

**Appendix H - Budget Proposal Document**

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

**February 2018**

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

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## 1. INTRODUCTION

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

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

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

The main points underlying the council's position include:

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

Despite these pressures the Council has:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **2. APPROACH TO TACKLING THE GAP**

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

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

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

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

### **a) Expand Commercial Income.**

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

### **b) Continue to innovate and develop efficiencies.**

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

### **c) Mitigation and Control of Service Demand Pressures**

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

### **d) Continue to seek to maximise funding**

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

### **e) Budget cuts**

The Council has two options for to review items

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

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

## **3. PRIORITIES**

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

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

## **4. COST INCREASES AND PRESSURES**

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

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

- Increasing demand and cost of Adult Social Care services
- A 200 Per Cent increase of Homeless Families requiring temporary accommodation in two years;
- An increasing amount of children coming into care, with numbers peaking at 381 in July 2017;
- The need to create additional school places
- Peterborough is one of the fastest growing council areas in the country. Between 2001 and 2011 the population increased by 17.7 per cent to 183,600. In 2016 the city's population was estimated at 198,100. This growth affects all services.

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

## **5. IMPLICATIONS ON THE COUNCIL TAX**

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

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

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

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

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

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

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

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

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

## 6. OVERALL BUDGET POSITION

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

### 2018/19 Phase Two Budget Summary Position

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



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

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

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

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

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

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



.....  
.....  
.....

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

Are you?

- Male
- Female

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

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

Which of these age groups do you fall into?

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

What is your ethnic group?

**A White**  
English/ Welsh/ Scottish/ Northern Irish/ British  
Gypsy or Irish Traveller  
Any other white background

**B Mixed/ multiple ethnic groups**  
White and Black Caribbean  
White and Black African

White and Asian  
Any other mixed/ multiple ethnic background

**C Asian/ Asian British**

Indian  
Pakistani  
Bangladeshi  
Chinese  
Any other Asian background, write in

**D Black/ African/ Caribbean/ Black British**

African  
Caribbean  
Any other Black/ African/ Caribbean background

**E Other ethnic group**

Any other ethnic group

**Do you consider yourself to have a disability?**

Yes.....  
No .....

**Thank you for taking the time to complete this survey**

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

## **GROWTH AND REGENERATION - SERVICE IMPLICATIONS**

### **Service Overview**

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

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

The Growth and Regeneration directorate consists of the following:

#### **Peterborough Highway Services**

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

#### **Planning services**

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

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

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

#### **Opportunity Peterborough**

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

#### **Housing joint venture company**

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

#### **Growth joint venture company – Peterborough Investment Partnership**

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

### **Property Services**

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

### **Amey**

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

### **Westcombe Engineering**

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

## **BUDGET REDUCTIONS AND ADDITIONAL INCOME**

### **Travelchoice (sustainable travel promotion)**

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

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

| Service Reduction | 2018/19<br>£k | 2019/20<br>£k | 2020/21<br>£k |
|-------------------|---------------|---------------|---------------|
| Travel Choice     | -61           | -61           | -61           |

### **Commercialisation Opportunities in core highways functions**

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

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

### **Highways maintenance reduction**

The council has a statutory duty to maintain the highway.

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

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

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

### **Deletion of Housing Strategy Officer & Enabling Vacant Position**

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

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

### **Reduction in advertising and licensing costs**

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

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

### **Increase street naming and numbering fees**

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

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

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

### **Increase pre-application advice fees**

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

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

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

### **Ground Rent increases (industrial Sites)**

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

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

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

### **Increase charge for brown bins**

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

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

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

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



### Charging for replacement bins

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

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

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

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

### Charging for new bins

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

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

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

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

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

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

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

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

## Planning Team

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

| Efficiency    | 2018/19<br>£k | 2019/20 | 2020/21 |
|---------------|---------------|---------|---------|
| Planning Team | -50           | -50     | -50     |

## Westcombe Engineering- Increased income generation

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

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

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

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

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

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

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

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

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

### **Bretton Water Park**

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

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

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

### **Floral display reduction**

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

There could be a possibility for sponsorship instead.

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

### **Closure of public convenience at Northminster Car Park**

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

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

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

## **BUDGET PRESSURES**

### **Street Lighting Inflation**

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

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

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

| Pressure                  | 2018/19<br>£k | 2019/20 | 2020/21 |
|---------------------------|---------------|---------|---------|
| Street Lighting Inflation | 189           | 110     | 110     |

### **Household Recycling Centre**

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

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

| Pressure                   | 2018/19<br>£k | 2019/20 | 2020/21 |
|----------------------------|---------------|---------|---------|
| Household Recycling Centre | 152           | 152     | 152     |

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

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

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

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

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

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

- The Healthy School Support Service
- The Healthy Workplace Service

|                                | 2018/19<br>£k | 2019/20<br>£k | 2020/21<br>£k |
|--------------------------------|---------------|---------------|---------------|
| Joint Procurement of contracts | -17           | -17           | -17           |

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

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

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

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

### Healthy Peterborough

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

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

|                     | 2018/19<br>£k | 2019/20<br>£k | 2020/21<br>£k |
|---------------------|---------------|---------------|---------------|
| Health Peterborough | -30           | -30           | -30           |

### Integration of Road Safety Services

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

|                         | 2018/19<br>£k | 2019/20<br>£k | 2020/21<br>£k |
|-------------------------|---------------|---------------|---------------|
| Public Health - savings | -20           | -20           | -20           |

## **RESOURCES - SERVICE IMPLICATIONS**

### **Service Overview**

The Resources department consists of the following:

#### **Financial services**

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

#### **Commercial group**

- Vivacity (culture, recreation and libraries)

#### **Cemeteries, cremation and registrars**

- Bereavement services
- Registration service

#### **City Services and Communications**

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

#### **Regulatory services**

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

## **BUDGET REDUCTIONS AND ADDITIONAL INCOME**

### **Minimum Revenue Provision Re-provisioning**

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

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

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

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

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

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

### **Council Tax Surplus**

There will be growth in council tax income for the current financial year above predictions because of the city's rising population and construction of new homes.

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

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

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

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



## Council Tax Base

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

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

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

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

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

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

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

## New Homes Bonus

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

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

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

## Business Rates Revised Forecast

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

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

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

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

## Reduction subscription costs

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

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

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

## Revised Capital Programme

The council's Capital Programme is viewed over a five year period to ensure correct stewardship of assets and efficient use of budgets.

The council is proactive in attracting external funding for as many schemes as possible. An officer-led Capital Review Group has been set up to oversee the council's capital requirements.

In the past the council has had a very aspirational capital programme with budget assigned to this. It is proposed to redraft these budget areas to remove surplus and ensure each is allocated to the correct year. This has created revenue savings.

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

### Capital Receipts

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

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

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

### Capitalisation of Salaries

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

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

|                            | 2018/19<br>£k | 2019/20 | 2020/21 |
|----------------------------|---------------|---------|---------|
| Capitalisation of Salaries | -50           | -50     | -50     |

### City Events and Pedestrian Area

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

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

### **Business Improvement District (BID)**

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

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

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

### **Tourism**

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

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

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

### **Travelchoice Centre (Kiosk)**

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

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

| Service Reduction | 2018/19<br>£k | 2019/20 | 2020/21 |
|-------------------|---------------|---------|---------|
| Travel Choice     | -58           | -58     | -58     |

### **Serco Variable Spend Reduction**

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

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

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

### **Business Support**

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

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

| Efficiency       | 2018/19<br>£k | 2019/20 | 2020/21 |
|------------------|---------------|---------|---------|
| Business Support | -100          | -100    | -100    |

### **Finance Service Restructure**

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

Savings could also be made by moving to shared services.

| Efficiency                  | 2018/19<br>£k | 2019/20 | 2020/21 |
|-----------------------------|---------------|---------|---------|
| Finance Service Restructure | -400          | -400    | -400    |

### **Business Transformation**

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

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

| Efficiency              | 2018/19<br>£k | 2019/20 | 2020/21 |
|-------------------------|---------------|---------|---------|
| Business Transformation | -225          | -225    | -225    |

### **Vivacity**

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

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

| Efficiency | 2018/19<br>£k | 2019/20 | 2020/21 |
|------------|---------------|---------|---------|
| Vivacity   | -80           | -80     | -80     |

### **Registration and Bereavement- convert lease to capital**

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

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

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

## **BUDGET PRESSURES**

### **Housing Benefit Administration Subsidy**

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

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

| Pressure                               | 2018/19<br>£k | 2019/20 | 2020/21 |
|--|---------------|---------|---------|
| Housing Benefit Administration Subsidy | 122           | 122     | 122     |

### **Terrorism Insurance**

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

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

| Pressure            | 2018/19<br>£k | 2019/20 | 2020/21 |
|---------------------|---------------|---------|---------|
| Terrorism Insurance | 39            | 37      | 35      |

### **Loss of Rental Income from Bayard Place**

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

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

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

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

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

| Pressure              | 2018/19<br>£k | 2019/20 | 2020/21 |
|-----------------------|---------------|---------|---------|
| Loss of Rental Income | 932           | 1,202   | 1,337   |

## Energy Budgets Review

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

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

### Adjustment of net income targets

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

| Pressure                         | 2018/19<br>£k | 2019/20 | 2020/21 |
|----------------------------------|---------------|---------|---------|
| Adjustment of net income Targets | 262           | 261     | 279     |

### Solar PV (phot-voltaic) panels

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

| Pressure | 2018/19<br>£k | 2019/20 | 2020/21 |
|----------|---------------|---------|---------|
| Solar PV | 110           | 110     | 110     |

### Academy transfers

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

| Pressure          | 2018/19<br>£k | 2019/20 | 2020/21 |
|-------------------|---------------|---------|---------|
| Academy transfers | 66            | 66      | 66      |

### Energy from Waste plant

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



| Pressure                | 2018/19<br>£k | 2019/20 | 2020/21 |
|-------------------------|---------------|---------|---------|
| Energy from waste plant | 200           | 300     | 300     |

### **Energy Income-Energy from Waste**

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

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

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

## **GOVERNANCE - SERVICE IMPLICATIONS**

### **Service Overview**

#### **Legal and Democratic services**

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

#### **Human Resources and organisation development**

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

#### **Performance and Information**

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

## **BUDGET REDUCTIONS AND ADDITIONAL INCOME**

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

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

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

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

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

## Human Resources Efficiencies

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

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

## **PEOPLE AND COMMUNITIES - SERVICE IMPLICATIONS**

### **Service Overview**

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

### **Adult Services and Communities**

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

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

### **Children's Services and Safeguarding**

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

This includes services such as:

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

### **Education**

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

- School improvement

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

## **BUDGET REDUCTIONS AND ADDITIONAL INCOME**

### **Homelessness Prevention**

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

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

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

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

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

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

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

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

### Special Educational Needs and Disability (SEND) Grant

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

| Income Generation | 2018/19<br>£k | 2019/20 | 2020/21 |
|-------------------|---------------|---------|---------|
| SEND Grant        | -127          |         |         |

### Shared and Integrated Services Programme (exc Finance)

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

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

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

Three work streams would be put in place:

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

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

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

## **BUDGET PRESSURES**

### **School Transport**

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

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

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

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

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

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

| Pressure         | 2018/19<br>£k | 2019/20 | 2020/21 |
|------------------|---------------|---------|---------|
| School Transport | 300           | 340     | 350     |

## **SERVICE CHANGE**

### **0-25 Provider Service Change**

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

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

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

**STAFFING IMPLICATIONS**

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

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

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

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

**Staff reductions**

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

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

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

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

There were no redundancies resulting from phase one.

**BUDGET PRESSURES****Pay inflation**

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



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

| Pressure      | 2018/19<br>£k | 2019/20 | 2020/21 |
|---------------|---------------|---------|---------|
| Pay Inflation | 400           | 850     | 850     |

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