

Appendix B- Draft Revenue & Capital Budget Report 2023/24

Peterborough City Council

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1. Overview

As outlined in the main report the Council has been able to propose balanced revenue budget for 2023/24. With the following table summarising the revenue expenditure, funding and council tax requirement for 2023/24:

	Gross Expenditure Budget	Income Budget	Net Expenditure Budget
People Services	263,855	(152,747)	111,108
Corporate Services	89,244	(22,100)	67,144
Place & Economy	56,920	(32,826)	24,093
Public Health	11,445	(11,759)	(314)
Total	421,464	(219,433)	202,031
NNDR <i>(including the Business rates Pool)</i>			(66,305)
Core Grant Funding			(37,235)
Parish Precepts			(704)
Collection Fund Position			(938)
Council Tax Requirement			96,849
Council Tax base 2023/24			61,023.62
Council Tax Band D Rate <i>(Council Tax requirement/Council Tax base)</i>			£1,587.08

The following sections provide a summary of the key revenue pressures, savings and investments included within this budget, with further detail on the Councils budgets and the proposals included being outlined in section 6.

Key Revenue Pressures

In Addition to the proposals for savings and transformation, as outlined within this report the Council has been proactive in developing actions and strategies to manage demand and Inflation. These are summarised below:

Inflation: Inflation has risen significantly over the last 12 months, having an impact on the Councils ongoing cost of salaries, and the salary costs of those who provide services on our behalf, contracts, supplies and services and a sharp rise in energy prices. The Council has taken actions to manage maintain control on this including:

- Insourcing the Procurement team and getting external procurement specialist to support this work.
- Reviewing all inflationary requirements and expenditure budgets as part of the cash limits work
- Maintaining a tight control on expenditure.
- Reviewing all contracts to ensure they reflect best value and meet established needs
- Developing a Market Sustainability Plan for our Social Care contracts, which enable us to move towards implementing a Fair Cost of Care, alongside managing inflationary pressures. This will involve negotiating on a case-by-case basis with our providers and will involve closely managing risks of market sustainability.
- Utilising the additional income generated from the Energy from Waste (EfW) facility to hedge the Councils rising energy costs and other inflationary pressures.
- Establishment of an inflation reserve to mitigate and smooth any immediate pressures.

Demography & Service Pressures: Over the past 12 months, services have continued to operate in a wider shifting context that has impacted on adults, children's and education services and presents ongoing pressures across these areas. This has meant that we have started to see more latent demand coming

through and people having higher levels of need when they present. This is alongside a growing population, with a 17.5% population growth in Peterborough since the 2011 Census.

The full extent of the impact is still not fully known, making it very hard to accurately forecast demand. Whilst significant steps in infection, prevention control and vaccination roll out have been made, we are still faced with the unknown impact of presentation of latent demand along with expected higher demand during winter months and the NHS investment in catching up on elective care backlogs. We are also aware the as a result of the pandemic many people are looking for different types of care and are reluctant to go into a care home. This means that there is more demand on domiciliary care and individualised care solutions. We are seeing the demand for care slowly move back towards pre pandemic levels and are noticing that the patients we support on discharge from hospital have much higher levels of need that previously.

As part of the budget setting process a full detailed review of demand led service budgets has taken place, with the review focussed on using recent local demand data, available Census 2021 data and local knowledge to inform revised forecasts. In addition to taking account of ways the Council will minimise rising demand by continuing with successful programmes such as the Adults Positive Challenge, implementing family hubs and increasing the level of preventative and early intervention services This approach has played a huge role in setting a balanced budget, and has been focussed on managing and reducing demand in the following areas:

- Children's- number of looked after children.
- Adults Social Care- numbers in long term bed-based care.
- Housing- number homelessness presentations.
- SEND & Home to School Transport- number of Children with Educational Health Care Plans (EHCP's), requiring transport to school.

Key Revenue Savings and Investment

In response to the challenges outlined above the Council has identified savings opportunities and areas for transformation, this includes:

- Increasing the level of preventative and early intervention services to support even more people to remain independent for as long as possible, through technology enabled care and reablement services
- Driving forward the development of Family Hubs, using significant central government funding
- Transformation of Home to School Transport, with the aim of providing more cost-effective transport
- Building a systemic response to meaningful preventative work at the earliest opportunity to support households in economic difficulty or facing other challenges through our network of community hubs.
- Investment of £1.5m to create a Growth, Regeneration and Economic Development Service to drive forward at pace our ambitious plans to increase the number of homes, attract new businesses, create better jobs, and ensure that growth acts as a lever to address inequalities
- Investment in a range of measures to improve cut carbon across our buildings and drive energy efficiencies through increasing recycling
- Reducing our reliance on costly temporary accommodation for homeless households with , increased housing supply and meaningful preventative work at an earlier stage .
- Ensuring the Council has service best suited to support front line services by, investing in our Human Resources department and restructuring the finance team.
- Maximising the return from our assets by conducting a commercial review of leases, maximising rental income and selling surplus assets inline with the Asset Disposal Plan approved by Cabinet in September.
- Maximising investment income inline with a refreshed treasury management strategy.

- Getting the best out of our contract arrangements, by opening negotiations with Serco and following external advise giving notice on the contract with NPS.

Capital & Transformation Programme Summary

The Council recognises it needs to invest in the City to encourage economic development, provide vital council services and improve the way it works. Therefore, it has ambitions for a significant capital and transformation programme. However, it has also recognised that it needs to reduce the current level of debt on the balance sheet and the subsequent ongoing cost of borrowing which puts a strain on the revenue budget. The MTFs, assumes that capital receipts, third party funding and appropriate reserves will be used to fund the programme. Borrowing will only be used where absolutely necessary over next three years (other than refinancing of maturing loans).

Borrowing (at December 2022) totalled £441m and currently for every £10m borrowed to fund Capital expenditure it costs approximately £800k per year which directly impacts on the revenue budget and reducing the amount available for service spending.

Capital & Transformational Bids 2023/24		£
Bids to date for 23/24		52,911,248
Funded by:		
Third Party Funding		35,840,574
Corporate Resources		11,435,237
Transformation Funding - Reserve		5,635,437
		52,911,248

A list of the capital and transformation bids can be seen in section 5.

The council has established a process for receiving and reviewing requests for funding and inclusion in the Capital and Transformation Programme. The bids have been reviewed by the Capital Review Group, a multi-disciplinary team and then considered by the Capital Board.

There is a two stage approval process, the first is part of the overall MTFs and 2022/23 budget approval process and the second approval is by the Capital Board who further reviews each project for authorisation to proceed to ensure that the business case is robust, the proposed scheme / project meets corporate objectives, funding is secured and there will be further prioritisation and urgency consideration as well as reprofiling of those requiring corporate resource to minimise any borrowing requirement if in excess of capital receipts and direct revenue funding.

There will, of course, be additional third-party funding that could be identified and available during the year which may be utilised to meet the Council's aims and objectives and therefore changes will inevitably be made to the capital programme. Such changes will be subject to member approval.

In addition, any slippage from the 2022/23 capital programme will be reviewed for continuation in the capital programme.

2. Section 25 (Robustness) Statement

Requirement

Section 25 of The Local Government Act 2003 includes the following statutory duty in respect of the budget report to Council:

“the Chief Financial (section 151) Officer (CFO) of the authority must report to it on the following matters:

- a. *the robustness of the estimates made for the purpose of the calculations and*
- b. *the adequacy of the proposed financial reserves.”*

The Council is required to take this report into account when making that decision.

Section 26 of the same Act places an onus on the CFO to ensure the Council has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget.

This report has been prepared by the CFO as part of fulfilling this duty and gives the required advice relating to the Council’s current and next years’ financial position, including a consideration of the proposed budget as a whole and all the financial risks facing the Council. It identifies the Council’s approach to budget risk management and assesses the risks associated with the current year and 2023/24 budget to inform the advice on robustness.

Robustness of Estimates

It’s important in setting any budget, that estimates are based on the best available information at the time. The accuracy and reliability varies depending on what you are trying to forecast, where there are uncertainties, the Council has taken a balanced approach, not being overly pessimistic or optimistic. The revenue budget has been formulated having regard to several factors including risks, opportunities, pressures and resources available, all outlined within this report. The CFO has formed the **over-arching conclusion is that the estimates included are realistic**, but not completely free from risk. There are a several risks and challenges which should be highlighted:

- **Funding:** Local Government has been one of the departments clearly prioritised by the Government alongside the NHS and Department for Education, resulting in a fairly positive settlement being confirmed for 2023/24 overall. However, the Council is becoming increasingly reliant on local taxation, with Council Tax and NNDR now equating to 80% of the Councils core funding. This means in challenging economic times, where businesses and households are struggling with the cost of living, it is the Council that bears the greater risk of reduced income levels.
- **Uncertainties and Reforms:** The Council, along with the rest of the sector is operating with uncertainty around the future funding levels. 2023/24 will be the 5th consecutive single year settlement, with the promise of multi-year settlement pushed back to the next Spending Review period in 2025/26. Adding to the challenge there are some fundamental reforms required to the Funding formula to provide a fairer sand Adult Social Care, including better integration with health services. These has also been delayed to 2025/26 at the earliest.
- **Rising Service Demand:** Predicting demand pressures will always be a challenge, particularly when individual placements can be hugely expensive. Using historic trends, along with forecast population data, and intelligence from the Council’s own internal management information systems, would normally provide a reasonable estimate.

- **Adult Social Care** takes up a significant proportion of the Council's budgets, and there are multiple challenges in this area including:
 - The difficulties in retaining and recruiting the social care workforce especially in the independent sector delivering home care and working in residential and nursing homes.
 - An aging population, meaning people are living until they are older and requiring support and care for longer, often with several health problems meaning their social care needs are also more complex and harder to meet
 - The need for national policy change and system reforms that will support the market, ensure people received the right level of care to meet their needs, but at the same time ensure local authorities are sufficiently funded to continue providing good quality care services. The Governments position on implementation of reforms is still unclear.
 - The interface with demand and need in the NHS and the need to continue to develop integrated approaches that help to keep people living independently at home and in the community and avoid hospital admission unless it is appropriate. The pressure to discharge people from hospital can drive people towards bed based care when they could return home with the right level of community support and rehabilitation. Once someone has been moved from a hospital to a residential bed it can be difficult for them to return home to independence
- **Children's** also represents a significant proportion of the Council's budgets, with a number of challenges being faced including:
 - The workforce with national shortages of social workers.
 - A rapidly growing local population, with significant increases in younger age groups.
 - Increasing complexity of need of young people coming into care.
 - Rising placement costs due to lack of local placement choice and inflationary pressures.
 - The highest rates of school admissions we have ever experienced, alongside significantly rising demand for Special Educational Needs (SEND) and rising inflation impacting on Home to School Transport costs.
 - The need for an ambitious transformation programme for children's social care to focus on key areas including our workforce development, fostering and adoption and replacing current systems.
- **Rates of Inflation:** For many years, inflation has been low and stable, but rates are now at their highest in over 30 years, with November's rate of CPI being confirmed by the [ONS](#) as 9.3%. The Council has taken measures to manage expenditure, mitigate the financial implications of inflation and have built assumptions into the budget based on the Bank of England forecast. However predicting where these rates will go over the coming year is difficult, and if they continue at current rates, or increase, then the impact this may have on our costs (rising) and services (increasing demand).
- **Deliverability and Capacity:** The Council's budget includes £12.1m of new savings and transformation plans. A savings board has been embedded over the past year in recognition that delivering savings programmes can often be tricky require close challenge and scrutiny to ensure delivery remains on track or mitigating actions are identified where savings are delayed or doubtful. Additionally, the capacity and capability to deliver the savings and transformation programme has been addressed with a recently established a Corporate delivery unit, which has been pump primed with external resource and expertise to drive progress at pace.

It is important in setting any budget, in any year, that estimates are based on the best available information at the time of setting it. The accuracy and reliability of that information varies depending on what you are trying to forecast. Where the accuracy and reliability are uncertain, it is important not to be overly pessimistic or optimistic.

Adequacy of Reserves

The level of reserves the Council holds is reviewed annually and guided by the Reserves Strategy and policies outlined in Appendix D. The review must be balanced and reasonable, factoring in the current financial standing of the Council, the funding outlook into the medium term and beyond, and most importantly, the financial risk environment operating in. The Chartered Institute of Public Finance and Accountancy (CIPFA) recommend that the following factors should be considered when considering the level of reserves and balances:

1. Assumptions regarding inflation and interest rates
2. Estimates of the level and timing of capital receipts
3. The capacity to manage in-year demand led pressures
4. Ability to activate contingency plans if planned savings cannot be delivered
5. Risks inherent in any new partnerships
6. Financial standing of the authority (level of borrowing, debt outstanding etc.)
7. The authority's record of budget management and ability to manage in year budget pressures
8. Virement and year-end procedures in relation to under and overspends
9. The general financial climate
10. The adequacy of insurance arrangements

The assessment of the adequacy of reserves is subjective, and a matter of judgement. In considering the ten factors listed above, as well as the risks associated with the budget, the opinion of the CFO, is that the reserves balances estimated as at 1 April 2023 are adequate for the year ahead.

Reserves Balances

The Council broadly categorises reserves as follows, in line with Local Government accounting practice:

1. **A working balance to manage in year risks** – the General Fund Balance, is forecast to have a balance of £8m and is profiled to increase over the life of the MTFs to reach a target reflective of 5% of the Councils net revenue expenditure.

Earmarked Reserves Broken down as follows:

2. **Ring Fenced Reserves** – to meet known or predicted requirements. Estimated to hold balances of £4.3m at the end of 2022/23, including £2m insurance reserve and £0.9m of reserves held on behalf of schools for future capital expenditure.
2. **Usable Reserves** – these are reserves for available for future commitments such as transformational investments and have been used to balance the budget. Further detail is provided in the following table:

Reserve	Description
Innovation Fund Reserve	For investment required to enable transformational change and implementation of the service saving proposals costs associated with delivering the savings and improvement plans. The cost of delivering the 2023/24 savings and transformation programme have been considered when determining the estimated balance on this reserve.
Departmental & Grant Related Reserves	Are amounts set aside by departments, in accordance with financial guidance. These funds have been received for specific projects covering multiple years. These are anticipated to reduce significantly during 2022/23 due to several specific grants being used to fund planned expenditure leaving a balance of £1.3m of which £0.5m relates to

Reserve	Description
	balances being held on behalf of Peterborough City College. The remaining £0.8m is a Contribution to reserve for the Ukrainian Refugee Grant. In 2023/24 the Council is planning to contribution some of the additional Adult Social Care Grant to reserves, this will be held there while plans are developed to transform services, mitigate service demand and may be required to fund further inflationary pressures, in addition to the fair cost of care funding and inflationary increases already factored into the budget.
Local Tax Income Risk Reserve*	This reserve was created as a result of timing differences due to Section 31 grants and the Tax Income Guarantee scheme grant received in 2020/21. The balance remaining is now being held to mitigate future tax losses as a result of system changes and loss of collection due to the cost of living crisis.
Budget Risk Reserve	This reserve was created as part of the 2022/23 budget process to mitigate the risks associated with delivering the challenging savings programme. This reserve is planned to be fully utilised with £1.6m balancing the current years overrun and £0.4m being subsumed in the General Fund.
Inflation Risk Reserve*	This reserve was created to mitigate some of the financial risk resulting from rising rates of inflation. In the current year the Council estimates it will use £6.9m to meet the immediate cost of rising energy, pay and contract inflation. The Council operates an Energy Recovery Facility (ERF) which generates income as a result of selling the electricity it generates. Due to the current energy market this income is forecast to be £9.7m in excess of budget, which is being contributed to this reserve to support the Council's inflation strategy by mitigating any unbudgeted further inflationary pressures.

**Specific Risk reserves will be reviewed and where deemed appropriate reduced and balances contributed to the General Fund to mitigate wider risks facing the Council.*

The following table summarises the reserves balances:

	2022/23	2023/24	2024/25	2025/26
Summary of Reserves	Est Bal at 31.03.23	Est Bal at 31.03.24	Est Bal at 31.03.25	Est Bal at 31.03.26
	£000	£000	£000	£000
General Fund	8,000	9,000	10,000	11,200
Earmarked Reserves				
Innovation Fund Reserve	21,627	10,199	10,199	10,199
Departmental & Grant Related Reserves	1,323	4,828	4,578	4,328
Local Tax Income Risk Reserve	7,316	6,316	6,316	6,316
Inflation Risk Reserve	7,510	5,370	5,370	5,370
Budget Risk Reserve	-	-	-	-
Usable Reserves	37,777	26,713	26,463	26,213
Insurance Reserve	2,416	2,416	2,416	2,416
Schools Capital Expenditure Reserve	868	868	868	868
Parish Council Burial Ground Reserve	59	59	59	59
Hackney Carriage Reserve	221	221	221	221
Public Health Reserve	757	246	10	10
Ring-Fenced Reserves	4,321	3,810	3,573	3,573
Total Earmarked Reserves	42,098	30,523	30,037	29,787
TOTAL Earmarked and General Fund Balance	50,098	39,523	40,037	40,987

3. Detailed Revenue Service Budgets Breakdown

	Base Budget 2023/24 £000	Pay £000	Inflation £000	Savings & Efficiencies* £000	Sales Fees & Charges £000	Service Demand £000	Cost of Borrowing changes £000	Cost & Income Pressures £000	Investment £000	Service Transformation £000	Income Generation £000	Proposed Budget 2023/24 £000
People Services												
Director of People Services	823	0	15	0	0	0	0	0	0	0	0	837
Education	6,447	0	794	(25)	(4)	0	0	0	1,391	(350)	0	8,253
Adults - Commissioning	49,535	0	3,995	(633)	(5)	2,633	0	117	0	(363)	(40)	55,239
Adults - Operations	9,353	0	142	(52)	(1)	1	0	0	0	0	0	9,444
Children's - Operations	14,242	0	288	(394)	(44)	0	0	0	0	0	0	14,091
Children's Commissioning	18,097	0	1,648	872	(86)	1,179	0	0	0	0	0	21,710
Commissioning Team and Commercial Operations	1,415	0	110	0	9	0	0	0	0	0	0	1,535
People Services Total	99,911	0	6,991	(232)	(131)	3,814	0	117	1,391	(713)	(40)	111,108
Corporate Services												
HR & Workforce Development	1,242	0	4	(41)	0	0	0	103	0	237	0	1,545
Director of Corporate Services	239	0	1	(16)	0	0	0	0	0	0	0	223
Financial Services	2,370	0	(14)	0	0	0	0	0	0	(158)	0	2,198
Capital Financing	30,294	0	5	0	0	0	135	0	0	0	(1,000)	29,434
Corporate Items***	4,745	1,968	415	1,400	0	3,755	0	293	0	0	0	12,576
Peterborough Serco Strategic Partnership	6,225	0	439	0	0	0	0	228	0	(423)	0	6,469
Digital, Data & Technology Services	6,938	0	184	(334)	(15)	0	0	50	60	200	0	7,084
Cemeteries, Cremation & Registrars	(1,505)	0	130	(50)	(261)	0	0	0	0	0	0	(1,686)
Corporate Property	2,078	0	606	0	0	0	0	456	0	0	(920)	2,219
Marketing & Communications	498	0	9	0	0	0	0	31	0	0	0	537
Health & Safety	143	0	1	(10)	(0)	0	0	0	63	0	0	197
Internal Audit and Insurance	1,679	0	145	(124)	0	0	0	0	0	0	0	1,699
Chief Executive	341	0	3	(24)	0	0	0	0	0	0	0	320
Director of Legal & Governance	133	0	5	66	0	0	0	0	0	0	0	203
Legal Services	1,942	0	46	(248)	(67)	0	0	181	0	0	0	1,855
Information Governance	225	0	0	(31)	0	0	0	0	0	0	0	195
Constitutional Services	2,016	0	35	24	0	0	0	0	0	0	0	2,074
Corporate Services Total	59,604	1,968	2,010	613	(342)	3,755	135	1,342	123	(144)	(1,920)	67,144
Place & Economy												

	Base Budget 2023/24 £000	Pay £000	Inflation £000	Savings & Efficiencies* £000	Sales Fees & Charges £000	Service Demand £000	Cost of Borrowing changes £000	Cost & Income Pressures £000	Investment £000	Service Transformation £000	Income Generation £000	Proposed Budget 2023/24 £000
Planning - Development Management & Building Control	60	0	22	0	(159)	0	0	0	0	0	0	(77)
Director Place & Economy	434	0	18	0	0	0	0	0	0	(261)	0	191
Highways and Transport	4,434	0	444	0	(64)	0	0	0	0	0	0	4,813
Planning - Policy and Strategy	1,447	0	64	0	0	0	0	0	0	0	0	1,511
Waste, Cleansing and Open Spaces	13,738	0	1,723	(1,945)	0	0	0	0	0	(3,557)	0	9,959
Climate Change & Energy Services	154	0	49	(150)	0	0	0	0	0	(156)	0	(103)
Westcombe Engineering	97	0	95	0	0	0	0	0	0	0	(156)	36
Growth & Regeneration	289	0	7	0	0	0	0	0	1,500	0	0	1,796
Housing and Homelessness	2,610	0	244	0	(37)	35	0	0	0	(39)	0	2,814
Communities	(59)	0	373	1,318	(359)	0	0	0	0	0	(176)	1,096
Regulatory Services	1,894	0	97	0	(73)	0	0	0	0	0	0	1,918
Emergency Resilience and Planning	137	0	1	0	0	0	0	0	0	0	0	138
Place & Economy Total	25,235	0	3,136	(777)	(692)	35	0	0	1,500	(4,013)	(332)	24,093
Public Health												
Public Health	(178)	0	(60)	(76)	0	0	0	0	0	0	0	(314)
Public Health Total	(178)	0	(60)	(76)	0	0	0	0	0	0	0	(314)
Total	184,573	1,968	12,078	(472)	(1,165)	7,604	135	1,459	3,014	(4,870)	(2,292)	202,031
Funding												(202,031)
Gap												(0)

* Savings & Efficiencies also includes amendments to the 2022/23 savings plan.

**Changes within the Investment, Cost and Income pressures, service transformation, income generation and savings and efficiencies are outlined in section 5.

***Corporate Items includes a £3.6m contribution to Reserves from the Adult Social Care Grants

4. Funding & Council Tax Summary

Council Tax

The 2023/24 settlement published on 19 December 2022, includes an explanatory note which defines “Core Spending Power (CSP)” as a measure of the resources available to local authorities to fund service delivery. It sets out the money that has been made available to local authorities through the Local Government Finance Settlement (LGFS).” One of the constituent parts of the CSP calculation is the level of income expected to be raised from Council Tax. The Explanatory note says that “For 2023-24, the figures (Council tax income) have been estimated by:

- Applying each local authority’s average annual growth in their council tax base between 2018-19 and 2022-23 to project growth in tax base for 2023-24; and
- Assuming local authorities increase their Band D council tax in line with the maximum allowable level set out by the council tax referendum principles for 2023-24. That is a 3% core principle, 2% Adult Social Care precept, the greater of 3% or £5 cash principle for shire districts, and the greater or 2% or a cash principle of £10 for the Greater London Authority, and the greater or 2% or a cash principle of £10 police element of the Greater London Authority.”

The above is an explicit admission that the government are expecting Council’s to increase Council tax by the Referendum limit.

Council Tax Summary	2023/24	2024/25	2025/26
Council Tax increase	2.99%	2.99%	2.99%
ASC precept increase	2.00%	2.00%	0.00%
Total Increase %	4.99%	4.99%	2.99%
Council Tax Band D	£1,587.08	£1,666.27	£1,716.09
Council Tax Base - Band Ds	61,023.62	61,803.62	62,583.62
Council Tax Requirements (Band D x Council Tax Base)	96,849,367	102,981,517	107,399,124
Parish Precept	704,855	704,855	704,855
Total Council Tax Income	97,554,223	103,686,373	108,103,980
Collection Fund Deficit	(2,135,220)	-	-
Total Council Tax	95,419,003	103,686,373	108,103,980

The following table summarises the council core funding. Further details around the key assumptions are outlined within Appendix A (Medium Term Financial Strategy update) to the main report.

Core Funding & Grants	2023/24	2024/25	2025/26
	£000	£000	£000
NNDR	(67,307)	(68,808)	(70,382)
Revenue Support Grant	(12,117)	(13,014)	(13,014)
Council Tax	(95,419)	(103,686)	(108,104)
New Homes Bonus	(811)	(811)	(811)
Business Rates Pool	(2,070)	(2,070)	(2,070)
Services Grant	(1,632)	(1,632)	(1,632)
Improved Better Care Fund	(7,480)	(7,480)	(7,480)
Social Care Grant	(12,287)	(14,280)	(14,280)
ASC Market Sustainability and Improvement Fund	(1,859)	(2,794)	(2,794)
Discharge Support Grant ringfenced (AS22)	(1,049)	(1,748)	(1,748)
TOTAL CORPORATE FUNDING	(202,031)	(216,323)	(222,315)

5. Capital Programme- Scheme Detail

Scheme	Capital Bid		
	2023/24	2024/25	2025/26
<i>NOTE: CABINET REPORT WILL ALIGN PROJECTS WITH CORPORATE PRIORITIES</i>	£	£	£
Capital Bids			
Cremator relines		50,000	
APV Baker footbridge	750,000		
Fleet renewal	3,083,737	3,000,000	
Boardwalks Draft - Rowing lake	120,000		
Play areas	150,000	120,000	120,000
Property Capital Works	1,800,000	1,800,000	1,800,000
Tree Planting	176,000	62,000	62,000
City Centre Counter Terrorism Improvement Works	240,000	960,000	
CPCA university access	447,462		
CPCA Green Wheel	500,000		
DfT annual maintenance grant	5,740,000		
Extreme weather improvements	1,000,000	1,000,000	
Safety fencing	750,000	750,000	
Towns fund	9,012,356	12,129,168	
SS4 CCTV Cameras	100,558		
IKEN to Cloud		200,000	
CRM		280,000	
Mosaic (ASC) changes due to legislation	250,000		
Mosaic (ASC) to Cloud	50,000		
SAN replacement	260,000		
Archiving of statutory data from legacy systems	200,000		
Laptop replacement and refresh	200,000	200,000	200,000
Cyber Security	200,000	200,000	200,000
Secure Web Gateway	100,000	100,000	100,000
IT Health Check	40,000	40,000	40,000
Eye Primary	400,000	3,600,000	6,200,000
Schools Maintenance	1,050,000		
Heltwate SEN School	375,000		
Aids & Adaptations and Assistive Technology	825,000		
Schools Direct Spend	200,000		
Disabled Facilities Grant	2,336,384		
Great Haddon 1st Primary School	600,000	7,000,000	3,400,000
Schools PFI Capital Programme	195,000		
Housing for Vulnerable People	750,000		
Schools Mobiles Budget	450,000		
SEND High needs	880,000	3,960,000	3,960,000
LUF University Phase 3	12,790,848	4,436,579	
Leisure Equipment	400,000		

Scheme	Capital Bid		
	2023/24	2024/25	2025/26
Westcombe Equipment	110,500		
Peterborough Integrated Renewable Infrastructure (PIRI) PCC	742,966	163,334	13,500,000
Total Capital Bids	47,275,811	40,051,081	29,582,000
Transformation & Invest to Save			
Place 007 Moving Traffic Offences Total £242k	168,000		
Place 013 ANPR Total £310k	273,000		
Parking Payment machine replacement	250,125		
Mausoleum replacement	525,000	125,000	
LED Lighting in corporate buildings	139,420		
Solar photovoltaic (PV) panels in corporate buildings	219,668		
Eco Homes	2,000,000		
Customer digitisation	250,000	90,000	90,000
Automation	370,000	90,000	90,000
Migration of Firmstep forms	50,000		
Migration from Ebase	15,000		
Housing and Licensing	250,000		
Data, Performance and Analytics	200,000		
Core education system	925,224		
Total Transformation & Invest to Save	5,635,437	305,000	180,000
Total Annual Capital Programme	52,911,248	40,356,081	29,762,000
Total Cost of 3-year Programme			123,029,329

6. Service Budgets & Proposals

Corporate Services

There are a number of essential professional support services the council needs to keep it operating effectively and they provide vital support to services across the council to allow them to function.

For example, the council's finance team ensures there is an effective system of financial control to manage budgets, monitor spending and is responsible for ensuring the council prepares statutory accounts - something it is legally required to do. It also prepares the Medium-Term Financial Strategy which sets out how the council plans to spend its money over the next three years to deliver council priorities.

The legal service provides legal advice to the council's departments and to councillors when making their decisions and represents the council in court, as well as taking legal action on behalf of the council such as trading standards and fly-tipping prosecutions.

The HR and Development function assists in delivering its corporate strategy and objectives by supporting change, effectively recruiting and developing people and managing their performance as well as ensuring our policies and processes are compliant with employment legislation, easy to understand and supportive. Health & Safety also sits within this function and provides an advisory service to all council employees to ensure we are compliant.

In the coming year, we will be redesigning our finance, HR, and legal teams to make sure they are structured in a way that provides best value and are aligned to our new corporate strategy. We know that HR is an area that has been cut too far in the past, so we will be investing in our HR service, with benchmarking for this area and a review of the level of work dictating the need for extra resource.

As part of our Improvement Plan a review of all the council's contracts has taken place to ensure they are providing value for money and meeting the council's needs. As a result, the procurement service moved back in house on 1 November. We have started to develop an Annual Procurement Plan which will provide a pro-active plan of all Council key areas of spend.

In addition, in June we gave notice on a 10-year joint venture agreement with NPS - Norfolk Property Services, which provided the council with a range of property and asset related services. These services will be provided in-house from 1st February 2023, allowing us greater oversight of all aspects of the property service, including staff and a new Asset Management Plan, aligned to the Capital and Investment Strategy. This plan will formalise the approach we are now taking, which is to invest in assets which support our Corporate Priorities and dispose of those that don't, thereby reducing borrowing costs.

IT and Digital Services are largely invisible to members of the public, apart from the website, however, they are essential and underpin the delivery of all front-line services. Everything that staff do requires access to IT in a secure and compliant manner. In the coming year we will be refreshing our IT and Digital Strategy to ensure it is aligned with the council's priorities.

Our Communications Team has been a shared service with Cambridgeshire County Council since January 2020. In July, the Council's Employment Committee agreed to appoint a dedicated Head of Communication for Peterborough and this person is now in post. This ending of the shared service

creates a saving for the council. A redesign of the communications team will be needed so it can meet the needs of the organisation and align itself with the new corporate priorities, whilst looking for opportunities for continued joint working.

In addition, our Constitutional and Democratic Services team will continue to support the organisation of around 80 public meetings each year and the organisation of civic events, such as Remembrance events, and flag raising ceremonies. Our Electoral Services will be responsible for running the local elections in May which will include managing and publishing an up-to-date and accurate register of voters so anybody entitled to vote can do so.

Corporate Services Proposed Budget

	2023/24	2024/25	2025/26
Chief Executive	320	315	311
Director of Legal & Governance	203	(183)	(47)
Legal Services	1,855	1,841	1,837
Information Governance	195	195	195
Constitutional Services	2,074	2,001	1,818
HR & Workforce Development	1,545	1,549	1,544
Executive Director of Corporate Services	223	219	216
Financial Services	2,198	2,156	2,123
Capital Financing	29,434	29,609	29,610
Corporate Items*	12,576	19,498	21,450
Peterborough Serco Strategic Partnership	6,469	6,574	6,653
Digital, Data & Technology Services	7,084	7,561	7,638
Cemeteries, Cremation & Registrars	(1,686)	(1,771)	(1,863)
Corporate Property	2,219	2,264	2,195
Marketing & Communications	537	539	541
Health & Safety	197	195	193
Internal Audit and Insurance	1,699	1,695	1,700
Corporate Services Total	67,144	74,256	76,115

*Includes a £3.6m contribution to Reserves from Adult Social Care Grants

Service & Budget Changes

Title	Description	2023/24	2024/25	2025/26
Additional Treasury Income & ESPO dividend	A more pro-active approach to Treasury Management, including working with our advisors to introduce a range of longer-term investments and reduce borrowing.	(1,000)	(1,000)	(1,000)
Constitutional Services - Elections	Additional budget of £80k is required to ensure that elections can be delivered with no financial pressure. Currently the Local Elections budget does not cover the costs to run elections in Peterborough. Savings will be made where elections are combined with other national or regional elections and when there is a 'fallow' year and no elections take place.	80	0	(190)

Title	Description	2023/24	2024/25	2025/26
Corporate Property Savings Proposals	Insourcing of NPS services – due to be completed by February 2023. Savings through establishing an in-house property function, plus a review of property maintenance and commercial rental income. Asset rationalisation to divest of poorly performing assets, reduce operational costs and maintenance.	(920)	(1,030)	(1,190)
Corporate Property – Loss of rental income & Lease cost	Loss of income rental income for Sand Martin House, however active marketing of space in SMH is taking place to mitigate the pressure. The Lease at SMH is also under review.	456	456	456
Efficiency & Spend reductions (supplies & services etc)	Savings across the department generated through minor efficiencies and a reduction in the supplies and services budgets.	(83)	(97)	(109)
Financial Services Restructure	Restructure of Financial Services to improve resilience and accountability and deliver a saving.	(158)	(198)	(228)
Head of Comms & associated shared service savings	Investment is required following the shared service arrangement ceasing with Cambridgeshire County Council. Efficiency savings will ensue.	31	31	31
New Health & Safety Manager	The Health & Safety function currently has no recognised manager and this post is essential to maintain the continuation of the service to meet statutory requirements.	63	63	63
New Risk Manager Role	The Audit Committee has requested that Risk Management is separated from the Internal Audit function to ensure there is no conflict of interest. A new Risk Management post has been created, which will be part of the corporate management framework.	60	60	60
HR - Shared Service Arrangement & Apprenticeship Levy	The HR service is going through a restructure, which will lead to ceasing the Recruitment & Retention shared service arrangement with Cambridgeshire County Council and incorporating a new Recruitment & Retention function within PCC. Apprenticeship Levy Scheme adjustment to realign budget.	(63)	(63)	(63)
HR Restructure	The aim of this investment is to ensure that there is a sustainable HR function which is resourced appropriately to support the Council to deliver against its priorities, corporate plan, and improvement plan and streamline HR processes (Transformation)	300	300	300
Review of employee Terms and Conditions and benefits	The non-contractual rewards and benefits are specific and are available to a reduced number of employees. Providing all employees with a reward package that will benefit them on a day to day basis, resulting in improved employee engagement and retention, whilst increasing savings (dependant on employee take-up) to NI and pension contributions. Savings could also be made from DBS checks and leave arrangement proposals.	(32)	(556)	(562)

Title	Description	2023/24	2024/25	2025/26
Transparency Grant income	Confirmation has been received from DLUHC that we will continue to receive the Transparency grant for the foreseeable future.	(31)	(31)	(31)
Legal Services Review	The following savings have been identified: - <ul style="list-style-type: none"> Resourcing changes within legal services including reviewing an existing vacant post Alternative options for the Deputy Monitoring Officer role Increase income targets in leases and compensation Reduction of supplies and services and review of subscriptions In addition, proposals for a service review to commence following the appointment of the Director of Legal and Governance to identify efficiencies and/or transformation which can realise further savings.	(214)	(611)	(476)
Insurance Savings	A number of savings are being proposed in relation to the insurance premium budget following tender, a review of the insurance reserve and a budget reduction to the insurance risk reduction fund.	(124)	(155)	(179)
IT & Digital Services- move to the cloud	Existing arrangement for Mosaic hosting charge to end, and this service will move to the cloud which will incur an additional fee however resulting benefits include resilience and security.	50	100	100
IT & Digital Services Savings	The proposal covers 5 different areas <ol style="list-style-type: none"> Stopping legacy systems / Processes, for example faxes and cheques and moving to one forms solution instead of three Reducing Service Levels for system support and cutting down overtime Reassessing resilience levels for frequency and retention of system backups. System Changes Corporate re-alignment 	(334)	(370)	(370)
Legal Services- reduction in Land charges income	The centralisation of the LLC1 land charges and the Council no longer delivering legal work for Rutland Council has left a pressure on the income target.	181	181	181
Prior Year MTFS Restructure saving- Partially non-deliverable	This is the reversal of a prior year MFTS savings target which was built permanently into the budget from 2023/24. It was originally related to a revised Corporate leadership team structure. The proposed structure changes are now different meaning the saving is not fully delivered.	103	103	103
Peterborough Serco Strategic Partnership -	Further contractual discussions to transform services. The initial focus is around business support, and the Council is utilising experienced specialist external	(223)	(286)	(291)

Title	Description	2023/24	2024/25	2025/26
Contract renegotiation	support in contract reshaping/ transformation to deliver this.			
Peterborough Serco Strategic Partnership - Procurement Transformation and further Procurement Savings	Insourcing of the Council's Procurement function – this is now complete and the service transferred back to the Council on 1 st November 2022. The service will now be reviewed and redesigned to align with the Council’s future procurement planning strategies. It is also hoped that the refreshed function will help deliver a further £200k procurement savings	(400)	(430)	(490)
Mausoleum sale income	Demand remains high for mausoleum and capital investment will generate further income.	(50)	(100)	(150)
VAT shelter income	This additional income is now built into the budget to more accurately reflect budget profile.	(100)	(100)	(100)
Investing in Business Intelligence and data analytics	The Council has recognised it needs to invest in data insight to support delivery of the City Priorities in particular the prevention and early intervention agenda.	200	200	200

Changes to service demand & inflationary assumptions are not included in the above. See detailed revenue service budgets tables for breakdown.

Place & Economy Services

Safer and Stronger Communities

Delivering services that help make communities safer and stronger is something which we know matters to people and has a direct impact on the quality of life for residents, businesses, and visitors to Peterborough.

We are in the middle of a set of social and economic challenges and the increasing cost of living is making it harder for many people to make ends meet. In addition, we know there are groups of people who need our support more than ever. For example, the increasing number of people experiencing domestic abuse and our new residents and communities. This includes asylum seekers who have been placed in the city by the Home Office just recently, as well as refugees who have arrived from the Ukraine, Afghanistan and Syria in recent years. We are so grateful to our many voluntary, community and faith sector partners, without whom the level of practical help and support we'd be able to offer these people would be far less significant.

Therefore, we continue to do all we can to help people who are struggling the most, including issuing grants via the Government's Household Support Fund to those in greatest need and to families to support with the cost of food during the school holidays.

In the coming year we plan to further this work by locating small teams of officers including housing, social care, adult skills, and others in community buildings to target support at people long before they reach crisis point. We know that if we can help people sooner it is better for them, and it reduces demand on council services.

Requests for help from people in housing crisis are rising because of the difficult economic climate, with national data suggesting there will be a 25% increase in the number of people coming to us at risk of becoming homeless. In the coming year we will increase our efforts to work with residents who are in housing difficulty at the earliest possible opportunity, to prevent them becoming homeless in the first place. Where this is not possible and there are no other options, we will continue to provide accommodation for those who are homeless.

We also have a legal duty to ensure the safety of all privately rented housing in our city and are planning to increase our support for the private rented sector, which is a vital part of the city's housing stock. We cannot control the level of rental charged for such properties, but we can ensure the safety of properties and the quality of new builds. Therefore, we want to introduce a stronger regime to regulate the standards of private rented housing, through additional licensing requirements, taking enforcement action where necessary. In addition, we will increase our support for landlords and offer advice, particularly around managing difficult tenants.

In the coming year we will continue to focus our efforts on the city centre, making sure it is a place which is vibrant and where people feel and are safe. As part of this we will increase our efforts to make sure it is clean and attractive and will work with our partners, including the police, to continue tackling anti-social behaviour. We will make sure we are using our assets, such as Cathedral Square and the museum, in the best way possible.

Our focus will not just be on the city centre though; we plan to work closer with our partners to better solve neighbourhood problems. These are the issues that affect people's quality of life, and we will be looking at how we can work smarter to find solutions to issues.

Through Peterborough Limited, a company wholly owned by the council, we collect 7.15 million wheeled bins each year, and currently recycle or compost around 41% of the city's waste – or 18,000 tonnes. We maintain and clean over 1,685km of highway, pathways, cycleways, and pedestrianised areas and respond to around 12,000 reports of fly tipping and 2,000 requests for litter/dog fouling clearance or bin emptying.

Like any organisation, Peterborough Limited is facing significant financial pressures because of rises in inflation and nationally agreed pay increases. To meet this increase, in the region of £1m, we plan to make savings where we can, for example reducing cleaning in council buildings. We also plan to review the structural arrangements of the council-owned company to make savings by, for example, reducing back-office functions where there is duplication with the council.

Place and Prosperity

The past few years have been challenging for all towns and cities in the UK – the pandemic, followed by rising costs and inflation, have hit everyone hard.

Growing the city creates opportunities for residents including better jobs, higher salaries, a better mix of housing and less deprivation. For the council it means more investment through business rates and council tax to fund services for residents.

In our Budget Simulator you told us that growing the economy is important to attract better paid jobs and more housing, however growth needs to be controlled and carefully managed.

In the coming year we plan to invest £1.5million to create a growth, regeneration, and economic development service to drive forward at pace our ambitious plans to increase the number of homes in our city, attract new businesses, create better jobs, and ensure that growth acts as a lever to address our inequalities.

It is also vital to the success of our economic growth and development that we have a directly managed adult skills service wholly focused on providing opportunities for people to enter the workforce or to increase their earnings through better employment. Our adult education service is currently delivered by City College Peterborough. We plan to change the way we deliver adult skills services in the city, by working differently through City College Peterborough and also Opportunity Peterborough, our economic regeneration arm, to produce a refreshed adult skills service.

Plans are already in progress to transfer Opportunity Peterborough to the council. This will further enhance its focus locally and nationally to attract new businesses and developers to invest in the city, thereby generating employment opportunities, as well as the work with businesses to support them to succeed and expand.

A good mix of housing is essential for a growing city and therefore we will continue to plan for the city's housing needs to ensure there is the supply needed now and into the future.

We will continue to support public sector grant funding and loan opportunities which support major projects in the city. For example, through the Government's Towns Fund, Peterborough is set to receive £22.9m and it has also been identified as a priority area for investment as part of the Government's Levelling Up Fund. This funding will create additional leisure and educational opportunities for residents and pay for new infrastructure including a pedestrian bridge connecting the Embankment with Fletton Quays.

The council's culture and leisure services (gyms, swimming pools, libraries, the museum, and Flag Fen) are currently delivered by Peterborough Limited. Although leisure performance is improving following the pandemic, it remains a challenging landscape and at best we expect services to be cost neutral. Therefore, we are exploring a range of options to deliver our culture and leisure portfolio.

Infrastructure and Climate

Providing the right infrastructure is crucial as the city grows, including a good network of roads, footways, and cycleways.

We maintain and develop the highway network which includes over 930km of roads, 24,000 streetlights, 366 structures (like bridges) as well as footways, cycle paths, traffic signs and signals, bollards, and drainage gullies. This includes carrying out emergency work to repair potholes, broken paving, streetlights, and cleaning gullies to keep roads draining well. Over the winter months we grit main routes to ensure people can get around safely.

We operate school crossing patrols, promote cycling and walking and deal with issues such as speeding and parking problems where needed.

Our highways services are provided by Milestone, and we will be reviewing this contract to make sure it is delivering the services we need in the most cost-effective way. This is part of a wider piece of work to ensure all council contracts are providing best value for residents.

We will also use new powers to tackle parking offences such as driving in a pedestrianised area and driving through a no entry sign, in selected areas of the city, with the potential to increase the number of areas if successful. Previously moving traffic offences could only be enforced by the police, but in May 2022 the government enacted part 6 of the Traffic Management Act 2004 which allows local authorities in England (outside London) to apply for powers to enforce moving traffic offences for the first time.

We will look to use automatic number plate recognition cameras in council car parks; based on other areas of the country, we are predicting an increase in car park income of at least 15%. This will also free up enforcement officer time to focus on other areas of the city and its neighbourhoods.

Reducing our carbon emissions will bring a number of vital benefits for our city including reducing fuel poverty, improving physical and mental health, improving air quality, stimulating our economy, and providing jobs to the local area. To make our city net-zero carbon every community group, business and resident has an essential role to play, and we are in the process of developing a Peterborough-wide Climate Change Action Plan. This work will continue into 2023/24.

We will also invest in a range of measures to improve energy efficiency and cut carbon across our buildings, such as installing more solar panels, and increasing take-up of solar and other technologies across communities, for example, through group buying schemes to enable mass roll-out of solar and other technologies in communities.

Every 1% increase in recycling achieves a £66k benefit to the council. Evidence from across the country shows that targeted education in areas where recycling rates are poor, or where there are high levels of waste cross-contamination, leads to direct increases in recycling rates.

There are also a number of areas where the council expects to increase its income, which can be used to provide services. This includes Westcombe Engineering, the council service providing employment to people with learning or physical disabilities, and the Energy Recovery Facility operated by Viridor.

Place & Economy Proposed Budget

	2023/24	2024/25	2025/26
Planning - Development Management & Building Control	(77)	(102)	(130)
Director Place & Economy	191	192	193
Highways and Transport	4,813	4,879	4,951
Planning - Policy and Strategy	1,511	1,523	1,536
Waste, Cleansing and Open Spaces	9,959	12,289	13,407
Climate Change & Energy Services	(103)	(128)	(138)
Westcombe Engineering	36	14	(9)
Growth & Regeneration	1,796	1,797	1,799
Housing and Homelessness	2,814	2,575	2,611
Communities	1,096	955	931
Regulatory Services	1,918	1,923	1,928
Emergency Resilience and Planning	138	138	138
Place & Economy Total	24,093	26,054	27,216

Service & Budget Changes

Title	Description	2023/24	2024/25	2025/26
Growth, Regeneration and Economic Development	We need to build a new team to drive forward at pace our ambitious growth and regeneration plans, to increase the number of homes in our city, attract new businesses, create better jobs, and ensure that growth acts as a lever to address our inequalities.	1,500	1,500	1,500
Westcombe Engineering	Westcombe Engineering is a council service providing employment to people with learning or physical disabilities. Under new leadership, the financial performance of the service has significantly improved in recent months, and we are identifying new markets within which to trade. We are therefore predicting an increase in net income over the next three years.	(156)	(196)	(238)
Peterborough Ltd (Aragon Direct Services) – Pay Inflation	Salary inflation and pay increases have resulted in a pressure of £869k in Aragon and this cost needs to be fully mitigated through a combination of savings and transformation activity.	869	1,194	1,519
Peterborough Ltd (Aragon Direct Services) – Service Reductions & Transformation	£33k can be saved by reducing the cleaning specification for council buildings. We are targeting a further saving of £250k by transforming the way the council and Peterborough Ltd work together, removing any structural or organisational barriers that prevent our ability to maximise value for money.	(283)	(333)	(333)

Title	Description	2023/24	2024/25	2025/26
	We will explore, for example, sharing senior roles across both organisations and combining back-office functions where there is duplication.			
Energy Recovery Facility – increase on base income levels	<p>The council has a contract with Viridor for the operation of the Energy Recovery Facility. The contract provides the council with a level of income that is built into our core budgets. In recent months, and due to the strength of international energy markets, the levels of income generated through the contract have far exceeded previous income levels, and this is likely to continue for some time. This surplus, as well as future surpluses, are being treated as windfall income and being transferred to corporate balances / supporting the overall budget to support increased energy costs across our services. We anticipate this windfall being £3.2m in 2023/24 (and reducing thereafter).</p> <p>However, the core income level has not been reviewed since it was set some years ago, and the effects of inflation over those years means that we can also increase that core income level by the values set out above.</p>	(1,844)	(1,773)	(1,701)
Moving Traffic Enforcement	<p>We will use new powers to enforce against moving traffic offences for the first time. Previously moving traffic offences could only be enforced by the police. We will be applying to use these powers where there are known issues with vehicles causing moving traffic offences, initially targeting 6 locations to begin with:</p> <ul style="list-style-type: none"> • Long Causeway (at the Midgate/Broadway entrance) • Westgate (at the no entry point at the Midgate/Broadway junction) • Church Street (at the no entry point on Cowgate) • Stanground South (at the new bus gate) • Park Farm (at the new bus gate) • Queens Drive West (at the Safer Streets pedestrianised area) <p>Offenders will be issued with a Penalty Charge Notice of £70, reduced to £35 if paid within 14 days. We are required to operate a 6-month warning period, hence the reduced income in the first year.</p>	(60)	(138)	(138)
Automatic Number Plate Recognition in Car Parks	At present, users of our car parks pay in advance via ticket machines or via an app for the amount of time they think they will remain in the car park. Automatic Number Plate Recognition (ANPR) technology, widely used across the UK, provides a different approach where drivers pay when they leave the car park based	(229)	(272)	(272)

Title	Description	2023/24	2024/25	2025/26
	<p>on the amount of time they've actually spent there. We are predicting an increase in car park income of at least 15% (based on research into other areas where this technology is used).</p> <p>This proposal has the added benefit of freeing up enforcement officer time to focus on other areas of the city and its neighbourhoods.</p>			
Increased Recycling Rates	<p>This proposal seeks to invest in a dedicated education resource to significantly improve our recycling rates. Every 1% increase in recycling achieves a £66k benefit to the council. Evidence from across the country shows that targeted education in areas where recycling rates are poor, or where there are high levels of waste cross-contamination, leads to direct increases in recycling rates. We are proposing increases of 6% in year 1, 8% in year 2, and 12% in year 3.</p>	(146)	(273)	(532)
Energy, Environment and Climate Change – energy measures	<p>This proposal provides investment in a range of measures to improve energy efficiency across our buildings and increase take-up of solar and other technologies across communities, leading to a net financial benefit as set out above. These measures include investing in LED lighting in council buildings, analysing council energy bills, implementing basic energy management techniques in council buildings, and joining group buying schemes to enable mass roll-out of solar and other technologies in communities.</p>	(306)	(340)	(360)
Energy Recovery Facility – additional income projection	<p>The figures above also include the windfall income forecast from the Energy Recovery Facility, referred to earlier.</p>	(3,229)	(1,276)	(469)
Housing Management Functions	<p>As part of our strategy to tackle homelessness, the council has previously acquired a small number of properties from the open market which are used for either temporary accommodation or as a permanent housing solution.</p> <p>We are also transferring the property functions currently delivered via our arrangements with NPS into the council. This provides a perfect opportunity to merge housing and property related functions for a more joined up service.</p>	(50)	(50)	(50)
Culture and Leisure	<p>The council's culture and leisure services (gyms, swimming pools, libraries, the museum, and Flag Fen) are currently delivered by Peterborough Ltd, the council's trading company. Although leisure performance is improving, it is likely that, unlike in previous years, it will achieve cost neutrality at best rather than generating a surplus to be invested in cultural services. Libraries provide a statutory service,</p>	0	0	0

Title	Description	2023/24	2024/25	2025/26
	<p>but our library service has not been reviewed for many years and the service feels outdated, with the same being true of the museum. Flag Fen costs the council around £250k per annum to deliver, and the potential to generate significant income has never been realised.</p> <p>There is already an existing saving built into our budget based on transforming services to be delivered within a new net budget envelope of £1.4m compared to the current net cost to deliver the service of more than £3m.</p> <p>This proposal therefore seeks to review the delivery arrangements of our culture and leisure portfolio, considering a range of options for service delivery that are sustainable for the future.</p> <p>We are developing proposals to bring together the operation of Flag Fen and the Museum as a single service. We are also reviewing our library service as it offers us great potential to focus our work on supporting households with the current cost of living challenges at a very local level. The model would be based on assembling officers and partners from different services, including housing, adult skills, and debt advice, to be based within our libraries or community centres, making access to help at the earliest possible opportunity as simple as possible.</p> <p>Part of this work will involve reviewing, and possibly consolidating, our libraries and community buildings to maximise their efficient use and to make them available for longer periods than at present.</p> <p>Any changes will be the subject of an intensive transformation programme and extensive community engagement.</p>			
Cost of Living Hubs	<p>We have already established a number of measures to support households struggling financially as a result of the national and international economic conditions. We anticipate the impacts of this, along with the ongoing impacts from Covid and the existing inequalities in our city, to continue for some time, and so are proposing the development of a new model of providing direct support at the earliest possible opportunity from within community settings.</p> <p>Co-locating a small team of housing, social care, adult skills, and other officers in a community building such as a library will provide far greater opportunities for</p>	0	0	0

Title	Description	2023/24	2024/25	2025/26
	<p>local data and intelligence to be used to target support at people before real need or crisis develops.</p> <p>Although no savings are identified at this stage, we are piloting this approach for a short period to identify cashable savings across council budgets as a consequence of the approach reducing demand for costly statutory interventions, such as care packages.</p>			
Adult Skills / City College Peterborough	<p>City College Peterborough is a department of the council primarily responsible for delivering adult skills training and development. Although the college operates very successfully, this proposal seeks to ensure we maximise value for money as well as drive economic growth by reviewing the operational and governance structures of the College.</p> <p>The proposed saving is an estimate of the value of efficiencies that should be achieved through the review.</p> <p>The College provides additional services, including Day Opportunities provision for people with learning disabilities. These fall outside the scope of this review, and will be considered as part of the review of adult social care instead.</p>	(250)	(250)	(250)
Housing and Homelessness	<p>The council needs to transform the way we support households who are at risk of becoming homeless. At the moment, the service is highly reactive and often engages with a household too late in their homelessness journey. We need to change this so that we are engaging far earlier with households who may be at risk of becoming homeless.</p> <p>This proposal includes a range of measures that shifts our focus more on earlier preventative work, as well as building a portfolio of housing options which we can use instead of inappropriate and very costly bed and breakfast accommodation.</p>	(101)	(135)	(167)
Private Sector Housing Standards	<p>The council has a legal duty to ensure the safety of all privately rented housing in our city. There are a range of interventions that can be deployed by council officers to ensure that privately rented housing is as the required standard, including legal powers set out in housing legislation, the introduction of local licensing schemes to better regulate quality in both specific geographical areas and for different types of property, and the use of civil enforcement activity.</p> <p>This proposal will see the full transformation of our housing enforcement service to become a housing</p>	112	(166)	(175)

Title	Description	2023/24	2024/25	2025/26
	<p>standards service, implementing a suite of interventions including:</p> <ul style="list-style-type: none"> • Mandatory licensing for formal Houses in Multiple Occupation (five or more persons from two or more households) • Selective Licensing, which would require privately rented housing in identified areas to be licensed with the council • Additional Licensing, which would require HMOs not covered by the mandatory licensing rules to be licensed with the council <p>The introduction of the second and third schemes is subject to consultation and formal approval.</p> <p>Additionally, the Housing Act provides us with the ability to use civil enforcement powers as a mechanism for improving the quality of privately rented housing where necessary. This is a tool widely used across the country, but which hasn't been used significantly in Peterborough.</p> <p>Alongside these measures, we will also introduce schemes that provide direct support and advice to landlords, particularly for example where they are facing legitimate challenges with their tenants.</p> <p>Selective and Additional Licensing schemes will be delivered by an external specialist organisation, and the figures quoted above include both staff savings and increased income, as well as unachievable income targets previously written into budgets.</p>			
Directorate Efficiencies	Minor spend reductions and efficiencies across the directorate, primarily to supplies and services.	(11)	(13)	(16)

Changes to service demand & inflationary assumptions are not included in the above. See detailed revenue service budgets tables for breakdown

Peoples Services (including Public Health)

Adult Services

We aim to help and support our residents early on in their lives and prevent them from slipping into crisis by ensuring they receive the right level of support at the right time, in the right place and by the right person.

The aim is to keep people as independent and healthy as possible and prevent or delay the need for long-term care and support, which improves outcomes and less expensive than the alternative. This is delivered through a range of different services:

- Early intervention and prevention – supporting people early with targeted information and advice and low-level and community support, for example targeted short-term reablement support at home, or equipment that can help people manage at home.
- Long-term care and support which is personalised and keeps people connected to their communities, for example regular care coming into the home or residential/nursing care placements.
- Adults at risk are safeguarded from harm in ways that meet their desired outcomes. This year we have responded to an average of 232 safeguarding concerns each month.
- Supporting people to meet care and support needs when they come out of hospital. This includes designing, delivering, and commissioning localised, person-centred, and sustainable care services to meet their needs. This year, we are supporting an average of 175 discharges from hospital each month.

Adult services face challenges including rising inflation, population growth and the ongoing impacts of the pandemic. This means we are seeing more demand on services and people having higher levels of need when they come to us for help. This year, we have received an average of 3,414 contacts per month to our adult early help team, a 4% increase on last year.

We also support 52 people a month with short term reablement to recover from a hospital stay or illness for up to 6 weeks and are currently supporting 2,031 people with long term packages of care.

Our focus in future years is to embed further opportunities to deliver more prevention and intervention through the following areas:

- Increased Technology Enabled Care: TEC involves using equipment to support people with their care and support needs. This could be things such as Lifeline alarms, medication reminders and fall sensors. By increasing the use and range of TEC we can increase people's confidence to live independently and delay the need for more costly long-term provision of care.
- Reablement: This delivers short term, goal-oriented support for up to six weeks to help people regain their independence when they have been in hospital. We will recruit more frontline workers which will enable us to expand the service to support more people in their own homes, preventing the escalation of need for long-term care which is more costly.
- Direct Payments: These enable people to plan and pay for their care and support directly, with a financial contribution from the council. Reviewing processes and enhancing the range of options available for people to access Direct Payments will enable them to benefit from greater choice at more affordable costs.

Children's Services

We have a statutory duty to support vulnerable young people and their families across Peterborough with the key aim of helping children to meet their development goals and supporting their mental health and emotional needs.

The service has faced several challenges in recent years, particularly because of Covid-19 and most recently the cost-of-living crisis. As a result, demand for our services has risen and we expect this trend to continue.

We provide an extensive fostering service across Peterborough, helping young people who are in vital need of support to find loving homes and the best opportunities to develop. Like many fostering agencies, we have experienced a decrease in public interest in fostering since March 2022, despite the need to find homes for local children and young people remaining high.

We continue to look to increase the numbers of council fostering placements, enabling us to reduce the numbers of children placed in more expensive agency placements. We are currently appealing for new foster carers to come forward and will also be reviewing our service offer to foster carers. Changes might include helping foster carers to work more flexibly and providing them with additional support.

There is a continuing commitment to protect and promote services for children and families, and we will also benefit from the significant central government grants being offered to promote the development of Family Hubs and drug and alcohol treatment services over the next three financial years.

We have recently reviewed our family safeguarding structure and deleted existing vacancies. We have embedded a new operating model in Peterborough, resulting in low numbers of children subject to child protection planning and low numbers of children being placed into care.

In the coming year we want to continue with our commitment to reunite children in care with their birth families, where it is safe to do so, in a more-timely way.

We operate a positive behaviour service which works with children who have complex additional needs and disabilities, as well as prevention and early help services, providing advice and support to children and families to help keep children at home in a safe, loving family environment. This includes support to children with additional needs such as autism or ADHD and young people at risk of sexual or criminal exploitation or becoming homeless. In the coming year we plan to increase income for some services for children with complex needs.

We will continue to focus on improving the recruitment and retention of staff, including strengthening pathways into social care as a profession. A review of the management structure in Children's Services is also underway to ensure we have the right skills in the right place.

Over the next three years an ambitious transformation programme for children's social care will be developed, focussing on key areas including our workforce development, fostering and adoption and replacing current systems.

Education

We have a statutory responsibility to provide education for every young person in schools, colleges, and further education locally, and our key aim is supporting them to achieve expected national standards. Our Budget Simulator challenge told us that Education is the area you least want to see funding reduce.

There are currently 63 primary schools within the authority area, along with 15 secondary, eight special schools and three further education colleges. As of May 2022, there were a total of 40,166 pupils in education locally. Our education service has faced some unprecedented challenges in recent times, most notably working to support schools and colleges throughout the Covid-19 pandemic, which stretched resources to the very maximum.

A key challenge remains, providing places for pupils in light of Peterborough's rapid population growth. Three new schools were opened for the current academic year, but it is likely that additional places will have to be found in future. Secondary and Special Educational Needs (SEND) numbers are expected to increase for the next five years, whilst there has been a fall in the number of annual births, which is resulting in a lower demand for early years and younger primary school places.

The cost-of-living crisis and austerity in national funding is likely to be a huge issue moving forward. Next year, 2023-24 is the final year of a three-year settlement and whilst it has an increase in funding, it is not reflecting the cost pressures of the sector. We are currently waiting for the October School Census, and we have been building budgets throughout November.

Despite these challenges, we are seeing some very encouraging progress in our schools and significant rises in several league tables. In the national 'progress 8' table which measures how far young people progress in their education across secondary education for eight subjects, the improvement by 0.24 is a substantial rise. It is also the first time Peterborough has had a positive progress 8 outcome. Out of the 151 local authorities, this places Peterborough as 38th nationally, up from 107 previously.

We have built strong relationships with all our schools and colleges, proactively setting up head teacher groups to ensure regular dialogue and effective problem solving. Moving forwards, we are working on several measures to help drive financial efficiencies and manage increasing demand.

A transformation programme of work for the Home to School Transport service is being developed, with the aim of providing more cost-effective transport. This will include a review of our transport routes, sourcing volunteer drivers and developing independent travel training along with other strategies to manage this significant area of pressure.

Meanwhile, our school improvement services has been streamlined, including a removal of school intervention funding.

Following the national reorganisation of secondary schools in 2007, the council has a historic legacy pension liability for teachers' dependents. Due to the passage of time, the number of eligible dependents has decreased meaning the financial liability to the council has reduced.

There has also been investment in the Statutory Assessment Team (SAMS) and Educational Psychology Team (EPS) to ensure capacity to respond to significant increases in demand.

The department's current IT system will be replaced, maximising opportunities for digitalisation to deliver leaner process efficiencies.

People Services Proposed Budget

	2023/24	2024/25	2025/26
Director of People Services	837	2,288	2,288
Education	8,253	8,259	8,266
Adults - Commissioning	55,239	60,018	63,454
Adults - Operations	9,444	9,457	9,473
Children's - Operations	14,091	14,090	14,086
Children's Commissioning	21,710	21,227	21,293
Commissioning Team and Commercial Operations	1,535	1,538	1,541
People Services Total	111,108	116,877	120,400

Service & Budget Changes

Title	Description	2023/24	2024/25	2025/26
Adults Services - Administration charges for Self-Funders	Where people pay for the full cost of their care, we charge a monthly administration fee to cover the cost of arranging care for them. We expect to see an increased number of people being charged this administration fee due to increased demand for the service.	(40)	(40)	(40)
Adults Services - Direct Payments	Direct Payments enable people to plan and pay for their care and support directly, with a financial contribution from the council. Reviewing processes and enhancing the range of Direct Payment options available for people to access will enable them to benefit from greater choice at more affordable costs.	(100)	(100)	(100)
Adults Services - Increased Reablement-Demand Prevention	Reablement delivers short term, goal-oriented support for up to six weeks to help people regain their independence when they have been in hospital. By increasing reablement capacity, recruiting to existing vacancies in the team, we can expand the service to support more people in their own homes, preventing the escalation of need for long-term care which is more costly.	(200)	(200)	(200)
Adults Services - Increased Tech Enabled Care-Demand Prevention	Technology enable care (TEC) involves using equipment to support people with their care and support needs. This could be things such as Lifeline alarms, medication reminders and fall sensors. TEC can be put in place either alongside other care and support provision, or as an alternative depending on individual circumstances. By increasing the use of TEC, through both increasing the range of TEC available and ensuring practitioners are skilled in identifying where TEC would be of benefit, we can increase people's confidence to live independently, and the confidence of their families or family carers and delay the need for more costly long-term provision of care.	(100)	(100)	(100)
Adults Services – Workforce	Reablement delivers short term, goal-oriented support for up to six weeks to help people regain their	(363)	(363)	(363)

Title	Description	2023/24	2024/25	2025/26
retention and recruitment - increased reablement	independence when they have been in hospital. Through improved recruitment and retention, we can expand the service to support more people in their own homes, preventing the escalation of need for long-term care which is more costly. Many people want to remain living in their own home.			
Public health substitution for Handyperson Scheme in ASC	This service supports older people to remain independent and well in their own homes. A proportion of the programme is focused upon falls prevention which falls into one of the Public Health Ringfenced Grant categories. Consequently, we will substitute Public Health Grant funding for the Falls Prevention element of this work.	(52)	(52)	(52)
Public health substitution for Infection Control Nurse	The COVID-19 pandemic had a huge impact on Care Homes in terms of morbidity and mortality. The infection risks remain, and the coming winter brings the double risk of both COVID-19 and Flu. The Infection Control Nurse post will work with care homes and social care staff to mitigate the risks. Consequently, we will substitute Public Health grant funding for this post.	(18)	(18)	(18)
Increased demand Home to School Transport	The Home to School transport service has seen a continued increase in demand, which is reflective of school admissions numbers being at their highest rates. This investment is needed to ensure that we can support children to access their school placement.	1,275	1,275	1,275
Increased demand in Educational Psychology Service and Statutory Assessment and Monitoring Service	Demand for the Educational Psychology Service (EPS) service and the Statutory Assessment and Monitoring Service, which is responsible for the assessment and review of Education Health and Care Plans (EHCP) has been increasing year on year. This investment will ensure we have capacity in the team to respond to demand.	191	191	191
School Improvement Service Redesign	It is well recognised that the school improvement service offers challenge, support and guidance to schools across Peterborough. In light of the changing Education legislation, we will review the responsibilities and associated processes of the team.	(150)	(150)	(150)
Home to School Transport Restructure and Transformation	Implementation of the Home to School Transport strategy via a number of transformation workstreams, focusing on greater efficiencies in route planning, procurement processes and more effective modes of transport.	(200)	(200)	(200)
Family safeguarding team (remove vacancies)	Since the implementation of the family safeguarding model of intervention and support to children and families in 2019. We have successfully reduced the number of children with child protection plans and the	(394)	(394)	(394)

Title	Description	2023/24	2024/25	2025/26
	number of children being placed into care. This means that we are able to meet demand currently with slightly tapered resources.			
Pre 1998 Pension Strain	Due to the reorganisation of secondary schools in 2007, the Council has a historic legacy pension liability for teachers' dependents. Due to the passage of time, the number of eligible dependents has decreased and the financial liability to the Council has reduced.	(25)	(25)	(25)
People & Communities Restructure	Creation of separate leadership structure and commissioning directorate for the Council which is sustainable and will equip Peterborough to face future challenges and the National Reform Agenda and responding to the needs of Peterborough residents (Employee Committee paper dated 1st December 2022) This will be met from the innovation fund during 2023/24, during the period of transformation.	0	1,450	1,450

Changes to service demand and inflationary assumptions are not included in the above. See detailed revenue service budgets tables for breakdown

Public Health

We have a duty to improve and protect the health of everyone who lives in Peterborough. More broadly this is about living for longer in good health, reducing inequalities in health and making sure that children have good outcomes that lead to a long and healthy life.

We commission services that support healthier lifestyles, identify issues early and prevent problems escalating which includes:

- School nurses and health visitors (Healthy Child Programme) – last year we funded approximately 8,000 visits to children and families by health visitors. This program enables all families with a new baby to get support to improve health and wellbeing and identify any issues early. There were nearly 5,000 contacts with young people through Chathealth (a confidential text messaging service for children and young people aged 11-19) and approximately 4,000 calls to our Healthy Child Programme (0-19) duty desk in 2021/22.
- Help to stop smoking – we helped 432 people quit smoking last year.
- Improving sexual and reproductive health through information and support – in 2021/22, there were a total of 8,899 sexual health clinic attendances.
- Reducing drug and alcohol misuse – There were a total of 1,522 adults and 136 young people aged 12-18 who used services during 2021/22.
- NHS health checks – for people aged between 40 and 74 which look at an individual's general health including their weight, blood pressure and cholesterol. The NHS health check is designed to spot early signs of stroke, kidney disease, heart disease, type 2 diabetes or dementia. 2,481 health checks were completed in 21/22
- Weight management – 273 people lost 5% or more of their weight through a Tier 2 Adult Weight management course last year

It is also important to keep investing in public health as it not only provides health benefits to those who engage with us, but this in turn reduces pressure on other public services and saves money in the long term.

This is especially important as Peterborough gets 39% less funding per head for public health services than comparable areas (£54 per head compared to £75 per head).

Many of our residents – across all ages, but particularly in deprived areas – benefit from these public health services and which will be needed even more in the future due to an increase in our population. For instance, there has been a 24% increase in children under 15 over the past 10 years, many with a high level of need, for example, 38.5% of our Year 6 children are overweight or obese.

Importantly, Peterborough has been identified as one of 75 local authorities to receive funding for Family Hubs which support families from conception, through the child’s early years, to later childhood, up to the age of 19 (or 25 for young people with special educational needs and disabilities). This is a real opportunity for Peterborough as Family Hubs provide support services early and in a joined up-way (with the NHS and voluntary sector), when families need them. They can support *all* families, but they are designed to be particularly accessible to families from lower socio-economic groups, families who have special education needs or a disability, or those from minority groups who are experiencing exclusion.

We are all dealing with the impact that Covid had on health, especially on long term conditions and mental wellbeing. However, we also learnt a lot during the Covid pandemic. We are taking that learning and making sure we continue to work differently both with the council and with partners - keeping the focus on prevention and early intervention despite financial challenges and using data, evidence and intelligence (international, national and local) in a more proactive way to improve people’s health.

The Health and Wellbeing Integrated Care Strategy has highlighted three main goals by 2030:

- Increase the number of years people spend in good health
- Reduce inequalities in preventable deaths before the age of 75
- Achieve better outcomes for our children

How do we do this?

- By making sure our children are ready to start school and are prepared for their lives after they finish education
- By creating an environment to give people the opportunity to be as healthy as can be
- By reducing poverty through better employment, skills and housing
- Promoting early intervention and prevention around mental health and wellbeing.

This will be delivered through working with partners and co-production which is where we deliver solutions alongside those we are trying to help.

Public Health Proposed Budget

	2023/24	2024/25	2025/26
Public Health	(314)	(332)	(332)
Public Health Total	(34)	(332)	(332)

Service & Budget Changes

Title	Description	2023/24	2024/25	2025/26
Breast feeding support contract	This is a small contract to provide breastfeeding peer support in order to improve breastfeeding rates. There are other support opportunities	(12)	(25)	(25)

Title	Description	2023/24	2024/25	2025/26
	which could develop and strengthen the offer especially with the current work on Family Hubs.			
Communications Materials	There is a small communications budget in Public Health which is to support campaign work. This has been under spent for several years as a lot of communication activities use social media platforms which are very cost-effective or use national templates for the campaign imagery.	(3)	(3)	(3)
Healthy Behaviour Consumables	The Healthy Behaviours Service (Healthy You) provides Stop Smoking Services across Peterborough in the community and in GP practices. This is purchased by the provider from the NHS at its tariff, however, if supplied by a non-NHS supplier the cost is reduced considerably.	(30)	(30)	(30)
Suicide Prevention Training	The STOP Suicide Campaign and Suicide Prevention Training are designed to equip members of the community to have conversations about suicide. The rationale for this saving is to adopt a more strategic approach to funding the training. NHS England also funds this training through the Wave 4 suicide prevention work in Peterborough and Cambridgeshire and the Integrated Care Board will be part of the development of the strategic approach.	(10)	(10)	(10)
Workplace health contract	This five-year contract ending on May 31 2023 provides support to employers for improving the working environment of their employees to prevent ill health and the associated absenteeism and presenteeism. The low value of the contract in relation to the large number of workplaces in Peterborough means it has limited traction and it is proposed not to renew the contract when it ends.	(21)	(25)	(25)

Changes to service demand & inflationary assumptions are not included in the above. See detailed revenue service budgets tables for breakdown

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