Medium Term Financial Strategy
Budget 2019/20
Tranche One Proposals
Document from Cabinet

June 2018

EMBARGOED UNTIL 5PM ON 1 JUNE
1. INTRODUCTION 2
2. NEW ROLLING BUDGET PROCESS 3
3. STAND UP FOR PETERBOROUGH CAMPAIGN 3
4. PRIORITIES 4
5. OVERALL BUDGET POSITION 4
6. BUDGET CONSULTATION 6
7. OVERVIEW OF COUNCIL DIRECTORATES 8

Service implications - savings/investments

- Appendix A - Pressures 14
- Appendix B - Savings/Reductions 17
- Appendix C - Staffing Implications 26
1. INTRODUCTION

This document sets out the first set of budget proposals to be considered by cabinet to ensure Peterborough City Council can set a balanced budget for 2019/20.

Since 2010 the council has made significant savings, however as demand increases in vital services such as adult social care and children's services and Central Government continues to reduce funding across Local Government, the financial challenges to this Council continue. So the council will be required to take measures, set out in this document, to create a balanced budget which is required by law.

The Council is facing significant challenges to its finances, some of which are set out below:

- **Homeless demands** - a 200 per cent increase in households presenting themselves as homeless to the council in the last two years;

- **Adult Social Care** - More adults requiring very specialised care, including those with dementia and their carers. An increase of young people with complex physical and mental health needs moving from child services to adult services and a growing population of older residents requiring local authority top up help with care home funding;

- **Government Funding Reductions** - The council has seen its revenue support grant funding fall by 80 percent in seven years (from £55million in 2013/14 to £10million in 2019/20). This is on top of further funding reductions which began in June 2010.

Despite these pressures, the council:

- is the top performer in the country for discharging people from hospital despite significant challenges in adult social care with demand for our services continuing to rise.

- is investing in a unique opportunity to improve the lives of our most vulnerable children and young people through the use of government funding of £2.9 million over two years to promote family safeguarding.

- has ensured that the ever increasing demand for school places has been met. Through our fairer funding campaign we have supported the drive for further investment in new schools which has put us in a position to be able to bid for future investment in our schools.

- has led a new approach to school improvement which recognises the responsibility of our schools to drive their own improvement and ensures the Council is able to support and, in some cases, robustly challenge poor performance.

- has led the successful re-development of Fletton Quays which is now looming large over the City landscape.

- is leading on the redevelopment opportunities at North Westgate.

- is tackling the issue of homelessness and has brought forward a comprehensive plan to provide temporary accommodation for those finding themselves homeless as well as focussing on homelessness prevention.

- through the first year of the Healthy Peterborough service, has helped 2,600 people set personal health goals with over 1,350 achieving their goals. In addition 639 people have been helped to quit smoking.
• has seen success with our prevention and enforcement service, with over 8,500 fixed penalties issued for littering, anti-social behaviour and fly-tipping since June 2017. Through the work of the PES team, our city centre has visibly improved for all to enjoy.

• has created a balanced budget in 2018/19 and via sound financial management, which has been recognised by external Auditors, the Council has created an ability to invest in transformation and new ways of working to create a sustainable budget.

• is constructing a new household recycling centre in Fengate.

• has secured £9.7 million from the Combined Authority to invest in a University for Peterborough. This is significant for our city and it should meet the needs of our young people and businesses. Our plans are to develop a campus on the embankment.

2. INTRODUCING OUR NEW BUDGET PROCESS

This year the council will follow a new budget process throughout the year, which will have three tranches:

• Tranche One - June 2018 (set out in this document)
• Tranche Two - November 2018
• Tranche Three - February 2019

The decision to change to this approach allows the council to spread the workload of identifying and implementing savings and efficiencies across the year, driving out savings earlier and keeping a continued concentration on its finances to ensure any shortfalls are quickly identified and addressed.

Each phase will identify:

1. Savings and efficiencies that have been validated and are ready for approval by councillors
2. Savings and efficiency proposals that are being developed

Some budget proposals, which will save the council money in the future, may require investment in the first instance to be realised and implemented. It is proposed that a ring-fenced amount of £1.4 million should be set aside for this.

3. STAND UP FOR PETERBOROUGH CAMPAIGN

The council launched the ‘Stand up for Peterborough’ campaign in November, to lobby for funding.

Peterborough has seen an 80 per cent drop in its revenue support grant in the last seven years, decreasing from £55 million to £10 million.

It is the fourth fastest growing city, with the fourth highest birth rate and above average rates of deprivation.

All this has a knock-on impact on demands for services including:

• **Homelessness** - Increased by 200% in last two years;
• **Schools** - more school places required, resulting in new schools, like Hampton Gardens Secondary School and extensions to existing schools, like St Michael’s Church School;
• **Public health** – increased demands from population increases and levels of deprivation which see funds spread ever more thinly, with lower funding per head than national average;
• **Adult & Children social care** – Outdated figures which don’t recognise our growth lead to a lower than average funding per head received from national government.
Our current funding is based on out of date population estimates - meaning it doesn’t reflect current levels of need and reduces overall spending for everyone.

The campaign will relaunch following the budget consultation, with the aim of focusing on specific areas affecting Peterborough; working with our MPs to influence government’s thinking as they consider a review of their funding formula – concentrating on getting a better and more equitable deal for Peterborough.

4. PRIORITIES

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

- Growth, regeneration and economic development of the city to bring new investment and jobs. Supporting people into work and off benefits is vital to the city’s economy and to the wellbeing of the people concerned.

- Improving educational attainment and skills for all children and young people, allowing them to seize the opportunities offered by new jobs and our university provision, thereby keeping their talent and skills in the city.

- Safeguarding vulnerable children and adults.

- Pursuing the Environment Capital agenda to position Peterborough as a leading city in environmental matters, including reducing the city’s carbon footprint.

- Supporting Peterborough’s culture and leisure offer.

- Keeping our communities safe, cohesive and healthy.

- Achieving the best health and wellbeing for the city.

5. OVERALL BUDGET POSITION

The council had succeeded in reducing its budget gap by the end of the last financial year, however there are additional demands and pressures coming this year.

Tranche One contains the first round of savings that will help to address these.

By moving to a new budget process, we now have more time to plan, implement and realise savings and efficiencies in Tranches Two and Three.
<table>
<thead>
<tr>
<th></th>
<th>2019/20 £000</th>
<th>2020/21 £000</th>
<th>2021/22 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget Gap as reported in the MTFS 2018/19</strong></td>
<td>12,712</td>
<td>19,317</td>
<td>16,926</td>
</tr>
<tr>
<td><strong>Tranche One - 2018/19 - From June 2018</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional Pressures</td>
<td>1,692</td>
<td>4,562</td>
<td>5,463</td>
</tr>
<tr>
<td>Budget Reductions and Additional Income</td>
<td>-4,177</td>
<td>-3,841</td>
<td>-61</td>
</tr>
<tr>
<td><strong>Tranche Two - 2018/19 - From November 2018</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional Pressures</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Budget Reductions and Additional Income</td>
<td></td>
<td></td>
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<tr>
<td><strong>Tranche Three - 2018/19 - From Feb 2019</strong></td>
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<tr>
<td>Additional Pressures</td>
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<tr>
<td>Budget Reductions and Additional Income</td>
<td></td>
<td></td>
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<tr>
<td><strong>Present Budget Gap</strong></td>
<td>10,227</td>
<td>20,038</td>
<td>22,328</td>
</tr>
<tr>
<td><strong>Incremental Budget Gap</strong></td>
<td>10,227</td>
<td>9,811</td>
<td>2,290</td>
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</tbody>
</table>
6. BUDGET CONSULTATION

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

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

The consultation will close on 23 July at 5pm. Cabinet will consider comments on Monday, 16 July 2018 and Full Council will debate the tranche one proposals on Wednesday, 25 July 2018.

The consultation will ask the following questions:

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

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2. Having read the tranche one proposals document, how much do you now feel you understand about why the council must make total savings of almost £10.2million in 2019/20 and almost £22.3million by 2021/22? Tick the answer you agree with.

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

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

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

Are you?

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

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

Which of these age groups do you fall into?

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

What is your ethnic group?

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

B Mixed/ multiple ethnic groups
   - White and Black Caribbean
   - White and Black African
   - White and Asian
   - Any other mixed/ multiple ethnic background

C Asian/ Asian British
   - Indian
   - Pakistani
   - Bangladeshi
   - Chinese
   - Any other Asian background, write in

D Black/ African/ Caribbean/ Black British
   - African
   - Caribbean
   - Any other Black/ African/ Caribbean background

E Other ethnic group
   - Any other ethnic group

Do you consider yourself to have a disability?

Yes ………………………………………        No ………………………………………..

Thank you for taking the time to complete this survey

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

GOVERNANCE

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

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

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

GROWTH AND REGENERATION

Peterborough is one of the fastest growing cities in the country. The Growth and Regeneration directorate is in charge of driving that growth and overseeing major regeneration projects in the city. Growth and regeneration leads to additional income for the council through the New Homes Bonus and business rates.

The Growth and Regeneration directorate consists of the following:

- **Peterborough Highway Services** - including gritting, lighting and road maintenance;
- **Planning services** - ensuring new development fits with the city’s growth plans;
- **Opportunity Peterborough** - promoting the city to attract business and investment;
- **Housing joint venture company** - partnership with Cross Keys, including affordable and temporary housing;
- **Growth joint venture company** – Peterborough Investment Partnership;
- **Property Services** - managing the council’s property stock;
- **Amey contract** - including refuse collection, street cleaning, parks and open spaces;
- **Westcombe Engineering** - manufacturing business owned by the council;
- **City Services** - including CCTV, car parks, events and the City Market;
- **Communications** - including marketing, design/print and communications;
- **Regulatory Services** - including trading standards, licensing and health and safety;
- **Tourism** - promoting the city to visitors;
- **Resilience** - ensuring the council can fulfil its duties if an emergency occurred.

PEOPLE AND COMMUNITIES

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

- **Adult Safeguarding** - The Adult and Safeguarding Directorate leads on the operational delivery of work to improve outcomes for all adults and their carers which includes work related to Learning Disability and Autism, Physical Disability, Sensory Impairment, Mental Health and Older People.
• **Commissioning** - The Commissioning Directorate leads on the development and bringing together of needs assessments for People and Communities and ensuring best value services to meet assessed needs. This maybe by buying something, aligning money with others to buy or deliver something or putting in some money to enable others to do something. Much of the work is done with partners such as health and the private, independent and voluntary sectors; jointly commissioning where it makes sense to do so.

• **Communities and Safety** - The Communities and Safety Directorate lead on developing services whose primary focus is to build and sustain community resilience and to reduce and manage demand for more costly and/or complex interventions across the public sector. Much of the Communities and Safety work is delivered in partnership with the police, fire service, health and the voluntary sector. Core functions include: Community safety, including PES, anti-social behaviour programmes and initiatives, community youth work, homelessness assistance, adult skills and employment, community cohesion, community resilience, domestic abuse and sexual violence commissioning and delivery and day opportunities for adults with learning disabilities.

• **Children and Safeguarding** - The Children and Safeguarding Directorate leads on the delivery of improved outcomes for children, young people and their families and in particular, those who are vulnerable and/or at risk of significant harm. Children’s services aims to support children to live at home safely and where this is not possible provide alternative care settings.

• **Education** - The Education Directorate works with early year’s settings and schools to plan early years and school places, promote and support high standards of academic attainment and support curriculum enrichment opportunities. Services include school admissions, attendance, school intervention and advice.

**PUBLIC HEALTH**

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

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

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

**RESOURCES**

• **Financial Services** - Including financial planning and corporate accounting, finance and management, internal audit, fraud and insurance, Serco ICT partnership and digital, including City Fibre partnership.

In addition it provides the Serco Strategic Partnership, which covers business support, shared transactional services, business transformation, procurement, customer services, finance systems and strategic property.

• **Commercial group** - Covering the financial aspects of the Council’s commercial ventures.

• **Cemeteries, cremation and registrars** - Including bereavement services and registration service
BUDGET PRESSURES

Budget pressures are additional financial demands which have been placed on the council since its last budget update in February.

People and Communities

Adult Social Care Pressures

Nationally adult social care is facing unprecedented financial pressures resulting from reducing budgets, rising costs of care, increasingly complex needs and an ageing population.

The city council has not escaped these pressures and these are exacerbated by a growing population. We also have a growing number of children with disabilities and additional needs transitioning to adult services.

There is an increasing number of people who require local authority funding for care homes. This is because their private funds are running out, due to them needing care and support for longer.

<table>
<thead>
<tr>
<th>Pressure</th>
<th>2019/20 £K</th>
<th>2020/21 £K</th>
<th>2021/22 £K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Social Care</td>
<td>1,498 pressure</td>
<td>1,968 pressure</td>
<td>2,449 pressure</td>
</tr>
</tbody>
</table>

Children Social Care Pressures

The city has the fourth highest birth rate in the country. Due to this growth in population we have more children in the city and need more school places.

In addition, nationally the number of children in care has risen dramatically. In Peterborough we have increasing numbers of children who need to come into care; this equated to an additional 30 children in the last year.

Public Health

It is a legal duty of the Council to provide open access to sexual health treatment services. The Peterborough integrated sexual health and contraception service (iCASH) is commissioned by the Council from a local NHS Trust to provide testing and treatment for sexually transmitted infections, as well as contraception including implants and IUDs.

There has been a rapid increase in demand for the service since the contract was agreed in 2014 and the number of appointments in 2017/18 was 28% above the activity agreed in the original contract. This has required additional subsidy above the contract value from both the service provider and the City Council. The existing demand pressures now need to be built into financial forecasts, as the service is due to be recommissioned during 2018/19.

<table>
<thead>
<tr>
<th>Pressure</th>
<th>2019/20 £K</th>
<th>2020/21 £K</th>
<th>2021/22 £K</th>
</tr>
</thead>
<tbody>
<tr>
<td>I-cash Peterborough</td>
<td>194 pressure</td>
<td>194 pressure</td>
<td>194 pressure</td>
</tr>
</tbody>
</table>
Resources

Pay Award

Pay for most staff is determined by national agreement and pay awards - once negotiated and agreed, have to be paid.

The council has already allocated a two percent pay increase for staff in 2019/20 and one percent for future years in the previous budget. The assumption has now been extended to factor in a further one percent increase in future years to match the present Government policy of two percent in 2019/20. It should be noted that the Government will only confirm the additional 1% for 2019/20 in the fall of 2018 taking into account the effects of inflation in the economy and its impact on the cost of living. The majority of staff in the council will receive a two per cent increase but the lowest paid will receive more than that (between 3.7 - 9.1 per cent) and national discussions are ongoing regarding the highest paid (Chief Officers). The final costs of these will depend on local pay modelling, but the figures below show what these are likely to be.

<table>
<thead>
<tr>
<th>Pressure</th>
<th>2019/20 £K</th>
<th>2020/21 £K</th>
<th>2021/22 £K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay Award</td>
<td>0 pressure</td>
<td>400 pressure</td>
<td>820 pressure</td>
</tr>
</tbody>
</table>

Pension Inflation

Local Government Pension Scheme - All staff on local government terms and conditions are entitled to join the local government pension scheme. The overall scheme is the same across the country and government determines the level of benefits and the level of contributions that employees make to the scheme.

Each fund is assessed every three years to assess its position and its ability to meet future liabilities. The assessment of the Cambridgeshire and Peterborough fund will take place in 2019. The findings of this will be reported later in 2019 and will come into effect from April 2020. As such, at this time it is expected that there will be cost pressures to the Council from the Local Government Pension Scheme. The table indicates the potential pressures from 2020/21 onwards. The actual position will be finally confirmed by the actuary early in the 2020 year.

<table>
<thead>
<tr>
<th>Pressure</th>
<th>2019/20 £K</th>
<th>2020/21 £K</th>
<th>2021/22 £K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension Inflation</td>
<td>0 pressure</td>
<td>2,000 pressure</td>
<td>2,000 pressure</td>
</tr>
</tbody>
</table>

The council also has employees in the Teachers Pension Scheme and the NHS Pension Scheme which are national schemes administered by central government.
FINANCIAL SAVINGS

These are financial savings that have been identified to be consulted on.

People and Communities

Housing and Homelessness Prevention

The last year has been particularly challenging for all councils, as the number of homeless households up and down the country has grown substantially.

In Peterborough, we now have around 350 households accommodated in emergency accommodation, such as B&B style accommodation. In 2016/17 1598 households presented to us as homeless, compared to 1,108 in 2015/16, a rise of 46 per cent. This level of demand continued in 2017/18.

This nationwide situation has been recognised by the Government, which passed the Homelessness Reduction Act in April this year, which placed a duty upon councils to get involved at a much earlier stage - therefore increasing the chances of success in keeping households in their homes by offering support and advice.

All of the above has meant a different approach to homelessness in Peterborough is needed, which led to a Homelessness Reduction Strategy being approved by the council last month.

The strategy aims to tackle homelessness by assisting households who are struggling to pay bills at an early stage and also ensuring a good supply of affordable accommodation is made available over the next 36 months to avoid a reliance on costly B&B style accommodation.

By investing in more affordable accommodation (to reduce long-term costs paid to B&B style outlets) and employing additional officers, the council expects to make significant savings over the coming years. In the coming months, the council will make use of the first properties to be made available at Midland Road following the investment in Medesham Homes and is in the process of converting an empty building - Bretton Court - into 40 additional flats for homeless households.

In addition, the council is growing the Housing Needs team to ensure that it has the right number of staff working with families to reduce the number of households becoming homeless and those accommodated in temporary accommodation.

Due to this strategy, the council is planning to spend less than it had anticipated, leading to a savings on the original forecast spend of this department.

<table>
<thead>
<tr>
<th>Saving</th>
<th>2019/20 £K</th>
<th>2020/21 £K</th>
<th>2021/22 £K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing and Homelessness Prevention</td>
<td>1,079 saving</td>
<td>1,289 saving</td>
<td>1,289 saving</td>
</tr>
</tbody>
</table>

Community Safety

Our community safety services deliver a range of functions, working closely with the police, fire service and other agencies, to help keep communities safe and clean.

We aim to transform this delivery through reducing back office and management costs where we can without affecting frontline service delivery and by building on our successful enforcement functions to increase revenue.
Community Safety - Road Safety Team / School Crossing Patrollers

The council is looking to share this service with Cambridgeshire County Council. This will result in management savings and reduce costs by sharing staff, equipment and expertise to carry out this function. This will not mean a reduction in the number of officers working in communities and on the streets of the city.

<table>
<thead>
<tr>
<th>Saving</th>
<th>2019/20 £K</th>
<th>2020/21 £K</th>
<th>2021/22 £K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road Safety Team</td>
<td>20 saving</td>
<td>20 saving</td>
<td>20 saving</td>
</tr>
</tbody>
</table>

Community Safety - Parking Enforcement

Currently this function is carried out by our highly skilled Prevention and Enforcement Service officers (who do this among other activities). Requests for more enforcement in key areas, including outside schools, have increased significantly and so we will review the way in which this service is delivered in order to better meet this demand.

The increased income brought into the council as a result will be reinvested into other community safety and highways services, helping to reduce our core costs in these areas.

<table>
<thead>
<tr>
<th>Saving</th>
<th>2019/20 £K</th>
<th>2020/21 £K</th>
<th>2021/22 £K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking Services</td>
<td>125 saving</td>
<td>125 saving</td>
<td>125 saving</td>
</tr>
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</table>

Community Safety - Environmental Enforcement

Environmental Enforcement covers a wide area, including Public Space Protection Orders, littering, fly-tipping, graffiti and abandoned vehicles. It’s role is to use the council’s legal powers to keep the streets and public areas or the city safe and clean.

Some functions (like enforcement of our Public Space Protection Areas) are already being carried out on our behalf by a private sector enforcement company - Kingdom Environmental Services - as a pilot, and this is working well in the city centre.

We now want to take the learning from this pilot to establish a longer term contract, either with a private enforcement company or through a Local Authority Trading Company, to continue the drive to keep our city clean and safe and to ensure that all communities most affected by these issues receives a service.

The additional revenue this creates will be reinvested into other community safety services, reducing the council’s core costs in these areas.

<table>
<thead>
<tr>
<th>Saving</th>
<th>2019/20 £K</th>
<th>2020/21 £K</th>
<th>2021/22 £K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Service</td>
<td>40 saving</td>
<td>50 saving</td>
<td>60 saving</td>
</tr>
</tbody>
</table>
Community Safety - CCTV

The council is responsible for delivering a public CCTV service to help ensure the safety of our residents and visitors. Many other councils provide a similar service, and we are looking to go into partnership with a neighbouring authority. By creating a single service across authorities we could share management, equipment, premises and other costs without affecting the delivery of the service.

Once established, the new combined CCTV service would also be better placed to offer its services to other councils and private organisations for a fee. In this way, it is expected that the service would generate enough income to significantly reduce service costs by 2020/21.

<table>
<thead>
<tr>
<th>Saving</th>
<th>2019/20</th>
<th>2020/21</th>
<th>2021/22</th>
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</thead>
<tbody>
<tr>
<td>CCTV Services</td>
<td>40 saving</td>
<td>40 saving</td>
<td>40 saving</td>
</tr>
</tbody>
</table>

Community Safety - Summary

Other community issues such as Anti-social behaviour are dealt with by our Prevention and Enforcement Officers (PES). These officers work across the city with many responsibilities, some of which will be reduced by the proposals outlined above. These proposals will allow us to provide a more localised team of skilled officers into communities to coordinate and deliver long term problem solving solutions for a wide range of community safety issues.

Resources

Postage - Removal of first class postage

A policy has been set up across the council to remove first class postage. This means that all letters and parcels sent out by the council for delivery will be second class only, apart from in exceptional circumstances.

<table>
<thead>
<tr>
<th>Saving</th>
<th>2019/20</th>
<th>2020/21</th>
<th>2021/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postage</td>
<td>35 saving</td>
<td>35 saving</td>
<td>35 saving</td>
</tr>
</tbody>
</table>

Financing of Capital Programme

The present capital programme in 2018/19 is £185m, reducing to £122m in 2019/20 and £49m in 2020/21. The Council borrows money to invest in these schemes which include road improvements, expanding schools to create extra places and for regeneration projects within the city. This year the council has reviewed its historic capital spend over the last 10 years. It is also reviewing the timelines of key projects that are coming up and when the funds for these projects will be needed. The council only has the resources available to implement a capital programme of within £80-£100m per year. The 2018/19 and 2019/20 draft programmes are too high and not deliverable within present resources. As such, they will be reduced to £100million per year, leading to savings compared to the previously estimated figures.

<table>
<thead>
<tr>
<th>Saving</th>
<th>2019/20</th>
<th>2020/21</th>
<th>2021/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing of Capital Programme</td>
<td>1,509 saving</td>
<td>1,253 saving</td>
<td>2,537 pressure</td>
</tr>
</tbody>
</table>
Council Tax and Business Rates Income Collection Rates

Council Tax and Business Rates collection rates have been improving over the past two years, however more is required to get both collection rates to the national averages for Unitary Authorities. With a greater focus on collection, it is the anticipated that the percentage of homes and businesses paying council tax and business rates will increase. It is expected that the council will collect 98% of Business Rates, and 96% of Council Tax. This is expected to lead to a greater income received by the council, equating to £380,000 a year.

<table>
<thead>
<tr>
<th>Saving</th>
<th>2019/20 £K</th>
<th>2020/21 £K</th>
<th>2021/22 £K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council Tax and Business Rates Income Collection Rates</td>
<td>380 saving</td>
<td>380 saving</td>
<td>380 saving</td>
</tr>
</tbody>
</table>

New Homes Bonus

The council currently receives a sum of money (in the form of a grant) from the government for any residential property that it brings back into use.

Over the last two years, the council has brought 298 properties back into use, which it has received money for. This has had the added benefit in helping the council to create additional homes, some of which have been used to help it provide accommodation for homeless household.

This Local Government funding will continue for 2019/20 and is then due to be reviewed. Meaning that from 2020/21 this additional income could be lost.

<table>
<thead>
<tr>
<th>Saving</th>
<th>2019/20 £K</th>
<th>2020/21 £K</th>
<th>2021/22 £K</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Homes Bonus</td>
<td>300 saving</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Growth and Regeneration

Planning - Additional income and efficiencies

The proposed budget savings and income targets set out below will be achieved through:

- Pre-application planning fee increases
- More encouragement to applicants to enter into paid for planning performance agreements
- The introduction of an express validation service
- A revision of recharges to other local authorities that we provide services to
- Selling more services to other councils

<table>
<thead>
<tr>
<th>Saving</th>
<th>2019/20 £K</th>
<th>2020/21 £K</th>
<th>2021/22 £K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning - Additional income and efficiencies</td>
<td>100 saving</td>
<td>100 saving</td>
<td>100 saving</td>
</tr>
</tbody>
</table>
**Transport Planning**

Effective Transport Planning makes it easier for motorists, cyclists, bus users and pedestrians to get around the city.

This is achieved through monitoring, commissioning research and technical studies and implementing policies and strategies.

Transport Planning used to sit under Peterborough City Council, but is now the responsibility of Cambridgeshire and Peterborough Combined Authority. The council will still do a lot of this work on the Combined Authority’s behalf, but is expected to receive funding for doing so.

<table>
<thead>
<tr>
<th></th>
<th>2019/20</th>
<th>2020/21</th>
<th>2021/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport Planning</td>
<td>75 saving</td>
<td>75 saving</td>
<td>75 saving</td>
</tr>
</tbody>
</table>

**Highways Maintenance**

The council has a statutory duty as part of the 1980 Highways Act to maintain the highway, which includes main roads, drainage gullies, potholes and traffic signals.

In order to spend money effectively, its highways team focus on resurfacing residential streets and some distributor roads - such as Eastfield Road - rather than repairing a patch at a time. This approach has been deemed to be effective and has contributed to Peterborough City Council being ranked as the top highway and transport authority in the eastern region (2017 National Highways and Transport Survey), as voted for by residents.

Although resurfacing is more expensive, the council believes this capital spend is more effective as it improves the whole road surface, making it less likely to need repairs in future.

It is proposed to extend this approach to more areas of road across the city.

Potholes that are deemed to be unsafe will still be repaired as normal.

<table>
<thead>
<tr>
<th></th>
<th>2019/20</th>
<th>2020/21</th>
<th>2021/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highways Maintenance</td>
<td>220 saving</td>
<td>220 saving</td>
<td>220 saving</td>
</tr>
</tbody>
</table>

**Staffing and Commercial Opportunities**

It is anticipated that significant savings can be made in the Transport and Environment team due to the following:

1. Removal of a post that has been held vacant for approximately two years whilst an existing team member has been up skilled to take on some of these duties.

2. Anticipated increased income from the Combined Authority, which now picks up transport planning in its remit, meaning that approximately 75 per cent of staff time in this area can be used to deliver schemes on their behalf.
3. Additional income through carrying out work for third parties, such as developers and the use of our highways contract for a fee.

<table>
<thead>
<tr>
<th>Saving</th>
<th>2019/20 £K</th>
<th>2020/21 £K</th>
<th>2021/22 £K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffing and Commercial Opportunities</td>
<td>224 saving</td>
<td>224 saving</td>
<td>224 saving</td>
</tr>
</tbody>
</table>

**Public Health**

**Public Health staff saving**

The Public Health Directorate started joint work across Peterborough City Council and Cambridgeshire County Council in 2015.

Since this time, the two services have become more closely aligned and are able to share ideas, services and resources by doing work once for both councils, instead of on an individual basis.

Due to this effective working, it is now possible to reduce the number of staff in the directorate, creating annual savings of £30,000 for Peterborough.

<table>
<thead>
<tr>
<th>Saving</th>
<th>2019/20 £K</th>
<th>2020/21 £K</th>
<th>2021/22 £K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Health staff saving</td>
<td>30 saving</td>
<td>30 saving</td>
<td>30 saving</td>
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</tbody>
</table>

**Appendix C- Staffing Implications**

In order to improve outcomes and manage demand on services, tranche 1 of the budget will continue to build on successful joint working to date and to look at its programme of transformation in respect of sharing, integration and the alignment of services, where this makes sense.

As the work progresses, it is anticipated that some roles will be redundant, although these are expected to be particularly low in number and initial focus will be on removing vacant posts not required.

The council continues to consider ways in which to protect jobs and our policies support this. In accordance with the council’s redundancy policy, redeployment opportunities will be sought in the first instance, which could also include opportunities which may exist in Cambridgeshire County Council.