

CABINET

8 NOVEMBER 2010

MEDIUM TERM FINANCIAL PLAN

BUDGET 2011/12 AND

MEDIUM TERM FINANCIAL PLAN TO 2015/16

**COUNCILLOR DAVID SEATON
CABINET MEMBER FOR RESOURCES**

**JOHN A HARRISON
EXECUTIVE DIRECTOR –
STRATEGIC RESOURCES**



**Growing the right way for
a bigger, better Peterborough**

PETERBOROUGH

CITY COUNCIL

CABINET	AGENDA ITEM No. 4
8 November 2010	PUBLIC REPORT

Cabinet Member(s) responsible:	Cllr David Seaton	
Contact Officer(s):	John Harrison, Executive Director Strategic Resources Steven Pilsworth, Head of Strategic Finance	Tel. 452398 Tel. 384564

MEDIUM TERM FINANCIAL PLAN 2011/12 TO 2015/16

RECOMMENDATIONS	
FROM : Executive Director Strategic Resources	Deadline date : Cabinet
<ol style="list-style-type: none"> 1. That Cabinet note the impact of the state of national public finances on the Council's grant settlements, as outlined in the emergency budget in June and Spending Review in October including the grant reductions notified for the current and the estimated impact for future financial years. 2. That Cabinet note the position in the current financial year to the end of September and approve the actions to manage budgetary pressures in the current financial year that will ensure that the Council delivers a balanced budget position. 3. That Cabinet notes the future financial position for the Council and approve the approach to delivering a financially sustainable budget for the next two years, with significant progress to delivering a balanced budget in the third year. 4. That Cabinet approve the budget proposals as the basis to consult with Scrutiny, Staff, Unions, Stakeholders and the public, and to approve this consultation starting one month earlier than previous years, reflecting Cabinets desire to be open, transparent and inclusive and give people a chance to put forward their suggestions and ideas 5. That Cabinet approve that a further report is presented to the December Cabinet meeting on the impact of the provisional grant settlement, due in early December 	

1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet following approval by the Corporate Management Team.

2. PURPOSE AND REASON FOR REPORT

2.1 This report comes to Cabinet as part of the council's agreed process for integrated finance and business planning. The report updates Cabinet on the financial position within the current financial year and presents budget proposals for 2011/12 through to 2015/16 to enable scrutiny, stakeholder and public consultation.

- 2.2 The council's agreed Annual Budget Framework requires Cabinet to consider the council's budget and financial strategy and to set provisional cash limits for the forthcoming year.
- 2.3 This report is for Cabinet to consider under its Terms of Reference No. 3.2.7, To be responsible for the Council's overall budget and determine action required to ensure that the overall budget remains within the total cash limit.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	Yes	If Yes, date for relevant Cabinet Meeting	8 November 2010
Date for relevant Council Meeting	23 February 2011	Date for submission to Government department	March 2010

4. IMPACT OF THE EMERGENCY BUDGET AND SPENDING REVIEW

- 4.1 In the early days of the new coalition Government, the Prime Minister and the Chancellor of the Exchequer signalled the need to deal robustly with the nation's financial deficit. The first announcement in May 2010 reduced local government funding in this financial year (2010/11) by £1.2bn to contribute to addressing the deficit. For this council it meant a loss of £2.4m of revenue grant and £2.3m of capital grant as shown in the table below. This loss of nearly £5m has to be addressed by the proposals in this paper as they are in the current financial year.

	Loss of Grant – Revenue (£m)	Loss of Grant – Capital (£m)
Area Based Grant	1.8	
Housing Planning and Delivery Grant	0.5	
Local Area Business Growth Incentive	0.1	
Transport		1.2
Children Services		1.1
TOTAL	2.4	2.3

- 5.2 This was followed by the Spending Review, where the Government announced its financial spending plans for the next 4 years on 20th October 2010. As a result, councils will receive an overall reduction in Government funding of 28% in real terms over four years. It was established that the cuts would be front-ended which means the council would face greater reductions the first year and therefore we expect to see a reduction of over 10% in real terms in that first year. Our view on the impact of this is that the Council will face the following grant reductions:

	2011-12	2012-13	2013-14	2014-15	2014-15
	£k	£k	£k	£k	£k
grant reduction from Spending Review	12,159	17,815	18,893	23,399	23,399

As the Spending Review covers four years, but our financial planning is based on five years, we are currently assuming a freeze in year five. It should be noted that it remains difficult to predict with certainty the eventual impact on the Council's funding levels in future years. The financial settlement for Councils is expected in early December and will provide the Council's actual grant levels. However, the council has refreshed likely funding scenarios based on the outcome of the Spending Review, and it is against this grant position that the proposals outlined in this paper are set.

4.3 A summary of the other measures in the Spending Review that affect the Council are included in Appendix B.

5. BUDGET 2010/11 AND CURRENT POSITION

Overview

5.1 As outlined above the council has had grant reductions in the current year. Further pressures have also emerged within demand led budgets such as social care and look after children. The council has been proactive in managing the impact of the grant reductions and other pressures. In summary the following actions to date have been taken:

- i. Delivery of departmental savings plans;
- ii. Bringing forward savings proposals from future years;
- iii. Use of balances to smooth impact;
- iv. Review of reserves; and
- v. Review of the capital programme;

Full detail of the budgetary control position is included in appendix A, with key issues outlined in the sections below.

Revenue

5.2 The loss of £2.4m of grant during the financial year, along with additional budgetary pressures, has had a significant impact on the council's financial position. So far, through actions in departments and a number of corporate solutions, it has been possible to absorb these pressures and around £700k of the grant loss. The Council is currently continuing with the approach outlined in 5.1 above to deliver the further savings required to ensure a balanced budget position is delivered. A crucial element in this will be seeing what savings outlined in the budget proposals for next year (some £26m) could be delivered early to gain maximum financial benefit. The Council is confident that this approach will deliver the remaining £1.7m and a balanced budget by year end.

5.3 The following table provides a summary view of the revenue forecast for 2010/11. A departmental breakdown can be seen in appendix A.

	Current budgetary position
Department	£k
Chief Executive	152
Legal & Democratic Services	-250
Children's Services	0
City Services	519
Operations	96
Strategic Resources	-467
Adult Social Care	0
Corporate actions	-773
Impact of £1.165bn cuts	2,433
TOTAL	1,710

Reserves

- 5.4 The council's projected key reserves position at 31 March 2011 is indicated in the next table. A full five year forecast of all reserves is included in appendix F.

Reserves	£k
General Balance	4,561
Capacity Fund	2,041
TOTAL	6,602

- 5.5 As approved in the current financial strategy, the general balance is below the minimum £6m balance the council maintains for risk purposes and is expected to be replenished by 2013 based on the latest estimates provided by Cross Keys Homes with regards to VAT shelter income projections due to the council.

Capital

- 5.6 The overall position of the capital programme is outlined in appendix A. The capital programme has been reduced to £102.4m in the current year, mainly due to the net impact of slippage of schemes and incorporates the grant reduction of £2.3m as a result of the government's emergency budget. Schemes have been reprofiled to meet the impact of this. Where this has not been possible, the issue has been addressed in the budget proposals. Actual spend to date remains low at £15m, but this is to be expected as the Council held back on spending due to the uncertainty over Government grants. Following the Spending Review and the review of the capital programme, schemes can now progress.

6. FUTURE BUDGET PROSPECTS AND MTFP 2011/12 TO 2015/16

Priorities and approach

- 6.1 The budget proposals put forward maintain our commitment to delivering the Sustainable Communities Strategy, including:
- Improving educational attainment and skills for our children and young people. A key part of this vision is bringing established universities to deliver courses to students in Peterborough in a multi-versity approach. It will enable people to study a wider choice of higher education courses without having to leave the city.
 - Safeguarding children and vulnerable adults.
 - Growth, regeneration and economic development of the city to bring new investment and jobs.
 - Environment Capital agenda including pursuing new income streams from solar energy and wind farm developments.
 - Delivering services at a neighbourhood level.
 - Supporting Peterborough's Culture Trust, Vivacity, to continue to deliver arts and culture in the city.

The Cabinet has been working on the budget proposals since June 2010. It has based its work on the following principles, actions and priorities:-

- Continuing to reduce costs and bureaucracy by robustly pursuing its efficiency agenda through the business transformation programme and other council departments.
- Further reducing its dependence on consultancy where it is appropriate to do so and upskilling its own workforce.
- Considering other ways of delivering the best services to our residents that place less of a financial burden on the tax payer including working with voluntary organisations and businesses to secure value for money and improvements in performance.
- Reducing the number of people employed by the organisation and reducing senior management costs.
- Reviewing all the buildings the council owns and uses and ensuring they are being used as efficiently and effectively as possible and any that are no longer needed are disposed of.
- Continuing to secure savings by ensuring services provide the best value for money for our residents.
- Only making reductions in services where there is still not enough money available to deliver them when other savings have been accounted for.

Budget Proposals

6.2 The detail of the budget proposals are included in the attached document, along with a full explanation of each proposal. If all proposals are accepted, the Council will face the following financial position:

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Budget Surplus (+) / Deficit (-)	3,347	-745	-6,414	-18,508	-23,842

The table above indicates that our plans deliver a surplus in 2011-12, but that we still have deficits to tackle in future years. The surplus that we intend to deliver next year will help support our position in future years as follows:

	£k
Surplus 2011-12	3,347
Deficit 2012-13	-745
Balance to support 2013-14	2,602
Deficit 2013-14	-6,414
Less Surplus 2011-12 and 2012-13	2,602
Gap to close 2013-14	-3,812

This approach means that the Council will deliver a financially sustainable budget for the next two years, and made significant progress in delivering a balanced budget in 2013-14.

Whilst the Council models the position over five years to ensure we are aware of the financial horizon, at this stage we have not developed specific proposals to try and close the gap further in the last two years. There remains considerable uncertainty over the financial position for a number of reasons. Including the following:

- The Spending Review covers four years only (and indeed could be reviewed as part of the annual national budget process)
- The Local Government finance settlement is likely to cover two years (possibly with a further two in outline). However the Government is intending to review the whole system of local government finance and will implement changes in 2013-14

- The new Census information will be fed through into financial settlements. We expected that this will see a more realistic estimate of the growing population of Peterborough used.
- The impact of the new homes incentive will be clearer
- The Council will benefit from its investment in renewable energy, through reduced energy bills and avoiding the carbon tax
- The country is likely to be returning to a healthier economic position

As these issues could well have a positive impact on Council finances, we do not want to consider additional savings at this stage. The Council will continue to refresh its medium term financial plan each year, including developing proposals to meet this financial position at the appropriate time.

- 6.3 These budget proposals will form the basis of provisional cash limits for departments, as well as forming the basis for consultation.

7. CONSULTATION

- 7.1 This is a comprehensive document setting out, as far as is possible, the Cabinet's proposals to meet a challenging Spending Review announcement by Government. The council will not know the total impact of all the Government's announcements until the Local Government Finance Settlement in December. However, rather than wait for these announcements, the Cabinet has put together its proposals to meet the budget challenge a month earlier than it usually would. By doing this, the Cabinet wants to give all our residents, partner organisations, businesses and other interested parties the chance to read and digest all of the savings, efficiencies, service reductions and investments they plan to make to enable the city to continue to grow and give residents the best quality of life.

- 7.2 Formal consultation will begin once Cabinet have approved these proposals. This will include:

- A web-based consultation
- A special 'Your Peterborough' magazine, summarising proposals and inviting feedback, to be delivered to all households in Peterborough
- Copies of proposal documents to be placed in all libraries and receptions at Council buildings
- A range of meetings with partners and stakeholders
- Neighbourhood councils
- Youth Council

- 7.3 The Cabinet wants to be open, transparent and inclusive and give people a chance to put forward their suggestions and ideas.

8. HUMAN RESOURCE IMPLICATIONS

- 8.1 Our current best estimate of the staffing implications are included budget proposals document.

9. ANTICIPATED OUTCOMES

- 9.1 Provision of a balanced in year position and resultant actions is integral to the council's financial management and future budget proposals. The medium term financial plan to be consulted upon is part of delivering a sustainable budget in future years.

10. REASONS FOR RECOMMENDATIONS

- 10.1 The financial challenges facing the Council are especially acute in coming years. As such it is important that the Council develops proposals early to allow full consultation and engagement on those proposals. These steps will help to ensure that the Council achieves a balanced budget, aligned to corporate priorities.

10 ALTERNATIVE OPTIONS CONSIDERED

- 10.1 The Council could have waited until after the Local Government Finance Settlement in December, when it would have had greater certainty over its grant position. This however would not have allowed additional time for consultation, and so was rejected.

Appendix A – Budget Monitoring Report

	Budget £k	Current Forecast Outturn £k	Variance £k
CHIEF EXECUTIVE'S DEPARTMENT			
Chief Execs Department	463	463	0
Legal & Democratic Services	4,066	3,816	-250
Chief Executive Dept & Business Support	2,042	2,042	0
Delivery	2,200	2,307	107
Communications	986	963	-23
Strategic Improvement	468	468	0
Human Resources	619	567	-52
Westcombe Engineering	2	122	120
CHIEF EXECUTIVE DEPARTMENT TOTAL	10,846	10,748	-98
DIRECTOR OF CHILDREN'S SERVICES			
Resources, Commissioning and Performance	8,272	8,199	-73
Learning & Skills	10,368	10,162	-206
Children's Community Health	2,217	2,412	195
Safeguarding Families and Communities	19,740	19,824	84
CHILDREN'S SERVICE TOTAL	40,597	40,597	0
DIRECTOR OF CITY SERVICES			
Building & Technical	-235	-235	0
Street Scene & Facilities	537	621	84
Property, Design and Maintenance	-440	-690	-250
Other Trading Activities and Business Support	1,997	2,147	150
Maintenance General Fund	13,347	13,882	535
CITY SERVICES TOTAL	15,206	15,725	519
DIRECTOR OF OPERATIONS SERVICES			
Business Support	1,534	1,536	2
City Operations	-791	-336	455
Cultural Services	4,981	4,981	0
Directors Office	214	69	-145
Planning, Environment, Transport & Engineering	13,682	13,152	-530
Neighbourhoods	9,597	9,911	314
OPERATIONS SERVICES TOTAL	29,217	29,313	96
DIRECTOR OF STRATEGIC RESOURCES			
Director's Office	262	262	0
Business Support	656	543	-113
Corporate Services	20,390	20,065	-325
Internal Audit	24	39	15
Transactional Services	1,017	1,021	4
Insurance	19	-12	-31
Customer Services	656	656	0
Strategic Property	-4,375	-4,375	0
ICT	78	178	100
Procurement	562	542	-20
Business Transformation	2,635	2,477	-158
Waste Management	-19	42	61
STRATEGIC RESOURCES TOTAL	21,905	21,438	-467
CORPORATE ITEMS			
Impact of £1.165bn Government Cuts	0	2,433	2,433
Corporate Pressures / Solutions	0	-773	-773
CORPORATE ITEMS TOTAL	0	1,660	1,660
ADULT SOCIAL CARE TOTAL*	40,546	40,546	0
GENERAL FUND TOTAL	158,317	160,027	1,710
DEDICATED SCHOOL GRANT TOTAL	117,291	117,291	0

* - Adult Social Care – NHS Peterborough has indicated that there are budgetary pressures in 2010/11 in relation to adult social care. We are currently awaiting specific information on the size and nature of this pressure and the actions to address.

Capital Programme 2010/11

Capital Programme by Directorate:	MTFS 2010 to 2014 £000	Budget as at 01-04-10	Revised budget at August 2010 £000	Profiled Budget £000	Actual Expenditure £000	Total Budget Spent %	Anticipated Outturn** £000	Outturn (under) / overspend £000	% of anticipated variance %
Adult Social Care	921	921	921	0	0	0%	921	0	0%
Chief Executives	10,696	12,530	7,826	0	78	1%	7,826	0	0%
Children's Services	41,219	52,507	40,982	3,691	4,524	11%	40,982	0	0%
City Services	3,004	4,388	4,388	468	267	6%	4,492	104	2%
Operations	29,103	36,274	27,681	4,887	4,535	13%	27,641	-40	0%
Strategic Resources	22,308	27,391	21,304	693	5,104	25%	21,152	-152	-1%
Contingency	-927	-927	-658	0	0	0%	-658	0	0%
Total Expenditure	106,324	133,084	102,444	9,739	14,508	13%	102,356	-88	0%
Financed by:									
Grants & Contributions	47,831	60,345	43,155		3,721	8%	43,155	0	0%
Capital Receipts	13,382	13,382	18,912		654	3%	18,912	0	0%
Right To Buy Receipts	712	712	712		315	44%	712	0	0%
Supported Borrowing	6,192	6,192	6,192		6,192	100%	6,192	0	0%
Borrowing	38,207	52,453	33,473		3,626	8%	33,385	-88	0%
Total Resources - required	106,324	133,084	102,444		14,508	13%	102,356	-88	-0

Appendix B - Summary of Spending Review issues for Councils

The Chancellor announced the Spending Review on 20th October, outlining plans for public expenditure for the next four years. Below is a summary of the key issues affecting the Council. You can also find a more detailed summary of the Spending Review proposals from the Local Government Association – on <http://www.lga.gov.uk/lga/core/page.do?pagelid=14461844>

A number of further announcements from government departments are likely in the coming months, followed by the local government finance settlement in early December. It may not be until this stage that we have the full picture of how this is likely to affect the Council. However, some key points are:-

- The spending review sets out real terms reductions of 28% in local authority grants over the next four years.
- There will be a real terms increases of 0.1% in each year of the Spending Review for the 5 to 16s school budget, including a £2.5 billion pupil premium. Underlying per pupil funding will be maintained in cash terms.
- There will be £15.8 billion of schools capital funding over the Spending Review period. The Government will rebuild or refurbish over 600 schools from the Building Schools for the Future (BSF) and Academies programme. It is not yet clear how this will affect Peterborough school.
- There is new social care funding of £530m in 2011-12, rising to £1bn in 2013-14, and a further £1bn of additional funding through the NHS budget to support joint working between the NHS and councils.
- A commission has been announced on the funding of long term care, due to report in July 2011.
- Local authority capital funding is cut by the equivalent of 45% over the period, compared with 29% over the whole of the public sector. Transport capital spend is being focused towards major road and rail schemes. (A11 dualling scheme was announced yesterday).
- 16 areas have been nominated to operate community budgets from April 2011, with the intention that all areas can take this approach from 2013. Peterborough has not been nominated for this.
- Grants totalling £7bn have been freed up or unringfenced from 2011-12. Around £4bn of these will be distributed through Councils' formula grant, so it remains unclear exactly how much will be allocated to each Council.
- £700m has been set aside to allow councils to set a zero council tax increase for 2011-12. Funding will be built into grants for the next four years. However it is not clear if the grant will continue after this period.
- The New Homes Incentive that will reward communities that build houses is confirmed, however details on how this will operate will not be released until November.
- Regional Growth Fund (worth £1.4 billion) announced to create jobs and growth in places currently heavily dependent on the public sector - this could include support for activities such as housing growth and market renewal.
- The Government will reduce spending on Council Tax Benefit by 10 per cent and give it to councils to control from 2013-14. In addition, the Government will consider providing greater flexibilities to local authorities to manage pressures on council tax from the same date.
- Support for the low carbon economy, including up to £1 billion for one of the world's first commercial scale carbon capture and storage demonstrations on an electricity generation plant, support for electric car charging infrastructure, £860 million of new support for households and businesses investing in renewable heat measures; and commitment to establish a UK-wide Green Investment Bank.
- Funding for adult apprenticeships will be increased by £250 million relative to the level inherited from the previous government.
- Some proposals will see increased costs for the Council, including the retention of the Carbon reduction commitment funding by Government, a proportion of which the Council was hoping to retain, plus the 1% levy on borrowing from the debt management office

Appendix C – Key Figures

Key Figures - Real terms decrease of 28%

	2011/12	2012/13	2013/14	2014/15	2015/16
	£k	£k	£k	£k	£k
Funding					
Dedicated Schools Grant	118,113	118,113	118,113	118,113	118,113
Other School Grants	20,902	20,902	20,902	20,902	20,902
Formula Grant & NNDR	70,468	65,886	61,958	58,685	58,685
Area Based Grant	12,399	11,593	10,902	10,329	10,329
Other Grants	17,467	16,331	15,356	14,542	14,542
Benefit Grants	71,766	71,766	71,766	71,766	71,766
Parish Precepts	364	364	364	364	364
Council Tax Base	60,697	61,304	63,465	65,702	68,019
Council Tax Increase	0	1,533	1,587	1,643	1,700
Council Tax Growth	607	628	650	674	697
Collection Fund Surplus	0	0	0	0	0
Total Funding	372,783	368,420	365,063	362,720	365,117
Gross Departmental Control Totals	389,535	395,002	395,372	401,202	404,063
Less: Savings 2011/12					
Service Reduction	-8,780	-10,187	-10,005	-10,230	-10,229
Joint Venture / Outsource Proposals (2011/12)	-1,400	-3,900	-3,900	-3,900	-3,900
Terms and Conditions	-2,660	-3,514	-4,349	-5,121	-5,121
Council Tax Freeze (Grant)	-1,517	-1,517	-1,517	-1,517	0
New Homes Incentive grant	-1,182	0	0	0	0
Un ring fencing grants	-4,209	-4,209	-4,209	-4,209	-4,209
Efficiencies	-6,649	-9,579	-9,721	-7,436	-7,171
Sub Total	-26,397	-32,906	-33,701	-32,413	-30,630
Capacity Bids 2011/12					
Investment in Services	3,423	6,128	8,863	11,495	14,581
Cost of Change	2,875	941	941	941	941
Sub Total	6,298	7,070	9,806	12,439	15,526
Total Expenditure	369,436	369,165	371,477	381,228	388,959
Budget Surplus/Deficit(-)	3,347	-745	-6,414	-18,508	-23,842

The impact that proposals have on closing the budget deficit can also be seen in the table below:

	2011/12	2012/13	2013/14	2014/15	2015/16
	£k	£k	£k	£k	£k
Budget Surplus (+) / Deficit (-)	-16,752	-26,582	-30,311	-38,485	-38,950
Saving Proposals					
Efficiencies	6,649	9,579	9,721	7,436	7,171
Cost of Change	-2,875	-941	-941	-941	-941
Joint venture/outourcing proposals	1,400	3,900	3,900	3,900	3,900
Terms and Conditions	2,660	3,514	4,349	5,121	5,121
New Homes Incentive grant	1,182	0	0	0	0
Council Tax Freeze (Grant)	1,517	1,517	1,517	1,517	0
Un ring fencing grants	4,209	4,209	4,209	4,209	4,209
SUBTOTAL	-2,010	-4,804	-7,556	-17,243	-19,490
Service Reductions	8,780	10,187	10,005	10,230	10,229
Budget surplus (+) / deficit (-) after saving proposals	6,770	5,383	2,449	-7,013	-9,261
Less Capacity Bids - Investment in services	-3,423	-6,128	-8,863	-11,495	-14,581
Revised budget surplus (+) / Deficit (-)	3,347	-745	-6,414	-18,508	-23,842

Appendix D – Capacity Bids

Capacity Bid - Investment in Services

Department	Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Adult Social Care	Learning Disability - growth in numbers (non-transition).	632	1,325	2,091	2,857	3,622
Adult Social Care	Older People (including older people's mental health services) - growth in numbers.	189	389	601	814	1,026
Adult Social Care	Learning Disability - transition cases from Children's Services	205	486	640	794	948
Adult Social Care	Physical Disability - growth in numbers (includes no residential increases).	99	208	328	449	569
Adult Social Care	Mental Health - growth in referrals and increases in statutory work. All growth has been contained within budgets for last 3/4 years.	50	75	100	125	150
Chief Executive (PDP / Growth)	Supporting growth on key sites (e.g. Fletton Quays, Northminster, City South, Station Quarter)	450	0	0	0	0
Children Services	Adoption and Fostering	209	0	0	0	0
Children Services	Looked after children	250	250	250	250	250
Children Services	Cost of Care - unborn children	360	360	0	0	0
Corporate	Commercial property rental income	0	0	0	0	450
Corporate	Impact of Carbon Reduction Commitment following the announcement within the government Spending Review 2010	500	500	500	500	500
Operations	Traffic light maintenance.	20	20	20	20	20
Operations	Investment required as a result of the Flood and Water Act (2010)	95	98	101	104	107
Strategic Resources	Cost of rolled forward capital programme (a saving in year 1)	-332	136	159	277	1,123
Strategic Resources	Costs of new capital projects and funding arrangements	358	1,590	2,919	3,796	4,171
Strategic Resources	Costs of 1% borrowing premium introduced by government	203	556	1,019	1,374	1,510
Strategic Resources	Coalition decision - Impact of policy decision to increase Insurance Premium Tax	15	15	15	15	15
Strategic Resources	Grants Team	120	120	120	120	120
		3,423	6,128	8,863	11,495	14,581

Capacity Bid - Cost of Change

Department	Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Corporate	Cost of change	2,875	941	941	941	941

Appendix E – Saving Proposals

Efficiencies

Department	Issue	2011/12	2012/13	2013/14	2014/15	2015/16
		£k	£k	£k	£k	£k
Chief Executive (PDP / Growth)	Reduce financial cost of support to Eco-Innovation centre	50	75	100	100	100
Chief Executive (PDP / Growth)	Further savings in cost of Peterborough Delivery Partnership	22	40	100	100	100
Chief Executive (PDP / Growth)	Reduction in revenue costs of Peterborough Delivery Partnership in line with funding constraints in MTFP from 2010/11	200	200	200	200	200
Chief Executive (Support Services)	Reduce funding to meet the proposals in Communications	416	416	416	416	416
Chief Executive (Support Services)	Reduction in costs of GPP in line with reduction in Comprehensive Area Assessment work	50	50	50	50	50
Chief Executive (Support Services)	Delete Deputy Chief Executive post and office support	200	200	200	200	200
Chief Executive (Support Services)	Reduce Chief Executive office support	30	30	30	30	30
Children Services	Deletion of vacant roles, back office rationalisation	770	820	820	820	820
Children Services	Transport single contract	0	0	250	250	250
Children Services	Clare Lodge	150	150	150	150	150
City Services	Fee income	20	20	25	30	30
Legal and Democratic Services	Neighbourhood Councils reduced frequency	6	6	6	6	6
Legal and Democratic Services	Reduction in vacant posts in legal services	150	150	150	150	150
Legal and Democratic Services	Reduction in training budget	10	10	10	10	10
Legal and Democratic Services	Regrading to align other posts	25	25	25	25	25
Legal and Democratic Services	Reduction in subscriptions	15	15	15	15	15
Legal and Democratic Services	Democratic Services	100	100	100	100	100
Operations	New approach to Tourism	37	37	37	37	37

		2011/12	2012/13	2013/14	2014/15	2015/16
Department	Issue	£k	£k	£k	£k	£k
Operations	Street lighting energy savings	0	211	211	211	211
Operations	Reduce events costs by 2015	31	67	103	139	175
Operations	Efficiency savings from Voluntary Sector Funding	50	100	100	100	100
Operations	New partnership domestic advocacy service	59	59	59	59	59
Operations	Combine the city council and police community safety teams	50	50	50	50	50
Operations	Staggered reduction in funding for the Women's Enterprise Centre over five years	273	300	350	400	424
Operations	Creation of new head of planning, transport and engineering to replace two previous senior manager posts.	80	80	80	80	80
Operations	Reduction in support for Peterborough Environment City Trust (PECT)	40	80	114	114	114
Strategic Resources	Customer Services: Training Officer post	30	30	30	30	30
Strategic Resources	Estimated government allocation to meet costs of change	500	0	0	0	0
Strategic Resources	Resultant revenue budget saving following a review of the current capital programme	1,110	3,884	3,574	1,205	885
Strategic Resources	External Audit Fees	0	20	20	20	20
Strategic Resources	Finance Savings	100	100	100	100	100
Strategic Resources	Savings following capital investment in culture and leisure assets	0	179	171	164	159
Strategic Resources	Reduction in business support and departmental overheads	150	150	150	150	150
Strategic Resources	Business Transformation savings	1,900	1,900	1,900	1,900	1,900
Strategic Resources	Client management	25	25	25	25	25
		6,649	9,579	9,721	7,436	7,171

Joint Venture / Outsource Proposals

		2011/12	2012/13	2013/14	2014/15	2015/16
Department	Issue	£k	£k	£k	£k	£k
Children Services	Review delivery options for Children's Services	0	2,500	2,500	2,500	2,500
City Services	City Services	900	900	900	900	900
Strategic Resources	Outsource Manor Drive	500	500	500	500	500
		1,400	3,900	3,900	3,900	3,900

Terms and Conditions

Department	Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Corporate	Terms and conditions	1,725	1,825	1,925	1,925	1,925
Corporate	Updated estimate for pay award	935	1,689	2,424	3,196	3,196
		2,660	3,514	4,349	5,121	5,121

New Homes Incentive

Department	Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Corporate	New Home Incentive - coalition government proposal - Indicative figures	1,182	0	0	0	0
		1,182	0	0	0	0

Council tax freeze (grant)

Department	Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Corporate	Assumed central government funding for council tax freeze in 2011/12	1,517	1,517	1,517	1,517	0
		1,517	1,517	1,517	1,517	0

Un ring fencing grants

Department	Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Corporate	Reduce expenditure in areas funded by previously ring fenced grant by 30%	4,209	4,209	4,209	4,209	4,209
		4,209	4,209	4,209	4,209	4,209

Service Reductions

Department	Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Adult Social Care	Reduce cost of Adult Social Care	2,000	2,000	2,000	2,000	2,000
Adult Social Care	Management cost reduction through partnership (NHS Peterborough)	250	250	250	250	250
Adult Social Care	Increase charges within community care services	80	80	80	80	80
Adult Social Care	Review Day Centres through delivery of more personalised services	100	100	100	100	100
Children Services	Commissioning Services	350	350	350	350	350
Children Services	Restructuring of the 8 - 19 service	400	400	400	400	400
Children Services	Review of funding / success for Multi Systemic Therapy programme	0	130	130	130	130
Children Services	Impact of Common Assessment Framework (CAF)	25	50	50	50	50
Children Services	Review and streamline of delivery of Safeguarding function	25	25	25	25	25
Children Services	Review Complaints Services in Social Care	50	50	50	50	50

		2011/12	2012/13	2013/14	2014/15	2015/16
Department	Issue	£k	£k	£k	£k	£k
Children Services	Transforming Children's Services Phase 2 - delivering around Children's Centres / Schools	50	200	200	200	200
Children Services	Safe Walking Routes	34	34	34	34	34
Children Services	Post 16 transport charges	12	20	20	20	20
Children Services	Limit post 16 transport to a 30 mile radius from home	3	3	3	3	3
Children Services	Review of Bus Services to Arthur Mellows Village College	120	120	120	120	120
Children Services	Removal of remaining denominational transport	187	187	187	187	187
Children Services	Reduction in costs of external social care placements	0	0	250	250	250
Children Services	Review of play and preventative services	80	300	300	300	300
Children Services	PFI contract review	0	50	50	50	50
Children Services	Training and Development Centre	75	75	0	0	0
Children Services	Use of former Hereward Community College for Governor Services	96	96	96	96	96
Children Services	Development of 'Services for Schools'	210	250	250	250	250
Children Services	Reduction in Services funded through the area based grant	736	736	736	736	736
Children Services	Review of council children's home provision	200	200	200	200	200
City Services	Reduced Opening Hours of 2 manned public conveniences	10	10	10	10	10
City Services	Wheelie bins fee increase	35	35	40	40	40
City Services	Allotment fee income	30	30	30	30	30
City Services	Recreation income	5	5	5	5	5
Operations	Reduction of in year funding (Cohesion and violent extremism funding)	114	114	114	114	114
Operations	Developing and restructuring neighbourhood services	196	196	196	196	196
Operations	Supporting people funding	1,404	1,404	1,404	1,404	1,404
Operations	Changing the way housing services are delivered in the city	603	603	603	603	603
Operations	Revenue saving from not implementing Wi-Fi in city centre	113	113	120	120	120
Operations	Reduction in Community Association Grant	30	30	30	30	30
Operations	Handover of Gladstone Park Community Centre	46	62	69	67	66
Operations	Reduction in Safety Camera Partnership Funding	80	80	80	80	80

Department	Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Operations	Increased revenue from parking department	161	161	161	161	161
Strategic Resources	Remove budget for food waste collection	423	1,151	775	1,002	1,002
Strategic Resources	Customer Services	50	50	50	50	50
Strategic Resources	Reduce award of discretionary rate relief - figures include aiming for 25%	47	47	47	47	47
Strategic Resources	Reduce speed of processing benefit claims - from 13 to 18 days	100	100	100	100	100
Strategic Resources	Reduce Parish Council payments	0	40	40	40	40
Vivacity	Saving on library costs	250	250	250	250	250
		8,780	10,187	10,005	10,230	10,229

Appendix F - Reserves

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Estimated Balance at 31.03.11 £000	Estimated Balance at 31.03.12 £000	Estimated Balance at 31.03.13 £000	Estimated Balance at 31.03.14 £000	Estimated Balance at 31.03.15 £000	Estimated Balance at 31.03.16 £000
Commercial Property Portfolio Reserves	3,043	1,933	1,122	436	0	0
Parish Council Burial Ground Reserve	36	36	36	36	36	36
Insurance Reserve	2,308	2,208	2,108	2,008	1,908	1,808
Capacity Building Reserve	2,041	2,176	2,676	3,176	3,176	3,176
Schools Capital Expenditure Reserve	1,307	1,307	1,307	1,307	1,307	1,307
Corporate Reserves Total	5,692	5,727	6,127	6,527	6,427	6,327
General Fund Working Balance	4,561	5,609	6,000	6,000	6,000	6,000
Total Reserves	13,296	13,269	13,249	12,963	12,427	12,327

Appendix G - Capital programme

CAPITAL PROGRAMME BUDGET & FUNDING SUMMARY 2010/11 - 2015/16

Project	2011/12	2012/13	2013/14	2014/15	2015/16	2011/12		2012/13		2013/14		2014/15		2015/16		2010/16
	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Corporate Resources £000	Third Party Income £000	Corporate Resources £000	Third Party Income £000	Corporate Resources £000	Third Party Income £000	Corporate Resources £000	Third Party Income £000	Corporate Resources £000	Third Party Income £000	Total Budget 2010 - 2015
ADULT SOCIAL CARE																
Improving Information Management	54	0	0	0	0	0	54	0	0	0	0	0	0	0	0	54
Aids & Adaptations	250	216	216	216	216	165	85	216	0	216	0	216	0	216	0	1,114
Minor Works Programme	60	36	36	36	36	60	0	36	0	36	0	36	0	36	0	204
Social Exclusion Unit (Mental Health)	102	0	0	0	0	0	102	0	0	0	0	0	0	0	0	102
Replacement of Two Residential Homes	3,000	3,000	0	0	0	3,000	0	3,000	0	0	0	0	0	0	0	6,000
Total Adult Social Care	3,466	3,252	252	252	252	3,225	241	3,252	0	252	0	252	0	252	0	7,474
CHIEF EXECUTIVES																
Affordable Housing Peterborough Delivery	4,000	2,000	1,918	550	500	4,000	0	2,000	0	1,918	0	550	0	500	0	8,968
Partnership Projects	500	500	500	500	0	500	0	500	0	500	0	500	0	0	0	2,000
STEM Centre	2,000	0	0	0	0	2,000	0	0	0	0	0	0	0	0	0	2,000
CC Public Realm Works	500	500	500	500	500	500	0	500	0	500	0	500	0	500	0	2,500
Capital Costs of Disposals	1,300	1,200	500	500	500	1,300	0	1,200	0	500	0	500	0	500	0	4,000
Total Chief Executives	8,300	4,200	3,418	2,050	1,500	8,300	0	4,200	0	3,418	0	2,050	0	1,500	0	19,468
CITY SERVICES																
Asbestos Removal	75	75	75	75	75	75	0	75	0	75	0	75	0	75	0	375
Wheelie Bins	108	108	108	108	108	108	0	108	0	108	0	108	0	108	0	540
Play Areas Improvement Programme	185	185	185	185	185	185	0	185	0	185	0	185	0	185	0	925
Structural Maintenance Of Council Buildings	405	405	405	405	405	405	0	405	0	405	0	405	0	405	0	2,025
Total City Services	773	773	773	773	773	773	0	773	0	773	0	773	0	773	0	3,865
OPERATIONS																
Roads & Bridges (including Highways)	3,665	3,665	3,665	3,665	3,665	1,410	2,255	3,665	0	3,665	0	3,665	0	3,665	0	18,325
Disabled Facility Grants	1,400	1,400	1,050	1,050	1,050	471	929	721	679	371	679	371	679	371	679	5,950
Repair Assistance	1,020	1,020	1,020	1,020	1,020	1,020	0	1,020	0	1,020	0	1,020	0	1,020	0	5,100
Implement a Joint Venture Partnership with Ringway / Atkins	(1,400)	(1,400)	(1,400)	(1,400)	0	(1,400)	0	(1,400)	0	(1,400)	0	(1,400)	0	0	0	(5,600)
Local & Integrated Transport Programme	1,813	1,813	1,813	1,813	1,813	1,615	198	1,615	198	1,615	198	1,615	198	1,615	198	9,065
Off Street Car Parks - Structural Works & Resurfacing	100	100	100	100	100	100	0	100	0	100	0	100	0	100	0	500
Hampton Joint Service Centre	4,000	0	0	0	0	2,000	2,000	0	0	0	0	0	0	0	0	4,000
Stafford Hall	0	50	0	0	0	0	0	50	0	0	0	0	0	0	0	50
Street Lighting Adaptations	2,375	0	0	0	0	2,375	0	0	0	0	0	0	0	0	0	2,375

Project	2011/12	2012/13	2013/14	2014/15	2015/16	2011/12		2012/13		2013/14		2014/15		2015/16		2010/16
	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Corporate Resources £000	Third Party Income £000	Corporate Resources £000	Third Party Income £000	Corporate Resources £000	Third Party Income £000	Corporate Resources £000	Third Party Income £000	Corporate Resources £000	Third Party Income £000	Total Budget 2010 - 2015
Peterborough City Centre Conservation	70	70	60	0	0	0	70	0	70	0	60	0	0	0	0	200
Replacement of unserviceable CCTV cameras	0	40	0	0	0	0	0	40	0	0	0	0	0	0	0	40
Lincoln Road Traffic Island near Alma Road	30	0	0	0	0	30	0	0	0	0	0	0	0	0	0	30
Green Transport Funding	96	100	104	108	112	96	0	100	0	104	0	108	0	112	0	520
Thorpe Wood Footbridge	30	0	0	0	0	30	0	0	0	0	0	0	0	0	0	30
Bright Street traffic signal improvement		200		0	0	0	0	200	0	0	0	0	0	0	0	200
Renewable Energy Projects	45	120	100	0	0	0	25	0	75		100	0	0		0	265
Junction 5 Boongate capacity and safety improvement		700		0	0	0	0	700	0	0	0	0	0	0	0	700
Real time energy data for 5 sites	15	0	0	0	0	15	0	0	0	0	0	0	0	0	0	15
Traffic signals - upgrade of bulbs and fitments	580	0	0	0	0	580	0	0	0	0	0	0	0	0	0	580
CCTV Enforcement of Parking/Waiting (on-street only)	100	0	0	0	0	100	0	0	0	0	0	0	0	0	0	100
Introduce charging for blue badge holders within car parks	30	0	0	0	0	30	0	0	0	0	0	0	0	0	0	30
Break Wিন্নina car park lease and bring inline with other PCC operated & managed car parks	150	0	0	0	0	150	0	0	0	0	0	0	0	0	0	150
			0													
Total Operations	14,119	7,878	6,512	6,356	7,760	8,622	5,477	6,811	1,022	5,475	1,037	5,479	877	6,883	877	42,625
CHILDREN'S SERVICES																
<u>Schools</u>																
Schools Direct Spend	3,634	3,634	3,634	3,634	3,634	0	3,634	0	3,634	0	3,634	0	3,634	0	3,634	18,170
Capital Maintenance On Schools	400	400	400	400	400	400	0	400	0	400	0	400	0	400	0	2,000
Secondary Schools Phase 2	1,794	5,754	30,092	1,880	0	1,794	0	5,754	0	30,092	0	1,880	0	0	0	39,520
Primary Capital Programme	11,930	10,581	8,047	5,047	9,000	4,415	7,515	9,581	1,000	7,047	1,000	4,047	1,000	9,000	0	44,605
Arthur Mellows Village College	3,000	0	0	0	0	0	3,000	0	0	0	0	0	0	0	0	3,000
Modernisation	1,979	2,000	2,000	2,000	0	187	1,792	0	2,000	0	2,000	0	2,000	0	0	7,979
New School Places / Basic Need	7,353	1,353	1,353	1,353	0	7,353	0	1,353	0	1,353	0	1,353	0	0	0	11,412
Basic Need Safety Valve	2,612	0	0	0	0	325	2,287	0	0	0	0	0	0	0	0	2,612
PFI Condition Works	1,000	0	0	0	0	1,000	0	0	0	0	0	0	0	0	0	1,000
Hereward Provision	0	5,000	0	0	0	0	0	5,000	0	0	0	0	0	0	0	5,000
Harnessing Technology	747	0	0	0	0	0	747	0	0	0	0	0	0	0	0	747
Capitalisation of School Spend	100	100	100	100	0	100	0	100	0	100	0	100	0	0	0	400
Subtotal Schools	34,549	28,822	45,626	14,414	13,034	15,574	18,975	22,188	6,634	38,992	6,634	7,780	6,634	9,400	3,634	136,445
<u>Non Schools</u>																
Youth Capital Fund	107	0	0	0	0	0	107	0	0	0	0	0	0	0	0	107
Extended Schools	173	0	0	0	0	0	173	0	0	0	0	0	0	0	0	173
Subtotal Non Schools	280	0	0	0	0	0	280	0	0	0	0	0	0	0	0	280
Total Children's Services	34,829	28,822	45,626	14,414	13,034	15,574	19,255	22,188	6,634	38,992	6,634	7,780	6,634	9,400	3,634	136,725

Project	2011/12					2011/12		2012/13		2013/14		2014/15		2015/16		2010/16
	Budget £000	Budget £000	Budget £000	Budget £000	Budget £000	Corporate Resources £000	Third Party Income £000	Corporate Resources £000	Third Party Income £000	Corporate Resources £000	Third Party Income £000	Corporate Resources £000	Third Party Income £000	Corporate Resources £000	Third Party Income £000	Total Budget 2010 - 2015
STRATEGIC RESOURCES																
Disabled Access	150	150	150	150	150	150	0	150	0	150	0	150	0	150	0	750
Strategic Property Portfolio - AMP	250	250	250	250	250	250	0	250	0	250	0	250	0	250	0	1,250
Accommodation Strategy	150	150	150	150	150	150	0	150	0	150	0	150	0	150	0	750
Cemetery Provision	340	349	340	0	0	340	0	349	0	340	0	0	0	0	0	1,029
Business Transformation Invest to Save	625	500	500	500	500	625	0	500	0	500	0	500	0	500	0	2,625
Customer Services Transformation	40	0	0	0	0	40	0	0	0	0	0	0	0	0	0	40
ICT Managed Service	1,011	597	575	444	250	1,011	0	597	0	575	0	444	0	250	0	2,877
Bayard Air Conditioning Refurbishment	1,000	200	0	0	0	1,000	0	200	0	0	0	0	0	0	0	1,200
Waste Management Strategy	4,955	18,648	16,758	17,928	2,768	4,955	0	18,648	0	16,758	0	17,928	0	2,768	0	61,057
Further Partnership with PCAE	(100)	(100)	(100)	(100)	0	(100)	0	(100)	0	(100)	0	(100)	0	0	0	(400)
Deliver Academy	(350)	(350)	(350)	(350)	0	(350)	0	(350)	0	(350)	0	(350)	0	0	0	(1,400)
City Services Facilities Management	(100)	(100)	(100)	(100)	0	(100)	0	(100)	0	(100)	0	(100)	0	0	0	(400)
Agile Working	(150)	(150)	(150)	(150)	0	(150)	0	(150)	0	(150)	0	(150)	0	0	0	(600)
Disaster Recovery	25	0	0	0	0	25	0	0	0	0	0	0	0	0	0	25
Riverside - Risk Reduction Project	200	0	0	0	0	200	0	0	0	0	0	0	0	0	0	200
PCT Properties Works	500	500	0	0	0	500	0	500	0	0	0	0	0	0	0	1,000
Capitalisation of Schools Reserve	500	500	500	0	0	500	0	500	0	500	0	0	0	0	0	1,500
Renewable Energy Projects	500	0	0	0	0	500	0	0	0	0	0	0	0	0	0	500
Support for Costs of Change	500	0	0	0	0	500	0	0	0	0	0	0	0	0	0	500
Sub Total Strategic Resources	10,046	21,144	18,523	18,722	4,068	10,046	0	21,144	0	18,523	0	18,722	0	4,068	0	72,503
Leisure Trust Scheme																
Leisure Trust - Property	449	460	377	408	0	449	0	460	0	377	0	408	0	0	0	1,694
Review of Key Theatre	375	375	0	0	0	375	0	375	0	0	0	0	0	0	0	750
Libraries Public Access PCs	50	0	0	0	0	50	0	0	0	0	0	0	0	0	0	50
Libraries (Invest to Save)	200	0	0	0	0	200	0	0	0	0	0	0	0	0	0	200
Werrington Sports & Recreation Centre	20	0	0	0	0	20	0	0	0	0	0	0	0	0	0	20
Museum Redevelopment	1,075	0	0	0	0	1,075	0	0	0	0	0	0	0	0	0	1,075
Regional Swimming Pool	75	50	0	0	0	75	0	50	0	0	0	0	0	0	0	125
Sub Total Leisure Trust	2,244	885	377	408	0	2,244	0	885	0	377	0	408	0	0	0	3,914
Total Strategic Resources	12,290	22,029	18,900	19,130	4,068	12,290	0	22,029	0	18,900	0	19,130	0	4,068	0	76,417
TOTAL CAPITAL PROGRAMME	73,777	66,954	75,481	42,975	27,387	48,784	24,973	59,253	7,656	67,810	7,671	35,464	7,511	22,876	4,511	286,574

Capital Investment proposals (included in full capital programme above)

	2011-12	2012-13	2013-14	2014-15	2015-16
	£000	£000	£000	£000	£000
Aids & Adaptions top up to £250k	0	51	51	51	51
Minor Works	0	36	36	36	36
Peterborough City Centre Conservation	35	35	30	0	0
Replacement of unserviceable CCTV cameras	0	40	0	0	0
Lincoln Road Traffic Island near Alma Road	30	0	0	0	0
Thorpe Wood Footbridge	30	0	0	0	0
Bright Street traffic signal improvement		200		0	0
Green Transport Funding	45	120	100	0	0
Junction 5 Boongate capacity and safety improvement		700		0	0
Real time energy data for 5 sites	15	0	0	0	0
Capitalisation of Schools Capital Reserve	500	500	500	0	0
Customer Services Transformation	40	0	0	0	0
Business Transformation Invest to Save		500	500	500	500
ICT Managed Service	250	250	250	250	250
Primary Schools Places - Additional	3,686	3,048	3,047	2,047	9,000
PFI Condition Fund	1,000	0	0	0	0
Wheelie Bins - additional years funding	0	108	108	108	108
Support for Highways Schemes	96	100	104	108	112
Traffic signals - upgrade of bulbs and fitments	580	0	0	0	0
Street Lighting Adaptations	2,375	0	0	0	0
CCTV Enforcement of Parking/Waiting (on-street only)	100	0	0	0	0
Introduce charging for blue badge holders within car parks	30	0	0	0	0
Break Werrina car park lease and bring inline with other PCC car parks	150	0	0	0	0
Public Realm Phases 2 and 3	500	500	500	500	500
Riverside - Risk Reduction Project	200	0	0	0	0
PCT Properties Works	500	500	0	0	0
Capital Costs of Disposals	0	1,200	500	500	500
STEM Centre	2,000	0	0	0	0
Libraries (Invest to Save)	200	0	0	0	0
Capital Receipts - Remove Unidentified Receipts - Funding Change Revised	0	10,000	10,000	0	0
Capital Receipts - Remove Unidentified Receipts	-395	-2,367	-2,215	-346	0
Renewable Energy Projects	500	0	0	0	0
Support for Costs of Change	500	0	0	0	0
	12,967	15,521	13,511	3,754	11,057

Capital Savings proposals (included in full capital programme above)

	2011-12	2012-13	2013-14	2014-15	2015-16
	£000	£000	£000	£000	£000
Disabled Facility Grants	0	0	-350	-350	-350
Repair Assistance	-680	-680	-680	-680	-680
Stafford Hall	0	-950	0	0	0
Works on Council Buildings	-345	-345	-345	-345	-345
Reprofiling of Waste Programme	-4,222	-3,413	1,858	3,028	1,500
Removal of AD - Waste Programme	-6,000	0	0	0	0
Re-profiling Secondary Schools Phase II	-23,869	-6,370	30,092	1,880	0
Remove Neighbourhoods Budgets	-175	-175	-175	-175	0
Review of Key Theatre Build/Refurbishment	-125	-125	0	0	0
Slip Affordable Housing Budget 2010/11 to future years	-3,918	2,000	1,918	0	0
Affordable Housing Budget for 2012- 2014	0	-546	-567	0	0
	-39,334	-10,604	31,751	3,358	125

Medium-Term Financial Plan Proposals Document from Cabinet

8 November 2010

Medium-Term Financial Plan Proposals Document from Cabinet November 2010

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Medium-Term Financial Plan Proposals Document from Cabinet November 2010

1. INTRODUCTION

This is a comprehensive document setting out, as far as is possible, the Cabinet's proposals to meet a challenging Spending Review announcement by Government. The council will not know the total impact of all the Government's announcements until the Local Government Finance Settlement in December. However, rather than wait for these announcements, the Cabinet has put together its proposals to meet the budget challenge a month earlier than it usually would. By doing this, the Cabinet wants to give all our residents, partner organisations, businesses and other interested parties the chance to read and digest all of the savings, efficiencies, service reductions and investments they plan to make to enable the city to continue to grow and give residents the best quality of life.

The Cabinet wants to be open, transparent and inclusive and give people a chance to put forward their suggestions and ideas.

2. CONTEXT AND OVERVIEW

In the early days of the new coalition Government, the Prime Minister and the Chancellor of the Exchequer signalled the need to deal robustly with the nation's financial deficit. The first announcement in May 2010 reduced local government funding in this financial year (2010/11) by £1.2bn to contribute to addressing the deficit. For this council it meant a loss of £2.4m of revenue grant and £2.3m of capital grant as shown in the table below. A loss of nearly £5m of capital and revenue has to be addressed by the proposals in this paper as they are in the current financial year.

	Loss of Grant – Revenue (£m)	Loss of Grant – Capital (£m)
Area Based Grant	1.8	
Housing Planning and Delivery Grant	0.5	
Local Area Business Growth Incentive	0.1	
Transport		1.2
Children Services		1.1
TOTAL	2.4	2.3

The next announcement concerned the Building Schools for the Future programme. The council had been promised a contribution of £66m for three schools, Ormiston Bushfield Academy, Stanground College and Orton Longueville School. Whilst the Government has continued the funding for Ormiston Bushfield Academy, it halted the spending for Orton Longueville and Stanground College. It is still not clear what capital funding may be available for these two schools.

An emergency budget was announced in June 2010 by the Chancellor and the key feature of the announcement was that Government departments should prepare themselves for a 25% real term reduction in grants over the next four years. These departments in-turn provide the majority of funding to local government. Information from Government suggested that departments were told to model the impact of 40% grant reductions to contribute to reducing the deficit. Therefore, it became clear that the public sector, including this council, will face significant reductions in future years. Following the Spending Review announcement on 20 October 2010 the council is now clearer as to the financial challenge it needs to address over the next five years which is set out at the end of section 3.

Since 2005, the council has continually improved the way that it manages its finances and has been working hard to continue to identify ways to make all services more efficient and effective and provide greater value for money to our communities. This work has received national recognition from external auditors and the Audit Commission. We have also won awards for the quality of our services including the LGC Finance Award 2010 for our efficiency programme and the Customer Service Excellence Award for our customer services delivered through Peterborough Direct.

Council tax rises over the past four years of 1.4%, 1.4%, 2.5% and 2.5% have been below inflation. Our strategy has maintained future increases at no more than 2.5%.

Our strong financial management places the council in a strong position to deal with the national challenges. Cabinet has been working on a range of options during 2010 to meet the challenges set out above. This has involved detailed meetings to interrogate and discuss every line of expenditure in the council's budget. In addition, they paid particular regard to core expenditure which keeps the "business" going and statutory/discretionary spend. As a result, the Cabinet has prepared a range of proposals to be considered at its meeting on the 8 November 2010, over a month earlier than proposals are normally put forward. This will enable our residents, partner organisations, businesses and other stakeholders to understand the proposals and suggest any better ideas or identify any areas the Cabinet has missed. This is a genuine invitation by the Cabinet for people who live, work and spend time in Peterborough to take part in a constructive debate on how we respond to the scale of reductions we face as well as identifying those areas we should continue to invest in the future.

3. OUR PRIORITIES AND APPROACH

The Cabinet has been working on these proposals since June 2010. It has based its work on the following principles, actions and priorities:-

- Continuing to reduce costs and bureaucracy by robustly pursuing its efficiency agenda through the business transformation programme and other council departments.
- Further reducing its dependence on consultancy where it is appropriate to do so and upskilling its own workforce.
- Considering other ways of delivering the best services to our residents that place less of a financial burden on the tax payer including working with voluntary organisations and businesses to secure value for money and improvements in performance.
- Reducing the number of people employed by the organisation and reducing senior management costs.
- Reviewing all the buildings the council owns and uses and ensuring they are being used as efficiently and effectively as possible and any that are no longer needed are disposed of.
- Continuing to secure savings by ensuring services provide the best value for money for our residents.
- Only making reductions in services where there is still not enough money available to deliver them when other savings have been accounted for.

The proposals put forward in this paper maintain our commitment to:-

- Improving educational attainment and skills for our children and young people. A key part of this vision is bringing established universities to deliver courses to students in Peterborough in a multi-versity approach. It will enable people to study a wider choice of higher education courses without having to leave the city.
- Safeguarding children and vulnerable adults.
- Growth, regeneration and economic development of the city to bring new investment and jobs.
- Environment Capital agenda including pursuing new income streams from solar energy and wind farm developments.
- Delivering services at a neighbourhood level.
- Supporting Peterborough's Culture Trust, Vivacity, to continue to deliver arts and culture in the city.

Our finance team has carefully analysed the Spending Review announcements and below is a summary of the financial challenges the council has to address and how the proposals meet those challenges.

As previously stated, the Government announced its financial spending plans for the next 4 years on the 20 October 2010. As a result, councils will receive an overall reduction in Government funding of 28.4% over 4 years. It was established that the cuts would be front-ended which means the council would face greater reductions the first year and therefore we expect to see a reduction of over 10% in that first year.

The Government announced increased flexibility on how much we can spend on previously ring-fenced grants of some £14m per annum, as set out in section 4(g) on page 9. The Government also announced a grant to be paid to prudent councils who keep their budget proposals at a level where they do not need to increase tax by more than 2.5% next year. If councils achieve this then residents will have no increase in their council tax. Other announcements in the Spending Review include:-

- A carbon tax to be paid on the council's power consumption costs – estimated cost £500k per annum.
- A surcharge on the cost of borrowing by the council – this extra 1% cost will be £200k next year and the amount will increase to about £1.5m in 5 years time.
- Extra money for Adult Social Care - £2bn available nationally.
- A new council tax benefit scheme in 2 years' time which councils can design for themselves locally – it is anticipated that 10% less money will be available for this.

Education received a "good" settlement relative to other services – although we still await further details on what this will mean for Peterborough.

Whilst capital funding is generally likely to be cut, for example on transport schemes, it would appear there is a good chance that the two Building Schools for the Future schemes for Stanground College and Orton Longueville School may receive funding. However, the level of funding and the timescale on which it may be available remains uncertain.

The Government is committed to rewarding councils that build homes in their area. As a result they have introduced a new grant that will pay councils a sum of money equivalent to the council tax applicable to that size of property on each new home completed. The actual details of the scheme will not be published for consultation until later in November. The

amount forecast for next year is based on the actual new homes completed in the last 12 months. The Spending Review has made £190m available nationally for this next year. In future years the amount payable will be taken from the overall national pot before each council's overall Government funding is calculated. Whilst we believe that the council may gain from the new arrangements it would be unwise to rely on any income from 2012/13 onwards.

All of the figures and estimations we have made on this page, and in the following table, are based upon the most recent available information at the time this document was published. The actual figures for our grant settlement will not be known until the Government announces the Local Government Finance Settlement in December 2011.

Below is a table which details the financial gap the council faces from the reductions in funding announcements made by the Government in the Spending Review. The proposals in section 4 set out efficiency and other savings before any service reductions are proposed. The proposals also set out new investments to be made in services and facilities. The table below is a high-level summary of all of the proposals set out in this document and the council's predicted overall financial position for the next 5 years and therefore it is important that the document is read as a whole, so that the table can be fully understood.

	2011/12	2012/13	2013/14	2014/15	2015/16
	£k	£k	£k	£k	£k
Budget deficit after grant reductions	-16,752	-26,582	-30,311	-38,485	-38,950
Efficiencies	6,649	9,579	9,721	7,436	7,171
Costs of change	-2,875	-941	-941	-941	-941
joint venture/outsourcing proposals	1,400	3,900	3,900	3,900	3,900
Terms and Conditions	2,660	3,514	4,349	5,121	5,121
New Homes Incentive grant	1,182	0	0	0	0
Council Tax Freeze (Grant)	1,517	1,517	1,517	1,517	0
Un ring fencing grants	4,209	4,209	4,209	4,209	4,209
Budget position after savings listed above	-2,010	-4,804	-7,556	-17,243	-19,490
Service Reductions	8,780	10,187	10,005	10,230	10,229
Budget surplus (+) / deficit (-) after all saving proposals	6,770	5,383	2,449	-7,013	-9,261
Investments in services	-3,423	-6,128	-8,863	-11,495	-14,581
Overall budget position - surplus (+) / Deficit (-)	3,347	-745	-6,414	-18,508	-23,842

The table above indicates that our plans deliver a surplus in 2011-12, but that we still have deficits to tackle in future years. The surplus that we intend to deliver next year will help support our position in future years as follows:

	£k
Surplus 2011-12	3,347
Deficit 2012-13	-745
Balance to support 2013-14	2,602
Deficit 2013-14	-6,414
Less Surplus 2011-12 and 2012-13	2,602
Gap to close 2013-14	-3,812

This approach means that the Council will deliver a financially sustainable budget for the next two years, and made significant progress in delivering a balanced budget in 2013-14.

4. THE PROPOSALS

These proposals demonstrate the Cabinet's commitment to the principles, actions and priorities set out in section 2 which are to protect, as far as possible, front-line services and its vision for the city through reduced bureaucracy, reduced cost and improve efficiency to ensure value for money.

(a) Reducing Consultancy Costs

Like many councils across the country, the cost of consultancy has attracted considerable attention. Members of our sustainable growth scrutiny committee are currently reviewing the council's use of consultants. Consultants are generally used where a specific expertise is needed on a project or piece of work for a short period of time and for which it would not be appropriate to employ a member of staff. Consultants are also used as interim managers to plug gaps in critical posts until a recruitment exercise is completed.

Since the business transformation programme was launched in October 2006, we have bought in the expertise of a professional services partnership to provide the council with a resource to manage its efficiency drive. The use of this consultant resource is very carefully managed through an IT system which enables the council to tap into the expertise it needs rapidly and monitor this work to ensure this expertise is being used effectively.

The council has also sought to use the expertise of consultants to pass on their skills to the organisation as a whole. Consultancy roles have reduced significantly over the past two years and internal roles have been created instead. The following projects are now led by employees of the council:-

- The transformation and improvement of our customer services.
- Front to back office integration.
- Central funding unit which looks to attract additional external funding for the council.
- Our project management and business analysts are all council employees after the transfer of expertise from former consultants.
- The council's Manor Drive business support which has helped reduce the council's reliance on employment agencies through running its own mini employment agency that recruits staff to work across the council in administrative roles as and when they are needed.

The council has very carefully monitored the return on its investment in consultancy services. The overall return on investment on consultancy spend has continued to increase with savings doubling in the last financial year.

Specific examples of savings achieved by reducing consultancy spend are:

- We no longer pay consultants to examine and improve the way we run our day-to-day business and have instead created internal business process improvement posts saving £95,500.
- We no longer have consultants overseeing how we buy in goods and services for the council saving £161,650.
- We have reduced the amount we pay the consultants we do employ – we have generally reduced day rates by between 5% and 10% saving £119,451.

The Cabinet is looking forward to receiving the outcome of the scrutiny review to further improve its use and monitoring of consultants.

(b) **Reducing Senior Management Costs**

Since the Chief Executive's management review 18 months ago and over the period from then until now, we have reduced spending on chief officer, head of service and other management roles, to streamline the organisation. Proposals in this paper will continue that work. Further work will also look at this band of managers generally, and in particular how many people report to a manager or senior manager. The savings identified will reduce costs by over £1.3m. This does not include the partnership arrangements outlined in section (c) below, that will see further reductions in management and cost.

(c) **Joint Partnership/Outsourcing Proposals**

(i) City Services

In January 2008, Councillor Peach, the then Leader of the council, made a decision which effectively asked the Chief Executive to explore opportunities for a private sector partner to manage the services within Peterborough City Services. In October 2009, the Cabinet made a further decision to include within the procurement process for waste management, the procurement of a private sector partner to run Peterborough City Services. The services within this remit are:-

- Refuse and recycling.
- Street cleansing.
- Parks, trees and open spaces.
- Property design and maintenance.
- Passenger/school transport.
- Catering.
- Travellers site management.
- Fleet management.
- Courier service.

The aim for the procurement was to provide an opportunity for Peterborough City Services to grow whilst still offering value for money to the council and to free those services from the constraints of the council. The procurement process is at its final stages and has produced a strong field of bidders which are looking to deliver innovation as well as savings to the council. It is expected to be able to finalise the procurement process in late Autumn of this year and place the contract for the provision of these services in early 2011. Financial projections show that the council can expect to make savings of £1m for this procurement process and these savings have been projected into the Medium-Term Financial Plan.

(ii) Manor Drive

Manor Drive was established by the Executive Director of Strategic Resources to create a commercially-focused organisation to deliver the back office functions including administrative roles within his department. In 2009/10 this project saved the council £2m on the original cost of providing these services. The aim was to create an organisation that provides quality services that could compete with those in the private sector and sell these services to other councils to generate income for the organisation.

We are now considering which other back office functions should be delivered under a similar commercial model including the business support functions for the Operations and Children's Services Departments

Peterborough and the Manor Drive brand is already building a strong reputation nationally and as a result:

- We have received external accreditation through awards such as the Government award for procurement.
- We have been asked to speak at seminars and conferences.
- We have been able to sell our services to other organisations after appearing at major exhibitions and conferences.
- We have generated income for the council by selling the services of interim managers to other councils.
- We have sold our expertise to other councils on how to improve their buying and selling processes and efficiency work.
- We have developed an ICT system with the private sector leading to rebate income from further sales.
- We have helped build the city's reputation by hosting visits from 60 other organisations to explain the 'Peterborough' way.
- The successes of Manor Drive has featured in national publications spreading the word about the innovation going on within this council.

We are committed to continuing and building upon Manor Drive's success. To do this we recognise we now need to look further afield than our current market place and seek a private sector provider to further develop Manor Drive and most importantly reduce council costs and generate further income for the council to pay for vital services.

Peterborough and Manor Drive are ideally placed to attract major interest from the private sector as a result of:

- The commercial nature of our operations.
- Our excellent transport links.
- The strategic nature of our location on the edge of the major English regions.
- The accommodation and natural shared service centre environment.
- Quality ICT infrastructure through our contract with SERCO.
- Skills and products that we have developed that would add value to a private sector supplier.

We have already achieved a great deal and many other councils now visit Peterborough to see how we have re-organised our back office services to reduce the unit cost of processing individual transactions such as council tax payments and benefit claims.

However scale is important in this service area, in general terms the more transactions that are processed the lower the unit value can be achieved and so we are looking for a private sector partner to invest in Peterborough and to make the area a centre for transactional and process management – a service which our geography and wider economic profile suits.

The savings to be made in attracting private sector interest are set out in Appendix 5.

The services in scope of the Manor Drive proposals are as follows:-

- Business support
(legal, HR admin, children's services, operations and strategic resources)
- Business transformation
- Customer services including Beadles
- Financial systems
- Transactional HR
- Parking back office
- Procurement operations
- Strategic improvement
- Transactional services

(iii) **New delivery options for Children's Services**

A review is currently underway to look at options for operating Children's Services as an arms-length management organisation, the details of which are set out in Appendix 1.

(d) **Property Rationalisation**

The council owns a number of properties from which it runs its services. The council continually reviews its properties which sometimes leads to property being sold or acquired where the council can gain uplift in property values by owning a property.

As part of the budget-making process, we have evaluated all the building we use and own, to reduce the number of buildings our own staff utilise and council costs. At present, the council is moving many of its services into our main offices at Bayard Place and Manor Drive.

We are also investigating how we can make money from our buildings and make better use of them by letting out space, making green investment in areas such as solar panels, combined heating and power plants and other energy saving measures.

The Medium-Term Financial Plan aims to save £631,000 through this project.

The council also utilises the proceeds from property sales to support its capital investment. This enables the council to reduce its level of borrowing, and the costs associated with this. This year, and over the duration of the Medium-Term Financial Plan, the council is aiming to earn £36m from sales of surplus assets. This will reduce costs by £2.5m by the end of the MTFP period.

(e) **Efficiency Savings**

The council's business transformation team together with service departments have delivered year-on-year annual cashable savings. In summary, savings and investment are set out below:-

2007/08 - The savings achieved in this year were £3.5m against an invest to save budget of £1.6m, giving a return on investment of £2 to every pound spent recurring.

2008/09 - The savings achieved in 2008/09 were £3.68m against an invest to save budget of £3.4m, giving a return on investment of £1 to every pound spent recurring.

2009/10 - The savings achieved in this year were £6.2m against an invest to save budget of £2.4m, giving a return on investment of £2.50 for every pound spent recurring.

2010/11 - The saving targets was £12.4m against an invest to save budget of £2.6m, giving a return on investment of £4.70 to every pound spent recurring.

The projects for the pipeline in the future include:

- Greenshoots – this is a programme of work with other agencies, public, private and not-for-profit organisations to combine common services, deliver efficiency savings and provide more simple, accessible, front-line services. So for example it is hoped that we can unite assessment processes into a single model which will prevent people being seen by two or three different professionals who provide a range of health, social care or other public services.

- The council also continued to deliver its very successful commercial and procurement programme. Supply and negotiation for the future has identified a spend of £26m for the remainder of the financial year which can be addressed through negotiation with potential savings of up to £1.2m. For example, this year has seen a complete review of purchasing services within children services with a saving of 5% having already been delivered.

(f) Fees and Charges

We have outlined some of the larger and more sensitive increases in fees and charges later in this document in the appendices, under the individual service areas.

These include charges for car parking, new charges to replace wheelie bins and the introduction of charges for new bins for new houses, charges for bereavement and registration services, allotment charges, charges for adult social care services and charges for those recreation services that have not transferred to Peterborough’s culture and leisure trust, Vivacity, such as bowling and putting greens. Other changes to fees and charges will be outlined in detailed proposals in the December Cabinet papers

(g) Unring-fenced Grants

In the past, Government gave pots of money to councils for spending on services specified by the Government. These pots of money were ring-fenced and could only be spent on the specific purpose for which they were given.

In the Spending Review, the Government announced it’s intention to “unring-fence” some of these pots of money, enabling councils to spend them on their local priorities.

For this council, we estimate this approximately affects £14m of our funding in what would have been more than 30 specific pots of money. We believe an example of a grant that may no longer be ring-fenced would be the £65k we receive for citizenship ceremonies. However, we will not know for certain which pots of money are affected until the Government makes its Local Government Finance Settlement in December.

If our estimates of £14m are correct, it is proposed to save 30% of this £14m per year – about £4m. Over the next month we will be working up the proposals for how his unring-fenced money will be spent and how £4m will be saved and this will be reported to the December Cabinet.

(h) Service Implications (Investment/Reductions)

- Children’s Services – see Appendix 1
- Operations – see Appendix 2
- Adult Social Care – see Appendix 3
- Chief Executive’s – see Appendix 4
- Strategic Resources – see Appendix 5
- Culture Trust – see Appendix 6
- Staff Implications – see Appendix 7
- Capital Programme Overview – see Appendix 8

In each appendix we will outline the proposed investments and savings in each area of the council.

5. IMPLICATIONS FOR COUNCIL TAX

The council’s MTFP published in September 2010 assumed annual council tax increases of 2.5%.

As already set out, the Spending Review announced a new grant that would enable the council not to increase next year's council tax. The Government is, in effect, paying prudent council's extra grant for keeping their council tax rises at 2.5% or below.

The impact is that for:

- 2011/12 – **NO INCREASE IN COUNCIL TAX.**
- 2012/13 – an increase of no more than 2.5% but the council would work with the Government to see if this headline figure could be reduced over the next 12 months.
- 2013/14 to 2015/16 – a maximum increase of 2.5%.

Council tax bills are not only made up of council charges but also charges from other public bodies to fund their services. The remainder of the council tax bill is made up from charges from:

- Police and fire – they have been offered a similar incentive grant enabling them to potentially levy no increase in council tax if they can contain expenditure.
- Parish Councils – they do not receive any direct funding from the Government so no grant is available for them.

To give parish councils the opportunity to re-look at their own charges over the longer-term, the council is protecting their funding for 2011/12. No reduction in parish council funding is proposed. It is hoped that this will encourage them to consider no increase in council tax. If police, fire and parish councils do not decide to increase their charges, overall council tax bills will not increase at all from 2010/11 to 2011/12.

APPENDIX 1 - SERVICE IMPLICATIONS (INVESTMENTS / REDUCTIONS) – CHILDREN’S SERVICES

Children’s Services is responsible for overseeing and providing services for families and children in Peterborough to ensure all our children are given the best possible start in life, access to good education and other support to help them thrive and reach their full potential.

The department is divided into four service areas responsible for education and learning, children’s social care, providing health and community care and managing our schools and other buildings in which these services are based. The senior managers responsible for each of these key areas also have overall responsibility for different geographical areas of the city and the children’s services those areas provide.

(i) Learning and skills and the south of Peterborough

The learning and skills division is the service that works to improve the standard of education in Peterborough as well as those services provided for families, children and young people outside of school. These include children’s centres, pre-schools, the 8 to 19-year-olds service which runs our play centres and youth centres, our ‘before and after school’ activities and the school governor service. This division also works to ensure all school-age children in Peterborough receive an education.

(ii) Safeguarding, family and communities and the central and east area of Peterborough

This division is responsible for protecting Peterborough’s most vulnerable children, including those who need protection from significant harm and children in care.

(iii) Children’s community health and the north west and rural areas

In recent years we have worked hard to bring together those services which ensures the healthcare needs are met for all children in Peterborough. The development of the children’s community health service has enabled us to bring together children’s services across health, social care and education. The senior manager in charge of this area is jointly accountable to NHS Peterborough, Peterborough Community Services and the city council. The role is responsible for providing a wide range of services from nurses in schools, children’s centres, pregnancy clinics and respite care and other services for children with complex health needs and disabilities.

(iv) Resources, commissioning and performance with overall responsibility for overseeing how children’s services are delivered in the different areas

The resources, commissioning and performance division is responsible for overseeing the management of the schools funding – the largest part of the Children’s Services budget. It provides a range of support and advice to schools and the rest of the children’s services department including managing their finances, buying services for children not provided by the council, providing training and ensuring those professionals who work with children are properly trained, ensuring Peterborough has enough school places for all school age children both now and in the future, and looking after all of the council-run schools in the city.

The overall cost of the Children’s Services Department to the council is £37m.

The proposals below reduce that spend by £3.6m.

SAVINGS - REVENUE

Review of Play Services

Current budget = £669k

We provide play centres for children who are between their 5th and 14th birthdays. There is a varied programme of activities available and we provide access to materials and equipment. They are open to everyone, all year round. There are currently eight centres across the city supporting different communities. We are proposing to review all play services across the city to ensure we are providing play opportunities where they are most needed, for the largest number of children, and represent the best value for money for tax payers.

This review may result in some play centres closing, we may start to charge for some sessions, or it may lead to some of the centres being run by voluntary organisations. It may also result in play services being moved into some of our children's centres that already provide a number of successful services for families.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Review of play and preventative services	80	300	300	300	300

Reviewing the children's services we buy from other organisations

Current budget = £3.3m (less grant income)

Not all of the services for children in the city are directly provided by the city council. The council pays, or commissions, other organisations to deliver some of these services, for city children. Examples include support for disabled children, preventing teenage pregnancy with a focus on young fathers and the emotional wellbeing of children in care.

In this challenging financial climate we need to make sure the services we provide or buy from other organisations make a really positive difference to the lives of children, their parents, families and carers in Peterborough and give city tax payers the best value for money.

As part of this review our commissioning team will also seek new external funding, to continue to grow and improve services.

There are currently two commissioning teams in children's services and we will be amalgamating these teams to enable us to reduce any duplication.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Commissioning Services	350	350	350	350	350

Area Based Grant

Current budget = £5.8m

Previously the council received much of its funding from the Government to provide services for children in specific pots of money that had to be spent on specific services. However, in 2010/11, and increasingly in the future, the Government is giving councils greater flexibility to decide how it spends the money it receives on services for children and families in a larger pot of general money called the Area Based Grant to be spent on educational services.

The 2010/11 grant was reduced in year by 25% which meant that Children's Services had a quarter less of the money to spend than it had originally budgeted for. We are therefore anticipating the need to continue to make 25% savings over the next five years to reflect the expected ongoing reduction in funding available to the council.

This grant pays for services including:-

- Supporting parents and carers applying for children's school places.
- Supporting children in care through education in the city.
- Before and after school activities.
- Vocational courses such as construction and engineering.
- Helping schools to develop travel plans to encourage more of their staff and parents and pupils to walk, cycle, or use public transport to get to school to reduce congestion on our roads and make our city greener for all our residents.
- The careers advice service.
- Support for schools to improve their pupils' reading and writing skills.
- Schemes to help reduce teenage pregnancies in the city and substance misuse.
- The Children's Fund (which provides preventative services for children, young people and families such as family mediation and services to prevent young people mis-using drugs and alcohol).
- A programme to recruit and keep more social workers to work with some of the city's most vulnerable children and families.

We will be reviewing all of these areas to reduce any costly processes, red tape, and expensive bureaucracy to reduce the impact of this reduction in funding on services however inevitably it will result in the reduction in services in some areas.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Reduction in Services funded through the area based grant	736	736	736	736	736

Restructuring the 8 to 19 year-olds service Current budget = £3.6m (less grant income)

The 8 to 19 year-olds service is responsible for ensuring that all our children and young people successfully move from primary to secondary schools and seeks to encourage more of our young people to go onto university, further training or find jobs.

To enable us to tailor these services to the specific needs of the communities in different areas of the city, this service is divided into three geographical areas serving the south of the city, the central and east area and the north west and rural areas.

Each of these teams:

- Provide activities for young people after school and during the holidays.
- Work with the most vulnerable young people in schools and youth centres to encourage them to continue to participate in education and training and youth activities.
- Work with those young people who may be at risk of entering the downward spiral into a life of crime.

Although these are not services the council is legally required to provide by the Government we recognise the important role they play in building our communities and ensuring our children and young people are encouraged to reach their full potential, do not commit crimes and anti-social behaviour and use their time in a positive way.

Budget pressures mean we do not believe we can continue to provide the same level of funding in this area in future years, however we are proposing to continue to target these activities to the most vulnerable 8 to 19-year-olds living in the city.

To achieve this we are proposing to continue to employ the same numbers of personal advisors, youth workers and key workers who work directly with these young people while reducing the number of managers and back office services that are common across all three areas.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Restructuring of the 8 – 19 service	400	400	400	400	400

Review of in-house children’s homes Current Budget = £2.3m

The council currently runs three residential children’s homes including two of which that provide respite care for children with disabilities. Analysis has shown that Peterborough tax payers are paying more for these services than in other local authority areas.

We are therefore proposing to review the services provided by these homes and look at alternative ways we could provide support, care and homes for these children while at the same time reducing the burden on the public purse.

Providing residential respite care is the most expensive form of respite and we believe that there are equally good and less expensive alternatives.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Review of council children’s home provision	200	200	200	200	200

Review of support to reduce children coming into care and offending (Multi-Systemic Therapy) Current budget = £352k. 2011/12 last year grant contribution £150k

In 2007, Peterborough was selected as one of 10 pilot areas to trial a scheme to reduce the number of children being taken into care or getting involved in crime by offering their families intensive support from trained professionals.

The Multi Systemic Therapy (MST) project employs a team of psychologists, social workers and family therapists to work directly with those families who have young people with complex clinical, social and educational problems, and who may have previously been violent, used drugs or had been excluded from school.

It aims to help those young people who may be at risk of developing early personality disorders, chronic offending and anti-social behaviour and could be taken into care, to remain with their families in the community.

The MST programme was funded by the Department of Health for four years and the council currently provides £130,000 towards the overall £352,000 cost of the project. We are now reviewing how successful this pilot has been on turning around the lives of these families and any resulting savings that will have been made to society by having to take less of these young people into care or through the youth offending system. If the benefits cannot be identified, the pilot will end and the £130,000 funding from children’s services will be a saving. Department of Health analysis on MST worldwide has shown that £5 is saved for every £1 invested.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Review of funding / success for Multi Systemic Therapy programme	0	130	130	130	130

Reduction in cost of external placements

Current budget = £4.2m

The council is currently improving its adoption and fostering services to enable us to recruit more of our own foster carers rather than having to pay for external placements that can cost the council three times as much. We are also striving to reduce the number of children within the council's care overall by working more closely with at risk families to prevent their children being taken into care in the first place.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Reduction in costs of external social care placements	0	0	250	250	250

Impact of the Common Assessment Framework (CAF)

Current budget = £123k

Previously children with additional needs would have been assessed by a number of different experts to build up a picture of the support they needed. However the introduction of the Common Assessment Framework (CAF) has meant that now families will only see one professional who will carry out one detailed assessment making the process much better for those families involved and making savings for all agencies who provide children's services.

The increase of the use of CAF in Peterborough has enabled us to cut out many of the costly processes and duplication across services and target our funding to providing the hands-on front-line services that are making a difference to children's lives in individual neighbourhoods.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Impact of Common Assessment Framework (CAF)	25	50	50	50	50

Review complaints services in social care

Current budget = £74k

As we strive to provide the most efficient and effective services across the council we have now changed the way we deal with complaints about children's social care services. The complaints team within children's social care is being amalgamated with the council's corporate complaints team. We will buy in the expertise to deal with more complex complaints as and when required.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Review Complaints Services in Social Care	50	50	50	50	50

Private Finance Initiative (PFI) Contract Review
Current budget = £8.5m

In September 2005, IIC Bouygues Education was appointed to design, build and manage the buildings and facilities for three Peterborough schools for the next 30 years (Voyager School, Jack Hunt and Ken Stimpson.) The council and the schools pay an annual contribution to the company over the life of the contract. The contract is due for review in 2012/13 and we propose to look at ways of changing the way these services are run to reduce the cost to the council including a full review of energy costs.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
PFI contract review	0	50	50	50	50

Transforming Children’s Services Phase 2

The council is committed to ensuring that a wide range of children’s services are available within the neighbourhood in which you live to give all young people the best chances in life. By bringing together a range of professionals, from healthcare workers to youth workers, to work together in one area, it enables us to provide better services for you at less cost. Working out in the communities also enables us to respond to issues at the earliest stage in the most appropriate way. We believe that by working closer with our children’s centres and schools we can improve services and make considerably more savings while continuing to make it easier for you to access the services you need, when you need them.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Transforming Children's Services Phase 2 - delivering through Children's Centres / Schools	50	200	200	200	200

Transport
Current budget = £1.5m

The provision of free transport for children is outlined in the Children’s Services Transport policy. We are currently reviewing this policy to ensure all of these services are providing the best value for money for tax payers while ensuring all our children have a safe journey to school.

Measures include:

- Reviewing the bus services to Arthur Mellows Village College. We currently spend £575k providing these services - more than for any other school in Peterborough. We are therefore reviewing all routes and considering introducing a staggered start and end to the school day to enable us to make cost savings by using the same bus and driver to make two journeys instead of two buses with two drivers. This would enable us to save taxpayers’ money.
- Safe Walking routes – where a route is currently considered to be unsafe, free transport has been provided. It is proposed to review all of the routes where we know we have improved highway safety and where appropriate, withdraw the free transport currently provided.
- Denominational transport – Peterborough is one of the only council’s in the country to still provide free transport to allow children to access faith schools. We no longer offer this discretionary free service to pupils who started at faith schools in September 2010. This proposal seeks to remove free transport from those existing children who still receive it. However those parents on low incomes will still qualify for support under other provision within the transport policy.

- Post 16 charges – We are one of the only council's who still provides free transport to children over 16 in education on medical grounds or with statements of special educational needs costing the taxpayer £20,000. All other families are charged £300 for this service. We are proposing to introduce this charge for all families which brings us in line with other neighbouring councils. We also intend to charge per child rather than per family. However, families receiving benefits who currently get free transport will only pay half of this charge ensuring we continue to support those on the lowest incomes.
- Limit post 16 transport to a 30 mile radius from home - Currently we provide free transport to the nearest educational establishment when particular courses are not offered within five miles of a family's home. This has meant we have previously paid for young people to attend courses in London. We are proposing to place a limit on the travelling distance to 30 miles from home, as the crow flies, for post-16 students. This would mean that we would still transport young people to Peterborough Regional College, New College Stamford, College of West Anglia Wisbech and Huntingdon Regional College.
- Change to primary transport provision - In line with legislation, it is proposed to change the policy so the qualifying safe "home to school" walking distance is raised from two to three miles, for those in Years 5 and 6 (age 9 to 11) who are not on specific low incomes or on an unsafe route to school. For those on low incomes, Government guidance states the distance should stay at two miles until the end of Year 6. There are no immediate savings but it would limit further requests for transport from this age group.
- We will offer cycles instead of bus passes to those eligible students who can access school by a safe cycling route - A cycle, safety helmet and road safety training would cost about £200. Compared to a public bus pass, this would save £200 per child, per year and up to £500 per child, per year on a specific school bus route. Savings are unknown until the scheme is up and running.

Full consultation on these changes will be held with those children affected by the change.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Review of Bus Services to Arthur Mellows Village College	120	120	120	120	120
Safe Walking Routes	34	34	34	34	34
Removal of remaining denominational transport	187	187	187	187	187
Post 16 transport charges	12	20	20	20	20
Limit post 16 transport to a 30 mile radius from home	3	3	3	3	3
Removal of discretion on primary transport	0	0	0	0	0
Offering Cycles instead of bus passes	0	0	0	0	0

Review delivery options for Children's Services

A feasibility study is under way to review options for operating Children's Services as an arms-length management organisation. Several models of delivery exist including social enterprise, trust arrangements or partnership with an external organisation. Savings will come through a reduced cost base due to flexible employment terms and procurement. Such a transfer will ensure a sustainable and full children service delivery model will be protected. All services will be reviewed but are expected to transfer into the new organisation. A commissioning/review team will remain as part of the council to manage the relationship with the new organisation.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Review delivery options for Children's Services.	0	2,500	2,500	2,500	2,500

Deletion of Vacant Roles, back office rationalisation and voluntary redundancy exercise

A number of vacant posts have remained unfilled in Children's Services whilst national funding has remained uncertain. Posts have also been held vacant in our back office services. These posts have been reviewed against how critical they are to support key services and whether they impact upon the level of services the public receives. From this list, £320,000 of posts, many of which are either back office roles or have not been filled in the past 12 months, will be deleted from the structure. In addition, we are reviewing all management posts in Children's Services which adds to the overall saving. We will also seek volunteers for redundancy to reduce our headcount and costs.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Deletion of Vacant Roles, back office rationalisation	770	820	820	820	820

Transport Single Contract

Current budget = £1.5m

Currently we have contracts with many different companies to provide transport for those accessing children's services including home-to-school transport. We believe we can save taxpayers' money and put together an attractive proposition to travel providers by putting all these services out to tender as part of one joined-up contract. We estimate this could save more than £250,000 per year.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Transport single contract	0	0	250	250	250

Additional Income

As the council continues to face budget pressures in coming years it is more important than ever that we find ways to generate income in order to protect services. We have identified four key areas in which we believe we could achieve this:

- Clare Lodge is the leading national provider of secure placements for young women in the UK. By setting up an arms-length organisation to run this home on behalf of the council, we could make cost savings, and re-invest the money we made into providing better services.

- Training and Development centre – A significant amount of staff time, and public money is currently spent on rooms across the city for meetings and training. We are therefore hoping to make substantial savings by using the former Hereward Community College as a training and development centre until the school re-opens in 2012. We propose to hold all children’s services’ meetings at these premises and make them available to other council departments too.
- Governor Services - The governor development service provides advice, support and training opportunities to Peterborough school governors, clerks and headteachers. The service helps them effectively fulfil their legal responsibilities and supports improvements in the quality of education and the standards of achievement in our schools. Currently this service costs the council £96,000. We are proposing to fully recover these costs by selling these services to schools and offering services to other councils.
- A number of services which we previously received specific pots of Government money to fund for schools have continued as free services even though the grants have stopped. These services, for example, literacy and numeracy support, costs the tax payer about £100,000. We are one of the only councils in the country that has continued to offer these services for free. Therefore we are going to review these services and where appropriate charge schools to access them. If schools do not wish to buy these activities, services will be reduced accordingly. This will enable us to extend existing popular services such as curriculum support around literacy and numeracy and review opportunities for new support services to be sold to schools both within and outside Peterborough.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Clare Lodge	150	150	150	150	150
Training and Development Centre	75	75	0	0	0
Use of former Hereward Community Collegal for Governor Services	96	96	96	96	96
Development of ‘Services for Schools’	210	250	250	250	250

Review of Peterborough Safeguarding Board Function Current budget = £208k

The role of Peterborough Safeguarding Children Board (SCB) is to coordinate local work to safeguard and promote the welfare of children and to ensure the various agencies that protect children including our own children services, Cambridgeshire and Peterborough Foundation Trust, the Strategic Health Authority and NHS Peterborough; the police and Probation Service, work together effectively.

The city council currently provides half of the board’s funding. We are already working much closer with Cambridgeshire Safeguarding Children Board following the appointment of a joint chair in the summer. We are now looking at ways to reduce further duplication and share services between the two boards to save money for all the agencies that fund it, including the city council.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Review and streamline of delivery of Safeguarding function	25	25	25	25	25

INVESTMENTS - CAPITAL

Building Schools for the Future (BSF)

On the 5 July 2010, the Government's Building Schools For The Future programme was stopped and the new coalition Government started a full review of capital spending on schools. As a result, the schemes to re-build Ormiston Bushfield Academy, Stanground College and Orton Longueville Schools (OLS) were shelved.

The city council worked hard to ensure the city did not lose out and on the 6 August 2010, following an early review of capital schemes, the Government announced the re-building of the Ormiston Bushfield Academy will go ahead and work will start on site in December 2010. At the current time, the schemes for Stanground and Orton Longueville remain shelved. The funding for the planned £27m investment in school computers and special schools was also removed.

The council had committed £34m to support the redevelopment of the two schools but this will only be possible with the additional funding of £39m from the Government.

We recognise that the two schools need updating. Both were built in the 1960s, are in poor condition and do not have the high-tech facilities available in the rest of our modern secondary schools. Stanground College closed for three days in 2009 after its drainage systems failed.

There has been no significant investment in either site for several years because they were expected to be re-built as part of this Government programme. Investing in either existing schools now would not represent good value for money for taxpayers.

We are currently in discussion with ministers over what type of funding may be available in the future. From early discussions, the key factors the Government will base spending decisions upon are:-

- Condition of buildings.
- Pressure on school places in the authority.
- The willingness of local authorities to contribute to the projects.

Peterborough is likely to score highly on these measures. A full case is currently being developed ready to present to the Government once the consultation on funding is concluded and a new scheme starts.

As the timetable for delivering these projects is changing, we have also slipped the budget for the council's contribution in line with the revised timescales.

Additional School Places

Much of the money the council receives to fund education in the city is based upon the number of pupils registered at individual schools. In January 2003, 15% or about 2,612 of the primary school places and 12.75% or 2,212 of secondary school places were left unused in the city.

This was above the level deemed acceptable by the Government, which could have led to reductions in the amount of education funding we received. That is why we launched a review of secondary schools in 2003 to reduce the number of surplus places and closed Honeyhill School and used classrooms in other primary schools for children's centres, nurseries and pre-schools to reduce the number of unused primary school places.

The impact of migration and the city's growth ambitions have meant that since 2003 this trend has reversed and now demand for secondary school places has slowly risen and continues to rise. The demand for primary school places has also continued to rise since 2007.

We predict that by 2019 there will be 12% more pupils in our secondary schools than in 2009 without taking into account the city's expected growth in population or the effects of increased numbers of young people staying on at school after GCSEs.

We also predict that by 2012 there will be no surplus primary school places for children starting school. The Government requires the council to have a minimum of 5% of surplus school places to deal with in-year movements and support parental choice.

This funding will enable a further 4,200 pupils to start at city primary schools creating 600 additional classes and a further 2,600 students to start at city secondary schools creating 520 additional classes by 2017.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Additional School Places	3,686	3,048	3,047	2,047	9,000

PFI Condition Fund

As part of our long term strategy to ensure all of our secondary schools in Peterborough were providing first class facilities for pupils in the city we built one new school (The Voyager) and refurbished and extended two other schools (Ken Stimpson and Jack Hunt) in the first phase of our secondary schools review. The company which carried out this now manages the upkeep of these new buildings and the city council is responsible for maintaining the older parts of the building that were retained at the two extended schools.

However, if the council invests in these buildings to bring them up to the same standard as the new parts of the building by 2013 then the developers will take over the responsibility for the upkeep and development of all three entire school sites for the next 25 years. Investment now would therefore enable the council to make substantial savings in the future.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
PFI Condition Fund	1,000	0	0	0	0

INVESTMENTS - REVENUE

Adoption and Fostering Service

Current budget = £4.2m

Following this year's Government Ofsted inspection, specific weaknesses were identified in adoption and fostering services. Short term investment is required to develop these services. This will enable the council to increase the number of staff working in these teams to recruit families to foster or adopt to provide stable homes for children in care. If the council does not recruit enough of its own foster carers then it has to place children with families outside of the city which is far more costly.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Adoption and Fostering	209	0	0	0	0

Looked After Children

Current budget = £7.2m (including fostering)

We had previously predicted that the numbers of children in care would fall in the future, however following Government guidance and a change in the way children are assessed before they are taken into care, this number has remained static at around 300. The needs of the children in this group are often complex requiring expensive specialist support. This investment reflects the increasing needs of this group of children.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Looked after children	250	250	250	250	250

Unborn Children

Current budget = £155k

Our social care teams not only assess children deemed to be at risk but also those who have not even been born yet. Our social care teams have identified up to 20 families who may need additional support from our social care teams and up to eight additional babies that may need to be placed with foster carers or be adopted after they have been born. The investment will help to pay for short-term placements for these children and enable us to carry out further work with this group of expectant parents to prevent the need for the children to be taken into care.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Cost of Care – unborn children	360	360	0	0	0

**APPENDIX 2 –
SERVICE IMPLICATIONS (INVESTMENT/REDUCTIONS) - OPERATIONS**

The operations directorate oversees most of the council's front-line services from building and maintaining the city's roads to running major events such as the annual Great Eastern Run. Services include:-

(i) Transport and engineering service

From repairing and maintaining existing roads to building new ones and overseeing bus services, this department is responsible for planning the future of transport in Peterborough and its surrounding villages.

(ii) Planning services

Whether you are an individual wanting to build an extension on your home or a multi-million pound developer, our surveyors, planners and other technical teams will work with you to turn your plans into reality.

(iii) Neighbourhood services

Brings together all of those services who are working down your street to improve the whole of our community. From the neighbourhood managers who deal with resolving issues such as anti-social behaviour to our licensing enforcement staff who make sure businesses are operating within the law.

(iv) City operations

Looks after your city centre from CCTV cameras and car parks to running events such as the annual half marathon, music events including last summer's JLS concert, the annual Christmas lights switch on and a wide variety of street markets. They also ensure that the city is ready and able to deal with a major emergency and support city-wide business and tourism.

The overall revenue cost of the operations directorate is £21m.
The proposals below reduces that spend by £4.019m by 2015/16.

SAVINGS - REVENUE

**Amalgamation of Transport and Engineering and Planning Services
Current budget = £208k**

Peterborough aims to build a minimum of 25,500 new homes and create 20,000 new jobs within the next 20 years. It is vital that our future transport systems meet the needs of our city's growth to ensure a bigger Peterborough is a place where we can walk, cycle, use public transport and is as congestion-free as possible. By bringing together the transport and engineering and planning teams we will ensure that Peterborough grows in the right way to benefit us all. By bringing together our planners, transport engineers and other staff in these areas to be managed by one senior manager the council will save £80k.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Creation of new head of planning, transport and engineering to replace two previous senior manager posts	80	80	80	80	80

Changing the way we deliver services down your street and cracking down on neighbourhood issues

The neighbourhood services teams work out in the community to get to the heart of the issues facing that area. We are proposing to build upon this successful work by creating a new neighbourhood and environmental service that will work with residents to tackle problems within communities and prevent them from reoccurring. We are currently consulting with staff and unions but this could combine a new regulation and enforcement service with our neighbourhood management and preventative teams to work with individual neighbourhoods to tackle anti-social behaviour, parking, and environmental issues, take strong enforcement action against persistent offenders, and help communities to plan and prepare effectively for the future. We will also focus more heavily on enforcement to ensure that businesses, landlords and residents, and other organisations are complying with required laws and standards and are not having a detrimental effect on the lives of those who live, work and visit our city.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Developing and restructuring neighbourhood services	196	196	196	196	196

A new approach to housing services

Current budget = £653k

We are also looking at delivering our housing services differently. The choice-based lettings service currently run by the council's neighbourhoods team is a discretionary service and costs the council £603,000 to run each year. We are working with the registered social landlords in the city such as Cross Key Homes, Axiom and Minster to look at how these services can be delivered without putting such a financial burden on the council.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Changing the way housing services are delivered in the city	603	603	603	603	603

Combining services that improve community safety

Current budget = £508k

Currently the city council and the police both have their own community safety teams that work under the umbrella of the Safer Peterborough partnership to make Peterborough a safer place to live, work and visit. By combining the two teams we can save £100,000 tax payers' money.

Tackling domestic abuse remains a priority for the partnership and there are very good support services provided in this area by voluntary organisations. It is therefore proposed to work with the police and organisations such as Victim Support, Rape Crisis and Women's Aid to provide a different support service for those affected by domestic abuse saving £59,000 a year.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Combine the city council and police community safety teams	50	50	50	50	50
New partnership domestic advocacy service	59	59	59	59	59

Supporting Women's Enterprise Centre to become self-sufficient in five years

Current budget = £424k

Only a year after it opened Peterborough Women's Enterprise Centre is already receiving national and European recognition for its work to support women in the city to develop their business ventures. As its success grows it is anticipated that it will generate further income and need to rely far less on public funds. It is therefore proposed to reduce its funding over the next five years saving the council from £273,000 in 2011/12 up to £424,000 in 2015/16.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Staggered reduction in funding for the Women's Enterprise Centre over five years	273	300	350	400	424

Reducing our impact on the environment

Current budget - Street light and traffic signal maintenance = £1.7m

Peterborough is already in the national and international spotlight for our innovative forward-thinking approach to tackling environment issues and has a growing reputation as home of environment capital. Next year we are proposing to make a major investment in our 24,000 strong network of street lights and our traffic light systems to enable us to make annual savings of £211,000 while also reducing our impact on the environment as set out below.

We are proposing to invest in energy saving LED bulbs for our street lighting and use the latest technology to dim lights in locations and at times where it is appropriate. A new state-of-the-art system would allow us to instantly see why lights are out and to respond much more effectively to faults. This investment is included in the capital section under the heading "street lights and traffic signals" on page 33.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Street lighting energy savings	0	211	211	211	211

Changing the way services are provided for vulnerable people in the city - Supporting people funding

Current budget = £4.3m

The council used to receive a pot of money worth £5.021m specifically for supporting vulnerable people to remain at home. This money has been used to pay for support and advice provided to residents by organisations such as the NHS, social landlords and the voluntary sector.

The council no longer receives a specific pot of money to pay for these services and any funding used to pay for them is now part of the overall grant the council receives from the Government. Therefore, along with many other services, the council needs to decide how to spend the reduced funding it receives.

We will be consulting with those organisations who currently provide these services for residents to change the way this support is provided. We will work closely together to remove as much bureaucracy, red tape and costly processes as possible and enable residents to still benefit from similar services that are not as costly to the public purse. We will base our final decisions on the needs of the community. This will mean changes and reductions to some services but at this stage it is too early to say exactly which these will be. It is also important that we avoid increasing financial pressure on adult social care.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Issue					
Supporting people funding	1,404	1,404	1,404	1,404	1,404

Parking

Current income budget: £3.4M

We are proposing to make significant improvements to our car parks to give better disabled access, introduce pay-on-exit machines to enable enforcement officers to monitor parking on our streets.

We will be changing the way we charge you to park in the city. Rather than the current system of charging the same rate across all of our car parks, we will seek to competitively price each of our car parks. This will make sure we fill our car parks and make best use of the space available across the city. This will mean some prices will go up and some will go down and the council will be aiming to compete with private operators in the city.

To improve safety outside of our schools and close to pedestrian crossings we are proposing to introduce state-of-the-art technology to crackdown on inconsiderate motorists.

We will install CCTV cameras into our council vehicles so as they patrol the city they will capture, through automatic number plate recognition, parking on hazard markings on the approach to pedestrian crossings and outside schools. This will generate automatic fines in the same way as speed cameras. This will seek to address a considerable number of complaints we receive from members of the public.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Issue					
Increased revenue from parking department	161	161	161	161	161

Wi-Fi in City Centre

Current budget = £105k revenue, £269k capital for 10/11

Due to the difficult budget decisions the council is having to make, we are proposing to put this project on hold. This will save £269k on this year's capital budget, £105k on this year's revenue budget (part year) and £113k each year after that.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Issue					
Revenue saving from not implementing.	113	113	120	120	120

Community association grants

Current budget = £65k Gladstone Park £67k

The council currently provides small sums of money to a large number of community and resident association regardless of their individual circumstances. Most community associations receive £1,250. The total budget for this grant is £65,000. We intend to devise a system to enable each association, if it wishes to do so, to bid for a sum of money to support its work in bringing together communities to become more actively involved in their neighbourhoods.

While we are proposing to reduce the overall pot of money by £30,000, each group will be expected to become actively involved with the neighbourhood councils which will have access to additional funding through the development pot.

We have been working with the community in the Gladstone area for some time with the aim of transferring the Gladstone Park Community Centre to community control from April 2011 which would in turn save the council £46,000 in the first year rising to £66,000 by 2015/16.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Reduction in Community Association Grant	30	30	30	30	30
Handover of Gladstone Park Community Centre	46	62	69	67	66

Road safety

Current budget = £210k

We currently invest £210,000 into Cambridgeshire Safety Camera Partnership which is responsible for managing all of the speed cameras across Cambridgeshire. As a result of the overall reduction in the funding the council receives from the Government we are proposing to reduce our contribution to this partnership.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Reduction in Safety Camera Partnership Funding	80	80	80	80	80

PECT

Current budget = £114k

Peterborough Environment City Trust (PECT) was set up in 1993 to support the city's work to reduce our impact on the environment. As the organisation has grown both as a business and a charity, the council has seen the need to change the way it supports its activities. Therefore rather than providing direct funding to the organisation we are proposing to purchase services from the organisation as and when required and work jointly on any bids for additional money. As a charity organisation PECT may be able to bid for funding that a council, as a public service could not, but the council could support this bid. In order to support this change we plan to reduce the funding to PECT over the next two financial years.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Reduction in support for PECT	40	80	114	114	114

Cohesion and preventing violent extremism funding

Current budget = £431k

There has been a grant reduction of £114,000 in this area and we are planning to reduce spend accordingly.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Reduction of in year funding	114	114	114	114	114

New approach to tourism

Current budget = £303k

Since the successful opening of our new destination centre last year, we have been working to modernise our entire approach to tourism. We are proposing to expand the services offered by the centre to include a conference booking facility and building upon our international links with cities such as Bourges, Viersen and Alcala de Henares.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
New approach to Tourism	37	37	37	37	37

Events

Current budget = £198k

The city currently has a varied programme of events throughout the year to cater for residents of all ages. Major events also bring thousands of people to our city who also spend money here and improve the economy of our city centre. We currently provide large scale events such as the Great Eastern Run at no cost to the tax payer. This is not possible in all areas, however, by increasing sponsorship and charging businesses over the next five years to run events in our city, we expect to increase our programme of events and reduce our overall costs to £23,000.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Reduce events costs by 2015	31	67	103	139	175

Voluntary sector funding

Current budget = £550,000

Voluntary sector organisations play a key role in supporting communities in Peterborough and surrounding areas. We recognise the vital contribution they make but with budget pressures, like all areas of the council we need to ensure the funding we provide is having the largest impact on improving the lives of our residents. We have a commitment to help and support the voluntary sector to become more efficient and we have a project to start to look at supporting them to make efficiencies in their operations. Within the existing budget for 2011/12 there is a savings target of £100k, and further savings identified are limited to £50,000 in 2011/12 to allow these changes to be phased in without affecting the level of grant for the provision of frontline services.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Efficiency savings from Voluntary Sector Funding	50	100	100	100	100

SAVINGS - CAPITAL

Repairs assistance funding

The council has previously spent about £1.9m a year on repairs assistance grants to pay for improvements to private housing that are in need of urgent work because they are unsafe or unhealthy for their occupants. The grants are means-tested and fund a range of works including improvements to kitchens and bathrooms, damp proofing and drainage repairs.

We will continue to deliver a repairs assistance programme, but are proposing to reduce this sum of money by 40% whilst still ensuring that it is targeted at those most in need or who are most vulnerable in our city.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Repair assistance funding	680	680	680	680	680

Disabled facilities funding

We currently provide about £1.9m a year to help adapt the homes of vulnerable people to enable them to continue to live independently. The funding is means-tested and can pay for equipment such as stair lifts, back hoists or improving heating systems.

This is vital work that the council considers a priority and therefore we are not proposing to make any cuts in the next two years.

However, as the council continues to face greater budget pressures in later years we will have to consider cutting this funding by 25% after that.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Disabled facility funding	0	0	350	350	350

Stafford Hall

Current budget: £1m in 2012/13

Stafford Hall was built in the 1970s for the community in Hampton Court, Westwood. It provides rooms for local residents groups, and is a vibrant, well-used facility at the heart of the community.

It was intended to rebuild this facility, however we are working with Cross Keys Homes to bring forward a comprehensive development of the shopping area to include re-provision of community facilities. In the meantime we will spend £50,000 to refurbish Stafford Hall until that development comes forward.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Refurbish rather than re-build Stafford Hall	0	950	0	0	0

Neighbourhood Council Capital spend
Current budget = £175k

The council initially provided £25k for each of the seven neighbourhood councils, a total of £175k per year. It is proposed that this budget is removed. The reduction is anticipated to be replaced by monies coming into neighbourhoods (to be allocated by individual neighbourhood councils) from developers as a result of new buildings in the area. The budgets for 2010/11 will remain, enabling councils to kick-start projects identified in their neighbourhood plans. At this stage there is no specific provision in 2015/16 for this area, so the savings only apply in four years.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Reduction of Neighbourhood Council Capital investment	175	175	175	175	0

INVESTMENT - CAPITAL

John Mansfield Centre

Current budget = £90k revenue, £1.5m Capital project including contributions

Since the John Mansfield Centre opened in Eastfield in the summer of 2007 we have been successfully working with City College Peterborough (formerly Peterborough College of Adult Education) to deliver apprenticeships, education and training to 16 to 18-year-olds in the city who may have left school without qualifications. This excellent centre also provides a valued community facility for people in the area. The council is committed to continuing to invest in this centre.

Focus Community Centre

The Focus Community Centre has been at the heart of the Dogsthorpe community for many years. The council recognises the important contribution it makes to residents living in this area and is therefore committed to ensuring that money received from developers for community facilities in this area is invested in refurbishing this centre. The council is currently investigating the refurbishment requirements and also the ability to utilise Section 106 monies (the funding from developers to pay for community facilities).

Lincoln Road parking

To improve parking in the Lincoln Road/Alma Road area we are proposing to install new parking bays and safety measures to prevent double parking.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Investment into safety measures at Lincoln Road	30	0	0	0	0

City centre conservation

For the past year we have been improving the vibrancy of the city centre by demolishing the Corn Exchange, installing water fountains and creating the new St John's Square. We are now proposing to further improve this area by investing in our historic buildings and shopfronts in Cowgate. The newly created St John's Square will be improved as a result of the city council joining with English Heritage in a 'Partnership in Conservation Areas Scheme'. We will be investing £100k over three years into a match-funded scheme with English Heritage and supplemented by contributions from property owners in the area. The total investment is estimated to be in the order of £350k. The work will include the reinstatement of traditional shopfronts and sash windows, brick cleaning, re-pointing and re-painting facades. This work will assist in the regeneration of the area by supporting the current public realm works and the rehabilitation and reuse of vacant and under-used upper floors.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Investment into improving the visual impact of Cowgate and St John's Square	35	35	30	0	0

Thorpe Wood footbridge

The current footbridge had to be closed for health and safety reasons and this additional funding will allow us to make the required improvements to re-open it.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Issue					
Investment to allow the footbridge to reopen	30	0	0	0	0

Bright street traffic lights

These are among the oldest traffic lights in the city and need to be replaced. This investment will enable us to link these lights to our existing network of lights that are electronically managed and will help to further improve traffic flow in the city.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Issue					
Investment to enable an old set of traffic lights to be replaced before they fail	0	200	0	0	0

Green transport funding

As part of our commitment to being the home of environment capital we are increasingly looking for innovative ways to make it easier for those who live and work in the city to leave their cars at home and cycle, or share transport.

We are proposing to invest £265,000 over three years in cycling facilities, parking bays specifically allocated to people who share cars, and energy-efficient employee pool cars.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Issue					
Investment to encourage use of green transport	45	120	100	0	0

Boongate roundabout

Minor works to improve traffic flow on this already busy roundabout by widening the exit route into the city centre.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Issue					
To improve traffic flow at Boongate roundabout	0	700	0	0	0

Real-time energy data

To help the council reduce its energy costs we intend to fit high-tech energy monitors which will help our staff see exactly how much energy different equipment uses, and the difference made by turning off lights and computer screens on a day-to-day basis on our bills.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Issue					
Investment into energy monitors	15	0	0	0	0

CCTV cameras

We are proposing to replace old cameras that are coming to the end of their lives, with new and more modern technology.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Issue					
Investment in unserviceable CCTV cameras	0	40	0	0	0

Street Lights and Traffic Signals

Next year we are proposing to make a major investment in our 24,000 strong network of street lights and our traffic light systems. We are proposing to invest in energy-saving LED bulbs for our street lighting and use the latest technology to dim lights in locations and at times where it is appropriate. A new state-of-the-art system would allow us to instantly see why lights are out and to respond much more effectively to faults. We are also investing in our traffic lights to keep traffic moving in Peterborough. The revenue implications are set out on page 25.

This investment will help generate the savings outlined in the earlier section.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Issue					
Investment in Street Lights and Traffic Signals to reduce consumption of energy	2,955	0	0	0	0

Parking infrastructure (CCTV enforcement cameras on vehicles/charging for blue badge holders)

We are proposing to make significant improvements to our car parks to give better disabled access, introduce pay-on-exit machines to enable enforcement officers to monitor parking on our streets.

To improve safety we are proposing to invest in state-of-the-art technology to crackdown on inconsiderate motorists by installing CCTV cameras into our council vehicles so as they patrol the city they will capture, through automatic number plate recognition, parking on hazard markings on the approach to pedestrian crossings and outside schools. This will generate automatic fines in the same way as speed cameras. It will also address a considerable number of complaints we receive from members of the public.

We will be increasing and improving the number of disabled badge parking spaces within our car parks.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Additional Investment in Parking infrastructure	280	0	0	0	0

Support for Highways schemes

The main local transport plan funding for highways schemes is already included in the capital programme. It is intended to top this up each year to make sure that the size of the pot does not diminish over time.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Support for Highways schemes	96	100	104	108	112

INVESTMENT - REVENUE

Traffic lights maintenance

We are proposing to invest £20,000 in maintaining our traffic lights to keep the city as congestion-free as possible.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Traffic light maintenance	20	20	20	20	20

Impact of Floods and Water Act (2010)

Under the Floods and Water Act (2010) we are responsible for mapping out the areas that are at risk of flooding across the city. We will then work with the Environment Agency, Anglian Water and our drainage boards to reduce these risks. This investment of £95,000 in 2011/12 rising to £107,000 in 2015/16 will increase the maintenance work on our drainage systems.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Investment required as a result of the Floods and Water Act (2010)	95	98	101	104	107

APPENDIX 3 - SERVICE IMPLICATIONS (INVESTMENT/REDUCTIONS) – ADULT SOCIAL CARE

Adult Social Care Services include:

(i) Community Care Assessments, Support Planning and Reviews

We assess care needs and support people to complete self-assessments. We calculate how much money is available to meet people's needs using a "Resource Allocation System" and help people develop a plan to meet their needs. We carry out regular reviews of people's needs. We also assess the needs of carers and support them with services which give them a break from caring.

(ii) Safeguarding

We work to prevent the abuse of vulnerable adults and we investigate when there are concerns that someone has been abused or harmed. We then work with them to protect them from further abuse.

(iii) Learning Disability Services

We work with people with learning disabilities to support them to live independently whenever possible. We provide some day care services which aim to give people opportunities for social activities, training and support them to use services in the community. We also help people obtain employment and support them in their working life.

(iv) Services for Older People

We provide services to help older people remain independent. We buy in many of these services from voluntary organisations such as Age Concern Peterborough. We provide some day care services and also some residential homes.

(v) Mental Health Services

We help people with mental health problems to live independently whenever possible and we also provide support around employment. We also have approved mental health practitioners who are social workers who work with people with very serious mental illness and who can, if absolutely necessary, support people who need to be admitted to hospital or who need other very intensive mental health services.

(vi) Services for people with physical disabilities and sensory needs

We provide services to help people remain independent and get on with their lives. Some services are provided by voluntary organisations. We also provide some day care. We have a specialist team that supports people with sight and hearing disabilities.

(vii) Other specialist services

We provide other specialist services including the hospital social work service and a team which supports people who are living with HIV.

The overall cost of the Adult Social Care department to the council is £40.5m.

The savings proposals below reduces that spend by £2.4m.

Adult social care services are delivered through a partnership with NHS Peterborough. We have a legal duty to meet the needs of those who are eligible for these services. However, there is considerable flexibility in how needs may be met.

We have reviewed the budget using the following key principles:

- **Early intervention and prevention** – in order to reduce cost pressures, we will do all we can to prevent people needing our services in the first place. We will continue to invest in services that enable people to continue living independently in their own homes.
- **Re-ablement** – these are very intensive services which last for around six weeks and help people get ‘back on their feet’ after a fall or illness. There is very good evidence that these services work and about half of people will not need ongoing services after receiving them. We will invest in this area and aim to have services for all those people who would benefit from them.
- **Personalised services** – if people do need ongoing social care services, for example some people with learning disabilities who may require life-time care, we will ensure that we allocate funding in a fair and clear way by allocating them individual budgets. People will then have choice and control over the services they receive – a personalised approach. Because people who continue to live in their own homes tend to do better, we will only fund residential care when absolutely necessary.

SAVINGS - REVENUE

Reducing the cost of adult social care

We are already investing in re-ablement services which we expect will achieve significant savings. People will receive re-ablement services before any assessment of their ongoing needs is concluded. We will also look carefully at how resources are allocated and ensure that the “Resource Allocation System” (the system which calculates how much money is available to meet an individual’s needs) properly takes account of needs, the costs of services and the overall resources that are available.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Issue					
Reduce cost of Adult Social Care	2,000	2,000	2,000	2,000	2,000

Management Cost Reductions through Partnership

NHS Peterborough is in the process of making changes to community services which will in future be delivered by independent NHS trusts. The council still needs to consider the detailed proposals but would expect to achieve savings if and when services are transferred to Cambridge Community Services as currently proposed. All NHS organisations have to reduce management costs by about 45% and it is anticipated there could be further savings for the council once this process is complete.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Issue					
Management cost reduction	250	250	250	250	250

Review Day Centres

We will deliver more personalised services out in the community and within people's homes. Services based in buildings which the council and NHS Peterborough run themselves can be very expensive and are increasingly not the sorts of services which people choose. We will review day care services for both older people and people with learning disabilities and look to only continue those services that are making a real difference to improving those people's lives. Because some people do choose day care, we expect some services to remain in place.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Review Day Centres through delivery of more personalised services	100	100	100	100	100

ADDITIONAL INCOME

Community Care Services

We will increase charges for some community care services for example day care services, respite care services and home care services. In general we will make charges which reflect the true costs of these services. This is an area we know people find difficult but we believe it is fair at a time when we face funding reductions. People on low incomes will continue to pay lower charges or none at all where it is appropriate.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Increase charges within community care services	80	80	80	80	80

INVESTMENT - REVENUE

Growing numbers of people and more complex needs

Each year there are growing numbers of people who need to use social care services. This is especially so for people aged 65 and over and for those people with learning disabilities. As people are living longer the number of our residents with complex disabilities and long-term conditions continues to grow. We have projected the likely increases in the numbers of people who will need our services and have developed the adult social care budget on this basis. Financial pressures from these rising numbers of people and more complex needs are significant. Projections of social care need remain difficult to forecast, especially over the longer time periods that the Council undertakes its financial modelling. As such we have used recent trends, and then provided for 50% of this sum in the budget proposals. The remaining 50% is flagged as a risk, and will be reviewed each year when the budget is refreshed. This for all items except transitional cases, where full provision is made.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Learning Disability - growth in numbers (non-transition)	632	1,325	2,091	2,857	3,622
Older People (including older people's mental health services) - growth in numbers.	189	389	601	814	1,026
Learning Disability - transition cases from Children's Services	205	486	640	794	948
Physical Disability - growth in numbers (includes no residential increases).	99	208	328	449	569
Mental Health - growth in referrals and increases in statutory work. All growth has been contained within budgets for last 3/4 years.	50	75	100	125	150
	1,175	2,482	3,760	5,038	6,315

INVESTMENT - CAPITAL

The following additional capital investment is proposed (sums are already included in the current capital programme for 2011/12, so no additional sums are proposed in that year):

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Aids & Adaptions	0	51	51	51	51
Minor Works	0	36	36	36	36

**APPENDIX 4 –
SERVICE IMPLICATIONS (INVESTMENT/REDUCTIONS) - CHIEF EXECUTIVE'S**

The Chief Executive's Department consists of the following:-

(i) Growth Delivery Team

This team supports the council's agenda to grow the city by 20,000 jobs and 25,500 houses by the year 2026. The team supports key projects, such as the Carbon Challenge site, Fletton Quays (also known as South Bank) and the development on the Station Quarter through the Peterborough Delivery Partnership.

(ii) Human Resources

This team provides human resource services to all departments, such as support on recruitment, advice on disciplinary matters, redundancy and professional development.

(iii) Legal and Democratic Services

This team provides legal services to all council departments, democratic services to support Council, Cabinet and committee meetings, civic services to the Mayor and support services to councillors.

(iv) Communications Team

The communications team supports all council departments in providing internal and external communications advice. Their role includes promoting the council through the media including television, radio, magazines, internet sites, staff communications for up to 2,000 people, producing communications strategies for major initiatives, producing press releases, delivering marketing campaigns, the production of Your Peterborough and the management of the council's website.

The overall cost of the Chief Executive's Department to the council is £9m. The proposals below reduce that spend by £1.3m by 2013/14 (net £0.7m in 2011/12).

SAVINGS - REVENUE

Delete Deputy Chief Executive post

The post of Deputy Chief Executive has been held vacant subject to review, with the workload shared among the Chief Executive and Executive Director of Resources. The Chief Executive has proposed that these arrangements now continue and this post be deleted.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Delete Deputy Chief Executive post and office support	200	200	200	200	200

Reduce Chief Executive's office support
Current budget = £159k

The council continually reviews the cost and performance of its support function and has already delivered cost savings in the current budget. Further efficiencies enable additional savings to be made in this area,

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Reduce Chief Executive's office support	30	30	30	30	30

Reduction in costs of supporting the Greater Peterborough Partnership
Current budget = £230k

The Greater Peterborough Partnership (GPP) is the organisation that oversees how the city is run and the contribution all public services, voluntary organisations and businesses make to improving life in Peterborough. It brings together the city council, police, health, fire and other organisations in the city to work on a set of priorities to improve Peterborough for all those who choose to live, work and visit here. These priorities are outlined in the Sustainable Community Strategy and focus on the environment, growing the city, reducing crime and improving the health of the population of Peterborough.

The previous Government required the GPP to pull together information to assess how the city was performing against a set of national targets and locally-set targets which enable Peterborough to achieve the priorities set out in the Sustainable Community Strategy. These targets are outlined in the Local Area Agreement (LAA) and the assessment on how the city was performing against these targets was called the Comprehensive Area Assessment (CAA) and was carried out by the Audit Commission.

Whilst this strategy is still required to be produced the Government has abolished the Comprehensive Area Assessment which was conducted by the Audit Commission (also abolished). As a result of this, there will be a reduction in the level of work undertaken by GPP which is reflected below.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Reduction in costs of GPP in line with reduction in CAA work	50	50	50	50	50

Communications
Current budget = £999k

The council needs a strong and focused communications function to ensure our residents, staff, businesses, partner organisations, understand the direction we are taking and where to access council services.

These proposals are designed to continue that but in a streamlined form. Proposals include:-

- A new Director of Communications, which will be shared between the Peterborough and Stamford Hospitals NHS Foundation Trust and the council, which will have a resultant saving from the council's budget.
- Marketing budget will be reviewed and marketing will be continued with a reduced number.

- The council will seek opportunities to collaborate with partner organisations across Peterborough to market city-wide initiatives.
- The council will seek private sector sponsorship and increasing sponsorship and advertising income.
- The council will work with its partner, Peterborough and Stamford Hospitals NHS Foundation Trust to amalgamate its resources into a focused team to handle staff communications, media inquiries, press releases and media campaigns around a newly formed communications strategy.
- The council will reduce its sponsorship budget by half and use that budget to sponsor business related events.
- The council will join forces with local newspaper publishers to promote city-wide events, enabling the council to reduce the frequency or stop the production of Your Peterborough and use other opportunities such as its website and other publications to promote its services to its citizens. It will be important when implementing any change to ensure that everyone has access to information which they need about council services, e.g. older people.
- The new Communication's Director, when in post, will be responsible for shaping the proposals above and consulting on them.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Reduce funding to meet the above proposals	416	416	416	416	416

Reduce financial cost of support to Eco-Innovation Centre
Current budget = £100k

Working with the Eco-Innovation Centre (EIC) we have been able to identify ways in which savings can be made that will allow the centre to become self supporting by 2013/14. This will allow the EIC to fully explore the options available to them and to expand on the delivery of service in this key market sector.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Reduce financial cost of support to Eco-Innovation centre	50	75	100	100	100

Savings in cost of Peterborough Delivery Partnership (PDP)
Current budget = £1.3m

The Peterborough Development Partnership was set up by the council to deliver schemes and projects in the city associated with the growth agenda.

Whilst the PDP is essential to support the growth agenda of the city, it, like all areas of council business needs to contribute to our overall savings. Given the progress that the Growth agenda has made there is confidence that a proportion of the costs can be met within the individual projects taken forward thereby reducing pressure on the core budget and allowing us to achieve savings.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Reduction in revenue costs in line with funding constraints in MTFP from 2010/11	200	200	200	200	200
Further savings in cost of Peterborough Delivery Partnership	22	40	100	100	100
Total	222	240	300	300	300

Reduction in salary costs in Legal and Democratic Services
Current staff budget for Legal Services = £1.4m

Over the past few months there has been a deliberate reduction in posts in Legal Services, and where posts have become vacant they have not been filled. In September 2010 one of the two Heads of Legal accepted voluntary redundancy, and the service is being restructured under the one remaining Head of Service. Some of the posts currently vacant will need to be filled once we understand the shape of the council following budget cuts, and the legal services that we will need to provide. A saving of £150,000 is our target reduction against current budget. This will mean a reduced legal service, but one that is targeted to the remaining needs of the council.

We can make further savings by re-grading some posts which are similar but currently graded differently to colleagues.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Reduction in vacant posts in legal services	150	150	150	150	150
Re-grading to align other posts	25	25	25	25	25
Democratic Services	100	100	100	100	100
Total	275	275	275	275	275

Reduction in training budget for Legal and Democratic Services
Current training budget for Legal and Democratic Services = £65k

A number of staff, particularly in Legal Services, are required by their professional body to achieve 16 hours training per year to retain their professional qualifications. Traditionally such training has been acquired from external training courses. We have changed our approach so that as much as possible is provided in-house; for example, if one person attends an externally accredited course, they then provide an in house session which gives colleagues required credits. We are also working with colleagues in other authorities to share training, which we are able to do our Legal Services is an accredited training provider.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Issue					
Reduction in training budget	10	10	10	10	10

Neighbourhood Councils

Current budget: £17k

The Neighbourhood councils are crucial in delivering the localism agenda and fit with the Government's 'Big Society' initiative.

We have reviewed the number of meetings with the chairs and the current 28 meetings can reduce to 14 (7 meetings twice a year). This will still enable us to manage the capital spend and use these valuable meetings to link the Section 106 monies (from developers to spend on community facilities) to local needs.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Issue					
Neighbourhood Councils reduced frequency	6	6	6	6	6

Reduction in subscriptions

Current budget: £111k

Legal and Democratic Services makes payments for various subscriptions that the council makes, to organisations such as the Local Government Association. These are for the benefit of the whole council, not just Legal and Democratic Services, and are considered to be beneficial. Following the demise of EERA, these payments have reduced by £15,000 and the budget can be reduced accordingly.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Issue					
Reduction in subscriptions	15	15	15	15	15

SAVINGS – CAPITAL

Affordable housing

The council originally intended to spend £7.9m in 2011/12 on affordable housing. Current commitments mean we will not need to spend that much, so the remainder is being moved to the next 2 years for use when required. As a result of this, the budgets originally set on those years will not be required.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Slip Affordable Housing Budget to future years (negative figure shows money coming out – positive figure is money being put back in later years)	-3,918	2,000	1,918	0	0
Remove current budget 2012/13 and 2013/14	0	-546	-567	0	0

INVESTMENT - REVENUE

Supporting growth on key sites

This budget growth is essential to support 'pump priming' work necessary to start growth. Key projects within the city centre need an element of investment to take forward their development. This work will involve identifying the risks thereby giving potential investors the confidence to invest within the city. Spending this money now will bring significant investment which will far outweigh the cost.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Supporting growth on key sites (e.g. Fletton Quays, Northminster, City South, Station Quarter)	450	0	0	0	0

INVESTMENT – CAPITAL

The capital investments outlined in the table below, principally to support growth, are planned.

The STEM centre is a project to develop an educational centre to support learning in science, technology, engineering and maths. It was planned to include this development within a redevelopment of the Moyes End stand at the football ground, enabling us to deliver our regeneration aspirations in that area, as well as delivering this new educational establishment.

The majority of funding for this scheme is coming from a Government grant, which has already been cut in year. Also currently the overall scheme relies on income in the future from letting the facility to meet the full cost. This £2m investment is proposed to bridge these initial gaps in funding to enable the centre to go ahead. However, more work still needs to be undertaken on the design and finances of this project. Every effort will be made to use as little of the £2m as possible until the future of this centre has been secured, and it will not be released until the project business case has been fully assessed to ensure value for money.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Public Realm Phases 2 and 3	500	500	500	500	500
Riverside - Risk Reduction Project	200	0	0	0	0
Capital Costs of Disposals	0	1,200	500	500	500
Stem Centre - Further funding required due to grant cuts	2,000	0	0	0	0

**APPENDIX 5 –
SERVICE IMPLICATIONS (INVESTMENT/REDUCTIONS) – STRATEGIC RESOURCES**

Strategic Resources consists of the following:-

- Payroll
- Processing invoices
- Collection of tax and debt
- Management of discretionary rate relief scheme
- Internal Audit
- Financial Management
- Asset Management
- Cemeteries and Crematorium
- Performance Management and Improvement
- Management of the waste project including City Services Partnership
- Peterborough Direct
- Registrars
- Business Support
- ICT
- Business Transformation
- Procurement
- Programme and Project Management

The cost of Strategic Resources to the council is £22.8m

The proposals below reduce that spending by £2.9m

SAVINGS - REVENUE

Further efficiencies and cost reduction

Overall budget = £22.8m

The Department's proposals are focused around generating further efficiencies and lowering the cost of the overheads to the organisation. The proposals are set out below and are summarised as follows:-

- Continuing to invest in business transformation to deliver further efficiency savings for the organisation
- Seeking to outsource the council's back office functions through Manor Drive (see paragraph 3 above)
- Reductions in back office costs in customer services, finance and external audit fees (as a result of the abolition of the Audit Commission).

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Customer Services: Training Officer post	30	30	30	30	30
External Audit Fees	0	20	20	20	20
Finance Savings	100	100	100	100	100
Outsource Manor Drive	500	500	500	500	500
Reduction in business support and departmental overheads	150	150	150	150	150
Business Transformation savings	1,900	1,900	1,900	1,900	1,900
Total	2,680	2,700	2,700	2,700	2,700

Reducing speed of processing benefit claims
Current budget = £950k

It is proposed to increase the amount of time we take to process benefit claims from 13 to 18 days. By reducing the number of payment processing staff by 4 a saving of approx £100k can be made but this will have an adverse impact on the speed of processing both new benefit claims and revisions to benefits due to changing circumstances.

For those in real need, the express claims process for assessing new claims within 2 working days would still be in place for claimants that produce all necessary documents at the time of submitting a claim but ensuring the turn-around time for express claims would have an impact on other claims and delay determination and payment of these by an average of one week.

Assessment of changes to benefit entitlement would also be affected by the reduction in staffing and would reduce the average speed of processing changes from 11 days to 14 days.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Reduce speed of processing benefit claims - from 13 to 18 days	100	100	100	100	100

Call Centre Reduction
Current budget = £676k

A £50k reduction in resources at the **call centre** leading to an increase in abandoned calls of between 100 to 200 per day and longer in answering calls.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Customer Services	50	50	50	50	50

Reduce budget for award of discretionary rate relief by approx 25% (£47k)
Current budget = £188k

The majority of organisations receiving rate relief are registered charities and therefore receive 80% mandatory relief from business rates which is wholly funded by the Government.

In addition there is a policy of considering applications for discretionary rate relief up to the remaining amount of their rates liability. Any monies approved are paid for by the council at ¾ of the money granted and the remaining ¼ paid for by the Government.

Discretionary rate relief applications are reviewed every 3 years with the next review being due on 1 April 2011. This gives the council the opportunity to revise the current policy for granting relief which will see current recipients of relief receiving reduced relief on their business rate bill from 2011/12.

We will review our policy with the aim of reducing the amount of money paid for by the council by 25%.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Reduce award of discretionary rate relief - figures include aiming for 25%	47	47	47	47	47

Parish council payments reduced by £40k per annum (20%)

Current budget = £200k

The council currently pays a grant to each parish council. This is paid on the basis of a fixed sum per head of population in that Parish. This payment currently happens automatically, regardless of whether the budget plans for the parish indicate that it is needed, and is increased by inflation each year. This approach effectively sees money being shifted from non-parished areas to those that have parishes.

The proposal would see these grants reduced, roughly in line with the expected reduction in grants that the council itself is facing. It would be down to each parish council to consider in their own budget planning how this impacts them.

This proposal does not affect payment of sums for service provided by parish councils on behalf of the city council, or the payment of council tax sums that the city council collects as the billing authority.

The council recognises the short period of time between now and when parish councils have to set their budgets for the 2011/12 financial year. To allow parish councils sufficient time to plan for the introduction of this, the proposal will not be implemented until 2012/13 financial year.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Reduce Parish Council payments (20% reduction)	0	40	40	40	40

Food Waste Collection

It is proposed to remove these monies from the council's budget and work with the successful tenderer for City Services under LOT3 to deliver this outcome.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Delete budget for food waste collection	423	1,151	775	1,002	1,002

Bereavement service fee increases

It is proposed to increase the cremation fee and interment fee by 15%. The current environmental surcharge that is added to the cremation fee will increase by 10% from £50 to £55 and the cost of memorials and other fees will increase by between 3% and 5%. It is proposed that 2.5% of the cremation and interment fee will be retained to fund essential maintenance to cemeteries and closed churchyards.

The increased cremation fee will also offset the projected loss of business following the opening of a new private crematorium this year in the nearby town of March. Other crematoria have yet to announce 2011 increases but it is very likely Peterborough's fees will remain outside of the top 25%. The new fees will apply from 1 January 2011 as last year.

As the income received will be re-invested into the service to offset pressures, no figure for total income received is included.

Registration service fee increases

The following fee increases are proposed for the services provided from the Register Office:-

- Ceremonies conducted at approved premises – 9.9%
- Private citizenship ceremonies – 4.8%
- Nationality checking service – 9.9%
- Baby naming and renewal of vows – 8.2%
- Express certificate request service – 12%
- Statutory fees (to be confirmed by the Home Office)

The new fees will apply from 1 April 2011 as last year.

Wheelie bins fee increases

The council is proposing to introduce charges to replace wheelie bins that have been lost or stolen and for new bins for any new homes. Residents will pay £36 each for new bins and £18 each for refurbished bins.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Wheelie bins fee increases	35	35	35	35	35

Allotment fee increases

Charges for allotments have been historically kept at very low levels as concessions have been applied. The Council is planning to cease these concessions. As a result charges will now be £52 per year for full size allotment, or £1 per week for their use, and £39 per year for smaller plots.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Allotment fee increases	30	30	30	30	30

Recreation fees

The Council intends to raise a modest sum through increasing fees for recreation activities - eg bowling greens, putting greens etc

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Recreation fee increases	30	30	30	30	30

Support for the costs of change

In the Spending Review, the Government announced that it would provide support for councils to meet the costs of change. This effectively allows Councils to spread the cost of these changes over a number of years. We currently estimate that we may be able to spread £500k of cost in this manner. The costs incurred in future years are included in the capital programme figures in appendix 8.

	2011/12	2012/13	2013/14	2014/15	2015/16
	£k	£k	£k	£k	£k
Estimated government allocation to meet costs of change	500	0	0	0	0

SAVINGS – CAPITAL

The following savings are proposed in the capital programme.

Expenditure on the waste programme will be moved in line with revised timescales on that projects. The costs of the anaerobic digester will be removed in line with plans for the food waste collection outlined earlier.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Works on council buildings	345	345	345	345	345
Reprofiling of waste programme (negative figure shows money coming out – positive figure is money being put back in later years)	-4,222	-3,413	1,858	3,028	1,500
Removal of anaerobic digester	6,000	0	0	0	0

INVESTMENTS – REVENUE

Grants Team

The council has established a grants team to seek and bid for additional external funding. Initially it was intended to charge the cost of the team to the grants received. However the conditions attached to many of the grants mean this is not possible. In light of the success of the team in attracting funding, and given that this is more crucial than ever, it is proposed to directly fund the team to enable it to continue.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Grants Team	120	120	120	120	120

Costs of delivering change

The scale of change required in the Council must be properly resourced to ensure that it is delivered effectively and achieves the savings required. These costs include the upfront investment needed to deliver these savings, such as invest to save project costs, redundancy costs and associated pension.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Costs of change	2.875	941	941	941	941

INVESTMENTS – CAPITAL

Renewable energy projects

The Council needs to invest in projects to generate renewable energy, such as solar power from photovoltaic cells. As well as reducing the Councils Carbon footprint, this will reduce energy costs and costs of the carbon tax. It is intended to use £500k in 2010-11, and another £500k in 2011-12. The full revenue costs of this £1m total are included in the budget proposals.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Renewable energy projects	500				

The capital investments outlined in the table below are principally investments to make savings or efficiencies.

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Capitalisation of Schools Capital Reserve	500	500	500	0	0
Customer Services Transformation	40	0	0	0	0
Business Transformation Invest to Save	0	500	500	500	500
ICT investment	250	250	250	250	250
Properties Works – properties used in delivering adult social care	500	500	0	0	0

**APPENDIX 6 –
SERVICE IMPLICATIONS (INVESTMENT/REDUCTIONS) – CULTURE TRUST**

The council has a contract with Vivacity, which commenced in May 2010 to provide its Leisure, Sports and Cultural Services. The proposals below have to be discussed with the Trust under the contractual arrangements and this will be done during the course of the consultation period on the budget.

The cost of this contract to the council is £3.5m.

The proposal below reduce this cost by £300k in 2011/12 and by £634k by 2015/16

SAVINGS - REVENUE

Use of more volunteers

The Trust wishes to recruit volunteers to help deliver some of its services. This will have a resulting saving of £137k per year. It is proposed to allow the trust to retain this money to create a reserve as required by the Charity Commission.

Reduction in Library Services

Current budget = £1.9 million

The library service remains a significant area of the council’s discretionary spend, and must be considered as part of the budget proposals. The council does recognise the value of this service to communities but recognises the need to review all library provision across the city. The savings identified can be achieved through the following measures:-

- Library opening hours – The opening hours of Central Library will remain the same. District libraries such as Bretton, Dogsthorpe, Orton and Werrington will see a reduction in their hours to 29 hours per week.
- All of our smaller libraries will be open for 21 hours per week. This will mean some libraries will see a reduction in opening hours as a result and one library will see an increase in its opening hours.
- Review the provision of mobile libraries in line with current usage, ensuring that communities that use the service still receive it.
- Reviewing the library services provided in Orton and the location they could be provided in the future.

Again it will be considered whether the use of volunteers could expand services beyond levels outlined above.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Saving on library costs	250	250	250	250	250

Revenue savings from Capital investment

The council has made provision in its capital budget for a number of schemes over the life of the MTFP that support culture and leisure. It is considered that this investment will generate revenue savings e.g. new boilers saving on fuel costs and the carbon tax. The council has set a target for these savings. There is no target for 2011/12 as there needs to be the lead time for the investment to happen.

	2011/12	2012/13	2013/14	2014/15	2015/16
Issue	£k	£k	£k	£k	£k
Savings from culture and leisure following Capital investment	0	179	171	164	159

Reduction in client management

We are reducing the resources the council puts into managing the contract with Peterborough's culture and leisure trust, Vivacity.

	2011/12	2012/13	2013/14	2014/15	2015/16
	£k	£k	£k	£k	£k
Client Management	25	25	25	25	25

SAVINGS – CAPITAL

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Review of Key Theatre Build/Refurbishment - 25% reduction	+125	+125	0	0	0

INVESTMENT - REVENUE

Flag Fen

The council maintains its committed to investing in Flag Fen (£100k per annum for 3 years). Flag Fen is of international importance and this initial investment will guarantee its future by integrating this site into Vivacity's museum functions.

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Flag Fen	100	100	100	0	0

INVESTMENT - CAPITAL

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Libraries (Invest to Save)	200	0	0	0	0

APPENDIX 7 – SERVICE IMPLICATIONS (INVESTMENT/REDUCTIONS) – STAFF IMPLICATIONS

The proposals below represent changes to policies and terms and conditions for staff. The proposals do not include, at this stage, any reduction in redundancy provisions, reduction in overtime/shift allowance or moving out of the national negotiation framework. It also summarises the impact on staff numbers and vacancies.

1. Policy Changes

(a) Sick Pay

We believe our ability to influence the level of sick pay paid out is most effectively achieved through focussing on reducing absence levels through more effective attendance management practices rather than reducing benefit levels. It is therefore proposed that we introduce an Attendance Improvement Programme which will include a review of our policies/procedures to ensure that absence issues are handled professionally, consistently and sensitively.

Reducing absence levels from 5% (average 11 days) per year to 4% (average 9 days) would provide a saving of £350,000 per year.

(b) Childcare

The proposal is to remove the additional benefit currently provided to some staff. It is proposed to continue with the more recently introduced salary sacrifice childcare voucher scheme which is cost neutral to the council, but we are proposing to withdraw the enhanced benefit.

This would save £44,000 per year and would affect 42 employees.

2. Terms and Conditions

(a) Removal of Essential Car User Allowance and introduction of one standard mileage rate to 40p per mile for all car users

The proposal is to remove the essential car user allowance from existing staff and standardise the mileage rate for all staff to 40p per mile (the current HMRC advisory rate for business mileage) irrespective of whether the user is currently classed as “essential” or “casual”.

This would save £600,000 per year. Currently 430 people receive the essential car user allowance and a similar number will be adversely affected by the change in the mileage rate.

(b) Charging all staff for Car Parking

The proposal is to introduce an annual car parking fee of £500 per annum, for all users. Currently the cheapest day rate for parking is £3.50, roughly equating to an annual charge of £770, hence the level has been set below this. Charges in the car parks available to staff would be higher than this, so the rate would represent a discount compared to the rate for a season ticket for a member of the public.

Part of the arrangements could include options for staff to share a pass to encourage car sharing, and arrangements for part-time staff to adopt a scratch card.

We may wish to explore the option of introducing salary sacrifice to effectively “cushion” the financial impact for staff by benefitting from available tax relief.

This would generate an income of £750,000 per year and would affect 1600 people.

(c) Vacancy and Redundancy

Anticipated Headcount Reductions (2011/12) <i>Subject to Confirmation</i>	
Headcount reduction implications of MTFP (excludes redundancies in progress/imminent restructures <u>NOT</u> included in MTFP – for example, business support)	241
Reduction in redundancies linked to T&C savings	- 60
Reduction through Voluntary Redundancy Programme	TBC
Deletion of vacancies	TBC
TOTAL	181

(d) Pay Awards

The pay arrangements for the majority of council staff are subject to terms and conditions that are agreed at a national level. This includes any pay awards. In previous Medium Term Financial Plans, the council has made provision for the estimated pay awards in future years. Each year this is revisited and the estimate updated to reflect our best intelligence as to what that pay award might be. We have again undertaken this exercise, and in light of recent announcements on a public sector pay freeze, we can reduce this provision by the following amounts:

	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Updated estimate for pay award	935	1,689	2,424	3,196	3,196

(e) Voluntary Redundancy Programme

In order to minimise the impact of compulsory redundancies it is intended to launch a voluntary redundancy programme following consultation with the trade unions. This is likely to be announced mid-November.

**APPENDIX 8 –
SERVICE IMPLICATIONS (INVESTMENT/REDUCTIONS) – CAPITAL PROGRAMME OVERVIEW**

The council’s capital investment strategy has been reviewed as a result of lower expectations of external funding from Government and related agencies. In addition there are reduced revenue monies available to fund costs of new borrowing.

As a result the funding of the capital programme has been focused around maximising external income from section 106 agreements (the agreement the council has with developers to fund community facilities), reviewing asset disposal opportunities (including those arising from the property rationalisation) and seeking new forms of private sector funding for regeneration projects.

The latter will include the ability to raise income from:

- new homes incentives schemes
- tax incremental funding
- examine with the business community the potential to use a supplementary business rate

The capital programme has been reviewed to ensure that schemes are more accurately profiled in the years that spend will take place; in addition some schemes have been reduced by between 25 and 40%. Some schemes have been removed.

We have also reviewed where investment is needed to deliver our priorities, especially in regard to delivering growth and meeting the educational needs of our children. These changes are included in the relevant Directorate appendix.

The Spending Review announced that the Government will place a 1% premium on local authority borrowing, increasing costs to the Council.

The costs of the updated capital programme are summarised below:

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Costs of rolling forward current capital programme (a saving in year 1)	-332	136	159	277	1,123
Costs of new capital projects and funding arrangements	358	1,590	2,919	3,796	4,171
Costs of 1% borrowing premium introduced by Government	203	556	1,019	1,374	1,510

The majority of these costs in the early years are offset by savings from re-phasing schemes and some saving. These are summarised below:

Issue	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k
Resultant revenue budget saving from these proposals	1,110	3,884	3,547	1,205	885