

Council

Wednesday, 15 January 2020

Additional Information Pack

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COUNCIL	AGENDA ITEM No. 7
15 JANUARY 2020	SUPPLEMENTARY PUBLIC REPORT

Report of:	Peter Carpenter, Acting Corporate Director of Resources	
Cabinet Member(s) responsible:	Councillor David Seaton, Cabinet Member for Finance	
Contact Officer(s):	Peter Carpenter, Acting Corporate Director of Resources Kirsty Nutton, Head of Corporate Finance	Tel: 01733 452520 Tel: 01733 384590

SUPPLEMENTARY REPORT – CABINET RECOMMENDATION – MEDIUM TERM FINANCIAL STRATEGY 2020/21 to 2022/23 - TRANCHE ONE

Background

- 1.1. This addendum has been produced in order that Members receive the most up to date position regarding the Tranche One Budget Consultation.
- 1.2. This document contains consultation feedback received, which we were unable to include within the main report due to the timing of publication.
- 1.3. The consultation concluded at 5pm on 13th January, as set out on the website and within the Medium Term Financial Strategy 2020/21-2022/23 Report which went to Cabinet on 20th December 2020. The original timetable published in the report which went to Cabinet on
- 1.4. No paper (hard copy) consultation responses were received at the reception desks or at the libraries.

Changes to the Consultation Response

- 1.5. This update contains the following:
 - The 14 additional consultation responses received. These together with the 63 responses already reported takes the total amount of responses received via the online survey up to 77.
 - Feedback received from Living Sport
 - Feedback received from the Credit Union Shop

The following table outlines the additional consultation responses received via the online survey:

Do you have any comments to make about the phase one budget proposals?	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.	If you have any specific ideas about how the council can save money or generate additional income to protect services, please state these here:
Make everything public. Not enough information, too many secrets.	Not very much	Make all contracts fully public. Provide proper info on how money spent.
Firstly, to have "Supporting Peterborough's culture and leisure offer" within the initial Cabinet priorities is really positive. With them not being statutory services it would have been very easy not to have included because I know the challenges of being able to support. Reshaping the community and safety directorate Whilst welcoming the very positive statement about a partnership with Vivacity: • where might other organisations best link into Peterborough City Council for culture and leisure in the future? • and where the strategic lead for Culture and Leisure might fit within Peterborough City Council, specifically the responsibility for the delivery and reporting back to Cabinet on the Peterborough Active Lifestyles and Sports Strategy • generally the where (and whether) there is capacity for specifically leisure (sport) as part of the culture and leisure offer in the future with the loss of the identified post?	A great deal	As noted clearly in the document - by working more in partnership, especially with the VCS
Concerns that you will cease to support non-statutory youth services. This will have a huge impact on the young people in the city and could lead to more CSE and family breakdown. More needs to be done around early intervention.	A great deal	Do more in house rather than outsourcing. Use the same approach as Cambs in respect of Early Help.
With regard to the proposed dimming of street lights, I would suggest that where this would reduce the effectiveness of the Council's CCTV cameras after dark, that the relevant lights are not dimmed.	Not very much	Where it is proposed to spend significant money on refurbishing a council property, that a structural survey to assess the life expectancy of the property is carried out first. Case in point: the refurbishment of the Market Car Park a (very) few years ago and its subsequent condemnation by structural engineers. How much was wasted? Can this be seen in the books?
I understand the serious difficulty the national cuts are still having	A fair amount	build more property to get more council tax in sell more land

Do you have any comments to make about the phase one budget proposals?	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.	If you have any specific ideas about how the council can save money or generate additional income to protect services, please state these here:
There is a discrepancy between the admirable aim of getting people into employment and the lack of investment in rural bus services. Council tax payers do not only live in Peterborough itself but in surrounding villages, from which it is increasingly difficult to get to work by public transport. The claim that buses are underused is a self-fulfilling prophecy - if they were more regular eg hourly and did not finish quite so early and worked at weekends they might be better used. This also has an effect on the environment with many single passenger cars used.	A great deal	
I don't agree with increasing time to clear non hazardous fly tips. Rubbish breeds rubbish. By the time we get to 10 days, what commenced as a fridge in the street will have turned into enough to furnish a small village. Please reconsider this.	A fair amount	Aragon Direct Services need to deliver on their contract with PCC. I spend hours backwards and forwards with council staff which costs money, trying to get action from Aragon. It has got worse, not better as promised. There is much waste.
Please listen and take on board the opinions and comments of the public. It is our tax paying money that generates this budget	A fair amount	Stop wasting it on such projects that dont need doing as a matter of urgency. Like rhubarb bridge, and the unnecessary footpath installed even though the contractors stated the bridge was good for at least 10 more yrs and the crossing would cause fatalities. Also wasting money on ripping buildings down in the town centre to build flats.people in this town cant afford the rising cost of housing in the run down/cheapest areas let alone luxury flats in town.
Please do something about public transport improvement.	Not very much	Please Bring some plans for same bicycles mounting and this will bring income and reduce traffic and pollution too.
	A fair amount	
Could not greater priority be made for Parks and Open spaces? As people need green spaces to unwind from the modern pressures.	A fair amount	Not waste money on expensive statues and features, such as fountains, in public spaces.
I feel that more funding needs to be available to LEA funded nursery places	A fair amount	stop spending money on unnecessary cosmetic work in the city focus more on provision of housing for the homeless.

Do you have any comments to make about the phase one budget proposals?	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.	If you have any specific ideas about how the council can save money or generate additional income to protect services, please state these here:
Peterborough could be a nice place to live if something was done about homeless people. It's unsafe to walk the street and apparently even enter my building, since they come into the private parking space of the building and police won't do anything	A fair amount	
They are not on the council website	Nothing at all	

Budget Consultation Feedback received from Living Sport.

Firstly, to have “Supporting Peterborough’s culture and leisure offer” within the initial Cabinet priorities is really positive. With them not being statutory services it would have been very easy not to have included because I know the challenges of being able to support.

Reshaping the community and safety directorate

Whilst welcoming the very positive statement about a partnership with Vivacity, which reflects discussions I have had with PCC and Vivacity colleagues over the recent period, I wonder about:

- where Living Sport (and other organisations) might best link into Peterborough City Council for culture and leisure in the future?
- and where the strategic lead for Culture and Leisure might fit within Peterborough City Council. This particular concern is in two parts,
 - when Vivacity was first formed any contact with PCC about sport and leisure matters was immediately forwarded straight on to Vivacity, with a ‘not known at this address’ feel.
 - But more specifically the responsibility for the delivery and reporting back to Cabinet on the Peterborough Active Lifestyles and Sports Strategy
- generally the capacity for the aforementioned culture and leisure work. My understanding of this proposal is the loss of the Head of Culture & Leisure (Lisa Roberts) post. Is their confirmation of the retention of Culture & Leisure Manager (Jamie Fenton) role – who/which selfishly has been the main contact for sport for us on a regular basis, but technically I believe is Arts Council funded role and therefore whether there is capacity for the leisure (sport) rather than culture element in the future?

Our regular engagement with Lisa Roberts and Jamie Fenton has covered a broad range of matters

- providing a really good link into the City Council in support of the Active New Communities and Active Families projects. Proving to be a very good way of engaging with other parts of the City Council and partner organisations to help in the delivery of these two programmes whilst supporting local priorities
- the Peterborough Active Lifestyles and Sport Strategy Group – recently a move towards becoming an implementation group
- keeping appraised of Asset Transfers involving leisure, enabling us to highlight support opportunities for those taking on the assts – sports specific, or community and lottery funding opportunities – and other facility developments (linking back to the Playing Pitch Strategy and Built facilities Strategy)
- Schools engagement. A core element of the Strategy and building on a collaboration with School Sports partners, Inspire+ charity and Vivacity to support PE & School Sport offers, in Primary Schools particularly, but more recently looking at the question of greater access to School Sports Facilities (reflecting the Government PE & School Sport Strategy)
- increasing activity in parks and open spaces which has included installation of Outdoor table tennis tables, and exploring other opportunities for parks and open spaces activity – Disc Golf, additional outdoor table tennis tables, general promotion through an interactive website of these spaces

Vivacity proposals

I am sure that it is intended but wonder if there is scope for a reference to working with other partners around playing a greater role in helping most vulnerable residents improving their health and wellbeing and reflecting the theme mentioned elsewhere in the document about VCS support going forward.

10/1/20

Dear Councillors,

I am writing to ask you to reconsider the withdrawal of grant aid to the credit union in Peterborough.

Peterborough is one of the few places in the region which has a credit union with an award winning alternative to bank accounts, and have been able to attract national funds and researchers to our work as a result. But we cannot do this work without your support. We would have to close our shop and stop serving most of our Peterborough customers.

Our customers are vulnerable, ranging from people in work on low incomes, as well as people with many personal or medical issues, so the attached pages give you an idea of the range of problems we help tackle, along with some case studies.

For each case study listed below, there are hundreds more in similar situations.

Very recently, we had to close and relocate our shop due to the car park structural problems in Cattlemarket Road, this was an early test of what would happen if we withdraw from Peterborough. The 800+ Peterborough customers who rely on cash because they cannot get any other banking services, were left in very difficult circumstances, these are the people who would be very hard hit if our grant is withdrawn. In many cases they are also receiving statutory support in some way from Peterborough council, and the care they receive is helped by our partnership working. We believe there would be increased costs in your spending if you had to set up alternative cash facilities for them.

The credit union is not self sustaining because many of the services we provide do not result in an income stream, this is a constant challenge for us, but if banks are withdrawing from these areas too because they cannot make a profit on this kind of activity, it's even more important that an alternative is provided.

Yours faithfully,



Sally Chicken

Volunteer Chairman

Background Information

Rainbow Saver has many informal partnerships with local organisations such as Childrens Services, Social workers, charities etc. They refer people to us who have been refused bank accounts or had an enforced closure of a bank account against their wishes.

Banks are exiting from serving low income people, and if they cannot make profits with their economies of scale, it is not surprising that credit unions cannot either. We serve the most challenging people with very low incomes, and often with multiple needs – disabilities, social exclusion problems and other major life problems.

We are seeing an unprecedented gap in services to people on low incomes who are “financially excluded”. They resort to loansharks, foodbanks and informal purchasing methods such as “rent to buy” which leave them vulnerable to extortionate prices, crime and abuse.

We work closely with Trading Standards to address these issues, and have been involved in the conviction of several loan-sharks in Cambridgeshire and Suffolk.

Rainbow Saver is able to bid into national grants and projects, and the eligibility usually requires other local support to be evidenced. Rainbow Saver has previously taken part in DWP contracts, HM Treasury contracts, and these bring national investment to local areas only if we already trade in those areas.

Peterborough

The Peterborough credit union shop deals with just over 2,300 Peterborough residents at any one time, with many able to access services by email or online rather than attending the shop.

But there are 800 or so customers who need to attend in person due to their own vulnerable circumstances, and closure of the service in Peterborough would be devastating to these customers’ lives.

The shop visitors tend to be new joiners and regular customers who need face to face help. There are many reasons why some people need face to face contact, and the gradual closure of bank services is leaving them without other options.

They cannot afford to pay the total cost of the transactional services provided by the credit union, so if the grant was withdrawn, the shop would have to close as we cannot pass on the cost to customers.

New joiners come by referral and often attend with a carer or support worker, or have an urgent need to join to process Universal Credit or wages.

Of the 263 people deemed vulnerable when they joined in April 2019 – June 2019, the reasons were recorded with some giving multiple reasons:

Referred by Jobcentre	221
Bank closed their account	5
Bank refused to open an account	263
Refugee referrals	58
Social Worker referral	32
Support worker in place	58
Referred by Prison or Probation	40
Homeless or in Insecure Accommodation	18

Vulnerable customers who need cash transactions are the most likely to need face to face contact. Many of them are existing customers of Peterborough Council support workers, and there would need to be alternatives set up if Rainbow Saver closed.

Cash withdrawals

Rainbow Saver issued small amounts of cash per person last year at its Peterborough shop. The total number of cash transactions was 6,532, which is an average of 125 individual transactions per week, to 803 individuals. These 803 individuals are exceptionally vulnerable.

Cash is always the last resort option, where we work with partners and the client to get them a basic bank account or a prepaid Debit Card so they do not need to rely on cash.

However, **803** people in Peterborough could not get any form of banking, not even the credit union's own Prepaid Debit Card.

Our aim is to support them while they need us, and try to get them to move on to mainstream banking over time. We call this "stepping stone to banking." With their support worker's help, they might be able to open a bank account later, so that some of those 803 clients may achieve a bank account later. We have a good track record of being a "stepping stone to banking." Lloyds Bank and Barclays Bank have formal arrangements to refer, and other banks informally refer people to Rainbow Saver if they have to refuse service.

The amount being withdrawn varies in practice and depends on the problem being presented. We do not cash cheques or offer cash services to non-members, and we only provide limited cash facilities

Who are the people who need cash facilities?

A small percentage of employed people

This group is not usually seen as vulnerable, but employed people who do not have a bank account are vulnerable to losing their jobs, or can't get a new job if the employer doesn't pay cash. Some employers pay by cheque if an employee doesn't have a bank account, but cheque cashing shops charge 20% of the face value of the cheque to cash it.

Hundreds of Peterborough people have opened a Rainbow Saver account in order to have their wages paid into an account, we can often help them with a stepping stone to banking later.

These people usually only need cash for a limited period while our team help them open a bank account or a debit card with the credit union.

Under 18 vulnerable children

The categories of young people who cannot get a basic bank account or any other form of account are: Homeless children; Refugee children on their own who attend college and get an educational allowance; Children in care preparing for adulthood; Particular characteristics such as being a child in a traveller family

In the mainstream, these children cannot get a normal bank account. There are only three prepaid Debit cards for people under the age of 18. They all refuse homeless or refugees or children in care because they require an adult relative ie parent as the card holder.

These young people are therefore totally excluded from mainstream banking. Rainbow Saver issues cash to these young people, if they have been referred by a support worker. Typically they have 50 small cash withdrawals per year each.

Mentally Ill People

We have a large number of members who have mental health support workers and need face to face contact to cope with their finances.

Some are in financial guardianship arrangements and the support worker is trying to allow them some "pocket money " to give them a little independence and choices. In some cases the support worker is trying to build up to the person having more control over their lives as part of an action plan.

Some have been rejected by banks due to their abusive or chaotic behaviour to bank staff. Some have had their bank account closed because they could not cope with a bank account.

Of the 1,068 small cash withdrawals of less than £10 in Peterborough last year, most of these transactions are due to these chaotic individuals needing cash urgently.

Syrian Refugees

These clients are very likely to transition to mainstream banking, and we have shown the credit union account can be invaluable for the short term, while providing the evidence needed to open a mainstream bank account later. At any one time we are supporting about 30 Syrian refugee members to access cash and/or prepaid card

Universal Credit New Claimants

DWP regulations for UC are that the UC cannot be processed into someone else's account, this is a change in rule as JSA and other benefits were previously paid wherever requested. There are no exceptions allowed.

Rainbow Saver receives about 70 new referrals per month from the Jobcentre for people who cannot get a bank account and therefore cannot get UC processed. We help by providing cash withdrawal facilities for a short period of 2 – 4 weeks until they get a prepaid Debit Card delivered. Many of these members transition to mainstream banking within a year with our help.

680 Peterborough members receive UC at any one time

Post Office Card Account

Users of the post office card account will need an alternative over the coming 2 year period, as this is being gradually withdrawn by HM Treasury. Their customers are being referred to basic bank accounts and other banking services, but a small percentage cannot have those mainstream banking services, and need a credit union instead. Rainbow Saver is expecting to help several hundred people in the Peterborough area in this situation.

Rainbow Saver impact on homelessness

Rainbow Saver processes rent by bank transfer to many private landlords on behalf of the member. Many members do not have cheque books or a bank account to send a standing order or Direct Debit.

Even if someone has a basic bank account, if it has a failed Direct Debit or some other failure to operate the account correctly, the banks close their account or refuse to set up any more Direct Debits. This means that people cannot pay their rent to a landlord who wants a bank transfer.

Most landlords will not accept alternative methods of rent payment such as cash or cheques so the risk of homelessness is very high for people who lose banking facilities, or they cannot leave a homelessness situation until a suitable account is found, the easiest option is a Rainbow account

120 members in Peterborough have their rent paid by Rainbow Saver as they have been refused a basic bank account or have been unable to keep their basic bank account open. If a basic bank account has a failed Direct Debit or some other failure to operate the account correctly, the banks close their account or refuse to set up any more Direct Debits. This means that people cannot pay their rent to a landlord who wants a bank transfer. These people and others in the future will be at high risk of homelessness.

Peterborough Case Studies

L B's employer pays wages by bacs transfer, but when she started a new job, her employer said she would have to leave if she didn't provide a bank account to pay wages into. Despite having a job, she was unable to open a bank account. Her employer pays the wages into Rainbow, ensuring she can keep her job. Rainbow pays her rent to the landlord by bank transfer, she also comes in about three times per week to take out £20 cash each time. Utility bills can be paid by Rainbow by bank transfer although since LB got the credit union debit card, she has been able to pay by debit card over the phone.

Z G pays her child benefit into her credit union account and aims to build up savings for Christmas and summer holidays as well as withdrawing some each week. She takes out a small loan of £500 each year as well.

S T is chaotic and homeless, has a Rainbow Saver debit card and has had more than 15 replacement cards due to lifestyle problems, her previous bank closed her account due to her difficult behaviour.

A E suffers with permanent health issues and her heating bill is very high in winter, she has a flexible savers account to help her budget so she always has a little money to get by.

O N and his family work for an employment agency, which only pays wages by cheque or bank transfer. Due to lack of proof of address, they couldn't open a bank account, so they were cashing wages cheques at a money shop. In the previous year, each of the four adults in the household had earned net wages of £280 per week, but the cheque cashing fee of 20% reduced the wages by £56 to £224 per week. They switched to having the wages paid into Rainbow, effectively secured a pay rise, and made them much better off.

I A was homeless and helped by "Hope Action." He secured a tenancy because the landlord was convinced by the support worker that Rainbow would pay the rent by bank transfer.

P B was recently referred by the Job Centre to open an account in order to receive Universal Credit. He had to wait several weeks for the Peterborough branch to reopen and during that time he tried and failed to open an account with any bank.

S Y has recently been released from Prison, due to no photo ID he was refused by local banks. He was not literate enough to open an account by post, so had to wait to open a Rainbow account, whilst the shop was relocating, he had to use a relative's bank account. Due to DWP regulations, Universal Credit cannot be paid into a third party account, so he had to wait till Rainbow Saver re-opened.

M C moved to Peterborough due to relationship break down. Now living in homeless hostel and was unable to open an account at a bank for Universal Credit until the Rainbow Saver Branch reopened.

K M has recently been released from Prison. due to no photo ID he was refused by local banks, and could not receive Universal Credit until the Rainbow account was opened. He is also being helped by the Garden House due to being homeless.

Many of PARCA clients have been referred to Rainbow Saver, which they use as a stepping stone to banking, while they establish themselves locally. Most PARCA clients are still banking with Rainbow until this transition is accepted by the banks. These clients need to set up online banking in order to pay rent, but were unable to send rent payments due to not having set up Online Banking on their credit union card. This cannot be done by a third party due to security protocols. They had to wait for the Rainbow branch to reopen so a member of staff could talk to them and assist them to set up online banking and send payments to their private sector landlords to clear their rent arrears.

Z M is under 18 and has a junior Rainbow account with the support of Children's Social Services. He paid a Cheque into his account in Oct 2019. The cheque cleared while Rainbow Saver was closed so he could not gain access to cash at all during the closure period, he had to wait till the branch re-opened.

80 - 100 Young people under Children's Social Care were unable to get their cash weekly for several weeks due to the Rainbow branch closure.

50 new customers have opened Rainbow accounts in 2020 so that they can receive their Universal Credits. Some previously had another bank account that was closed down by the bank.

K H was being helped by Peterborough Night Shelter. The customer was very unhappy and disgusted that she couldn't gain access to cash due to the temporary closure of the Peterborough Branch, but has no other way to access cash.

K B is one of our disabled Customers. He is blind, and was worried about service as he needs to be dealt with in person, as he has difficulty coping with the phone, and also prefers to deal with cash. His carer tries to ensure that he has access to local services where he can walk in and talk to someone so that he can have as much independence as possible.

A B closed account due to not being able withdraw cash from her account or contact us during the closure period

L N is one of many Rainbow Saver severely disabled customers who attends the shop with a carer. They are both worried sick about how LN will access cash if the Rainbow shop closes.

COUNCIL MEETING 15 JANUARY 2020

**CABINET RECOMMENDATION – MEDIUM TERM FINANCIAL STRATEGY 2020/21 to
2022/23 – TRANCHE ONE**

Amendment 1 from Councillor Sandford to be moved as follows:

IT IS RECOMMENDED that the Cabinet Recommendation set out in the 'Medium Term Financial Strategy 2020/21 to 2022/23 Tranche One' is amended as follows:

- Revised Funding for Peterborough Community Assistance Scheme: defer the cut in grant to Citizens Advice Bureau to Phase 2 for further consideration.
- Reduction in discretionary youth services budget: defer to Phase 2 to allow further consideration of the likely impact of this proposal on services to young people across the city (£516,000).

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COUNCIL MEETING 15 JANUARY 2020

**CABINET RECOMMENDATION – MEDIUM TERM FINANCIAL STRATEGY 2020/21 to
2022/23 – TRANCHE ONE**

Amendment 2 from Councillor Sandford to be moved as follows:

IT IS RECOMMENDED that the Cabinet Recommendation set out in the 'Medium Term Financial Strategy 2020/21 to 2022/23 Tranche One' is amended as follows:

- Refer the issue of support for councillors' travel costs to the Independent Members Allowances Panel, requesting that they consider how best to reimburse travel costs (eg by car, bus or cycle), in a way that both treats councillors fairly and also recognises the need for the Council to implement measures to tackle the Climate Emergency. Council requests the Independent Panel to present their report to Council no later than 31 July 2020.

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