £m
CFR b/fwd.	609.0	613.9
Underlying Need to Borrow	18.8	3.6
Underlying Need to Borrow - Invest to Save	3.2	3.9
Repayment of MRP	(17.9)	(19.6)

<b>Total CFR C/fwd.</b>	<b>613.1</b>	<b>601.8</b>
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### 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 12.7% is reflected in the explanatory text for capital financing as contained in the Appendix A.

<b>Ratio of net financing costs to net revenue stream</b>	<b>2022/23 Indicator</b>	<b>2022/23 Actual</b>
Total Ratio	16.5%	12.7%

### 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 (2021/22) plus the estimates of any other capital financing requirement for the current (2022/23) and next two financial years. This means that the Council is not borrowing to support revenue expenditure.

<b>Proportion of Gross Debt to the CFR</b>	<b>2022/23 Indicator £m</b>	<b>2022/23 Actual £m</b>
CFR	613.1	601.8
Gross Debt (inc PFI & Leases)	<b>531.0</b>	<b>457.5</b>
% Of Gross Debt to CFR	86.6%	76.0%

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.

<b>Operational Boundary</b>	<b>2022/23 Indicator £m</b>	<b>2022/23 Actual £m</b>
Borrowing	633.1	457.5
Other Liabilities (PFI & Leases)	69.2	47.2
<b>Total Operational Boundary</b>	<b>702.3</b>	<b>504.7</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>2022/23 Indicator £m</b>	<b>2022/23 Actual £m</b>
Borrowing	701.2	457.5
Other Liabilities (PFI & Leases)	47.2	47.2
<b>Total Authorised Limit</b>	<b>748.5</b>	<b>504.7</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>2022/23 Indicator £m</b>	<b>2022/23 Actual £m</b>
Upper Limit	663.1	457.5
% Of fixed interest rate exposure	100%	100%

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

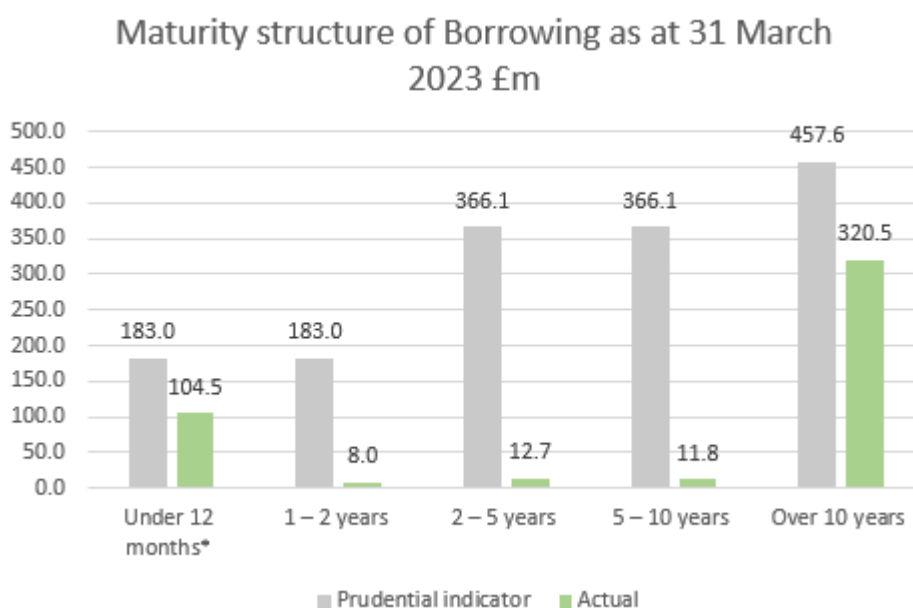
This indicator places an upper limit on the total amount of net borrowing (borrowing less investment) which is at variable rates subject to interest rate movements. The intention is to keep the variable rate borrowing below 25% of the total gross borrowing (CFR). The limit is expressed as the value of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

<b>Upper limit for variable rate exposure</b>	<b>2022/23 Indicator £m</b>	<b>2022/23 Actual £m</b>
Upper Limit	165.8	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 £457.5m (shown in the indicator below).



Period	Upper Limit Indicator	Actual Borrowing £m	
Under 12 months*	40%	23%	104.5
1 – 2 years	40%	2%	8.0
2 – 5 years	80%	3%	12.7
5 – 10 years	80%	2%	11.8
Over 10 years	100%	70%	320.5
<b>Total Borrowing</b>			<b>457.5</b>

\* The borrowing for under 12 months includes £12.5m 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.

	2022/23 Indicator £m	2022/23 Actual £m
Principal sums invested >364 days	10.0	0.00

## Appendix D – Debt and Payment Performance Monitoring

### Payments

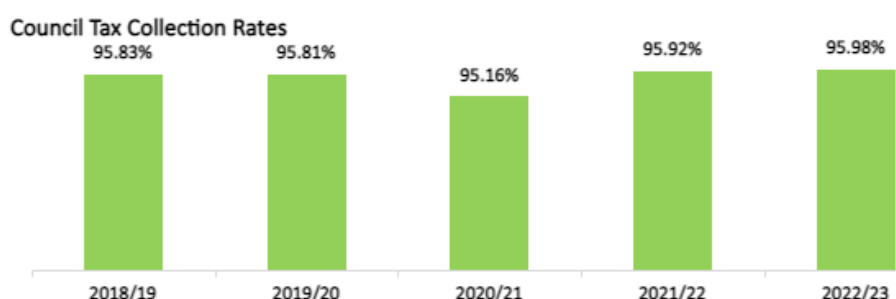
- 1.1. The outturn for prompt payment of invoices showed that 94.9% were paid within 30 days in 2022/23. (94.4% 2021/22) For the previous year this figure was 94.4%.
- 1.2. The total value of payments made by the AP team during 2022/23 was £363.5m (£372.6m 2021/22), with all but £0.03m of this being paid electronically via BACS or CHAPS.
- 1.3. During 2022/23 a total of 132,231 payments were made to commercial and non-commercial suppliers (an increase of 51,155 from 2021/22). This increase is largely explained by the number of payments made for the Energy Payments Scheme, distributing the £0.5m of Market Sustainability Fund (Adult Social Care related), £0.3m to the hosts of Ukrainian families and £1m, for the Energy Bills Support Scheme (EBSS).

### Sundry Debt

- 1.4. The total sundry debt outstanding was £24m at the end of 2022/23 (£20.6m, 2021/22). This includes £7.7m of aged debt (over 6 months old), of which £5.7m (74%) relates to debt outstanding from NHS organisations and the Clinical Commissioning Group (now the Integrated Care Board). In 2022/23, invoices totalling £88.3m were raised, with a total of £86.9m being collected against the total outstanding debt in year (and across all years).
- 1.5. Work continues on streamlining the sundry debt process. This work includes the development of “real time” reports for budget managers and building in additional controls at the billing stage to improve invoice accuracy and ensure evidence is strong to support latter stage recovery action continues. Wilkin and Chapman, are being used to advise and act on behalf of the Council where action is required in relation to outstanding debt.

### Council Tax

- 1.6. The following chart shows the performance in respect of Council Tax collection over the last 5 years, which outlines a very steady trend, with a temporary reducing during the 1<sup>st</sup> year of the pandemic. During 2022/23 performance exceeded target by 0.18%. Despite the impact of the pandemic on the economy, and following that, the cost of living crisis, collection rates have improved.



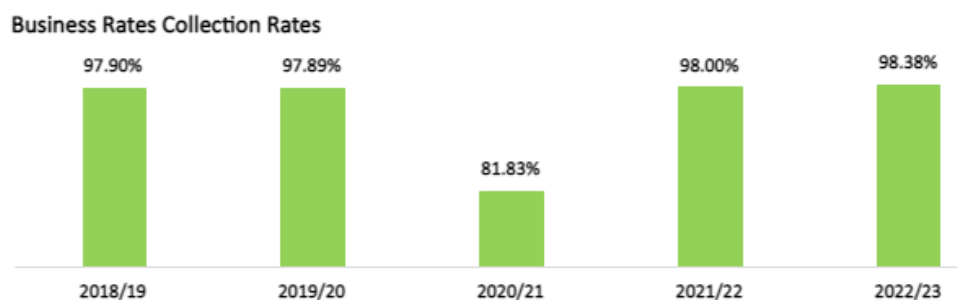
- 1.7. Prior years (arrears) debt collection also showed significant improvements, with collection of 18.0% against a target of 14.31%, with over £3m of arrears collected.
- 1.8. During 2020/21 and into early 2021/22 there was a rise in Local Council Tax Support (LCTS) caseload. But caseloads have now been reducing steadily and is now well below pre-pandemic levels, as outlined in the following chart:



1.9. 76,800 households in band A-D were awarded a payment (either by BACS or as a credit on their council tax account) of £150 under the government's Council Tax Rebate scheme. A further 7,600 discretionary payments were awarded, primarily supporting those on the lowest incomes. In total £11.9m was distributed across Peterborough.

### Non-Domestic Rates (NNDR) & Business Reliefs

1.10. The following chart outlines the 5 year collection performance for NNDR with a notable reduction in 2020/21 when the pandemic significantly impacted the collection of NNDR. For 2022/23, collection of NNDR has been at its highest level in over 10 years at 98.38%. This is despite the prevailing economic climate and challenging operating conditions currently being faced by local businesses.



1.11. NNDR recovery action was put on hold during the early part of the pandemic. However, once recovery restarted in early 2021 a more robust approach was taken to recover the 2020/21 outstanding arrears. This approach successfully collected 83% of the £11.5m outstanding balance, taking it down to £1.9m at the end of 2021/22, with continued action during 2022/23 taking this figure down to £0.8m.

1.12. Business Rates relief for Retail, Hospitality and Leisure continued in 2022/23, although this was reduced to 50%, down from 66%. In addition to this, the Covid Additional Relief Fund (CARF) continued in 2022/23 and all £5.7m of government funding was allocated to businesses in Peterborough.

1.13. 2022/23 also saw the start of the Business Improvement District in the city centre. 431 businesses were billed based on their Rateable Value, with the gross charge raised being £0.462m. A total of £0.402m (94.28 %) was collected.

## Appendix E – Capital Schemes

	22/23 Approved Budget	Add 21/22 Slippage	Plus Additional Bids/Funding	Less Reduction in programme	22/23 Revised Budget	Actual Expenditure Mar 23	Variance to Revised Budget
	£k	£k	£k	£k	£k	£k	£k
Belsize Comm Centre	-	13	-	-	13	-	(13)
Clare Lodge Refurbishment and Safety Works	352	404	-	-	756	798	43
Greater Peterborough University Technical College sports facilities	200	-	-	-	200	112	(88)
Heltwate Special School (Newark Road)	4,925	78	-	(500)	4,503	3,913	(589)
Housing for Vulnerable People	1,497	(27)	-	(750)	720	449	(271)
Manor Drive Secondary Academy	5,839	(755)	-	-	5,084	2,857	(2,227)
Manor Drive Primary Academy	-	-	-	-	0	1,414	1,414
Marshfields Expansion	-	110	-	-	110	81	(29)
New School Provision in Great Haddon	100	-	-	-	100	-	(100)
Oakdale Primary 1 FE Expansion	-	23	-	-	23	6	(18)
School capital maintenance and minor works	2,538	306	727	(531)	3,040	2,431	(610)
Social Care property adaptations and equipment	4,790	105	-	(450)	4,445	3,218	(1,227)
St John Henry Newman Catholic School	2,200	559	800	-	3,559	3,018	(540)
<b>TOTAL FOR PEOPLE SERVICES</b>	<b>22,441</b>	<b>815</b>	<b>1,527</b>	<b>(2,231)</b>	<b>22,552</b>	<b>18,297</b>	<b>(4,256)</b>
Community Leadership Fund (CLF)	60	-	-	-	60	33	(27)
Hilton Hotel - Fletton Quays	3,201	381	-	-	3,582	3,461	(120)
Provision of Housing	950	-	-	(950)	0	-	-
ICT Projects	3,164	769	80	-	4,013	1,676	(2,337)
IFRS16 Transition	22,000	-	-	-	22,000	-	(22,000)
Leisure Trust Property capital maintenance and minor works	-	80	-	157	238	100	(138)
Mausoleum Building Costs/Crematorium re-lining	-	39	-	-	39	(34)	(73)
North Westgate Development	-	17	-	-	17	8	(9)
S106 Allocations	-	-	151	-	151	196	45
Strategic Property Portfolio capital maintenance and minor works	1,955	888	-	(1,015)	1,828	336	(1,492)
<b>TOTAL FOR CORPORATE SERVICES</b>	<b>31,330</b>	<b>2,174</b>	<b>231</b>	<b>(1,808)</b>	<b>31,926</b>	<b>5,776</b>	<b>(26,150)</b>
A1260 Nene Parkway Improvement Jn 32 to Jn 3 (Fletton Parkway)	7,000	27	-	-	7,027	507	(6,520)
A1260 Nene Parkway Junction 15 improvements	7,604	356	-	-	7,960	6,329	(1,631)
A14 Improvement Scheme	60	-	-	-	60	60	-
A16 Norwood Dualling	500	21	-	-	521	198	(323)

## APPENDIX E

	22/23 Approved Budget	Add 21/22 Slippage	Plus Additional Bids/Funding	Less Reduction in programme	22/23 Revised Budget	Actual Expenditure Mar 23	Variance to Revised Budget
	£k	£k	£k	£k	£k	£k	£k
Allotments & Neighbourhood Parks	-	31	-	-	31	-	(31)
Apv Baker Footbridge	750	102	-	(852)	0	47	47
Aragon DS Fleet Renewal	4,054	1,498	-	(2,907)	2,645	424	(2,221)
Crescent Bridge Refurbishment	50	-	-	-	50	16	(34)
Eastern Industries Access Phase 1 - Parnwell Way	4,479	109	802	-	5,389	555	(4,834)
Extreme Weather Network Improvements	500	38	-	(442)	96	955	858
Green Wheel Improvements	-	130	250	-	380	126	(254)
Highways minor schemes	6,156	498	326	(1,948)	5,033	1,896	(3,137)
Local Authority Treescape Fund	53	-	114	-	167	170	3
Market Relocation	-	350	105	-	455	546	91
Minor Works	-	-	-	-	0	7	7
MTFS Footway Slab Replacement Programme	230	36	-	(266)	0	78	78
Peterborough Integrated Renewables Infrastructure (PIRI)	-	187	-	-	187	208	22
Peterborough University	20,500	725	-	(500)	20,725	1,652	(19,073)
Peterborough University Access	1,761	6	18	-	1,785	949	(836)
Play Areas Improvement Programme	-	78	-	-	78	39	(39)
Pothole and Challenge Funding	1,921	-	-	-	1,921	1,977	56
Replacement Cctv Cameras	-	22	-	-	22	22	-
Roads And Bridges - Lighting	-	56	-	(7)	49	225	176
Safety Fencing Network	1,400	86	-	(1,486)	0	800	800
Surface Treatments	250	-	-	-	250	681	431
Towns Fund Investment	13,700	2,096	17	-	15,813	847	(14,966)
Traffic Signals - Lincoln Road/Taverners Road junction (J19J) Improvement Scheme	450	46	-	-	496	151	(345)
Wheelie Bins	40	-	-	(40)	0	-	-
<b>TOTAL FOR PLACE &amp; ECONOMY</b>	<b>71,457</b>	<b>6,497</b>	<b>1,632</b>	<b>(8,447)</b>	<b>71,140</b>	<b>19,464</b>	<b>(51,676)</b>
<b>TOTAL</b>	<b>125,228</b>	<b>9,486</b>	<b>3,389</b>	<b>(12,486)</b>	<b>125,618</b>	<b>43,537</b>	<b>(82,081)</b>
<b>Excluding IFRS adjustment</b>	<b>103,228</b>	<b>9,486</b>	<b>3,389</b>	<b>(12,486)</b>	<b>103,618</b>	<b>43,537</b>	<b>(60,081)</b>



<b>CABINET</b>	AGENDA ITEM No. 13
<b>19 June 2023</b>	PUBLIC REPORT

Report of:	Matt Gladstone (Chief Executive Officer)	
Cabinet Member(s) responsible:	Cllr Wayne Fitzgerald (Leader of the Council)	
Contact Officer(s):	Ray Hooke (Head of Corporate Delivery Unit)	Tel. 07803038774

## END OF YEAR CORPORATE PERFORMANCE REPORT

RECOMMENDATIONS	
<b>FROM:</b> Matt Gladstone – Chief Executive Officer	<b>Deadline date:</b> June 2023
It is recommended that Cabinet notes the End of Year Corporate Performance Report.	

### 1. ORIGIN OF REPORT

- 1.1 This report is submitted to Cabinet following a referral from the Corporate Leadership team to provide an update to Cabinet on the council’s End of Year Corporate Performance.

### 2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to provide an update to Cabinet and to provide the direction of travel on the council’s corporate performance in line with our priority outcomes as set out in the Sustainable Future City Council Strategy 2022-25:

1. **The Economy & Inclusive Growth** - maximising economic growth and prosperity for Peterborough as a City of Opportunity, and do so in an inclusive and environmentally sustainable way, together with our city partners and communities.
2. **Our Places & Communities** – creating healthy and safe environments where people want to live, work, visit and play, enabled by effective community engagement and strong partnerships.
3. **Prevention, Independence & Resilience** - help & support our residents early on in their lives and prevent them from slipping into crisis.
4. supported by a **Sustainable Future City Council** - adjust how we Work, Serve and Enable, informed by strong Data & Insight capability and led by a culture of strong Leadership.



2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.1, 'To ... lead the Council's overall improvement programmes to deliver excellent services.'

### 3. TIMESCALES

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

4.1 At its 12<sup>th</sup> October 2022 meeting, Full Council signed off the council's "Sustainable Future City Council Strategy 2022-25". Within it, the council has committed to deliver a Sustainable Future City Council which requires us to have an organisational structure that is built around needs, fixes the basics and delivers excellent customer services using a 'OneCity – OnePartnership' approach. This means looking at all aspects of not only *what* we do but *how* we do it, together with our city partners. Essentially this is about:

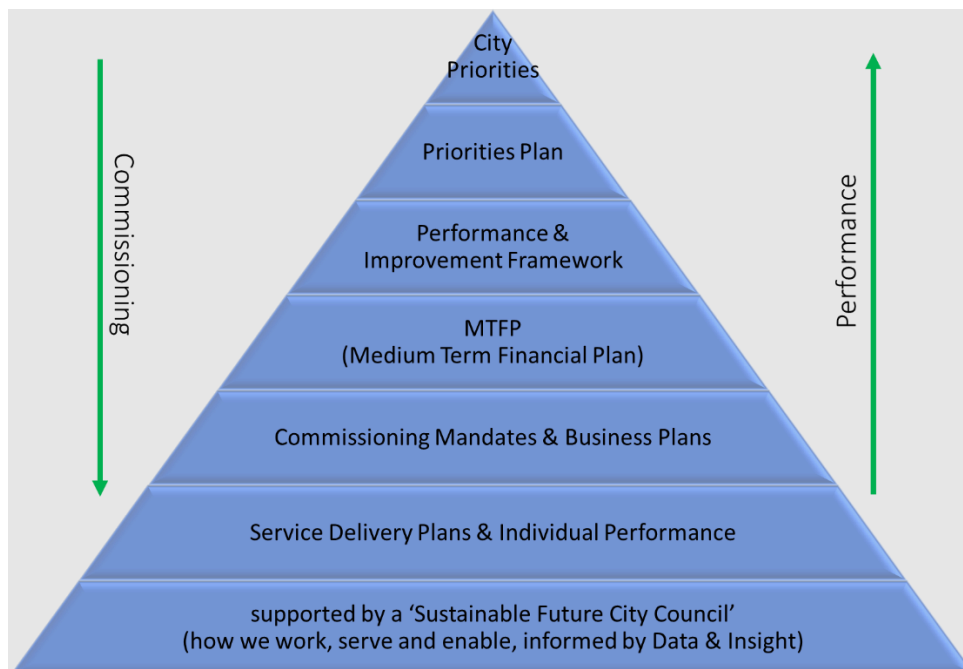
- **How we serve** – delivering excellent services to our customers and partners at all opportunities, based on their needs rather than our structures.
- **How we work** - maximizing flexibility and minimum constraints to optimise performance in support of those who depend on what we do.
- **How we enable** - creating highly performing services including HR, IT, Finance, Procurement, and key capability in data & insight.

As part of those plans, detailed service delivery plans to set targets for 2023/24 backed up by outline business cases are being developed and which set out the milestones and desired outcomes we are trying to achieve over the coming years - with accountable officers linked to each service plan.

We then monitor our performance and improvements against a set of agreed Key Performance Indicators (KPIs) – and then we can measure our outcomes and the social progress we make in our city. Furthermore,

the Department for Levelling Up, Housing and Communities (DLUHC) is expected to see a number of key KPIs going forward.

While we are defining our performance measures in more detail and start reporting on these in due course, Cabinet have asked for an update on the council's overall performance and our direction of travel around our City Priorities and translate this approach into tangible activity through a single Performance & Improvement Framework.



The content within the report has been sourced from quantitative service performance KPI data as well as qualitative observational input. Independent reporting of the council's performance will be undertaken by the Corporate Delivery Unit going forward.

## 5. CORPORATE PRIORITIES

5.1 The Corporate Performance report reflects progress made against all council priorities and their associated outcomes.

1. The Economy & Inclusive Growth
2. Our Places & Communities
3. Prevention, Independence & Resilience
4. Sustainable Future City Council

Further information on the council's priorities can be found here - [Link to Corporate Strategy and Priorities Webpage](#)

## 6. CONSULTATION

6.2 This is a monitoring report only, therefore consultation is not required.

## 7. ANTICIPATED OUTCOMES OR IMPACT

7.1 The corporate performance report will support members to identify areas where improvement in performance is required.

**8. REASON FOR THE RECOMMENDATION**

8.1 The corporate performance report will support members to monitor performance across the services and progress towards delivering against our priority outcomes.

**9. ALTERNATIVE OPTIONS CONSIDERED**

9.1 None

**10. IMPLICATIONS**

**Financial Implications**

10.1 None

**Legal Implications**

10.2 None

**Equalities Implications**

10.3 None

**11. BACKGROUND DOCUMENTS**

11.1 PCC Corporate Strategy - [Welcome to Insite - Peterborough City Strategy & City Priorities \(1\).pdf - All Documents \(sharepoint.com\)](#)

**12. APPENDICES**

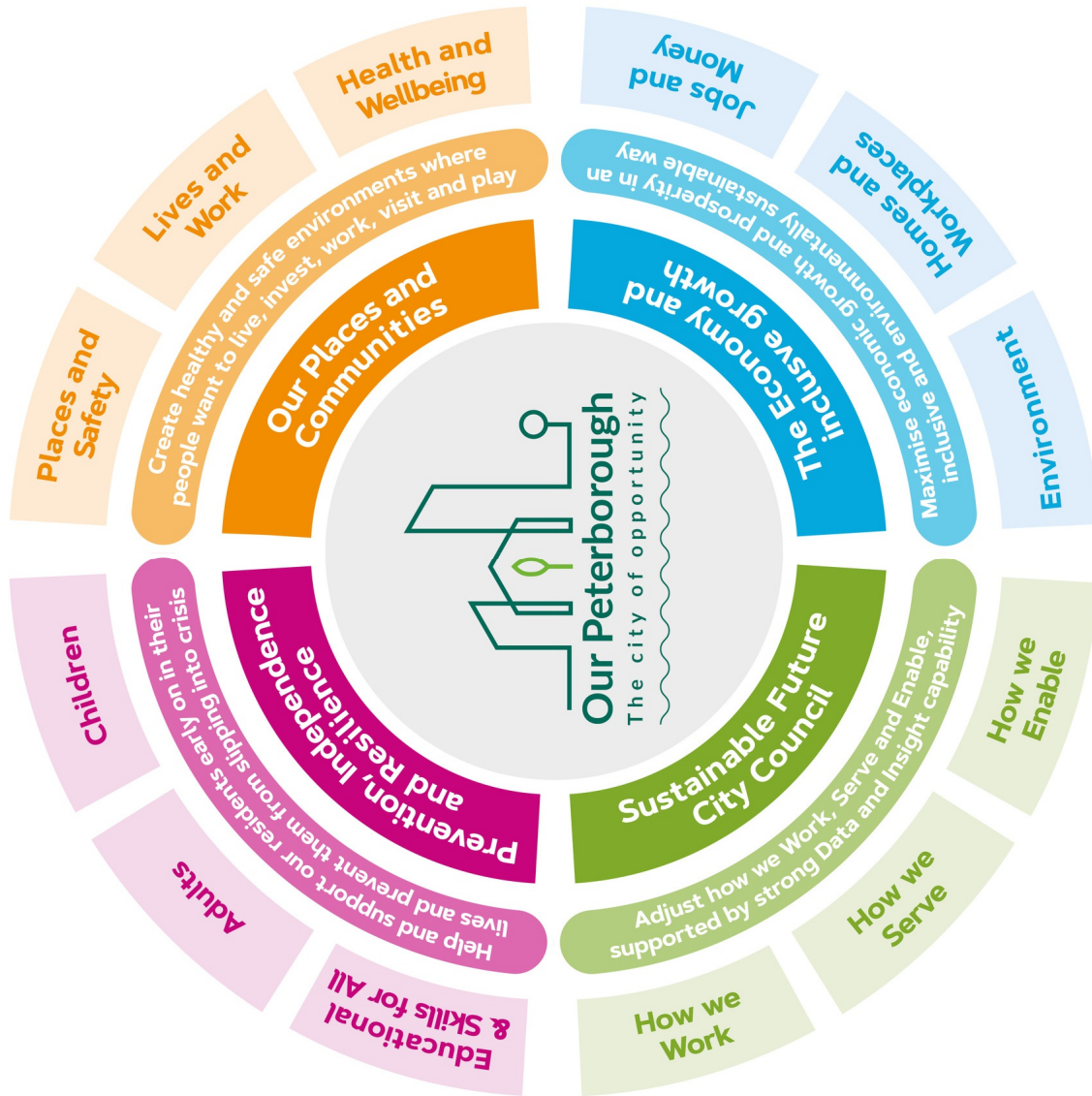
12.1 Appendix 1 - Corporate Performance Report

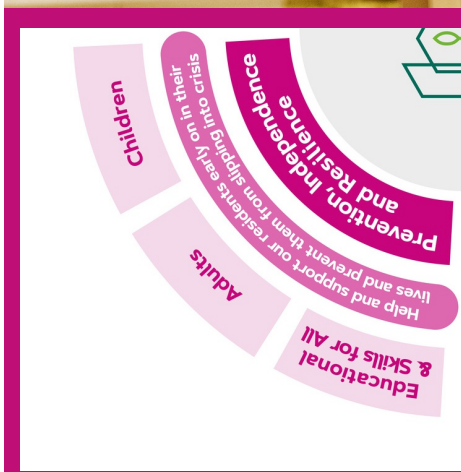


# END OF YEAR CORPORATE PERFORMANCE









## EDUCATION AND SKILLS FOR ALL



### KEY ACHIEVEMENTS:

- At Key Stage 2 (end of primary) we moved up from 148th in 2018/19 for achieving the expected standard for reading, writing and maths to 123rd, out of 151 authorities. Closed the gap on national average to 4%.
- Strong improvement in secondary outcomes – now 35th out of 151 authorities – an improvement of 37 places on previous year. Numbers reaching level 5 or above in English and Maths, up 13 places to 84 out of 151 authorities. Progress 8 – up 37 places to 35th in the league table.
- School attendance in line with national average - 93.6% at primary and 90.7% at secondary.

- 97% of children in primary and 91% of secondary age got their first preference and represent our significant investment in school place planning.
- 94% of draft Education Health and Care Plans (EHCPs) issued within timescale. 90% of final EHCPs issued within timescale. National average 60%.

### ⚠️ CHALLENGES:

- Capacity in the early years and childcare setting to cope with the changes announced in the March budget.



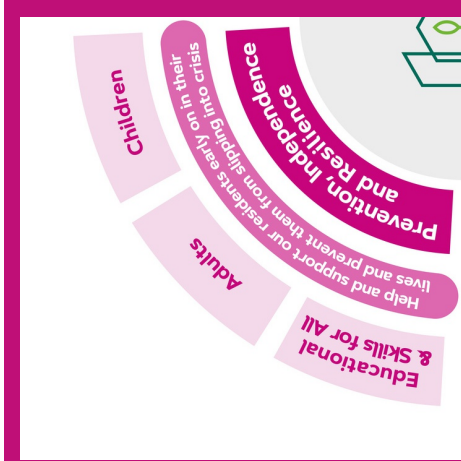


**KEY ACHIEVEMENTS:**

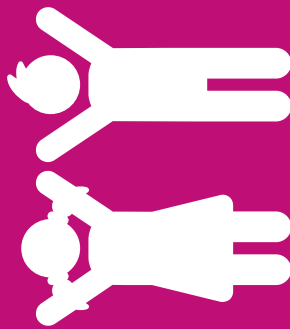
- 100% of children in care received their reviews on time.
- Number of children in care who received their statutory visits on time was 96%.
- 21 children were successfully adopted to become members of their new families.
- 70% of children in care have remained in their home setting for more than two years, providing stability in their home environment.

**! CHALLENGES:**

- Having sufficient school places available across the city remains a challenge.
- Recruiting additional local foster carers to provide family homes for children in care remains challenging, reflecting the national position.



**CHILDREN**







**KEY ACHIEVEMENTS:**

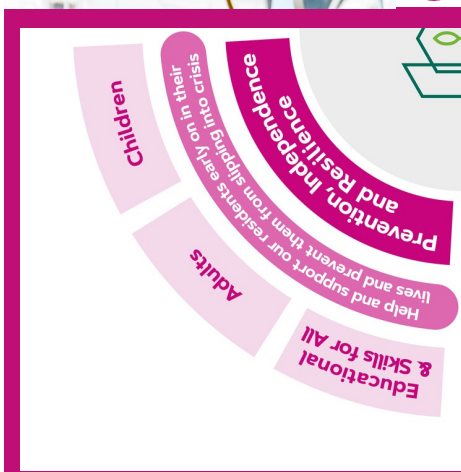
- 92% of people received an annual review in the previous 12 months.
- Service user survey provisional results show improvement in questions relating to overall quality of life, control over daily life, social contact, access to information/advice and feeling safe.
- We supported 3,024 discharges from hospital.
- Provided over 16,000 hours of direct reablement care to people recovering from poor health or a stay in hospital. 453 people successfully completed a period of reablement of which 78% required no further ongoing care and support after their reablement had finished.
- Supported 2,688 people with long term care and support in the year - for those who

received support for a year or more 91% had at least one review.

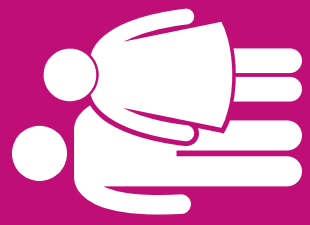
- Responded to 2,790 adult safeguarding concerns.
- Supported 589 carers, providing on average 72 carers per month with a carers break service and 41 carers per month with a direct payment to source their support.

**CHALLENGES:**

- Number of new client contacts has been climbing this year, in part due to hospital contacts returning to pre-Covid levels.
- Number of people accessing long term support in the community aged 65 and over.
- High numbers permanently admitted to residential and nursing care with council funding, due in part to increase in funding without prejudice for self-funders for whom a Court of Protection application is in progress.



**ADULTS**





## KEY ACHIEVEMENTS

- Significant increase in volume of visitors to leisure and cultural centres across the city, returning to pre-Covid levels. Gym membership back at nearly 6,500 compared to 6,600 in 19/20.
- Peterborough's score of 53% for satisfaction in the National Highways Annual Survey ranks it 12th in the country and first in the region for the sixth consecutive year.
- We provided support across the city to combat the cost-of-living impact through provision of Community Support Hubs.
- Received £282,000 Safer Street 4 Home Office funding to deliver various projects to address community safety concerns.
- Environmental Health and Licensing supported over 300 licensed premises to trade in a different climate with soaring fuel costs and advised on how to safely trade.
- Resettled over 280 Ukrainians into the city under the Homes for Ukraine scheme.
- Helped to place around 100 children into local schools and provided dedicated case work including English language classes for newly arrived adults.
- Provided assistance to over 70 host families who have welcomed Ukrainians into their homes.
- Our community cost-of-living partnership extended funding for free school meal support over the school holidays to over 5,000 families and disseminated 4530 fuel, food and essentials vouchers to households struggling with their bills.
- In 2022/23 we prevented homelessness for 356 households who approached the Housing Needs Service.
- In 2022/23 we relieved homelessness for 181 households who approached the Housing Needs Service.
- In 2022/23 the Independent Domestic Violence Advice Service received 1,055 referrals, which was a rise of 21% on the previous year. 71% of victims chose to engage with the service.
- A new Domestic Abuse Support Service was commissioned to support victims of domestic abuse. They supported 103 clients in Peterborough from October 2022 to March 2023.

continued



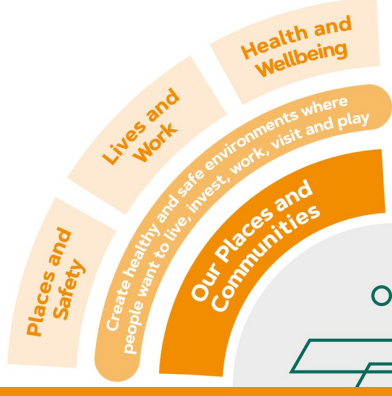
## PLACES & SAFETY





## **⚠️ CHALLENGES:**

- The ongoing Cost-of-Living Crisis is seeing more people at risk of becoming homeless and falling into poverty.
- Affordable housing is in short supply – leading to an increased use of temporary accommodation.
- We are starting to see an increase of host families no longer wanting to support Ukrainians living with them. This could add further to housing pressures and homelessness demands.





- Visit Peterborough promoted 1,670 bars, clubs, restaurants, theatres, shows, and gigs from January to April 2023, up 22% on the same period for 2022.
- Jobs fair for 16 to 24-year-olds to be held at Sand Martin House in June 2023 and Careers Fair planned for August to improve the 18-24 unemployment rate.

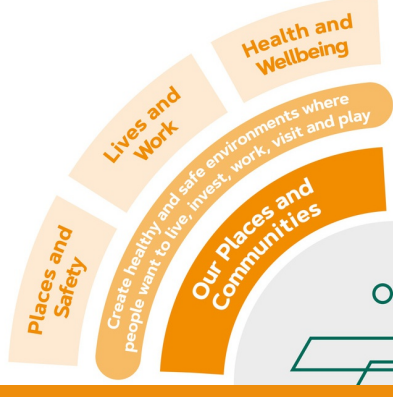
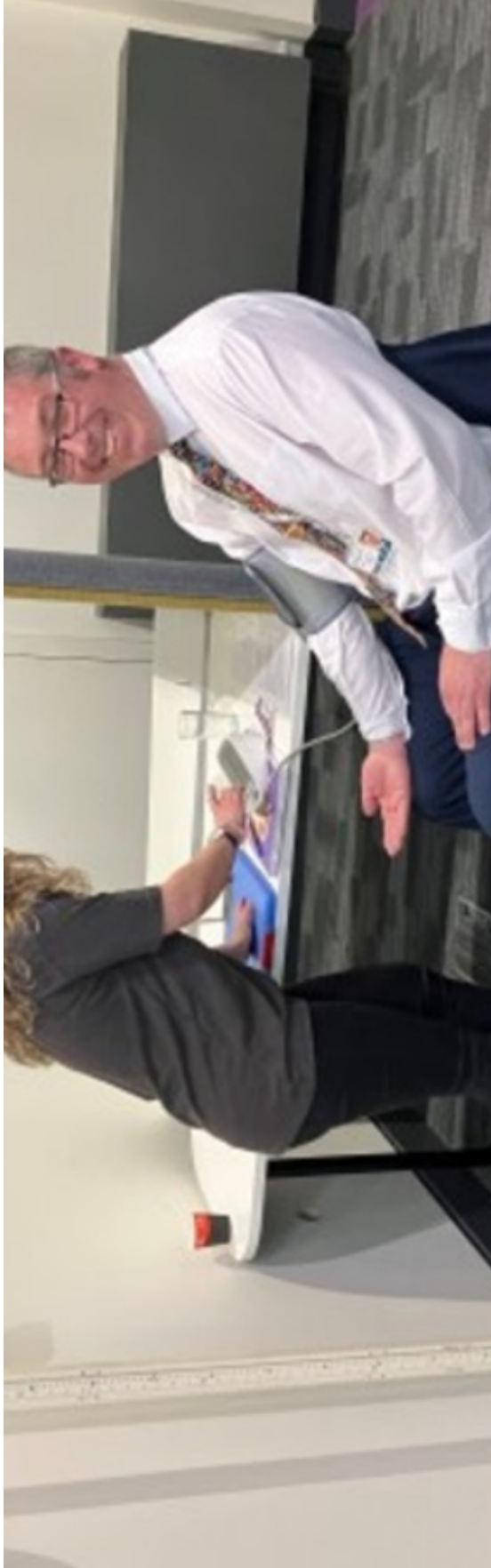
### KEY ACHIEVEMENTS:

- Secured £300,000 from the Shared Prosperity Fund to support the Digital Incubator project. Part of this will be used to promote digital skills and careers within secondary schools.
- Gigabit availability for residential premises increased from 88.6% in Jan 2022 to 91% in Jan 2023.



## LIVES & WORKS





## HEALTH & WELLBEING



### KEY ACHIEVEMENTS:

- The Health Visiting service remains Stage 3 UNICEF Baby Friendly accredited. Infant feeding strategy launched to improve breastfeeding rates.
- Working with the Integrated Care Board and Peterborough Midwifery Unit to increase the number of pregnant women stopping smoking during their pregnancy and postnatal period.
- 45% of completers on Tier 2 adult weight management programmes achieved 5% weight loss (national expectation 30%).
- Delivery of NHS Health Checks is back to pre-Covid levels with 3,980 carried out in 22/23 against an annual local target of 4,000.
- Stop Smoking Service supported 438 people to quit smoking for at least 4 weeks (97% of the target).
- The drug and alcohol service provider CGL Aspire has introduced a new prescribing offer (Bupival) to clients addicted to opiates.

### ⚠️ CHALLENGES:

- There are workforce capacity issues across all public health services impacting on health visiting, stop smoking services and NHS health checks.
- Accessing appropriate housing for homeless drug and alcohol clients is a key issue.



The council delivered a 28% reduction in emissions relative to the 2018/19 baseline.



#### KEY ACHIEVEMENTS:

- Planted 4,221 trees across Peterborough and secured £450K external funding for environmental projects including tree planting.
- Introduced to the Aragon waste fleet two new electric refuse collection vehicles.
- Repaired 3,305 potholes.

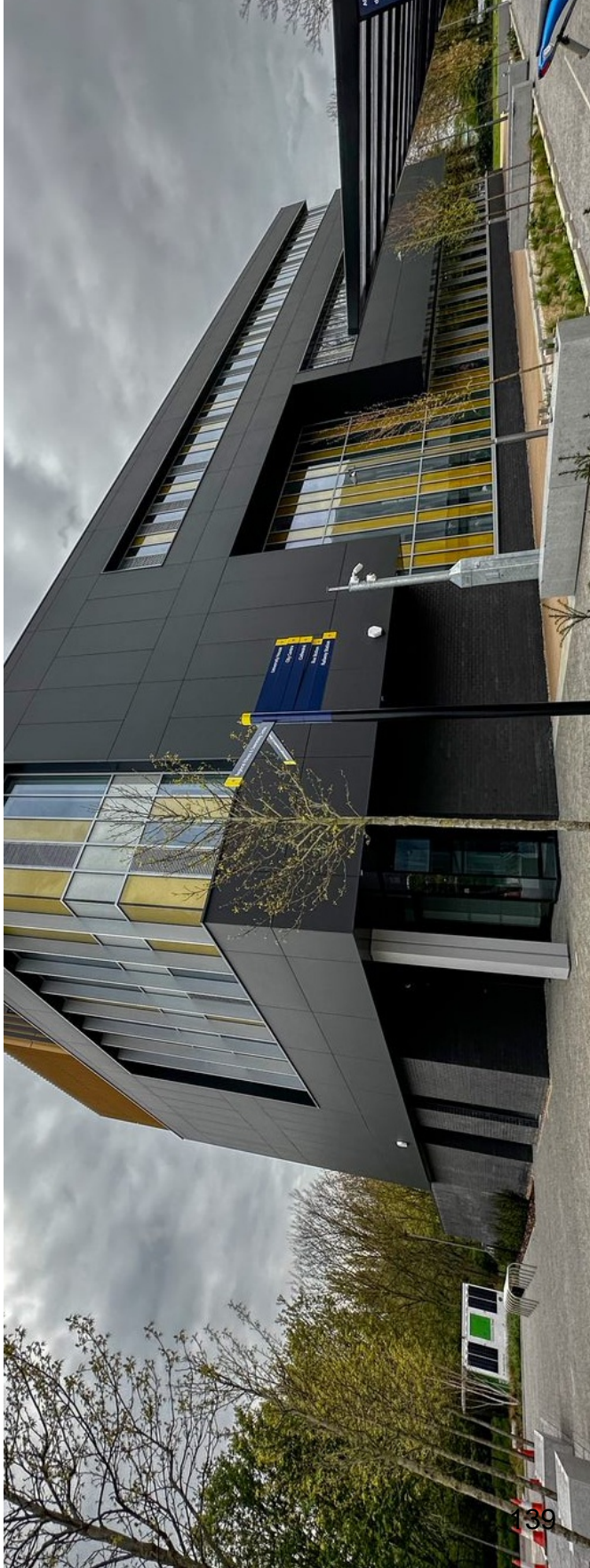
- Retained three 'Green Flag' awards for our city parks working closely with 'friends of' groups.
- Delivered Bikeability (cycling proficiency) training to 2,247 pupils.
- Treated the highway network 42 times over winter to keep the city moving as safely as possible.
- Surface treated just over 12km of the road network.



## ENVIRONMENT

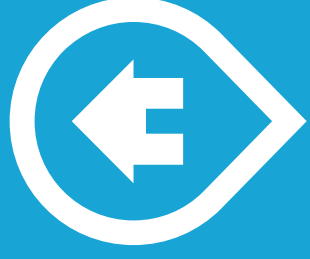




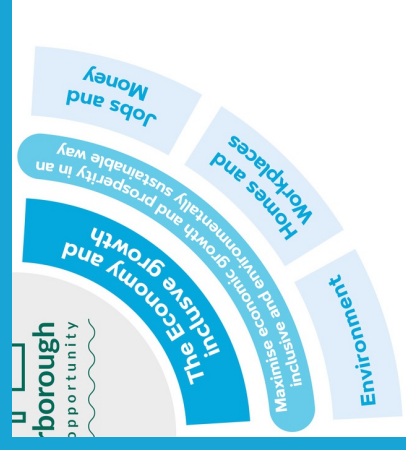


### **KEY ACHIEVEMENTS:**

- Reduced rough sleeping on our streets by 33% through focused interventions to support people into accommodation.
- Implemented the Winter Warmth Project - 150 households have benefitted from improvements to their heating systems.
- Fuel Poverty/Affordable Warmth LAD 3/HUG 1- 22/23 funding - LAD 3 funding for on gas Peterborough properties: 856 applications, 603 active measures being installed, 284 measures completed across 185 properties - Total spend £2.1m.
- Met our housing target, of more than 1,000 homes.
- Instigated a comprehensive and proactive planning advice service, meaning we provide consistent and comprehensive planning advice from the earliest stage.
- Granted planning permission on time for the University Phase 3, in accordance with the Planning Performance Agreement.



## **HOMES & WORKPLACES**





## ⚠️ CHALLENGES:

- From 2021 to 2022 the average weekly wage increased by 3.8% from £564.70 to £586.20. This was less than the average regional increase of 6.7%, and the national average increase of 4.9%.
- Finding a solution to the stalled North Westgate development. The current majority land owner has not managed to bring forward the site in 27 years and the site is now having a detrimental effect on the environmental and economic conditions for the local community and wider city.
- Ensuring that growth is fully inclusive.

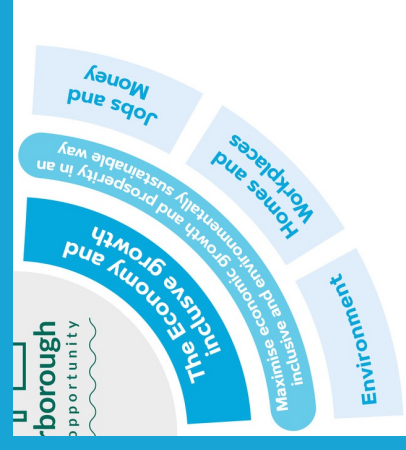
- Reduced numbers of Universal Credit claimants across the city.
- Employment rate of 79.3% across 2022. Higher than regional and national averages.
- Net growth of 145 new businesses in the city from 2021 (7,835) to 2022 (7,980).
- 3,140 businesses were started in Peterborough in 2022, an increase of 8.3% on 2021.

## 🎯 KEY ACHIEVEMENTS:

- Integrated Opportunity Peterborough into the council's Growth and Regeneration service.



## JOBS & MONEY







### KEY ACHIEVEMENTS:

- We achieved a balanced budget for 23/24 and we have an approved Medium Term Financial Strategy showing the gaps for the next two financial years.
- We increased all fees and charges for 22/23 and 23/24, and we have commissioned an external review to consider all existing fees and charges.
- We are in the process of implementing a new prompt payment system with Oxygen Finance, which supports buying local and incorporates sustainability into our supply chain contracts.
- Shortlisted for ‘Most Improved Council’ at this year’s LGC Awards.
- Completed major restructures to focus on service delivery, fix operational issues and align with future strategy - including the implementation of the decoupling of services

with over 100 joint working roles reconfigured.

- Benefits survey completed (70% satisfaction rate with current PCC benefits offer) and new benefits portal being implemented in 23/24 with further benefits to be considered.
- Gender Pay Gap (median) closed from 5% to 0% and ethnicity pay gap modelled for the first time (10% gap compared to 30% gap nationally).

### ⚠ CHALLENGES:

- The cost of living crisis - financial landscape remains challenging.
- Significant organisational change and budget pressures in 22/23 has limited our ability to focus on strategic workforce planning and organisational development, however plans are in place to prioritise activity in 23/24.

### HOW WE WORK



**KEY ACHIEVEMENTS:**

- Collection rates for 22/23 remained high. 95.9% for council tax and 98.4% for business rates, the latter being the best ever.
- Budget simulator – almost 200 responses compared to the usual consultation response in the region of 50.
- Business rates team won the IRRV’s coveted ‘Most Improved Team of the Year’ award in 22/23.
- Customer services team retained the Customer Service Excellence externally assured accreditation.
- Development of corporate values and behaviours following a major staff engagement exercise involving more than 400 people – values to be finalised and rolled out in 23/24.
- Staff Awards presented in May 2023 to celebrate those individuals and teams contributing most to how we serve and acting as positive role models to colleagues.



**HOW WE SERVE**







**KEY ACHIEVEMENTS:**

- Supported apprenticeships at every level (2 to 7). Seventy-five apprentices have successfully completed courses and a further 69 are currently in the programme actively learning.
- We have launched a new Graduate Scheme and have interviewed and made offers to three graduates and are awaiting notification that these offers have been accepted.
- The Procurement Service was insourced from Serco in November 2022, moving from a reactive to a proactive approach.
- Stabilisation of the permanent workforce through the recruitment of 220 new joiners (1 in 6 of the workforce), achieved despite significant recruitment challenges.
- Staff turnover kept to 16%, which is higher

- than LGA average (14%) but retention in times of significant change is positive.
- Active case management has kept sickness absence rates to seven days per employee, compared to LGA average of nine days.



**CHALLENGES:**

- Wage inflation continues to be a challenge - workforce costs (staff and agency) increased by 11% to £71M, which is 41% of revenue budget - 21/22 the ratio was 36%.
- Skills shortages in specialist areas are a challenge across the sector. Council pressures, reflected in LGA report, shows recruitment difficulty in planning, social care, legal, ICT, surveying etc.



**HOW WE ENABLE**



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