

Medium Term Financial Strategy 2020/21 Phase One Budget Consultation Document

October 2019

CONTENTS

<u>INTRODUCTION</u>	2
<u>THE BUDGET PROCESS</u>	5
<u>CABINET PRIORITIES</u>	6
<u>THE CHANGING STRUCTURE OF THE COUNCIL</u>	7
<u>FUNDING AND COUNCIL SERVICE EXPENDITURE</u>	9
<u>OVERALL BUDGET POSITION</u>	10
<u>PHASE ONE BUDGET PROPOSALS</u>	11
<u>BUILDING ON SUCCESSFUL TRANSFORMATION</u>	11
<u>CONTRACT AND COMMERCIAL</u>	13
<u>CHANGING SERVICES TO REFLECT THE COUNCIL OF TODAY</u>	17
<u>REDESIGN OF SERVICES</u>	21
<u>REDUCTION OF PROVISION</u>	25
<u>USING OUR ASSETS</u>	28
<u>FUNDING PROPOSALS AND CORPORATE SAVINGS</u>	30
<u>HUMAN RESOURCES IMPLICATIONS</u>	2
<u>BUDGET CONSULTATION FORM</u>	3

INTRODUCTION

This document sets out the first set of budget proposals to be considered by Cabinet to ensure Peterborough City Council can set a balanced budget for 2020/21.

It is no secret that since 2013/14 the council's funding from Government has been reduced by over 80 per cent and demand for services has increased at an unprecedented rate.

For example, in 2016/17 we saw a 43 per cent rise in the number of households needing assistance because they were homeless or threatened with homelessness, rising from 1,100 to 1,586.

Other pressures include:

- The population is growing older and people are requiring more complex care, which in turn is significantly increasing our costs of care. For example, the number of people we provide paid for care packages has increased by 402 between 2015/16 and 2018/19 - rising from 3,468 to 3,870.
- The number of children in care nationally has risen which has had an impact on where we place children. The recruitment of foster carers has not kept pace with the number that we need to place our children and we have had to use residential placements which are more costly. As a result, the council has needed to identify an additional £3.9m in 2018/19 to meet additional placement costs.
- We continue to experience a growing demand in special educational needs. In the past four years we have experienced a 39% increase in pupils with Education, Health and Care Plan (EHCP) in Peterborough's mainstream schools.
- We face significant pressure in providing enough school places as a result of extensive new housing developments and demographic changes resulting from increased birth rates. The mainstream school population in Peterborough has increased from 28,257 pupils on roll in January 2006 to 36,759 in October 2018, an increase of 30.09%.
- We have averaged more than 900 new homes per year for the last decade - good news, but with this growth comes extra service demands.

We aren't alone in this challenge – many other councils across the country are facing similar increases in demand and severe financial pressures.

Despite this, the council continues to provide the vital services that residents rely upon, thanks to the dedication and passion of our staff, the creative ideas and use of resources that have been developed to deliver services in new and better ways and the leadership and commitment of our councillors.

We've ensured that the ever-increasing demand for school places has been met by continued investment in new and improved school buildings. As a result, more children than ever before are being offered their first preference school. Plans are on track to deliver a dedicated

university for 2,000 students by 2022, including £13.83m from the Combined Authority. This is significant for our city and will offer a university rooted in the needs of the local economy, supplying the skills demanded by local employers, and helping our young people into jobs fit for a rapidly evolving workplace.

We're ensuring older people in hospital have the support they need to get them home as soon as possible, maintaining some of the lowest delayed discharge rates in the country. We continue to invest in our Family Safeguarding approach to improve the lives of our most vulnerable children and young people. This approach means the number of children in care (per head of population) is lower than most of our statistical neighbours. The number of children on a child protection plan has also decreased.

We've led the successful re-development of Fletton Quays which is modernising the city's skyline, further boosting the city's economy and creating hundreds of new jobs and housing. High levels of new housing are being delivered, including up to 300 affordable homes in this financial year, and in the region of 2,500 new jobs are created each year and hundreds of new businesses are launching.

We're unlocking the economic potential of the Station Quarter and North Westgate, in the way we did Fletton Quays, in order to make them attractive to investors and organisations. A city centre development framework is being developed to secure our future as a larger city destination, supporting future tourism growth and increasing opportunities for local residents and we're launching a Business Improvement District (BID) in the city centre to help business to prosper locally, compete nationally and also to help drive inward investment.

We continue to tackle homelessness by securing housing locally to meet the projected long term need for housing in the city. Over the past 12 months we have removed the need to house homeless families out of the area and the numbers in B&B accommodation has been reduced from 146 in September 2018 to 73 in October 2019. Despite a 56 per cent rise in homeless applications in the past year, the number of families living in temporary accommodation has been kept steady at roughly 385 a month - much lower than many local authorities of a similar size. Cabinet has recently approved the launch of a Housing Revenue Account (HRA), enabling the council to work with our Registered Social Landlords to provide hundreds of new homes over the coming decades to help solve the city's homelessness challenge.

Our commercial strategy makes us £72million every year through investments, sharing of services, fees and charges and other means. For example, every year we generate £2.7million by selling the energy produced by our energy from waste plant, £6.1million in rent from our properties and we share our planning and trading standards departments with other councils, bringing in £4million annually. It's a crucial way we are drawing down additional funding to pilot new and innovative work.

As demonstrated, we are a well-run, innovative and imaginative council and have a number of initiatives which will improve our situation long term.

Importantly the council has immediate and significant financial challenges and to build a bridge to long term financial security, we must identify £33m of savings to be able to deliver a balanced budget in 2020/21 - and £5.8m in year to balance our 2019/20 budget.

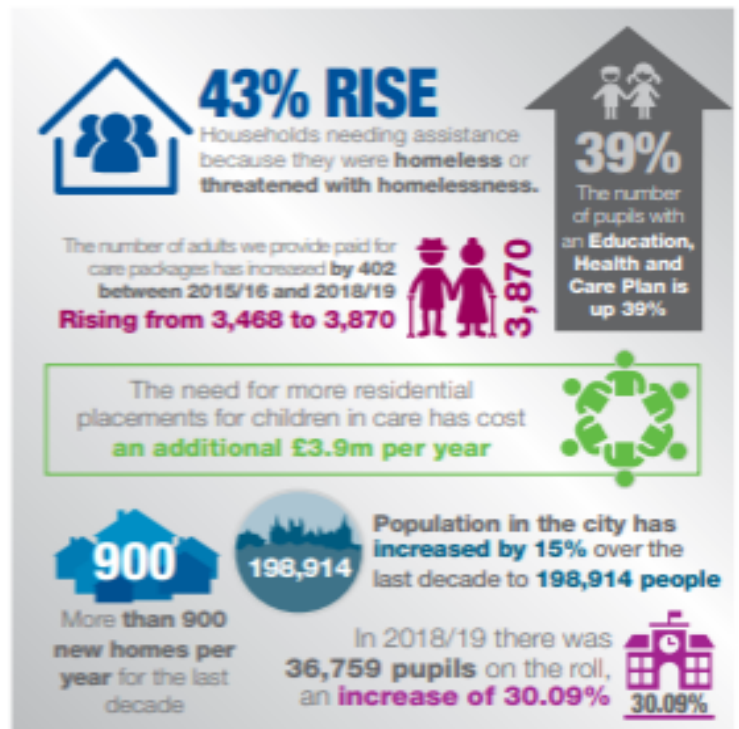
Our strategic approach to meeting this challenge is to only as a last resort make cuts to services. Therefore, first and foremost, we are considering:

- Building on our success of delivering services in different and more effective and efficient ways, using technology and flexible work practices to support us
- Making our assets work even harder to increase income and effectiveness
- Increasing commercial income and making sure our contracts represent value for money

Only after we have exhausted all of the above, have we considered

- Reducing some non-statutory provision of service, and even here wherever possible, only on a temporary basis and retaining some resource to support communities to deliver an alternative model of delivery

Funding is **down**. Pressures are **up**.



THE BUDGET PROCESS

The council is faced with a challenging financial position this year, the magnitude of the savings required has meant that we have had to consider significant changes to our operating model and redesign the way we deliver service.

Due to the nature and scale of this, developing the proposals has required additional time and resource to ensure the plans are robust, deliverable and collectively achieve financial sustainability.

At Full Council in July [Item 13](#), [\(appendix\)](#) a budget process was approved, with fewer revisions, which will allow the council to consider and develop a balanced budget. The timetable approved is outlined within the following table:

MTFS Tranche One	
Consultation start date	25/10/2019
Cabinet	04/11/2019
Joint Scrutiny Committee Meeting - budget	27/11/2019
Cabinet	09/12/2019
Consultation close date	16/12/2019
Council	18/12/2019
MTFS Tranche Two	
Consultation start date	24/01/2020
Cabinet	03/02/2020
Joint Scrutiny Committee Meeting- budget	12/02/2020
Cabinet	24/02/2020
Consultation close date	02/03/2020
Council	04/03/2020

CABINET PRIORITIES

The Cabinet remains firm in its priorities this year against the funding challenges it faces. These are as follows:

- 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 as part of our Climate Change declaration.
- Supporting Peterborough's culture and leisure offer.
- Keeping our communities safe, cohesive and healthy.
- Achieving the best health and wellbeing for the city.

THE CHANGING STRUCTURE OF THE COUNCIL

The council is now a completely different organisation to what it was just a few years ago, let alone ten years ago prior to the start of the austerity cuts. This is in terms of how we work, what we can afford and how we support the public.

We have transformed the way we work to reflect what our communities need from us and the challenging financial environment that we now operate in. The proposals contained within this document look to further that good work.

The services that we and our partners provide must be more responsive to community needs and enable people to help themselves and each other.

Technology will be at the forefront of this, allowing many processes to become automated, saving time and money, whilst making life simpler for the public. For example, we want to get slicker and quicker at things like providing Blue Badges and recycling permits. Soon, these and many other services, will be streamlined and automated, saving the public and the council time and money.

The council has redesigned many of its services in the past few years and now provides many in partnership with Cambridgeshire County Council – sharing management costs and benefitting from economies of scale, as well as sharing expertise. The budget proposals contained within this document look to further redesign services and explore new ways we can deliver services with our partners and jointly with the county council.

We are working more closely with our communities across all our services, to empower local people and organisations to deliver the services they want, to the places and people they feel require it most. This approach is helping communities to help themselves, instil pride in their locality and deliver services differently and more efficiently. A number of proposals in this document look to further that work with our communities.

The council is now structured as follows:

Governance – this department includes legal and democratic services, support for members and the mayor, management of elections and the electoral register, data protection and oversees information governance and coordinates information requests.

Place and Economy – this department is responsible for the Peterborough Highways Service, planning, tourism, city services including CCTV, car parks, events and the City Market, emergency planning and strategic property services. It also leads on the promotion of the city to attract business and investment through Opportunity Peterborough, Medesham Homes, the council's partnership with Cross Keys Homes to provide more affordable housing, the Aragon contract and the Peterborough Investment Partnership.

People and Communities – this department is responsible for ensuring the needs of our residents are met, particularly those that are most vulnerable. It works with adults, children, families and communities, including schools, health services and the police. It leads on keeping children and adults safe, ensuring sufficient quality education placements, including early years settings, supporting children with special educational needs and commissioning of services, often with our partners. It also takes the lead on services that help people feel safe

in their communities, improving community relationships and working with communities to support and help each other.

Public Health – this department works to improve the health and wellbeing of residents. Services include local health visiting and school nursing services, services to treat people with drug and alcohol misuse and addiction issues, sexual health and contraception services and services to support people to give up smoking, lose weight and achieve health goals.

Resources – this department includes financial services encompassing financial planning and accounting, internal audit, fraud and insurance, and responsibility for the city's cemeteries, cremation and registrars.

Customer services and digital – this department includes IT and digital services to manage and support most of the council's business systems, emergency planning, communications, including design and print and responsibility for the Serco ICT partnership and the drive to improve technological options for the council and its services.

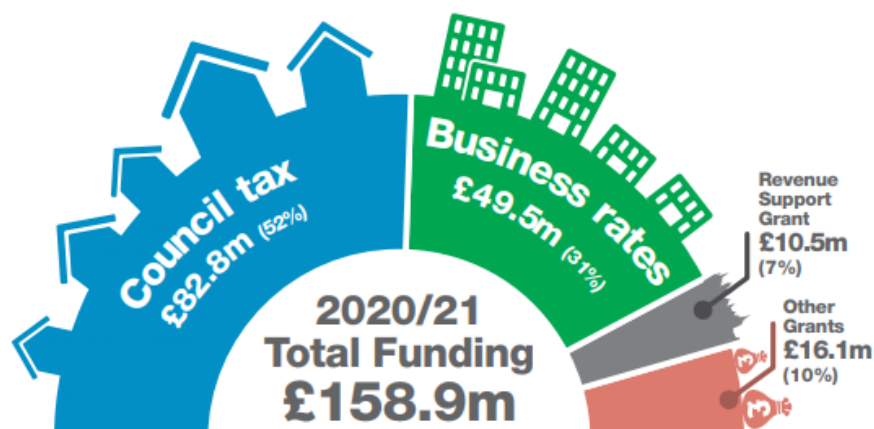
Business improvement and development: this department takes the lead on transforming council services so that they are able to meet the needs of residents with the funding that we have available. It is also responsible for delivering commercial opportunities for the council which generate income and oversees the Serco Strategic Partnership, which covers business support, shared transactional services, business transformation, procurement, customer services and finance systems.

Chief Executive: The Chief Executive is the head of the paid service. This directorate contains human resources and organisational development.

FUNDING AND COUNCIL SERVICE EXPENDITURE

Funding 2020/21

The council's forecast total funding for 2020/21 is £158.9m, comprising of council tax, business rates, its Revenue Support Grant (RSG) and other grants. Over the past eight years Government funding has reduced significantly. The RSG is expected to drop by 80 per cent to £10.5m in 2020/21, meaning it will equate to less than seven per cent of our overall funding.



Gross Expenditure Budget 2020/21

The council's forecast total gross budget in 2020/21 is £411.3m, the following highlights some of the key areas of spend. This highlights that 40 per cent of the council's gross budget is spent on schools, adults and children in care.

Where the council spends its money

These are some examples of the services the Council plans to spend its budget in 2020/21

- **£69.4 million on Schools**
This money can only be spent on Schools
- **£11.2 million on Public Health**
This money can only be spent on Public Health
- **£45.5 million on Housing Benefit**
This money can only be spent on Housing Benefit
- **£7.1 million on Highways and Road Improvements**
- **£71.6 million on Caring for Adults**
- **£3.8 million on Recreation, Culture, Leisure and Libraries**
- **£21.8 million on Supporting Children and Families**
- **£2.0 million on Parks and Open Spaces**
- **£14.7 million on Waste Disposal and Street Cleaning**



OVERALL BUDGET POSITION

Revenue

Phase one contains the first of two rounds of budget proposals, which aim to address the budget gap and the future pressures facing the council.

	2020/21	2021/22	2022/23
	£000	£000	£000
Budget Gap from 2019/20 MTFS:	18,409	20,056	18,721
Pressures from 2020/21 onwards	5,370	5,370	5,370
Budget Re-profiling Pressure	9,764	9,764	9,764
Revised Budget Gap	33,543	35,190	33,855
Building on successful transformation	(2,312)	(2,367)	(2,367)
Contract and Commercial	(1,167)	(1,278)	(1,278)
Changing services to reflect the council of today	(1,305)	(2,155)	(2,205)
Redesign of Service	(1,234)	(1,430)	(1,430)
Reduction of Provision	(1,061)	(1,061)	(1,011)
Using our assets	(646)	(586)	(586)
Final Budget Gap- Tranche One	25,818	26,313	24,977
Items proposed and to be finalised in Tranche Two:			
Spending Review 2019 and Corporate Savings (Per Council Tax base and LG Finance Settlement)	(9,068)	(8,119)	(8,216)
Changing services to reflect the council of today (Serco, business support and HR Controls)	(5,866)	(5,915)	(5,945)
Redesign of Service (Review of school transport costs)	(501)	(501)	(501)
Budget Re-profiling savings (to be identified)	(4,004)	(4,265)	(5,856)
Budget Re-profiling savings (identified- Capital Financing restructuring)	(878)	(617)	974
Final Budget Gap- Tranche One	5,501	6,896	5,434

PHASE ONE BUDGET PROPOSALS

BUILDING ON SUCCESSFUL TRANSFORMATION

The following proposals look to build upon the successful work that has taken place already to change the way we deliver services and improve them. In particular, they increase our efforts to work more closely with our communities across all services, to empower local people and organisations to deliver the services they want, to the places and people they feel require them most.

Care package reviews and assessments

People receiving care and support commissioned by the council have their packages of support reviewed every twelve months to ensure services are still meeting their needs. Currently 2,244 people receive a long-term care package in Peterborough. Individual needs can and do change within twelve months, for example, an intensive package of care following a stay in hospital may only be needed for a few weeks until the person recovers their previous level of independence.

Through more regular reviews of care packages, we can ensure we are only providing support for as long as is needed. This will include consideration of whether equipment or technology might better enable the transition to independence. Additionally, we need to build upon informal networks and support available in the local community to provide support and opportunities to further promote independence, in line with our approach to empower local communities to play a greater role. People will still get the support they need, but the way they receive that support may change. With the number of older people increasing, the more people we can support to remain independent, the more money we have available to help those with the greatest needs.

Savings	£
2020/21	1,748,000
2021/22	1,748,000
2022/23	1,748,000

Revised funding for Peterborough Community Assistance Scheme

The Peterborough Community Assistance Scheme (PCAS) is run together with partner agencies to help people going through unexpected financial difficulties who require urgent practical assistance, support and advice. Working with those partners, to find new ways of working and new funding streams, we believe savings can be achieved, whilst protecting the valuable services that they provide.

This proposal includes:

- Kingsgate Community Church works with volunteers to provide food banks across the city and runs Carezone, which provides furniture and white goods. In order to protect these vital services its budget would be reduced in a tapered way, whilst we work closely together to identify alternative funding streams. The council has recently leased one of its buildings to Kingsgate on a peppercorn rent to help reduce the operating costs of Carezone and warehousing for foodbanks.
- The Credit Union has offered a worthwhile service in the past, providing bank accounts to people with poor credit who could not access one on the high street. Banks are now offering basic bank accounts to people with poor credit so there is no longer a need to fund this service.

- Disability Peterborough provides benefit claims advice for people with physical disabilities only. The Department for Work and Pensions now provides a home visiting service for its most vulnerable customers and there are many other ways of accessing help and support, including national charities and online support. Removal of funding will have minimum impact with people accessing advice elsewhere.
- Services from Age UK are delivered through a number of different grants and contract payments. We propose to simplify this into one payment which will help create efficiencies and savings through, for example, less administration costs. Age UK recognises the need to remodel its services because the nature of its business has changed in recent years.
- The Citizens' Advice Bureau (CAB) will target its services towards those that most need it; people at risk of homelessness, people with debt, unemployment and relationship breakdown challenges. It also has access to other grants and funding streams and is increasingly pointing people towards online help and information. As part of our communities approach we will work very closely with the CAB to build more support in the areas people live.
- The voluntary sector is important to us. Many voluntary sector providers work in Peterborough and Cambridgeshire and, as part of this proposal, we would invite the Peterborough Council for Voluntary Services and others to bid for a new tender to provide support for the voluntary sector across Cambridgeshire and Peterborough.

Savings	£
2020/21	418,000
2021/22	473,000
2022/23	473,000

Revised low level support for older people discharged from hospital

The council funds a number of organisations to offer advice and support to older people when they are discharged from hospital. The council has identified duplication in the services currently offered. It will stop this by making best use of services provided through libraries, the council's adult early help service, the hospital discharge team and the council's website.

Savings	£
2020/21	45,000
2021/22	45,000
2022/23	45,000

Dimming of street lighting

The council has just upgraded the remaining 17,000 street lights to energy-efficient LEDs, and now has the ability to dim lights. This proposal looks to dim street lights in residential areas by 20 per cent between 9.30pm and 5am. Street lights on traffic routes would be dimmed by 20 per cent between 9pm and midnight, and by 40 per cent between midnight and 5am. Street lighting in subways would not be dimmed at all.

This proposal would not only save the council money through reduced energy costs, but it would also reduce the energy used which supports the Climate Emergency declared by the council in July. Members unanimously declared the emergency and agreed to make the council's activities net-zero carbon by 2030. The new LED bulbs are brighter than the old lamps used, so dimming them may not be as noticeable to the general public.

Savings	£
2020/21	100,000
2021/22	100,000
2022/23	100,000

CONTRACT AND COMMERCIAL

The following proposals are all ways we believe we can review our contracts and work differently with our providers to be able to deliver services for our residents with the funding that we have available.

Joint commissioning of our Healthy Child Programme

In 2018 the council agreed to work with Cambridgeshire County Council to jointly commission an integrated health visiting, school nursing and family nurse partnership programme. This is releasing annual savings for Peterborough of £200,000 through, for example, shared management costs and changes to the staff skill mix.

During the transition to joint commissioning it was identified that the service provider, Cambridgeshire and Peterborough Foundation NHS Trust (CPFT), was spending more on the service than the funding it received from the council. This was the result of historical underfunding leading to a funding gap when the service was transferred from the NHS to the local authority in 2015.

Future savings have therefore been identified which include:

- A review of contract costs with our provider, CPFT, including estates costs, staff vacancy rates and using central funding for NHS pay rises.
- A different provider will deliver the National Childhood Measurement Programme activity from September 2019.
- Ending 'hearing screening' when a child starts school. This is now screened shortly after birth and screening at school entry is not a national requirement.
- Using information better from other local authorities when children move into Peterborough – reducing the need and costs of additional family visits.
- Empowering parents by providing baby self-weigh facilities and improving the availability of local web-based and digital information on child health for parents, enabling a reduction in the number of open access child health promotion clinics from 12 per week to six.

Additional funding has also been identified through savings on other public health grant funded services.

In order to meet the in-year budget pressure during 2019/20 from historical underfunding of the contract, these changes are already being implemented by the service provider in consultation with service users and staff. It is proposed that they continue in 2020/21 and beyond to deliver a sustainable Healthy Child Programme.

Savings	£
2020/21	541,000
2021/22	541,000
2022/23	541,000

Facilities management service costs within schools PFI contract

The council currently pays an annual contribution towards the cost of delivering the PFI scheme for three schools in the city - Jack Hunt, Ken Stimpson and Queen Katharine Academy. We intend to renegotiate the cost of facilities management which form part of the contract. It is anticipated that this would save around five and ten per cent annually.

Savings	£
2020/21	168,000
2021/22	168,000
2022/23	168,000

Joint commissioning of Integrated Lifestyle Services

These services help people to reduce their risk of illnesses such as heart disease, diabetes and cancer, through evidence-based programmes supporting them to achieve personal health goals, such as stopping smoking, eating a healthier diet, losing weight and reducing their alcohol intake. These changes reduce future demand on health and care services.

Both Peterborough City Council and Cambridgeshire County Council commission similar Integrated Lifestyle Services, and this proposal is joint commissioning of this service. This will enable savings to be made on the cost of the contract, through reduced management overheads. In addition, it is proposed to redesign the child weight management services which are part of the contract, to a more locally tailored model.

Savings	£
2020/21	80,000
2021/22	100,000
2022/23	100,000

Reduction in the repair and maintenance budget through commercial review

This proposal looks to make a number of changes to the way we work with Aragon Direct Services, in particular opportunities that have arisen from putting services into a trading company. These include:

- A review of the admin fee Aragon applies to all jobs that they undertake for the council. At the moment this fee is 12 per cent, however this proposal looks to review that to see if a new rate can be agreed.
- Expand the sub-contractor list to drive more competitive pricing.
- Introduce fixed rate cards for subcontracted work.

Savings	£
2020/21	80,000
2021/22	80,000
2022/23	80,000

Usage review of reablement flats (one off 2019/20 saving)

The council contracts the use of a number of reablement flats across the city which support people to regain their independence following a stay in hospital. In the past year the council has found that it has access to more reablement flats than it needs. This proposal looks to cease using one of the reablement flats at Lapwing Court in Orton Brimbles owned by Cross Keys Homes.

Savings	£
2020/21	70,000
2021/22	0
2022/23	0

Self-funding of Lifeline service after six weeks

Lifeline is a personal alarm system which is currently free for everyone. This proposal is for the service to be chargeable after the first six weeks for new users. Existing users would be required to pay following their next review meeting. Recent benchmarking against 18 other local authorities found that only four provide services free of charge.

The service would be means tested, so the poorest people would pay the least. The most that someone would pay would be £4.50 a week.

Savings	£
2020/21	57,000
2021/22	124,000
2022/23	124,000

Revised Stay Well in Winter campaign

Since 2017, the city council has taken part in the Stay Well in Winter multi-agency campaign, to support people who are at most risk of poor health as a result of cold weather. As part of the campaign in 2017 and 2018, the council provided £50,000 to the Citizens' Advice Bureau to provide heating grants to people they assess as most vulnerable.

It is proposed to remove the funding and instead refer people to other (non-council funded) sources for this type of support, such as Age UK, which are good sources of information about how to keep warm and where support can be secured.

The Stay Well in Winter campaign will continue, including information pack distribution to older people.

Savings	£
2020/21	50,000
2021/22	50,000
2022/23	50,000

Revised Extra Care Contract

The Extra Care Contract provides support and help to people who are socially isolated. Examples of this could include telephone calls on a regular basis to check that people are okay, overnight support and providing a way for people to access activities in the community.

Through the council's work to empower and support communities to help themselves, we will look to support the recruitment of a bank of volunteers in the community and train them over a period of time to be able to provide support for those who are socially isolated. We know that there are people in our community willing to help others, evidenced by the many voluntary groups in operation in Peterborough. An example of this is Kingsgate Community Church, which has a bank of more than 1,000 people helping in communities across the city.

This new approach would support people who are socially isolated to integrate better with their communities through friendships, rather than services paid for and provided by the council.

Savings	£
2020/21	47,000
2021/22	71,000
2022/23	71,000

Realignment of drug and alcohol budget

The council has a contract with the national organisation Change Grow Live (locally known as Aspire) to provide treatment and recovery services for adults and children who misuse drugs and alcohol. A reduction in funding in 2019/20 was built into the contract with Change Grow Live when it was awarded. This means that the council's budget for 2020/21 can be reduced without any impact on front line drug and alcohol services.

Savings	£
2020/21	40,000
2021/22	40,000
2022/23	40,000

Removal of unused project budget for road safety

Following a re-organisation of road safety work within the council, a new road safety project budget was allocated this year. This new budget has not been spent, and due to the wider financial pressures, it is proposed that it is now taken as a saving. There will be no change to current front-line delivery of road safety education in schools.

Savings	£
2020/21	30,000
2021/22	30,000
2022/23	30,000

City College Peterborough

City College Peterborough delivers the council's adult skills service, operating as an arms-length organisation. Through discussions with the college, savings have been identified as follows:

1. Delete the vacant post of Head of Post 16 which was in place to co-ordinate post-16 service delivery. The college is able to absorb this work within their wider workforce.
2. Currently fee income from room hire charges at the Education Conference Centre is retained in full by the college after running costs have been deducted. This proposal is to equally split the income from room hire between the college and the council. Current income from room hire is £44,000 so the income delivered to the council will be £22,000.

Savings	£
2020/21	74,000
2021/22	74,000
2022/23	74,000

CHANGING SERVICES TO REFLECT THE COUNCIL OF TODAY

The council is now a completely different organisation to what it was just a few years ago, let alone ten years ago prior to the start of the austerity cuts. This is in terms of how we work, what we can afford and how we support the public.

We have transformed the way we work to reflect what our communities need from us and the challenging financial environment that we now operate in. We need everyone that works with us to adapt to that change and alter the way they deliver services to us and on our behalf.

The savings that follow reflect changes across the council which are being proposed to align the council's structure and service delivery to the way it is now structured and provides services.

Changes to the Serco contract

Serco is one of our most important partners and we are currently discussing with them how they can meet the new requirements of our changing council. This is about providing services differently, to meet a changed set of demands.

As a result, the following proposals have been developed:

1. Redesign of the business support/admin/personal assistant function across the council to support the way the council is now structured and provides services.

Savings	£
2020/21	2,536,000
2021/22	2,536,000
2022/23	2,536,000

2. Move to a new way of Serco providing services on our behalf through contract renegotiation, so these services fit the shape of the council today.

Savings	£
2020/21	2,000,000
2021/22	2,000,000
2022/23	2,000,000

Reshaping of departments and further shared services

To support the new way in which the council works, and will work in the future, it is proposed to reshape a number of teams within the council including finance, project management, business intelligence and procurement.

In addition, this proposal looks to share a number of services with Cambridgeshire County Council, including internal audit and communications which includes media, marketing, internal communications, website and the council's fully funded print and design function.

Savings	£
2020/21	483,000
2021/22	1,061,000
2022/23	1,111,000

Place and Economy directorate shared services

A new director of place and economy working across both Peterborough City Council and Cambridgeshire County Council was appointed in June. He has since appointed a service director for highways and transport who also works across both councils. Both these appointments have saved the council money, as salary costs are split with the county council. This proposal looks to further that sharing of services and posts in the place and economy directorate. Savings have also been identified through a review of vacancies across the directorate.

Savings	£
2020/21	139,000
2021/22	195,000
2022/23	195,000

Controls relating to HR

Following a review of existing HR related controls, a number of areas have been identified which would benefit from central HR oversight such as absence management, leave, agency/interim spend, recruitment and training. The following proposed changes will ultimately support organisational effectiveness by providing greater control in the following areas:

Absence management: absence management would be strengthened by the proposed introduction of new system functionality providing greater management information direct to our managers in a timely manner. Streamlined processes would enable managers to better identify absence themes earlier, helping to support our staff members as part of our wellbeing strategy. The implementation of this will be supported by a dedicated absence management programme.

Leave and expense management: through better use of technology and the further development of our HR systems to include self-service functionality, manual processes would be dramatically reduced with a greater level of management reporting accessible by our managers to aid resource planning.

Interim and agency spend: through enhanced processes and central oversight in this area, budget holders will have better sighting on recruitment spend within their business area, as well as resourcing options available to them across the council. It is anticipated this would reduce the reliance on interim and agency staff across the council, drive improvements and realise savings.

Training: Training budgets across the council would be centralised with ownership and maintenance by the dedicated HR learning and development (L&D) team. This would allow training funds to be allocated effectively across the entire council and opportunities maximised to support the learning and development of the workforce.

A central L&D team would continue to establish minimum training requirements in order to stay compliant with statutory service delivery and regulators (e.g. Ofsted and child protection). In addition, the team would continue to ensure provision exists for mandatory

training such as GDPR, health and safety, with maintenance of central records for compliance purposes.

All non-statutory training would be removed in the council for the next 12 to 18 months, with additional training deemed to be essential, being reviewed and considered by the council's corporate management team. Where appropriate, apprenticeships will be utilised for any non-statutory development in order to draw down funds from the council's apprenticeship levy account.

Savings	£
2020/21	1,487,000
2021/22	1,536,000
2022/23	1,566,000

Reshaped Human Resources function

Taking into account the proposals for new HR controls; it is proposed that the HR function is reshaped to add value in a different way by empowering and upskilling managers to take responsibility for all aspects of their people management. The focus would be on an advice and guidance approach with transactional support provided by Serco.

Savings	£
2020/21	450,000
2021/22	663,000
2022/23	663,000

Support provided for members

This proposal looks to make a number of changes to the support provided to the council's 60 members. These include:

- Increasing the amount paid for car parking. Members currently pay £44 a year for an annual pass – increasing this to £110 annually would increase income by £4,000.
- Cease the contract with Serco to provide ICT support for members, saving £45,000. The council would look to provide this support in-house instead.
- Cease paying for printer cartridges now the council is a paperless organisation, saving £500 a year.
- Mobile phones and laptops would be funded from each member's allowance, saving £15,200 a year. When existing stock needs replacing these would then be funded and owned by the member (can be paid for over a period of time to spread the cost).
- Reducing the budget for members to pay for costs associated with attending the annual Royal Garden Party by £1,000, reducing to £500 which would cover the cost of train tickets only.
- The council is able to bestow civic gifts on visitors such as Mayors from other countries, Aldermen (scrolls and badges), retired councillors and on individuals within the community who go above and beyond or achieve great things. This proposal looks to reduce that budget by £2,500.
- The council hosts a number of civic events each year such as Remembrance Sunday, Holocaust Memorial Day, Fly the Flag, Christmas wreath laying and Armed Forces Day. This proposal looks to reduce that budget by £7,000. This should not

mean a reduction in the number of events overall as the budget was not fully used previously.

- Reducing the budget for the Mayor's car by £800 in year one and £3,000 in the years thereafter. This saving would be achieved in year one by re-procurement of the contract and in future years by moving towards an electric vehicle.

Savings	£
2020/21	76,000
2021/22	79,000
2022/23	79,000

REDESIGN OF SERVICES

The following proposals all relate to services that we want to redesign to be able to offer an improved service for residents whilst delivering savings and/or income opportunities.

Restructure and remodelling of the Prevention and Enforcement Service (PES)

This proposal contains a number of elements which would allow the PES to cover a much greater area of the city and tackle enforcement issues in these areas. Included in the proposal is the following:

- Three additional parking enforcement officers to allow the team to cover the whole city, seven days a week.
- Additional income for the housing enforcement team as a result of new legislation which would require more properties to have an HMO licence. This additional income would help offset the core costs of the housing enforcement team which would lead to a saving on its overall budget.
- A shared CCTV service with Fenland District Council is being progressed. In line with many other councils, the service will be available for use by private companies for a fee.
- Removal of the dedicated traveller service which manages unauthorised encampments. The responsibilities of the traveller service would be shared amongst the wider PES, providing more people to manage situations when they arise.
- The council has a contract with Kingdom to enforce against environmental crimes such as littering and spitting. This proposal looks to end this contract and bring the service in-house. Doing so would allow staff to cover a greater area of the city, seven days a week.
- Removal of the anti-social behaviour team. This proposal looks to move more control for managing victims and perpetrators of anti-social behaviour to the police and other organisations. Our wider Prevention and Enforcement Service resources will continue to offer anti-social behaviour support across the city where it is most needed.

Savings	£
2020/21	380,000
2021/22	380,000
2022/23	380,000

Reduction in agency staff in children's social care

Councils nationally have had difficulty recruiting permanent social workers and have therefore had to use more expensive agency staff. Peterborough is no different. There are currently six agency workers covering vacant posts in Peterborough and 9.5 other posts that are vacant.

A new campaign which looks to highlight social work careers and encourage applications has recently launched which we expect to achieve results. A similar campaign running in Cambridgeshire since July has already resulted in 15 new permanent children's social workers joining the authority.

This savings proposal looks to replace five agency workers with permanent social workers by the end of 2019/20.

Savings	£
2020/21	173,000
2021/22	217,000
2022/23	217,000

Reshaping the community and safety directorate

Strong links between the council, its partners, community groups and individuals has meant that Peterborough has a national reputation for being a cohesive and integrated city. Much of the cohesion work that takes place is now shared amongst the council's partners, under the strategic guidance of the council. Part of this proposal looks to delete a post in the cohesion team, with the remaining post holder continuing to work closely with the council's partners to ensure the good work taking place currently continues.

The second part of this proposal reflects the council's current working relationship with Vivacity, nine years into the contract. The council regards Vivacity as the expert in the services it provides and therefore requires less strategic oversight from the council. In effect it is a partnership, rather than a contract that needs managing. Therefore, it is recommended that the post which 'manages' the contract with Vivacity is deleted.

Savings	£
2020/21	127,000
2021/22	127,000
2022/23	127,000

Deprivation of Liberties Safeguards (DoLS) assessments

In the past the council has commissioned external resources to complete these assessments, the council is able to do this at a lower cost and we will therefore not commission external resources in the future.

Savings	£
2020/21	107,000
2021/22	159,000
2022/23	159,000

Recommissioning children's centre contracts

In Peterborough, Spurgeons and Barnardo's currently run the city's children's centres. This proposal looks to re-tender these contracts along with the children's centres across South Fenland. This will provide the opportunity for savings to be found through, for example, bringing one or more of the existing contracts together to provide the children's centres. This will generate savings by reducing overhead costs such as management and support services.

These centres will also help deliver our Better Start in Life strategy that will see other staff, such as midwifery and health visitors, working with children aged pre-birth to 5 co-located to provide a more integrated service and reduce duplication.

Savings	£
2020/21	100,000
2021/22	200,000
2022/23	200,000

Review of security and cleaning at Sand Martin House

There is currently 24/7 security guard cover at Sand Martin House (SMH). This proposal looks to adjust the hours, supplemented by a mobile patrol, in line with other council properties. The new homes on Fletton Quays and the on-going development of the area reduces the risk due to an increase in the number of people in the area.

The second part of this proposal looks to reduce the cleaning regime at SMH and the nearby multi-storey car park which is delivered by Aragon. There are currently 6 FTEs dedicated to this, working on a shift pattern, which is highly over specified when benchmarked against similar size buildings. In addition, the car park has a weekly mechanical sweep and a daily clean of the common areas which is a higher specification compared to similar car parks managed by the council.

Savings	£
2020/21	120,000
2021/22	120,000
2022/23	120,000

Redesigned commissioning team through shared working

This proposal sees the deletion of one commissioning post; the responsibilities of this post holder will be shared out between other members in the team.

Savings	£
2020/21	60,000
2021/22	60,000
2022/23	60,000

Reduction in NHS Health Checks budget to align with demand

NHS Health Checks for 40 to 74-year olds provide a basic assessment of people's risk of developing cardiovascular disease given their current lifestyles and health behaviours and a small number of measurements such as weight and blood pressure. Most NHS Health Checks are delivered by GP surgeries and some 'outreach' health checks are delivered by the Integrated Lifestyle Service. Peterborough City Council pays GP surgeries for each check they undertake. The underspend in recent years indicates that demand is less than the budget allocated.

Savings	£
2020/21	55,000
2021/22	55,000
2022/23	55,000

Removal of social care lead practitioner post

This post was created to focus on the time taken to discharge people from hospital into adult social care services. We have achieved the result that we wanted and the council is now consistently one of the top three local authorities nationally in this area. The responsibilities associated with this post can now be shared amongst the wider team.

Savings	£
2020/21	50,000
2021/22	50,000
2022/23	50,000

Removal of vacant housing case worker post

This post was previously agreed to work with people being discharged from hospital to identify housing problems as early as possible to support them to retain their home. The intention was that they would also support people with minor repair works at home or adaptations following a stay in hospital.

We have never recruited to this post as the responsibilities are now shared amongst the wider hospital discharge team. In addition, the council's award-winning care and repair team leads on adaptations and repairs needed in people's homes. This proposal therefore looks to delete the post from future years' budgets.

Savings	£
2020/21	40,000
2021/22	40,000
2022/23	40,000

PAMS – reduction in outsourcing of assessments

PAMS is a type of assessment that is sometimes used in court proceedings dealing with child protection concerns. Councils have relied on commissioned services to complete these assessments. We will train our own staff to complete these and reduce the cost of commissioning these.

Savings	£
2020/21	22,000
2021/22	22,000
2022/23	22,000

Review of school transport costs

Following a review of spend across school transport, we have identified a number of areas where our spend per child is significantly above comparable local authorities. We intend to fully review our policy for transport to look at areas where savings could be made and look at initiatives to reduce contract costs, manage demand and increase efficiency. The process would be run in conjunction with Cambridgeshire County Council to create wider opportunities for savings.

Savings	£
2020/21	501,000
2021/22	501,000
2022/23	501,000

REDUCTION OF PROVISION

Our approach to meeting the budget challenge is to only as a last resort make cuts to services. The proposals on the previous pages explain how we are meeting this challenge by building on successful new ways of working, making our assets work even harder, increasing commercial income and ensuring our contract represent value for money and by redesigning our services.

After we have exhausted the above, we are considering reducing some non-statutory provision of service, which the following proposals explain.

Reduction in discretionary youth services budget

In the past year we have successfully developed a targeted youth service which focuses on the most vulnerable teenagers in our city including children in care and those most at risk of exploitation and offending. Since its launch there has been a 30 per cent reduction in the number of young people being taken into care when compared to the previous 12 month period.

Going forward, services will be further targeted at those young people who are particularly vulnerable, with a continued focus on stopping problems becoming a crisis and managing risks to young people within their communities.

We also want to work more closely with our communities and the people within them who know our young people the best, to empower them to be able to run the activities that our young people want and need. This will include delivering, with our partners, a directory of what is available in our city to help young people and communities know where to go to get help and advice.

As a result of this new approach and focus, this proposal looks to cease providing non-statutory youth services leading to a reduction in staffing. An example of the kind of support that will be ceasing includes one to one support, support for running activities and clubs in the community and a reduced drop-in service for young people who are not in education, employment or training.

Savings	£
2020/21	516,000
2021/22	516,000
2022/23	516,000

Vivacity proposals

Vivacity successfully operates a wide range of culture and leisure services on behalf of the council including libraries, gyms, the regional swimming pool and Lido, the Key Theatre and the museum in addition to other community services where there is no council contribution. Vivacity has grown over the nine years since it launched and has been able to secure additional investment from other non-council sources, as well as income through a wide range of fee-paying services. It has always been our shared ambition that, in time, Vivacity would be able to diversify its business to such a level that it was no longer reliant on council funding for its discretionary services. As a result of this shared ambition, we have worked closely with Vivacity to propose a series of opportunities that continue to reduce their reliance on council funding, saving us £357k in 2020/21.

All of these opportunities relate to changing the way we organise our services and work together, rather than service reduction or cessation. We have agreed that there are opportunities and more flexible ways of using the council-owned buildings from which Vivacity deliver their services, that Vivacity should play a bigger role in helping some of our most vulnerable residents by, for example, improving their health and wellbeing through commissioned activity, and that there are some commercial or income generating opportunities that could be realised sooner if we work in partnership with Vivacity.

Savings	£
2020/21	357,000
2021/22	357,000
2022/23	307,000

Prioritising street cleansing work

This proposal looks to reduce the amount of time and money spent on non-essential street cleansing so that other areas of the city with a higher need can be prioritised. This will include a reduction in the budget to clean spillages across the city centre. There will also be a reduction in city-wide stain washing, however with the new Hot Wash service we will be able to respond to any urgent cleaning requests to bring them back to a reasonable standard.

Targeted cleaning in the Gladstone area of the city, a service that was put in place due to people littering as they pass through, will be reduced from a daily visit to three times per week to maintain standards.

Along with this proposal we are working with groups in the community who want to carry out litter picks by supplying materials and disposing of the waste they collect. This supports our commitment to work more closely with our communities across all our services, helping residents to help themselves, instil pride in their locality and deliver services differently and more efficiently.

Savings	£
2020/21	129,000
2021/22	129,000
2022/23	129,000

Reduction in response time to non-hazardous flytipping

This proposal looks to reduce the costs incurred by the council when people illegally fly-tip by adjusting the time taken to remove non-hazardous fly-tips. Response times would change from two days to between five and ten days. This change would allow cleaning to be carried out with a smaller team. Hazardous fly-tips would still be cleared as a priority within 24 hours.

The work of the fly-tipping cross-party task and finish group has enabled us to purchase crime tape to be placed around large fly-tips to make residents aware these are being investigated and also to make perpetrators aware that we are investigate fly-tipping. We are also looking to purchase CCTV cameras to use in hot spot areas to tackle the crime and prosecute where possible.

As a member of Recycling in Cambridgeshire and Peterborough (RECAP) we have a joint campaign called 'Scrap It' which looks to target fly-tipping and offers cross-border intelligence sharing to enable more prosecutions and help to reduce fly tip incidents.

Savings	£
2020/21	59,000
2021/22	59,000
2022/23	59,000

USING OUR ASSETS

The following proposals relate to ways the council can make savings and efficiencies through its assets, predominantly its buildings.

Income generation and business rates from Sand Martin House

One floor of Sand Martin House has now been sub-let to the CITB (the Construction Industry Training Board) generating income for the council. In addition to rental income, the CITB will also make a contribution towards service charges as part of the agreement. Service charges paid to the council by the CITB include costs relating to the maintenance, cleaning, waste disposal, and utilities relating to both the sub-let area and shared spaces. This will create an additional income of approximately £250,000 per annum from 2020/21.

In addition, a valuation carried out by the Valuation Office in March 2019 determined that the business rates for Sand Martin House are approximately £100,000 less than the original estimate. There is however, a cost pressure of £31,000 per annum, for the Fletton Quays multi-storey car-park. Overall savings against the original budget are £69,000.

Savings	£
2020/21	319,000
2021/22	319,000
2022/23	319,000

Reduced property portfolio

The council now has a smaller property portfolio after consolidating its office space and moving to Sand Martin House and because the majority of schools are now academies and responsible for their own buildings.

As a result, the council is proposing to reduce the size of the contingency budget, held in case of unforeseen property problems, such as urgent repairs.

With less buildings, savings are also achieved as a result of fewer condition surveys being required. The second part of this proposal looks to move from a three-year cycle to a five-year cycle for condition surveys, in line with industry standards. In between, buildings will still be checked regularly and if works are required, these will be undertaken.

Savings	£
2020/21	193,000
2021/22	193,000
2022/23	193,000

Increase in income from council-owned commercial units

As part of the ongoing review of rents on council commercial units, NPS has been able to apply market rate increases when terms become available for renegotiation, such as units in Alfric Square, Herlington and Saville Road. This will result in an additional annual income of £23,000.

Savings	£
2020/21	23,000
2021/22	23,000
2022/23	23,000

Introducing auto-scale product

The Citrix estate is a cloud-based server which supports all the council's applications and desktops. It used to run 24/7 and 365 days of the year, whether it was in use or not. The recent purchase and installation of an auto scale product automatically switches servers off when not in use, generating a saving.

Savings	£
2020/21	45,000
2021/22	45,000
2022/23	45,000

FUNDING PROPOSALS AND CORPORATE SAVINGS

On 4 September 2019 the Chancellor of the Exchequer, Sajid Javid, announced a one year only Spending Review (SR19), including a real terms increase in spending of £13.8bn across all government departments.

This means that local government should see an increase of £3.5m in its total funding. The following points outline the key local government headlines from the announcement:

- Business rates reset and the Fair Funding Review will be deferred until 2021/22.
- 75% business rates pilots will end in March 2020 with only the 100% devolution pilots remaining in place - no new pilots planned for 2020/21;
- RSG 2020/21 will be 2019/20 + CPI;
- New Homes Bonus Grant- legacy payments for New Homes Bonus will be paid, however there was no confirmation regarding new payments going forward;
- Social care and public health:
 - Additional social care funding of £1bn delivered through a grant, in addition to the funding currently received in 2019/20. This means the current funding streams of IBCF, Winter Pressures Grant and Social Care Grant will continue for 2020/21;
 - ASC precept up to 2% and general council tax 2%;
 - Real terms increase in Public Health Grant, to be in line with the increase in the Better Care Fund and also stated to be an additional £100m.
- Schools to receive an additional £700m High Needs in 2020/21 on top of previous funding;
- Troubled Families Funding will continue;
- Homelessness will receive an additional £54m, but detail of distribution method unknown.
- New Towns Fund £241m - Peterborough named one of the areas to benefit from this.

The following table outlines the forecast financial benefit to the council:

	2020/21	2021/22	2022/23
	£000	£000	£000
Additional 1% Council Tax	783	817	844
Additional Social Care Funding	3,308	3,308	3,308
Continuation of IBCF (3 year ASC grant)	1,121	1,121	1,121
Homelessness	279	279	279
Public Health and Better Care Fund (NHS)	419	419	419
Tackling Troubled Families Grant extension	753	-	-
Revenue Support Grant (Current CPI- 2%)	205	205	205
Total	6,868	6,149	6,176

Corporate Savings

The council has also been able to identify the following savings:

Inflation

As part of the tri-annual pension re-evaluation the council has received confirmation from the actuary that the pension fund contributions will continue to be the same rate for the next three years. This means that the council will be able to release budget put aside to deal with the expected pressure. The energy budgets are however underprovided for as these costs have increased higher than anticipated. Therefore, this is reducing the overall amount of inflation the council is able to release.

Council tax base and collection fund surplus

An early forecast indicates growth in council tax income for the current financial year above predictions because of the city's rising population home building. This means that the council can expect to receive a one-off amount in 2020/21, and an ongoing financial benefit in future years. These estimates will be confirmed later in the year as part of the council's Council Tax Base Return to MHCLG.

Savings as a result of the tri-annual pension review carried out by the actuary.

	2020/21	2021/22	2022/23
	£000	£000	£000
Inflation (pension and Electricity)	1,600	1,600	1,600
Council Tax Base and Collection Fund Surplus	600	370	440
total	2,200	1,970	2,040

HUMAN RESOURCES IMPLICATIONS

In order to deliver phase one of the budget as outlined in this document, it is anticipated that some posts across the council will be affected. It is estimated at this stage that there may be a headcount reduction of up to 75 people of a total workforce of 1,244, some of which could occur during 2019/2020 whilst others may happen during 2020/2021.

It is the aim of the council to try and minimise compulsory redundancies and the impact on service delivery. This will be achieved, wherever possible, by seeking redeployment opportunities, the deletion of vacant posts, restrictions on recruitment (taking into account service delivery), natural wastage / turnover and reducing or eliminating overtime, (providing service delivery is not compromised). Where staff are affected, we will seek voluntary redundancies as appropriate to minimise compulsory redundancies and where this is unavoidable, appropriate outplacement support will be considered.

BUDGET CONSULTATION FORM

We want to hear the opinions of all residents, partner organisations, businesses and other interested parties as part of the budget setting process.

People will be able to give their opinions by completing an online survey on the city council website - www.peterborough.gov.uk/budget. Hard copies of the consultation document will also be available from the reception of the Town Hall on Bridge Street and all city libraries.

The consultation will close on 16 December 2019 at 5pm. Cabinet will consider comments on Monday 9 December 2019 and Full Council will debate the phase one proposals on Wednesday 18 December.

The consultation will ask the following questions:

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

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2. Having read the phase one proposals document, how much do you now feel you understand about why the council must make total savings of almost £33.5million in 2020/21 and over £33.9million by 2022/23? Tick the answer you agree with.

- A great deal
- A fair amount
- Not very much
- Nothing at all

3. If you have any specific ideas about how the council can save money or generate additional income to protect services, please state these here:

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

Are you?

- Male
- Female

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

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

Which of these age groups do you fall into?

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

What is your ethnic group?

- A White**
English/ Welsh/ Scottish/ Northern Irish/ British
Gypsy or Irish Traveller
Any other white background
- B Mixed/ multiple ethnic groups**
White and Black Caribbean
White and Black African
White and Asian
Any other mixed/ multiple ethnic background
- C Asian/ Asian British**
Indian
Pakistani
Bangladeshi
Chinese
Any other Asian background, write in
- D Black/ African/ Caribbean/ Black British**
African
Caribbean
Any other Black/ African/ Caribbean background

E Other ethnic group
Any other ethnic group

Do you consider yourself to have a disability?

Yes.....
No

Thank you for taking the time to complete this survey

Please hand this completed questionnaire into the reception desks of the Town Hall on Bridge Street, Peterborough or any city library. Alternatively they can be returned by post to: Communications Team, Peterborough City Council, Sand Martin House, Bittern Way, Peterborough PE2 8TY.