

Phase 2 Budget Proposals 2017/18

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We remain committed to:-

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

Achievements – just a sample

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

Scale of the financial challenge

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

Overall budget approach

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

Investments

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

Pressures

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

Savings

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

Council Tax

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

Adult Social Care (ASC) Precept

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

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

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

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

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

Overall Budget position at Phase 2

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

Next steps

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