

# Public Document Pack



**BARRY KEEL**  
Chief Executive  
Floor 1 - Civic Centre  
Plymouth  
PL1 2AA

[www.plymouth.gov.uk/democracy](http://www.plymouth.gov.uk/democracy)

Date: 03/11/09 Telephone Enquiries 01752 307990 Fax 01752 304819  
Please ask for Judith Shore, Team Leader Democratic Support e-mail [judith.shore@plymouth.gov.uk](mailto:judith.shore@plymouth.gov.uk)

## CABINET TO FOLLOW DOCUMENTS

**DATE: TUESDAY 10 NOVEMBER 2009**  
**TIME: 2.00 PM**  
**PLACE: COUNCIL HOUSE, PLYMOUTH**

### Members –

Councillor Mrs Pengelly, Chair  
Councillor Fry, Vice Chair  
Councillors Bowyer, Brookshaw, Jordan, Michael Leaves, Monahan, Ricketts, Dr. Salter and Wiggins

*I refer to the agenda for the above meeting and attach for your attention the reports that were shown as 'to follow' as shown overleaf.*

**BARRY KEEL**  
CHIEF EXECUTIVE

## **CABINET**

- 6. JOINT FINANCE AND PERFORMANCE REPORT: (Pages 1 - 66)**
- 7. BUILDING SCHOOLS FOR THE FUTURE (BSF):  
PROJECT GOVERNANCE AND BSF CABINET  
COMMITTEE: (Pages 67 - 86)**
- 9. LICENSING ACT 2003 - 12 MONTH REVIEW OF THE  
CUMULATIVE IMPACT POLICY: (Pages 87 - 96)**
- 10. GAMBLING ACT 2005 - 3 YEAR REVIEW OF THE  
STATEMENT OF PRINCIPLES: (Pages 97 - 138)**

**CITY OF PLYMOUTH**

**Subject:** Joint Finance and Performance Report  
**Committee:** Cabinet  
**Date:** 10 November 2009  
**Cabinet Member:** Councillor Bowyer and Councillor Ricketts  
**CMT Member:** CMT  
**Author:** Sandra Wilson(Assistant Head of Finance), Patrick Hartop (Policy and Performance Officer)  
**Contact:** Tel: (01752) (30)4942  
e-mail: sandra.wilson@plymouth.gov.uk  
patrick.hartop@plymouth.gov.uk  
**Ref:** SW  
**Part:** I

---

**Executive Summary:**

This report outlines the performance monitoring and finance position of the Council as at the end of September 2009.

The primary purpose of this report is to report on how the Council is delivering against its corporate improvement priorities and key performance measures using its capital and revenue resources. It is deliberately strategic in focussing on key areas of performance, spend and risk, and includes under each Departmental Business section a one page scorecard, incorporating a summary of progress against the relevant Corporate Improvement Priorities and financial performance.

At this stage, the council is forecasting a revenue overspend at year end of £2.341m against a net revenue budget of £196.525m ( a variation of +1.2%). The main variations continue to relate to the increased pressure in children looked after cases as well as cost pressures in adult social care. Actions to address the pressures are outlined within the report.

The report also outlines the latest position on the capital programme. Despite the latest forecast for 2009/10 showing as £100.422m, it is still considered that a programme of £82.478m (80%) remains more realistic and achievable. Actual spend on the capital programme as at end of September 2009 is £35.687m.

---

**Corporate Plan 2009-2012:**

This bi-monthly report is fundamentally linked to delivering the corporate improvement priorities within council's corporate plan.

---

**Implications for Medium Term Financial Plan and Resource Implications:  
Including finance, human, IT and land**

Resource implications are referred to throughout the report and an update on the implications for the medium term for both revenue and capital is included within the report. It is intended that the Medium Term Financial Forecast will be updated regularly throughout the year to take account of the variances and pressures identified through this reporting.

---

**Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.**

---

**Recommendations & Reasons for recommended action:**

A number of recommendations have been made throughout the report in response to specific monitoring information. The recommendations are:

1. That Cabinet note the work underway to improve the Carefirst System and the need for priority investment in this area
2. Cabinet is asked to approve the **maximum** amount of carry forward at year end for Departments for 2009/10 based on previously agreed criteria as:

Chief Executives	£0.012m
Corporate Support	£0.066m

3. The movement on the capital programme during the period be noted and the new schemes totalling £0.349m and scheme variations totalling £0.084m, outlined in paragraph 6.6, be added to the programme for 2009/10.
4. The reallocation of the JE contingency across council departments, as outlined in section 13.2.2, be approved.
5. Officers seek an urgent meeting with DCLG to discuss options to utilise the capital monies from the VAT shelter agreement to offset revenue pressures, these options to include:
  - (i) an in principle agreement to an exceptional Capitalisation Direction over the next 5 years, and/or
  - (ii) agreement to a special regulation under section 9 (3)(a) of the 2003 Local Government Act 2003 permitting the Council to treat Vat shelter receipts as revenue.
6. Cabinet note the action taken by Officers to ensure funding for the Devonport Neighbourhood Manager post is available over the next 3 years and agree to the transfer of £0.100m to an earmarked reserve in return for additional NDC grant funding towards Brickfields running costs.

- 7 Note the action taken by the Director for Corporate Support, acting under delegated authority, to remove the £10m limit on call accounts, these deposits to be managed within the overall credit limit for each banking Group.

**Alternative options considered and reasons for recommended action:**

Actions are recommended in response to specific variances in either performance and / or finances as identified throughout the report.

**Background papers:**

- Plymouth City Council Corporate Plan 2009-12 (including 14x Corporate Improvement Priorities)
- 2009/10 Budget Papers – presented to Full Council 2 March 2009
- Plymouth City Council Medium Term Financial Strategy – revised March 2009
- Audit Commission Use of Resources Key Lines of Enquiry (available on the audit commission website)
- Joint Finance and Performance report to Cabinet 14 July 2009
- Joint Finance and Performance report to Cabinet 15 September 2009

**Sign off:**

Fin	CorpF 900006	Leg	DVS 1065	HR		AM		IT		Strat Proc	
Originating SMT Member: Malcolm Coe, Assistant Director – Finance, Assets & Efficiency											

**Plymouth City Council  
Performance and Finance Monitoring – 2009/10  
Figures up to and including 30 September 2009**

**1. Introduction**

- 1.1 This report reviews the Council's performance for the period 1 April 2009 to 30 September 2009 and is written in the context of both the Medium Term Financial Strategy and the Use of Resources Assessment. The Budget report for 2009/10 (Appendix A budget robustness) outlined a number of financial risks that the Council potentially faced over the short to medium term. It is appropriate the bi-monthly reporting should continue to review risks and give consideration to future levels of the working balance and reserves.
- 1.2 The detailed budget exercise for 2010/11 is now well underway. As part of this exercise the Council is reviewing its corporate priorities together with known budget pressures, including those outlined within this report. In order to ensure a balanced budget can be set Directors will be required to produce detailed action plans to achieve target budgets which will be subject to review and scrutiny as part of the normal budget process. This will take place over the next few months, culminating in a final budget report to Cabinet on 9 February 2010.
- 1.3 The report therefore includes the following information and Appendices:

Section A – Executive Summary

- Performance Position
- Revenue Position
- Income Summary
- Medium Term Financial Forecast – Revenue
- Capital Programme 2009/10
- Medium Term Capital Programme

Section B – Directorate reports

- Children's Services
- Community Services, including the HRA
- Development, including trading accounts
- Corporate Support
- Chief Executive
- Corporate items

Section C - Housing Revenue Account

Section D - Treasury Management

Section E – Concluding Remarks









Appendices

- Appendix A – Summary Graphs
- Appendix B – Summary Capital Expenditure and Financing
- Appendix C – Movement in Reserves
- Appendix D – Movement in Provisions

## SECTION A – EXECUTIVE SUMMARY

### 2. Performance Position

- 2.1 A performance and programme summary is provided for each Corporate Improvement Priority (CIP) in a scorecard format along with budget variances for each Department. As with the previous year a small number of key indicators and milestones will be the focus of respective reports. However, where emerging issues arise these need to be fed into successive reports when required. The narrative within the scorecard is intended to provide a high level overview of each CIP with a focus on explaining corrective action where required. Detailed information will continue to be reported on eperform, our performance management system. The scorecards use a RAG (red, amber, green) traffic light system to indicate current performance. The table below summarizes the RAG rating rules.

Milestones – lowest performing milestone within a CIP			
	All milestones on schedule		A minimum of one milestone is reported as a risk
	a minimum of one milestone is reported as an issue		No information to report
Measures – an average of all measures that sit within this CIP			
	Indicators on track		the <b>AVERAGE</b> of all indicators is up to 15% off target
	The <b>AVERAGE</b> of all indicators is more than 15% off target		No information to report

Key performance and programme messages emerging from the departmental scorecards include:

#### 2.2 CIP 3: Helping people to live independently

The budget continues to be under pressure due to increased demand and the service improvement agenda to support more people to live independently. There is a comprehensive management action plan to reduce the projected budget overspend which will be reviewed regularly.

#### 2.3 CIP 4: Reducing inequalities between communities

Planning permission has now been secured for the Efford Gypsy site and the bid for government funding has now been submitted.

Benefit and tax credit take-up is exceeding the target following the start of a new contract for delivery of financial advice to the public.

#### 2.4 CIP 7: Keeping Children Safe

The number of looked after children remains high which has put pressure on both the budget and performance. New work practices have been put in place to tackle the extra workload.

#### 2.5 CIP 8: Improving skills and educational achievements

The number of young people not in Education Employment or Training (NEET's) remains high. A multi-agency steering group has been set up so that work can be driven in a coordinated fashion across a wider partnership and progress can be measured.

## 2.6 CIP 10: Disposing of waste and Increasing recycling

Performance in refuse collection continues to improve with the number of missed refuse and recycling collections the lowest since rezoning and below the target of 75 missed bins per day.

## 2.7 CIP 12: Delivering Sustainable Growth

The removal of New Growth Points Funding of £2.4m is likely to have an impact on a number of projects supporting the development of housing and jobs. The impact of this reduction is currently being assessed through the Single Conversation process.

## 2.8 CIP 14: Providing better value for money

The Value for Money target for this year is particularly challenging and will require significant corporate support to achieve target. Roles and Responsibilities have been drafted with the Director for Corporate Support championing the efficiency agenda at Corporate Management Team. Work has begun to raise the profile of the efficiency return with a view to getting back on track by the end of 2009/10.

## 3. Revenue Position

3.1 The following table sets out the forecast for the Council's overall revenue position as at 30 September 2009.

**Table 1**

Fund	Latest Approved Budget £'000	Monitoring Variation July 2009 £'000	Monitoring Variation September 2009 £'000	Change in Period £'000
General Fund	196,525	3,302	2,341	(961)
Trading Accounts	(2,308)	248	314	66
HRA*	66	(4)	(4)	0

\* surplus/deficit for year, not updated for September

*NB Brackets ( ) reflect a favourable variation*

3.2 The trading accounts are reported within the Development Directorate report, section 10, and the HRA under Section C.

### General Fund

3.3 Table 2 summarises the monitoring position for each Directorate for the period up to 30 September 2009. Appendix A tracks the movement during the year in graphical form.



**Table 2**

<b>Department</b>	<b>Latest Approved Budget £'000</b>	<b>Monitoring Variation as at 30 September 09 £'000</b>	<b>Percentage variation %</b>	<b>Change in Period £'000</b>
Children's Services	51,869	1,218	2.3	(180)
Community Services	102,699	921	0.9	126
Development & Regeneration Services	16,501	511	3.1	(499)
Corporate Support	35,703	(132)	(0.4)	(265)
Chief Executive	2,637	(24)	(0.9)	(72)
Corporate Items	(12,884)	(153)	(1.2)	(71)
<b>Total</b>	<b>196,525</b>	<b>2,341</b>	<b>1.2</b>	<b>(961)</b>

3.5 The budget variation targets of no more than 1% overspend or 2% underspend remain in place for 2009/10. The summary table shows that the monitoring position has improved during the period but that an overspend of £2.341m, or 1.2% when compared to net revenue budget, is still forecast for the year. In terms of financial management, the budget variation target continues to be breached in Children's Services and Development. The main reasons for the overspend are summarised below with more details outlined in the individual Director's reports.

3.6 Children's Services: forecast overspend of £1.218m:

The department was set a challenging target to reduce expenditure on children's social care by £1.162m in 2009/10. A budget pressure is being experienced within the looked after children's budget with the number of placements exceeding budget projections. Increased costs are being offset by savings in supported accommodation for 16+ service (care leavers) and the fostering service and savings in employee costs from vacancies. Management action will continue to be taken to minimise the forecast overspend during the year, although national and local high profile media cases will increase the pressures on the service. Further details are outlined in the Director's report section 8.

3.7 Development & Regeneration: overspend £0.511m:

Significant progress has been made in the last period reducing the overspend forecast by £0.499m. However there continues to remain a pressure on the General Fund from reduced revenue contributions from the Car Park and Market reserve accounts.

There is a pressure on the car parks from increased capital charges. The lower revenue in parking, due in part to significant changes in the service leading to an early year downturn in income (Theatre Royal refurbishment and changes to on-street enforcement) is now being reduced as the efficiency savings identified start to be fed through in higher income levels.

Further business planning is currently being undertaken to identify additional savings for the remainder of the year to close the gap.

3.8 Community Services: forecast overspend £0.921m:

The main variation within Community Services is due to increased costs in Community based Services and a net overspend in environmental services resulting from higher spot hire charges in fleet and garage which have not been recovered via recharging.

3.9 A contributory factor to the pressures in both Children's and Adults' Social Care is the challenges presented by the Carefirst IT system used by both departments. Officers have recognised this as a priority, a Project Board is in place, Management action is in place across the two departments and the need for significant investment in improving the IT system has been accepted. Improvements to the systems will enable further improvements in safeguarding across the two departments and will over time also deliver administrative efficiencies. The financial implications are likely to be of the order of £700,000 for 2009/10 and £800,000 in 2010/11 in total across the two departments. These figures are not reflected in the forecast outturn as yet. The detail of the funding package is currently being developed and will be included in a future monitoring report. In the meantime the work progresses to improve the systems.

3.10 As part of the last bi-monthly report, Cabinet recommended that:

“Directors be requested to submit to Cabinet as part of the next bi-monthly report, robust action plans outlining proposals to meet the deficit forecast both for the current, and future financial years.”

Directors have implemented actions to minimise the overspend and, where appropriate, details are outlined in the Director’s reports. Whilst it is anticipated that the actions will bring the spend in line with budgets by the end of the year, it will take time for the actions to bed down and for spend patterns to show a reduction.

3.11 The carry forward policy allowing Directors to carry forward up to 50% of budget underspends has been re-affirmed for 2009/10. In order to qualify for a departmental carry forward the underspend must be reported within the mid year monitoring report i.e. for carry forwards to 2010/11 must be reported within this report, and will need to be maintained for the remainder of the year. Based on the figures above the only departments to qualify for a budget carry forward in 2009/10 are Chief Executives and Corporate Support and the maximum carry forward is as shown below:

	Carry forward amount £000
Chief Executive	12
Corporate Support	<u>66</u>
Maximum carry forwards for year	<u>78</u>

3.12 However, conversely the policy assumes all overspends will be carried forward unless Cabinet determines otherwise. All carry forwards remain subject to the overall revenue position and any corporate health adjustments required, such as transfers to and from provisions and reserves, at year end.

**Recommendations:**

1. That Cabinet note the work underway to improve the Carefirst System and the need for priority investment in this area.
2. Cabinet is asked to approve the **maximum** amount of carry forward at year end for Departments for 2009/10 based on previously agreed criteria, as:

Chief Executives	£0.012m
Corporate Support	£0.066m

3.13 Icelandic bank Update

As per previous reports, this section has been included to outline the current situation with regard to the recovery of monies invested in Icelandic banks

3.13.1 Landsbanki £4m

Agreement was reached earlier this month on the terms of the deal that will compensate creditors of old Landsbanki (including local authorities) in relation to assets transferred to new Landsbanki (which was set up to ensure the maintenance of a banking system in Iceland following the collapse of the old banks). The deal is expected to be confirmed by 6 November. This is an extremely significant point in the process of winding-up the old banks, and follows months of intensive negotiations in which local government's legal advisers and representatives have worked tirelessly alongside UK and Dutch government advisers. The work of the local authority representatives and advisers as part of this joint approach has helped deliver a deal that satisfactorily reflects local government's interests.

Bevan Brittan have now submitted the formal claims to the Landsbanki creditors committee on behalf of the Council. These claims include interest up to 22 April 2009, with interest between maturity and this date attracting a penalty rate of interest at 22%. Current valuations suggest that recoveries will be equal to (or exceed) the previous estimate of 83p in the pound.

3.13.2 Glitnir £6m

Agreement on the terms of compensation from the new bank (Islandsbanki) to old Glitnir bank was reached in September. The settlement was concluded on 15 October 2009. We still expect to recover 100% of the money invested with interest payable up to 22 April 2009. Our formal claim is due to be lodged by 30 November 2009 and this is being prepared on our behalf by Bevan Brittan.

3.13.3 In relation to both Glitnir and Landsbanki, the conclusion of these agreements enables the insolvency to move onto the next stage of winding up, realising assets and paying off creditors. This is likely to include the issue of priority status for depositor creditors (such as local authorities) being challenged and tested in court. The detailed information published by Glitnir following the conclusion of negotiations confirms that the Resolution Committee intends to treat claims on deposit as 'priority claims.'

#### 3.13.4 Heritable £3m

The administrations of the UK-based banks of KSF and Heritable, although inevitably complex, are more straightforward than the Icelandic processes because they do not involve the added complication of trying to re-establish a domestic banking system from the banks that have collapsed. The administration is therefore progressing as expected, with regular updates made to the Local Government steering committee. As reported last time, the first dividend equating to 16.3p in the £ plus interest (total payment £508,448), has been received. A further dividend is expected to be paid before the end of the year.

3.13.5 Table 3 below shows the anticipated recoveries of monies, including interest as outlined above. As part of closure of the accounts 2008/09 a sum of £0.281m was transferred to reserve to meet the costs of any losses from these investments. Approval has also been given to transfer any interest receivable to the reserve. Based on the assumptions outlined above, a sum of £1.673m would be transferred to the reserve bringing the reserve total to £1.954m. This would more than offset the unrecoverable element of the deposits of £1.268m.

**Table 3**

<b>Bank</b>	<b>Amount Invested £000</b>	<b>Recovery % %</b>	<b>Recovered Deposit £000</b>	<b>Unrecoverable deposit £000</b>	<b>Assumed Interest £000</b>
Heritable	3,000	80	2,400	600	344
Glitnir	6,000	100	6,000	0	1,202
Landsbanki	4,000	83	3,332	668	127
<b>Total</b>	<b>13,000</b>	<b>n/a</b>	<b>11,732</b>	<b>1,268</b>	<b>1,673</b>

#### 3.13.6 Capitalisation Direction

The DCLG has now announced that it has 'decided to allow councils who face *exceptional financial difficulties due to Icelandic impairments* to apply for capitalisation on the basis of the usual criteria.' Based on the latest anticipated recoveries from the position outlined in table 3 and the Council's capitalisation threshold it is unlikely that the Council would meet the qualification criteria, but this will be kept under review as further detail is received from each of the banks over the next month. The Capitalisation Direction is based on the statutory impairment calculation. The Council has been permitted to defer charging any losses to its revenue account until 2010/11 under special regulations.

### 3 Income Summary

Table 4

Type of debt	Actual % 2007/08	Actual % 2008/09	AE Quartile	Budgeted income 2009/10*	Target % 2009/10	Year end Projection 2009/10
Council Tax	92.5%	94.2%	4	£91.018m	96.0%	96.0%
NNDR	97.6%	96.7%	2	£79.666m	97.04%	97.04%
Housing Rents	97.3%	96.4%	4	£40.274m	98.5%	97.8%
Sundry Debt <sup>^</sup>	85.9%	86.9%	n/a	£60.000m#	92.5%	91.5%
<i>Commercial Rent (general fund)</i>	<i>n/a</i>	<i>80.8%</i>	<i>n/a</i>	<i>£5.000m#</i>	<i>92.5%</i>	<i>88.0%</i>
<i>Trade Waste</i>	<i>n/a</i>	<i>87.5%</i>	<i>n/a</i>	<i>£1.200m#</i>	<i>94.0%</i>	<i>94.0%</i>
<i>Adult Residential Care</i>	<i>n/a</i>	<i>90.3%</i>	<i>n/a</i>	<i>£9.000m#</i>	<i>93.0%</i>	<i>92.0%</i>

\* At the start of the financial year. The total amount collectable can go up and down during the year

# Sundry debt fluctuates during the year but figures shown are an average per annum for a rolling 12 month period

<sup>^</sup>All general fund sundry debt including the key areas (key areas are analysed and are shown in italics)

#### 4.1 Local Taxation

##### 4.1.1 Council Tax Collection - Forecast 96.0% v Target 96.0%

Council tax collection continues to improve compared to profiled target (53.3% v 52.7%) and when compared to the previous financial year (+1.5%). Recovery on arrears and current year debt continues and it is encouraging to observe an 11.0% reduction in the number of recovery documents issued over the first 6 months when compared with last year.

##### 4.1.2 NNDR - Estimate 97.04% v Target 97.04%

National Non-domestic Rate collection has also improved when compared to profiled target (60.5% v 59.3%). The Business Rate deferral scheme is now operational and 405 applications have been received of which 309 have been successful. The financial implication of the business rate referral scheme, based on current numbers, is now being determined and will be reported in the next monitoring report.

#### 4.2 Housing Rents

No submission.

### **4.3 Sundry Debt collection - Forecast 91.5% v Target 92.5%**

General Debt profiled performance to date of 90.3% represents an improvement of 4.1% against the same period last year and ensures the Council is on track to achieve a year end position of 91.5%, although this is just short of the target for the year. More specific details of the progress against the main debt categories are as follows:

#### **4.3.1 Adult residential and non residential care - Forecast 92.0% v Target 93.0%**

The current collection rate remains 92.0% against the 93.0% target. Debt secured by legal charge has increased to 56.0% of total debt outstanding.

A senior officer post vacant since May has just been filled. The postholder's role will include the ongoing monitoring of visiting and assessment procedures, which enables prompt and accurate billing of clients contributions to the cost of their care. Income collection procedures will be updated in October to increase the use of automatic reminders and shorten periods before reminders and further recovery action is undertaken which will help to improve the amount collected.

#### **4.3.2 Commercial Rent - Forecast 88.0% v Target 92.5%**

The current year collection of debt is showing a year to date figure of 85.3% when compared to 80.0% last year and reflects the impact of having a dedicated recovery officer. Surveyors continue to encourage more tenants to pay rent by monthly direct debit, especially when their lease is being renewed. A targeted direct debit mail shot will also encourage more tenants to switch to direct debit.

#### **4.3.3 Trade Waste - Forecast 94.0% v Target 94.0%**

The Trade Waste service switched to pre-pay service from 1st September, with bills being despatched a month in advance of service delivery. After an initial bedding in period services that are not paid for will not be provided. This initiative has reduced the outstanding debt under 30 days from 100% to 68% in one month. At the end of September, the amount of debt collected was 92.9%, 1.1% below the target of 94.0% but an improvement on last month. The forecasted figure for year end remains at 94%.

## **5. Medium Term Financial Forecast- Revenue**

5.1 As part of the budget exercise for 2009/10, revenue funding was allocated to match known revenue pressures and notional allocations were provided to Directors for the following two financial years. This allocation was undertaken on a priority basis linking with corporate improvement priorities, deliberately placing more funds into frontline, key services for the public.

5.2 Local authorities are entering the final year of a 3 year settlement and whilst officers remain hopeful that the indicative formula grant allocation for 2010/11 will remain unchanged, future year resources are less certain. All national parties have made it clear that there will be tight constraints on public expenditure and we therefore need to start to plan for this now. This will require a change in culture across the organisation as Directors and their management teams implement more proactive medium term planning in order to drive out efficiencies within their services.

5.3 In preparation for the detailed budget exercise for 2010/11, officers have reviewed the underlying corporate assumptions contained within the notional targets and revised the targets accordingly. In order to maintain a rolling three year forecast an additional year has also been added. Over the next few months CMT, Directors and their departmental management teams will be working to review and/or revise the allocation of resources across priority areas and address the underlying need to deliver efficiencies. The latest indicative targets for each Department are outlined in the Director's reports, but these may yet be subject to change as the budget review process progresses.

5.4 The MTFS as approved in April outlined a number of budget pressures facing the Council over the medium term, including.

- Waste Management
- Housing Stock Transfer- Corporate impact/residual costs
- Transformational Change
- Equal pay claims
- Redundancy costs
- Shortfall capital receipts/short term borrowing costs
- Strategy for change/Building Schools for the Future (BSF)
- Increase demand from a growing elderly population
- Economic Climate/Support for local business
- Insurance Fund/H&S issues
- Icelandic bank Losses.

As part of budget monitoring and the final closedown process for 2008/09, various transfers to reserve were made to meet some or all of these potential costs. There is a need to keep under review the adequacy of these reserves and the potential financial risk still remaining on a continual basis. An update to the reserves position for 2009/10 is provided at Appendix C.

5.5 New/emerging pressures

This report continues to identify ongoing budget pressures in the following areas:

- Looked after Children
- Community Based Services including Learning Disabilities
- Leisure – possible participation in free swimming to under 16 year olds

5.6 The bi-monthly monitoring reports continue to address proposals to address known risks and priorities for example:

- £3.745m has been approved from the Corporate Improvement Priority Reserve to resource the Corporate Improvement Priorities (CIPs).
- The transfer of the 'Fleming' Vat recoveries to the CIP reserve to provide funding for future improvement priorities.
- The reallocation of 2007-10 LAA pump priming grant to support areas of under performance on areas where the maximum reward grant can be claimed.
- The proposal to transfer interest recovered on the Icelandic bank investments to the investment reserve.
- Transfer of energy savings to corporate property to offset increased costs being incurred on the Corporate Estate and admin offices.

## 6. Capital Position

### 2009/10 Overall Capital Position

- 6.1 The capital programme for 2009/10, as approved in the previous monitoring report, is £103.098m. This bi-monthly report outlines recommendations to decrease the in-year capital programme by £2.676m, which would reduce the programme to £100.422m. Actual spend as at 30 September 09 was £35.687m (35.5% of full year forecast).
- 6.2 The movement in the programme is summarised in table 5. Further details of the movements within the programme are outlined in Appendix B with more details provided within the individual Directorate reports.
- 6.3 The latest forecast spend for the year is £100.422m after allowing for movements during the period. However as outlined in the previous report, based on historical trends it is highly unlikely that this level of programme delivery is achievable in year. As part of the last report, Cabinet approved the following recommendation:
- “In the light of historical trends, the revised capital programme and financing requirement for the year be set at £82.478m, project officers to identify schemes to be re-profiled into future years”.
- 6.4 Project officers are currently reviewing each scheme and scoring these against a weighted ‘outcomes’ matrix which will be subject to independent review and challenge and reported back to CMT and Cabinet over the next few months. This review will also be used to identify schemes that can be re-profiled into future years. For monitoring purposes it is still assumed that a revised programme of £82.478m for 2009/10 is realistic and achievable.

**Table 5**

Department	Budget		Changes for Approval		Expenditure		Revised Forecast for year £000
	Restated Original Budget 2009/10 £000	Latest Appr'd Budget July 09 £000	Proposed Change in Period £000	Latest Forecast Sept 09 £000	Expend as at Sept 09 £000	Spend %'age of Forecast %	
Corporate Support	700	1,097	0	1,097	593	54.1%	877
Development	17,371	24,417	(1,044)	23,373	4,019	17.2%	19,533
Children's Services	52,057	58,426	(1,763)	56,663	24,443	43.1%	46,741
Community Services	14,858	11,397	(99)	11,298	2,038	18.0%	9,118
Corporate Items - HRA	7,222	7,761	230	7,991	4,594	57.5%	6,209
<b>Total</b>	<b>92,208</b>	<b>103,098</b>	<b>(2,676)</b>	<b>100,422</b>	<b>35,687</b>	<b>35.5%</b>	<b>82,478</b>



- 6.5 The movement on the programme during the period can be summarised as follows:

	£000
New schemes approved	349
Re-profiling/scheduling of schemes	(3,109)
Other Variations	<u>84</u>
Total variation in period	<b><u>(2,676)</u></b>

- 6.6 The Capital Programme Board (CPB) is responsible for overseeing the Governance and monitoring of the Capital Programme. The CPB considers new schemes brought forward and recommends their inclusion in the programme, subject to confirmation and satisfactory funding available to meet both the capital costs and any resulting revenue cost. The CPB is recommending that the following schemes now be included within the programme:

	£000
Alexandra Park – Specialist Wall Repairs & Play Equipment	43
Lipson Community College – Redesigning Specialist Status	50
Living Over the Shops	26
Minor Works	50
Door Entry System	20
Decency Standards	<u>160</u>
	<b><u>349</u></b>

All schemes are scheduled to be completed within 2009/10.

- 6.7 These schemes will be funded by grants and contributions (£0.076m), section 106 contributions (£0.043m), and major repairs allowance (£0.230m).
- 6.8 Project Officers continue to keep the programme under review and schemes re-profiled during this period are:

	£000
Chelson Meadow Capping – Phase 2	583
Leachate Treatment & Storage Upgrade	(783)
Material Recycling Facility Upgrade	(766)
Mercury Abatement Equipment in Crematoria	(143)
Devonport Guildhall	18
Stonehouse CPO Scheme	(100)
Efford Primary School Re-organisation	(1,778)
Lipson Vale Primary School – Condition Works	(18)
Heattec	(80)
Schools Devolved Formula Capital	<u>(42)</u>
	<b><u>(3,109)</u></b>

6.9 Other variations reported during the period are as follows:

	£000
Coombe Dean Replacement Windows	5
Coombe Dean – 14-19 Diploma Gateway	32
Devolved Formula Capital Projects	58
Hele – Redesigning Specialist Status School	(25)
YOT accommodation in Barne Barton	35
Admiralty Street Prohibition of Driving Order	<u>(21)</u>
	<b><u>84</u></b>

All variations are fully funded and are permitted within tolerance limits of original approvals.

6.10 Based on the assumption that capital receipts are used to finance the capital programme as “funding of last resort”, and that grants and contributions are, in the main, able to be moved to future years without penalty or clawback, a programme of £82.478m would be financed as follows:

	£000
Supported Borrowing	18,638
Unsupported Borrowing	15,202
Grants & Contributions (inc Section 106)	42,216
Capital Receipts	0
Revenue & Funds	<u>6,422</u>
<b>Assumed financing of programme</b>	<b><u>82,478</u></b>

6.11 The actual financing will be reviewed in the light of schemes re-profiled into future years.

#### **Recommendations:**

3. The movement on the capital programme during the period be noted and the inclusion of new schemes totalling £0.349m and scheme variations totalling £0.084m, outlined in paragraph 6.6, be added to the programme for 2009/10.

## **7. Medium Term Capital Programme Update**

7.1 Council approved a capital programme of £371.208m to the period 2013/14 at its budget meeting on 2 March 2009. The programme has now been updated to remove the 2008/09 spend, and for further re-profiling of schemes leaving a 5 year (MTFP) Capital Programme of £270.738m as follows:

	£000
MTFP as per budget setting	371,208
Less: 2008/09	(78,096)
Other Adjustments - re-profiling and new approvals	<u>(21,807)</u>
Revised MTFP as at July 2009	271,305
Further Movement in Period (see below)	<u>(567)</u>
<b>Revised MTFP as at September 2009</b>	<b><u>270,738</u></b>

The movement in the period is as follows:

	£000
2009/10 New approvals & Variations (see 6.5 above)	433
Chelson Meadow Capping – Phase 2	(1,331)
Leachate Treatment & Storage Upgrade	267
Eastern Corridor	<u>64</u>
	<b><u>(567)</u></b>

- 7.2 Table 6 below shows how the programme will be financed over the 5 year period, together with a risk analysis of each funding stream.

**Table 6 Risk Assessed Programme**

	MTFP £'000	Green £'000	Amber £'000	Red £'000
Capital Receipts	27,317	11,007	14,802	1,508
Unsupported Borrowing	28,242	13,242	15,000	0
Supported Borrowing	48,190	28,503	19,687	0
Grants	132,068	84,945	36,185	10,938
Contributions/ Sect 106	28,283	6,709	21,074	500
Revenue and Funds	6,638	6,638	0	0
<b>Total</b>	<b>270,738</b>	<b>151,044</b>	<b>106,748</b>	<b>12,946</b>

- 7.3 The anticipated funding has been risk assessed as follows:

£151.044m green (56%) – likely to be received  
£106.748m amber (39%) – subject to uncertainty  
£12.946m red (5%) – high risk of not being realised

- 7.4 Red risks are assumed capital receipts, grants and contributions that the Council has been advised will not now be forthcoming. A potential change in Government could add to funding risk. The MTFP is currently being reviewed in order to address the funding risk.

7.5 The Department for Transport (DFT) has issued guidance on preparing future year transport strategies and has outlined indicative allocations that the Department expects to receive subject to future spending reviews. Under these assumptions, Plymouth could expect to receive an additional £8.356m over the period 2014/15. This has not yet been reflected in the figures outlined above, and inclusion of this amount into the MTFP will be considered in the light of the overall review of the capital programme and risk analysis following discussions with the regional Transport department.

7.6 Capital Receipts Update

The capital receipts requirement within the current medium term programme is £27.317m. At the end of September, actual capital receipts available to finance the programme stood at £2.103m as shown below.

	£000
Capital receipts b/fwd from 2008/09	347
Capital receipts received in 2009/10 as at 30 Sept 2009	<u>1,756</u>
Capital receipts available as at 30 Sept 2009	<b><u>2,103</u></b>

The latest capital receipts schedules still show that receipts in excess of £28m will be generated over the next 5 years, but many of the receipts will be generated towards the end of the 5 year timescale, and temporary borrowing may be necessary to meet any timing differences. A capital financing reserve has been set up to meet the costs of any borrowing incurred. Over the next few months all schemes will be re-profiled, including monthly cash flow forecasts, to ensure robustness for year on year spend forecasts and we will continue to review and revise investment priorities in line with funding available.

7.7 The capital strategy for 2009/10 – 2013/14 outlined a number of projects under development. These projects are subject to ongoing work/ feasibility studies and do not currently form part of the approved programme and include:

- Accommodation Strategy/Civic Centre replacement
- Parkside/training centre
- History Centre

## **SECTION B- DEPARTMENTAL BUSINESS REPORTS:**

Key budget and CIP variations for each department are shown in scorecard format. Where there is a risk in relation to achieving either performance indicators, key CIP milestones and/or budget out-turn within agreed tolerance levels, 'Amber' or 'Red' tags have been displayed. Mitigation action to address such risks is detailed by each department.

### **8. Children's Services**

#### **8.1 Corporate Improvement Priorities:**

The Children's Services department is leading on the following Corporate Improvement Priorities.

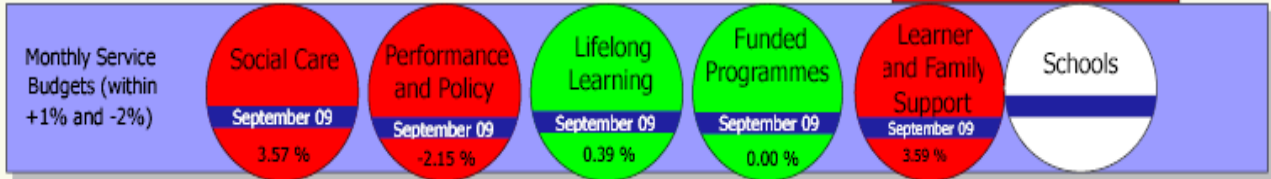
- Keeping Children Safe (CIP 7)
- Improving skills and educational attainment (CIP 8)
- Developing high quality places to learn in (CIP 9).

#### **8.2 Progress against priorities**

The following scorecard outlines the progress against each CIP.

**Children's Services  
CIP Progress and Management Report**

Childrens Services  
Monthly Revenue Budget  
September 09  
2.34 %



CIP 7. Keeping children safe Measures Milestones

Whilst there has been a small improvement in initial assessment performance, robust action taken to ensure caseloads are at an appropriate level has impacted on Social Workers' ability to complete Initial Assessments (IAs) and Core Assessments in a timely manner & although children & families have been seen within timescales some significant delays in inputting to the system have occurred. A new duty rota is now in place to ensure IAs are completed to timescales in the future. Increased focus on stability has led to the establishment of a stability focus group to drive improvements in this area. Payment for Skills scheme implemented on October 5th is ahead of schedule. We are currently completing audits on our Child Protection caseload to ensure practice is applied to the highest possible standard and our current caseload of plans that exceed 2 years is under 3%. However an initial spike in the cessation of plans greater than 2 years in the first quarter has yet to even out for this indicator but as the reduction observed in qtr 2 is expected to continue.

CIP 8. Improving skills and educational achievement Measures Milestones

There are a number of initiatives that have been put in place to tackle the growing number of young people Not in Education, Employment or Training and there is recognition that this needs to be co-ordinated across departments within Plymouth City Council. We are seeking to set up a steering group, closely linked with the 14-19 group, and also as part of the LSP structure, so the work can be driven in a coordinated fashion across the wider partnership and progress can be measured.

Good practice is being shared with Torbay and a refresh of CIP 8 2010-11 is looking to introduce an employer initiative scheme.

£60k has been received from Department for Children, Schools and Families to run pathfinder Key Stage 2 programme in Whiteleigh as part of the Early Intervention Project

CIP 9. Developing high quality places to learn in Measures Milestones

Academies discussions developing and public support and enthusiasm is building. Building Schools for the Future (BSF) initial wave schools attending National College for School Leadership change management courses, and BSF corporate team are now in place. The pace of this CIP is building significantly.

### 8.3 Revenue Budget Monitoring - £1.218m overspend, 2.34% of Net Budget

Key reasons for the Department's overspend are:

- (a) Policy and Performance – (£0.073m) underspend, (2.15%) of net budget

A pressure of £0.061m relating to the cost of the joint appointment arrangement with the Primary Care Trust (50% contribution towards the Assistant Director for Health post and his personal assistant) which was not included in the budget is being offset by employee vacancies savings and funding from Learner & Family Support towards the Performance Management Service.

- (b) Learner & Family Support – £0.323m overspend, 3.59% of net budget

There is a £0.323m overspend due to an increase in demand on Transport within the Pupil Access Service due to more Early Years placements requiring 1:1 escorts, more children in Mainstream who had previously attended Special Schools and a higher number of children with greater needs. This is partly offset by employee savings across Learner & Family Support.

Integrated Disability Service has a £0.100m overspend due to increased Direct Payments.

- (c) Lifelong Learning – £0.050m overspend, 0.39% of net budget

(£0.200m) savings have arisen within Early Years and Childcare Service from a combination of vacancy savings and utilisation of grant income within the Education 5 to 19 Service.

The above underspends have been consumed by overspends in a variety of areas including the Youth Strategy, Workforce Reform Development service and Schools Redundancy Panel decisions.

- (d) Social Care – £0.918m overspend, 3.57% of net budget

Our In-House Fostering Service is currently implementing 'Payment For Skills' fostering rates in line with consultation, this has resulted in a net (£0.112m) saving within the Fostering Service.

Vacancy savings across this area of the department account for a favourable variation of (£0.525m) although the number of Social Work vacancies has reduced significantly.

The 16+ Service (Care Leavers) have reduced the provision of supported accommodation together with minimal reductions in other Looked After Children Services support in line with young people's needs resulting in a saving of (£0.207m).

The Adoption Service is showing an underspend of (£0.162m) as the need for regular financial assistance has been reduced by providing wrap around packages where appropriate together with reduction in take up of special guardianship placements.

There are pressures within the Looked After Children's Service of £0.958m as there are currently five placements over budget for Independent Sector Residential Care amounting to an additional £0.894m and other pressures identified within the Looked After Children's Service amount to £0.064m. This has also impinged on the cost of legal agents which are currently projected to overspend by £0.097m. It must be noted that the council has no control over placements ordered by the court system which have unavoidable significant financial implications. Favourable variations are reported from a noticeable reduction of court ordered criminal and welfare secure placements of (£0.171m) with only one placement within the first six months of the year, plus other contracted services saving of (£0.119m) for Looked After Children cost.

As set out above, there are a number of known variations that have been reflected in the monitoring forecast. Action Plans are being shaped in the following areas to mitigate against the potential non-achievement of the £1.162m saving anticipated when setting the base budget.

- Negotiations are taking place with the Primary Care Trust with a view to amending the percentage share of the joint appointment referred to above
- The home to school transport policy is undergoing a review
- The Integrated Disability Service direct payments will be reviewed in conjunction with wraparound packages of care and independent sector placements for children
- General efficiencies including ongoing review of agency staff and temporary staffing arrangements, stationery and conferences.

Indications are that whilst management action will continue to be taken to minimise the forecast overspend during the year, national and local high profile media cases will increase the pressures on the service. In addition, officers are currently assessing the potential implications of the Southwark judgement which relates to the new responsibilities for 16/17 year olds where previously short term help, such as housing support, was provided but now local authorities will be required to take them into care until the age of 25. This will not only have a financial implication, but will affect the numbers of looked after children and the stability of placements. The impact of this on the homelessness budget will need to be assessed with a re-allocation of budget resources as appropriate.

#### **8.4 Progress against 2009/10 Action Plans**

£3.540m of action plans were set within the 09/10 revenue budget for Children's Services. At present, Action Plans totalling £2.254m have been or are on course to be achieved with £0.124m assessed as Amber presenting some risk of achievement and £1.162m assessed as Red risk presenting a high risk of not being achieved. Management action will continue to be taken to manage this variation in the context of the issues raised above where the safety of children is not compromised. Examples of actions being implemented are outlined above.

#### **8.5 Key High Level Risks**

- Achieving the challenging Children Social care budget reduction whilst ensuring that safeguarding issues are not compromised
- Recognising that many of the performance indicators are the responsibility of Partners (as Leads) requiring the development of aligned or pooled budgets



## 8.6 Departmental Medium Term Forecasts

The Council's Medium Term Financial Forecast looks forward to predict the financial position for the next 3 years to include estimates of resources and expenditure. The target budget has been updated to reflect the final costs of the Job evaluation appeals and revised corporate assumptions for pay award and utility costs as outlined in section 5 above. The target budget is currently undergoing review as part of the detailed budget setting exercise for 2010/11. A further year, 2012/13, has now been added in order to maintain a rolling three year budget. The target budget for future years may be subject to change as part of the budget review challenge process currently underway.

	<b>Adjusted Target Budget £m</b>
2009/10	52.123
2010/11	51.569
2011/12	51.773
2012/13	52.396

Pressures currently identified for future years include:

Key issues are delivering a Value for Money (VFM) service throughout the department, especially within the Social Care division.

## 8.7 Capital Spend / Programme

The latest approved capital programme for children's services is £58.426m. The revised 2009/10 forecast spend at the end of September was £56.663m, with actual expenditure of £24.443m, representing 47% of the original budget.

The changes during the period were:

<b>Re-profiling</b>	£000
Efford Primary School Re-organisation	(1,778)
Lipson Vale Primary School – Condition Works	(18)
Healthtec	(80)
Schools Devolved Formula Capital	(42)
	<b><u>(1,918)</u></b>

<b>New Approvals</b>	£000
Lipson Community College – Redesigning Specialist Status	50
	<b><u>50</u></b>

<b>Other Variations</b>	£000
Coombe Dean Replacement Windows	5
Coombe Dean – 14-19 Diploma Gateway	32
Devolved Formula Capital Projects	58
Hele – Redesigning Specialist Status School	(25)
YOT accommodation in Barne Barton	<u>35</u>
	<b><u>105</u></b>

A review of current pressures and potential savings is currently being undertaken and will be reported in the next cycle.

## 8.8 Sure Start

### Sure Start Revenue

Due to delays nationally in commencing the new 2 Year Old Funding project there is a forecast variation of (£0.050m) against the revenue grant spend. All authorities are experiencing a delay on this project and information is awaited from the DCSF on whether carry forward will be allowed to reflect this position.

### Sure Start Capital

Early Years surveys have now been completed and prioritised grants to providers are being considered. Phase 3 Children's Centre projects have now been agreed in principle and allocations made. Detailed design work for most projects will start shortly. It is anticipated that most projects will start on site during 2009/10. Plans and progress have been discussed with Together for Children (TfC) and are currently within their required timescales for delivery.

All unspent Capital funds from the 2009/10 allocation will be carried forward to 2010/11 without the requirement for further DCSF approval.

## 9. Community Services

### 9.1 Corporate Improvement Priorities:

The Community Services department is leading on the following Corporate Improvement Priorities.

- Helping people to live independently (CIP 3)
- Reducing inequalities between communities (CIP 4)
- Providing more and better cultural and leisure opportunities (CIP 6)
- Disposing of waste and increasing recycling (CIP 10)

### 9.2 Progress against priorities

The following Scorecard outlines progress against each CIP overall.

**Community Services  
CIP Progress and Management Report**



CIP 3. Helping people to live independently

Measures Milestones

Plymouth Adult Services continues to perform well, including LAA targets, increasing the number of people supported to live independently and have choice in the services they are offered. We have considered our targets post Sept 09 and have now received our assessment from Care Quality Commission. We are currently undertaking our mid year Referral, Assessments and Packages (RAP) data return and will know the position at the end of Oct. We will then review our targets again.

The budget continues to be under pressure due to increased demand and our service improvement agenda to support more people to live independently. There is a comprehensive management action plan to reduce the projected overspend which will be reviewed regularly

CIP 4. Reducing inequalities between Communities

Measures Milestones

Planning permission has now been secured for the Efford Gypsy site and a lot of work has gone into the bid which was submitted on time.

There is, however, still a risk associated with not knowing whether we will be successful in getting government funding to build the site. This would mean we did not have the £1.4m required for the build and the detailed implications of this will be reviewed as necessary, after we are told whether our bid is successful, in late October. Consultation on Locality working is underway and the timeframe for this has been extended to allow further discussion and feedback over the proposals. Benefit and tax credit take-up is exceeding the target following the start of a new contract for delivery of financial advice to the public. Community Cohesion and equalities work is on schedule.

**Community Services  
CIP Progress and Management Report Cont'd**

CIP 6. Providing more and better culture and leisure activities

Measures 

Milestones 

External funding to provide capacity to support the Cultural Board has been identified and confirmed. Two venues have already been confirmed for the British Arts Show and a 3rd is being negotiated. The Inspire mark from LOGOC has been secured for one of the key Cultural Olympiad projects and a draft action plan will be ready in the New Year. All activities are being planned within existing budgets. Concerted activity is taking place to ensure the LAA stretch target on physical activity is met - awaiting Active People Survey results. Work continues with the Arts Council and the Theatre Royal around securing a viable long term future for the Theatre. The sports strategy timescale has been revised and agreed by cabinet - completion by March 2010. Six companies have been invited to tender on 26th October for the leisure management operator contract. Budget pressures have been built into budget discussions. Work continues to identify suitable accommodation for the record office, which might lead to the removal of public records by the National Archives. Property Services are looking for a suitable building. Discussions with the Museums, Libraries & Archives Council and the National Archives on this issue continue. Outline planning permission has now been secured, and work is on track to complete Plympton Library by March 2011. Changes to the governance arrangements for Mt. Edgcumbe are on track for completion by March 2010. With regard to Brickfields, staff have now transferred and draft heads of terms are on track for agreement by March 2010. A legal agreement has been reached with regard to providing publicly accessible swimming pools in the north of the city, but we awaiting details of the specification and design. These are expected within the next month.

CIP 10. Disposal of waste and increasing recycling

Measures 

Milestones 

The PFI procurement process is proceeding to the latest agreed programme with short listed solutions now in the detailed development stage. However, final tenders are now expected in August 2010 against June 2010 with operational delivery in 2014.

The Material Recycling Facility upgrade will now slip into 2010/11, this will not affect operational efficiency on the budget.

There is good news in that household waste produced was over 8kg per head lower than the same period last year and waste land-filled was 2% lower than target. However household recycling rates in September was slightly lower than the same month last year (around 0.4%) and the annual target is at risk of not being met. There is a small under-spend in the budget due to reduced tonnage sent to landfill.

Performance in refuse collection continues to improve with the number of missed refuse and recycling collections the lowest since rezoning and below the target of 75 missed bins per day.

### 9.3 Community Services Dept – Forecast overspend of £0.921m

The latest forecast is £103.056m against a revised budget of £102.135m, representing a departmental year end adverse variance of £0.921m (0.9%). The main variations from the budget within the service areas are: -

- (a) Adult Social Care – £0.750m overspend, mainly due to increased costs in Community Based Services. This is partially offset by departmental assumptions of savings made through the achievement of the Delivery Plans and improved procurement efficiencies of commissioned services and alternative service provision.
- (b) Culture, Sport and Leisure – £0.098m overspend. Additional budget demands have arisen as new trading activities at Mount Edgumbe are developed, costs arising from the procurement of a new leisure operator, further support required to meet trading deficit of Mayflower Leisure Centre and the impact of successful JE appeals against grant funded posts. These have been offset by vacancy savings, events not held in 2009/10, together with management action to contain spending.
- (c) Environmental Services – £0.173m overspend, mainly due to overspends in Parks, Waste Collection/Transfer and an increase in Fleet & Garage. The position is partly offset by savings in Waste Disposal, Grounds Maintenance and the Public Protection Service.
- (d) Safer Communities – (£0.010m) underspend due to vacancy savings.
- (e) SSR – (£0.090m) underspend due to vacancy savings. Although this favourable variation is subject to disaggregation of the team for stock transfer purposes. It is anticipated that any residual resources will contribute, in part, towards the pressures arising from the Care First project costs.

### 9.4 Progress against 2009/10 Action Plans

A delivery plan was agreed as part of the 2009/10 revenue budget for Community Services. A significant number of the actions within the delivery plan impact on Adult Social Care, and current indications are that the actions are going to be challenging to achieve. A contributory factor is the delayed implementation of the Care First project. Officers have been requested to identify resources to enable this project to progress as a matter of urgency.

Progress against each action plan will be monitored monthly with remedial action taking place where necessary.

In view of the overspend forecast the following additional actions have now been implemented:

#### Community Packages:

- (a) Manage the cost of community packages by raising the authorisation levels to senior managers within the service.
- (b) Senior managers reviewing all new/increased packages weekly.

- (c) Creating dedicated reviewing officers from existing workforce and setting timescales for review of high cost packages
- (d) Bringing forward the start of the resource allocation system and support planning (setting cost ceilings)
- (e) Reviewing and renegotiating block and spot contract provision.
- (f) Continuing to scrutinise all posts to be filled or covered and agree only those that relate to meeting our statutory responsibilities and delivery plans.

Learning Disability Services:

- (a) Revisiting recently determined social care cases to ensure health no longer have responsibility.
- (b) Reviewing top 50 high cost packages to manage costs down, to ensure that any transfers from long stay care to community placements are cost neutral and to review and renegotiate block and spot contract provision

S117 Mental Health Aftercare:

- (a) To review and screen for Continuing Health Care

## 9.5 Key High Level Risks

The key financial risks for 2009/10 across Community Services are summarised below.

- (a) The high unit cost of adult social placements, particularly within Learning Disabilities, combined with the changes in funding responsibility between the PCT and Adult Social Care relating to both reviews of joint packages of care, Continuing Health Care and transfer of Learning Disability commissioning budgets.
- (b) The ability of the department to increase service levels / client numbers to achieve the CIP targets – particularly within Adult Social Care.
- (c) Managing expectations of enhanced levels of service against the approved budget particularly around waste collection and street scene.
- (d) Increasing pressures of LATS and landfill tax on the waste disposal budget.
- (e) Fall in predicted income due to economic downturn e.g. trade waste
- (f) Following the decision to work in partnership with Plymouth Argyle to submit a host city World Cup bid to the football association the Council are making a contribution towards the bid costs of £75,000. This is being funded from a transfer from the General Contingency to Leisure Services approved by the Director of Corporate Support under his delegated powers.

## 9.6 Departmental Medium Term Forecasts

The Council's Medium Term Financial Forecast looks forward to predict the financial position for the next 3 years to include estimates of resources and expenditure. The target budget has been updated to reflect the final costs of the Job evaluation appeals and revised corporate assumptions for pay award and utility costs as outlined in section 5 above. The target budget is currently undergoing review as part of the detailed budget setting exercise for 2010/11. A further year, 2012/13, has now been added in order to maintain a rolling three year budget. The target budget for future years may be subject to change as part of the budget review challenge process currently underway.

	<b>Adjusted Target Budget £m</b>
2009/10	102.501
2010/11	111.743
2011/12	112.386
2012/13	113.530

The key medium term issues for the department are:

- (a) The demographic changes within the population resulting in increased need for adult social care services.
- (b) The Personalisation Agenda with Individual Budgets will have a fundamental impact on Adult Social Care. Feedback from the pilot sites identify that this cannot be seen as a mechanism for providing savings. This will require careful monitoring during implementation to build on learning from other authorities experiences.
- (c) The Municipal Waste Management Strategy (MWMS) identified that waste management costs would increase significantly in the future due to the need to procure a waste disposal facility. The business case identified a revenue shortfall of £215million. This equates to £8m per annum (2011-2013), reducing to a £6m annual increase (2014-2039). These pressures will need to be incorporated into future budgets.
- (d) In the short term, the Authority also faces additional budgetary pressures to implement new recycling initiatives, buy LATS credits, fund increased landfill tax (£8 per tonne each year), and fund contributions to the 'balancing fund' account created to meet the £215m shortfall. These have already been reflected in the Medium Term Financial Forecast, but funding / budget savings have yet to be determined.
- (e) Whilst additional funding has been identified through the carry forward process to delay impact against the Theatre Royal grant reduction, a budget pressure remains for future years against the Theatre Royal grant due to not being able to capitalise £0.250m of the grant monies.

- (f) The impact of staffing requirements as a result of approved Life Centre governance statement is being assessed and prudential borrowing requirements for Life Centre ahead of closure of existing facilities.
- (g) Further consideration is being given to the Free Swimming initiative directed at under 16's with further cost of £0.250m forecast for 2010/11 and for further consideration as part of the 2010/11 budget setting process.
- (h) Slippage to the Leisure Management project as a result of procurement demands by the Life Centre project will result in an estimate £0.055m costs in 2010/11 which will be included in budget review discussions as together with a further pressure of improving existing facilities to a Corporate B standard gives a projected pressure of £0.400m in 2010/11.

## 9.7 Capital Spend / Programme

The latest approved budget for Community Services is now £11.397m and actual expenditure as at the end of September 2009 was £2.038m.

The latest forecast spend for the year is £11.298m or 76% of the original 2009/10 programme. The programme for each service area is shown in table 7 below:

**Table 7**

<b>Community Services Capital Programme</b>	<b>Latest Approved Budget</b>	<b>Spend to 30 September</b>	<b>Latest Forecast</b>
	£000	£000	£000
<b>Culture, Sport &amp; Leisure</b>	9,770	1,830	9,770
<b>Adult Social Care</b>	576	142	576
<b>Environmental Services</b>	1,051	67	952
<b>Community Services</b>	<b>11,397</b>	<b>2,038</b>	<b>11,298</b>

The movement on the Community services capital programme in the period is as follows:

	£000
<b>Re-profiling</b>	
Mercury Abatement Equipment in Crematoria	(142)
<b>New Approvals</b>	
Alexandra Park – Specialist Wall Repairs & Play Equipment	<u>43</u>
	<b><u>99</u></b>



## **10. Development & Regeneration**

### **10.1 Corporate Improvement Priorities:**

The Development Department is leading on the following three Corporate Improvement Priorities :

- Providing better and more affordable housing (CIP 5)
- Improving access across the City ( CIP 11)
- Delivering sustainable growth ( CIP12 )

### **10.2 Progress against priorities**

The following Strategy Map outlines progress against each CIP overall.

## Development - CIP Improvement & Management Report

Development Monthly Revenue Budget  
September 09  
3.07 %



CIP 5. Providing better and more affordable housing

Measures ● Milestones ●

Continued good progress on the delivery of energy efficiency measures through our various schemes, including the Plymouth Warm Zones which has been rebranded to Cosy Devon to further encourage uptake of insulation grants. We are developing our plans to pilot a home energy project to tackle Hard to Treat homes, phase 1 is focusing on 114 private sector homes in Devonport which is on target to be up and running from January 2010. Phase 2 forms part of our bid for further regional funding to target the homes of elderly and vulnerable people who are most at risk through cold and poorly heated homes. To date we have enabled the completion of 77 new affordable homes and subject to securing additional grant support from the Homes and Communities agency we are hopeful of at least 218 completions for the year. This would be only 8 units short of our target, but a number of completions have slipped into 2010/11 due to a combination of delays on funding and developer negotiations in the current housing market slowdown. We are supporting a couple more stalled sites to bid to the newly announced Kick Start II programme. We have completed the annual update of our Strategic Housing Market and Needs Assessment 2009 which builds upon our better understanding of the current housing market. PCC and PCH have agreed to delay the stock transfer date until 16th November 2009 to allow completion of final legal arrangements and negotiations due to the complexity of this particular transfer. It is the largest in the region, and unique in that it is a deficit government backed transfer with a major regeneration project as part of the project

CIP 11. Improving access across the city

Measures ● Milestones ●

Performance on delivery of key action plans remains behind schedule with four key documents not yet finalised, but progress has been made since the last report. Following earlier resourcing issues, the corporate travel plan is now in final draft form and the bus network review is similarly in its final draft assessment phase. The Accessibility action plan has been delayed until January due to the cancellation of the Healthy Theme Group meeting, and there are ongoing discussions with Network rail for the permissions or acquisitions needed for the proposed continuation of cycle routes in accordance with the cycle strategy:

In view of these delays no improvement will be seen until the New Year.

CIP 12. Delivering sustainable growth

Measures ● Milestones ●

Delivery of the City's growth agenda is still broadly on track despite the inevitable impact of the recession. The City centre company has successfully secured the Business Improvement District (BID) levy renewal for a further 5 years. The renewal which will unlock a £10m investment has 89% support and was the best of any renewal in the country. Major regeneration projects at Devonport, Millbay, Plymstock Quarry and Sherford are being reviewed as a result of recessionary impacts, but progress is being made on removing obstacles to delivery. Job creation initiatives are being pursued through the Urban Enterprise Programme and through the continuing implementation of both the Recession Action Plan and the Market Recovery Action Plan. In parallel with these short term measures, planning for the upturn and the delivery of the city's longer term growth continues with the preparation of the Local Investment Plan under the Single Conversation with the Homes and Communities Agency and the publication of plans for the City Centre. There has been a delay in establishing new streamlined governance arrangements to drive forward the growth agenda because of the need to ensure alignment with the requirements of sub regional, delivery partner, and private sector stakeholders. Planning permission has now been submitted for part of the Eastern Corridor Major Scheme bid, which although slipped from the original programme, reflects wider strategic corridor planning requirements. The Government's decision to remove £2.4 Million of previously approved New Growth Points funding will have an impact on the phasing of strategic infrastructure necessary for the delivery of homes and jobs. The impact of this reduction is currently being assessed through the Single Conversation process. The recently announced further delay in the publication of the Regional Spatial Strategy continues the uncertainty within which investment decisions have to be made. The City Council continues to lobby Government to revise the Regional Spatial Strategy to better reflect Plymouth's growth plans.

### 10.3 Development & Regeneration – Forecast Revenue overspend of £0.511m

Significant progress has been made in the last period reducing the overspend forecast by £0.499m. However there continues to remain a pressure on the General Fund from reduced revenue contributions from the Car Park reserve of £0.508m and Market reserve of £0.114m resulting from below forecast income levels and increase capital charges following land and property revaluations. Other pressures result from increased costs on the CCTV budget. Offsetting this is a favourable variation on the concessionary fares budget but this is a volatile area that will need to be closely monitored.

Almost half of the current predicted overspend is a result of the late introduction of increased capital charges (£0.233m) which were not included in the budget at the beginning of the year. The lower revenue in parking, due in part to significant changes in the service leading to an early year downturn in income (Theatre Royal refurbishment and changes to on- street enforcement) is now being reduced as the efficiency savings identified start to be fed through in higher income levels.

Further business planning is currently being undertaken to identify further savings for the remainder of the year to close the gap.

### 10.4 Development Trading Accounts

The position on the trading accounts as at the end of September 2009 is as follows:

**Table 8**

	<b>Latest Approved Budget</b>	<b>Outturn Forecast September 09</b>	<b>Latest Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Off Street Parking	(1,125)	(894)	231
On Street Parking	(1,349)	(1,273)	76
Street Trading	0	0	0
City Market	138	145	7
<b>Total</b>	<b>(2,336)</b>	<b>(2,022)</b>	<b>314</b>

### 10.5 Progress against 2009/10 Action Plans

£3.155m of action plans were set within the 2009/10 revenue budget for Development & Regeneration.

The majority of action plans relate to restructuring of services and reductions in staffing. These are largely complete. At present actions totalling £0.117m have been identified as a red risk and potentially unachievable, although all of the action plans are under review.

## 10.6 Key High Level Risks

There is continuing recessionary pressure on business throughout the city and initial indications are that income from rentals, planning applications and building control may be further affected beyond the assumptions already built into the budget. It is still too early to quantify the full impact as some income does not follow any particular trend. The Council has, however, produced a Market Recovery Delivery Plan which has identified the key pressures and endorses a number of priorities to support businesses. These areas will be closely monitored and will be the subject of further reports.

A condition survey has recently been undertaken on the Pannier Market which has highlighted the need to plan ahead for significant investment in the facility both in terms of repair and improvement. Some works will require to be undertaken within the next couple of years and detailed proposals will be formulated to be considered in the budget setting process.

As part of the housing stock transfer, the Council is required to put in place a viable business plan for tackling housing issues in the North Prospect Estate. The authority is currently in consultation with the Homes and Communities Agency over funding arrangements. The potential financial implications are not yet known and will be the subject of a future report.

Other areas sensitive to consumer demands are concessionary fares and the annual dividend received from the local bus undertaking. Again it is too early to tell as to whether expenditure and income will be maintained at budgeted levels

## 10.7 Departmental Medium Term Forecasts

The Council's Medium Term Financial Forecast looks forward to predict the financial position for the next 3 years to include estimates of resources and expenditure. The target budget has been updated to reflect the final costs of the Job evaluation appeals and revised corporate assumptions for pay award and utility costs as outlined in section 5 above. The target budget is currently undergoing review as part of the detailed budget setting exercise for 2010/11. A further year, 2012/13, has now been added in order to maintain a rolling three year budget. The target budget for future years may be subject to change as part of the budget review challenge process currently underway.

	<b>Adjusted Target Budget £m</b>
2009/10	16.683
2010/11	17.952
2011/12	18.699
2012/13	18.971

## 10.8 Capital Spend / Programme

The latest approved programme for Development is £24.417m. This is now forecast to reduce to £23.373m and the main movement on the programme is detailed below. Actual spend to the end of September was £4.019m.

### £000

#### (766) Materials Recycling facility

£0.854m was approved in October 2008 for the upgrading of the M.R.F at Chelson Meadow. The approved works, previously scheduled to be 50% undertaken in each of the financial years 2009 – 11, have now largely been delayed until 2010/11. This is as a result of delays in procuring the works & the fabrication of the parts required.

#### (200) Chelson Meadow capping and leachate works

The capping restoration budget has been reduced by £0.666m 2009/13, as a result of tendered contract savings. This largely translates as £0.200m of slippage from 2009 to 2010/11, with the significant reduction falling in 2011/12.

#### (100) Reprofiting of Stonehouse Compulsory Purchase Order Scheme – bad weather not allowed for in work schedule.

18 Re-profiting Devonport Guildhall payment anticipated in 10/11 will now be accrued in 09/10.

26 New Approval in Strategic Housing – Living over the Shops

#### (22) Variation – Admiralty Street, Prohibition of Driving Order – project no longer proceeding

## 10.9 Capital Projects Under Development

### **Transport Asset Management Plan - £0.056m 2009/10**

Proposals are being prepared for Capital Programme Board seeking approval to spend £0.056m which has been awarded to PCC in 2009/10, from the DfT. This capital grant has been awarded to support proposals that will create and maintain a Transport Asset Management database, suitable to provide the detailed information that will be required in the accounts, to comply with proposed future International Financial Reporting Standards.

### **Devonport Home Insulation Project**

The budget holder for this scheme is currently completing funding forms for submission to the Capital Programme Board. This scheme will be grant funded.

## **11. Corporate Support**

### **11.1 Corporate Improvement Priorities:**

The Corporate Resources department is leading on the following Corporate Improvement Priorities.

- Improving Customer Care (CIP 1)
- Supporting Staff to Perform Better (CIP 13)
- Providing better Value for Money (CIP 14)

### **11.2 Progress against priorities**

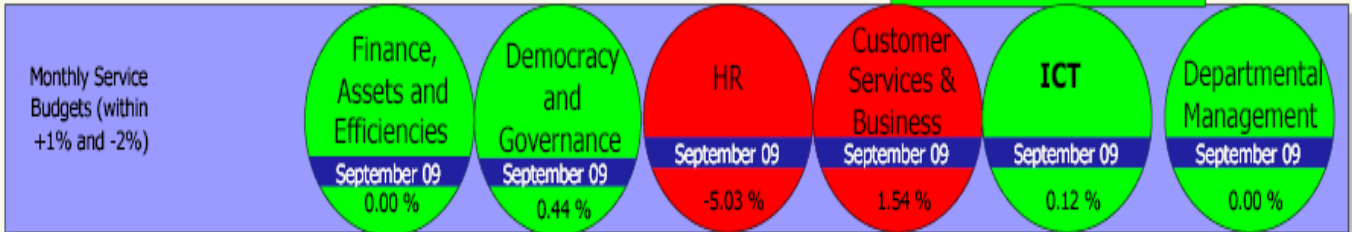
The following Scorecard outlines progress against each CIP overall.

## Corporate Support CIP Progress and Management Report

Corporate Support  
Monthly Revenue Budget

September 09

-0.37 %



### CIP 1. Improving Customer Service

Measures 


Milestones 

The CIP plan was signed off by CMT during September and the action plans are rolling out effectively. Funding from CLG was granted and CIP1 will be managing the 'Getting it right and righting the wrongs' pilot as the regional champion for the South West. Some slippage has been caused due to the delay in sign off, but it is likely that the majority of projects will remain on schedule.

The one area of slippage currently is in relation to the replacement software solution for complaints handling. A wider corporate review of the CRM requirements has highlighted that it is more cost efficient to invest in a single CRM solution that also delivers complaints capability. A project plan scoping this work is currently under review, but a delay in implementation on this milestone has been flagged red as there is likely to be slight slippage.

### CIP 13. Supporting Council staff to perform better

Measures 

Milestones 

Negotiations are continuing with Trade Unions to finalise changes to the Single Status Terms and Conditions. 90% of managers have been trained in the use of the PCC Competency framework and departments are planning appraisals in readiness for the 31st January 2010 deadline.

Manager Self Service development is continuing and the project team is closely reviewing the project plan and is addressing technical difficulties arising in the transfer to a new technical platform.

The e-Learning package to be used in the roll out of training for MSS is now under development.

Although risks and issues have been identified for other workstreams, these are being managed and all other projects are on target.

### CIP 14. Improving value for money

Measures 

Milestones 

The first Business case to support the Accommodation strategy has been drafted for presentation to Corporate Management Team in November. Limited progress has been made in developing Service Level Agreement's for support services and the future direction of this action will need to be determined.

2009/10 Value for Money (VfM) targets are currently being reviewed and new targets for the medium term are being negotiated as part of the 2010/11 corporate planning / budget setting cycle. The Assistant Director for Finance, Assets and Efficiencies is leading the negotiations with Directors who will each be asked to produce a VfM delivery plan, which will include a contribution towards National Indicator 179 (Measuring VfM gains).

We are currently reviewing our 3 year efficiency plan in order to increase the level of efficiencies we can drive out in 2010/11. The efficiency targets are proving challenging to evidence due to tightening of criteria. Roles and Responsibilities have been drafted with the Director for Corporate Support championing the efficiency agenda at Corporate Management Team. Work has begun to raise the profile of the efficiency return with a view to getting back on track by the end of 2009/10.

The Council's Carbon Reduction Commitment has confirmed the potential financial liabilities to be incurred from 2010 onwards. These liabilities are being incorporated in the Medium Term Financial Forecast and relevant actions and training continue to be developed to help reduce our carbon footprint and limit the level of financial penalties.

The Improvement and Development Agency for Local Government have recognised the Council's positive environmental sustainability work relating to Carbon Reduction Commitment as a best practice case study.

### 11.3 Revenue Budget Monitoring – Forecast underspend of (£0.132m)

The main variations are:

- (a) Finance, Assets and Efficiencies:  
A neutral position is being forecast for this area. The key management posts have now been successfully filled with staff due to take up positions over the next few months. This will enable the remaining structure to be finalised and efficiencies achieved over the longer term.
- (b) Democracy and Governance :  
An overspend of £0.025m mainly in respect of action plan efficiencies that transferred from the 'old' Chief Executives Department which are in the process of being addressed.
- (c) Human Resources  
An under spend of (£0.200m) mainly as a result of vacancies and secondments to major projects.
- (d) Customer Service and Business Transformation  
An overspend of £0.035m relating in the main to recruitment costs for the new management structure.

### 11.4 Progress against 2009/10 Action Plans

£2.696m of new action plans were set within the 2009/10 revenue budget for Corporate Support. As at the end of September, monitoring of progress indicated plans totalling £0.197m have been rated as at high risk of not being achieved. The high risk element relates to a reduction in building cleaning costs and savings in the upkeep of Windsor House. Both of these budget areas are currently being reviewed.

### 11.5 Key High Level Risks

The highest risk is that some efficiency savings, including those carrying on from previous years, have not yet been fully identified although now allocated to managers for action.

### 11.6 Departmental Medium Term Forecasts

The Council's Medium Term Financial Forecast looks forward to predict the financial position for the next 3 years to include estimates of resources and expenditure. The target budget has been updated to reflect the final costs of the Job evaluation appeals and revised corporate assumptions for pay award and utility costs as outlined in section 6 above. The target budget is currently undergoing review as part of the detailed budget setting exercise for 2010/11. A further year, 2012/13, has now been added in order to maintain a rolling three year budget. The target budget for future years may be subject to change as part of the budget review challenge process currently underway.



	<b>Adjusted Target Budget £m</b>
2009/10	35.634
2010/11	34.069
2011/12	34.519
2012/13	35.277

### **11.7 Capital Spend / Programme**

The latest approved capital programme for corporate support for 2009/10 is £1.097m. Actual spend at end of September was £0.593m.

## **12. Chief Executive**

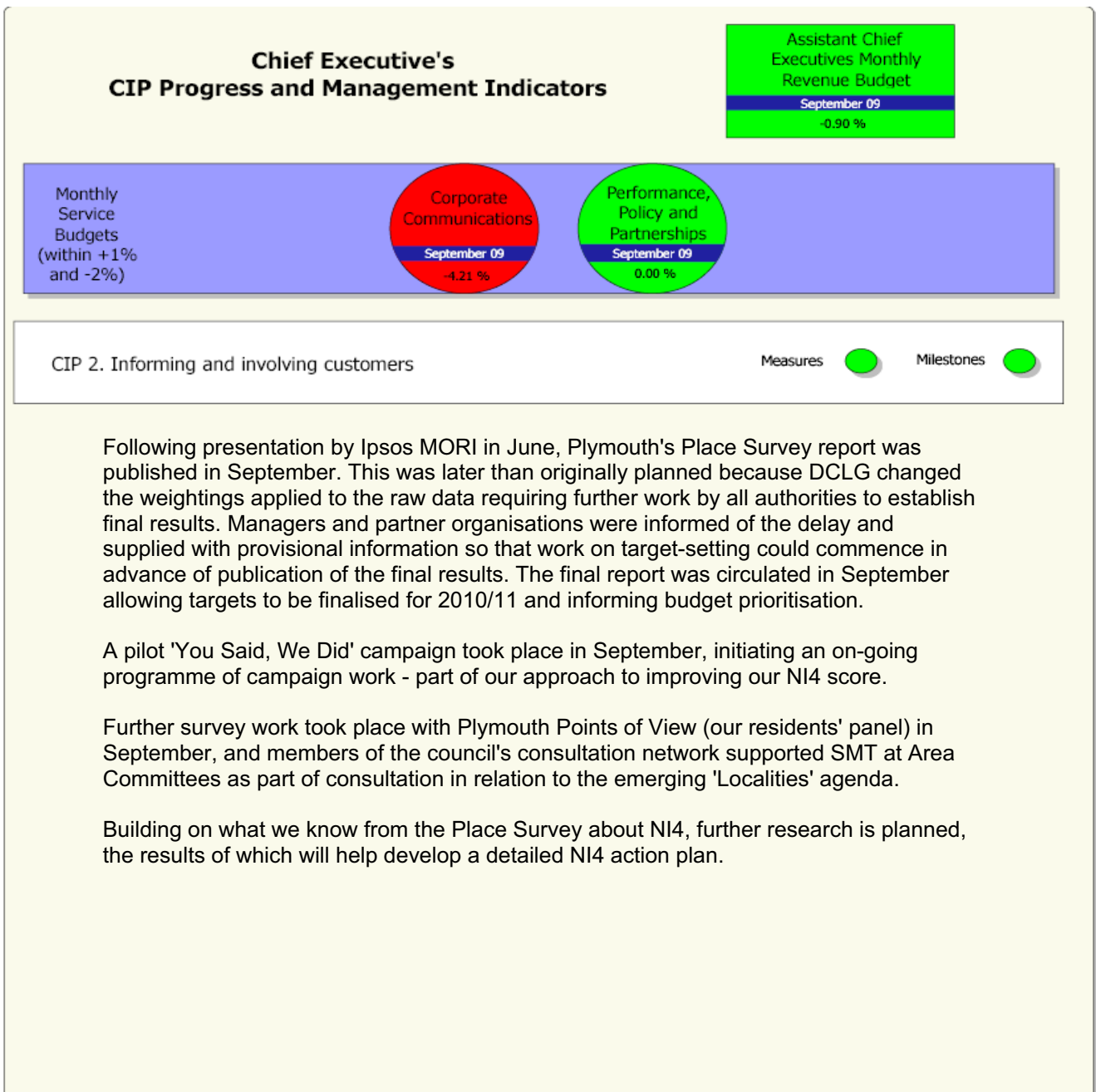
### **12.1 Corporate Improvement Priorities:**

The Chief Executive's department is leading on the following Corporate Improvement Priorities.

- Informing and Involving Customers (CIP 2)

### **12.2 Progress against priorities**

The following Scorecard outlines progress against each CIP overall.



### 12.3 Revenue Budget Monitoring – under spend of (£0.024m)

The Chief Executive Department's monitoring for September shows a favourable variation of £0.024m, resulting from vacancies above target and general slowing down of running expenses.

### 12.4 Progress against 2009/10 Action Plans

£0.505m of action plans were set within the 2009/10 revenue budget for Chief Executive's Department. It is forecast that these will be achieved in full for the current year, although some of this will be achieved by vacancy savings which may not be ongoing into future years. Any shortfall for future years will be addressed during the next few months as the department reviews actions to bring its budget back to target in each year over the medium term.

## 12.5 Key High Level Risks

Whilst the action plans and current projections show a breakeven position for this financial year, there is pressure on future years' budgets as this is dependant on securing external funding streams.

## 12.6 Departmental Medium Term Forecasts

The Council's Medium Term Financial Forecast looks forward to predict the financial position for the next 3 years to include estimates of resources and expenditure. The target budget has been updated to reflect the final costs of the Job evaluation appeals and revised corporate assumptions for pay award and utility costs as outlined in section 6 above. The target budget is currently undergoing review as part of the detailed budget setting exercise for 2010/11. A further year, 2012/13, has now been added in order to maintain a rolling three year budget. The target budget for future years may be subject to change as part of the budget review challenge process currently underway.

	<b>Adjusted Target Budget £m</b>
2009/10	0.918
2010/11	1.701
2011/12	1.476
2012/13	1.515

## 13. Corporate Items & Cross-Cutting Issues

### 13.1 Corporate Items - Revenue Budget Monitoring – underspend of (£0.153m)

There is an overall adverse variation on the capital financing budget due in part to the continuing financial climate which is affecting our ability to achieve the target rate of return on our investments, and an adjustment to the annual Minimum Revenue Provision (MRP).

This is being offset by the favourable variation from the reduced energy prices under the new contract (net of the agreed virement to corporate property) and the favourable impact from the reduction in the pay award assumption from 2% to 1%.

### 13.2 Risk Management (1) - Items not reflected in the figures

#### 13.2.1 Contingency

The 2009/10 budget includes a general contingency provision of £0.500m. The Director for Corporate Support acting under delegated authority has approved a virement of £0.075m from the contingency to Community Services to meet the costs of the world cup bid. This will leave a contingency of £0.425m. The figures above assume this will be spent in full.

### 13.2.2 JE contingency

At the start of the year the Council had a sum of £1.514m held in contingency to meet the costs of JE appeals and a further £2.1m was carried forward from 2008/09. All the appeals have now been agreed and final payments were made in August. The outcomes of a few outstanding issues may affect some job evaluation outcomes and the necessary adjustments will be made to budgets as required. The contingency budget has been reallocated across departments by way of a budget virement to meet the resulting increased costs and is reflected in the departments latest approved budget . However in accordance with Financial Regulation budget virement limits, the virement requires ratification by Cabinet.

	£000
Children's Services	430
Community Services	552
Development and Regeneration	356
Corporate Support	383
Chief Executive	57
Transfer to provision for backdated impact previous years	<u>437</u>
	<b><u>2,215</u></b>

This will leave a sum of £1.399m against the contingency 'carry forward' reserve. Further adjustments to reflect the additional successful appeals will be made during the next monitoring period. Any remaining balance on the JE Carry forward reserve will be utilised to offset increased costs next financial year. However from financial year 2011/12, the contingency provision will be exhausted and departments will be expected to contain any increased costs within their departmental target budgets.

### 13.2.3 Corporate Impact of Stock transfer

It is currently estimated that there will be a cost to the General Fund of £0.7m as a result of the stock transfer in 2009/10. This has not currently been reported in the variance figures. Against this sum it is anticipated that VAT shelter receipts of £0.5m will be forthcoming, although at the present time VAT shelter receipts will need to be treated as capital receipts.

Officers are working on a range of options to minimise the impact of the funding mismatch and which include seeking an urgent meeting with DCLG to discuss the possibility of an in principle agreement for an exceptional Capitalisation Direction over the next 5 years and/or agreement to a to a special regulation under section 9 (3)(a) of the 2003 Local Government Act 2003 permitting the Council to treat Vat shelter receipts as revenue.

### 13.2.4 Back dated Equal pay claims

The Council has received a number of equal pay claims and grievances. These are being dealt with by way of grievance hearings and through the Employment Tribunal system. Grievance hearings will be held during November/December 2009 although tribunal claims are unlikely to be heard in the current financial year. The council secured a Capitalisation Direction to cover equal pay claims in 2007/8. However the Capitalisation Direction may only be used for those claims submitted prior to 31 March 2008.

As part of closedown for 2008/09 the Council set aside a further £0.350m in a reserve for equal pay claims and although a further application for a Capitalisation Direction was submitted earlier this year, the Council has been informed that its application has been unsuccessful.

#### 13.2.5 Redundancy Position

At the end of September redundancy payments totalling £0.588m had been paid (including the strain payment to the pension's fund) with a further £0.362m of payments in the system. This brings the total redundancy payments to £0.950m. The Council has an earmarked reserve to meet the costs of redundancies and this stood at £1.133m at 1 April 2009. Further redundancies are expected over the next few months as departments seek to meet their planned staffing reductions but steps will be taken to minimise the impact by deleting vacant posts and natural wastage where ever possible. Once the reserve has been exhausted, any further costs will add to the pressure on the revenue budget.

#### 13.2.6 VAT – 'Fleming' Claims

As reported previously, the council has secured reimbursement of £0.477m in respect of overpaid VAT. This will be transferred to the Corporate Improvement reserve in accordance with the approved recommendation. The Council has 2 further claims outstanding for which the VAT officer has recently requested additional information in support of the claims.

#### 13.2.7 Icelandic Bank Losses

As part of the last report approval was given to transfer any interest received from investments in Icelandic Banks to the Icelandic Bank Reserve to offset residual losses. Interest of £0.024m has been received from the first dividend payment from Heritable Bank. A further dividend is due at the end of the year. The claims submitted for Landslanki and Glitnir include interest up to 22 April 2009 with the majority of this payable at a penalty rate of 22%, although it is not yet known when the first payments will be received. Further details of the anticipated recoveries are shown in table 3.

#### **Recommendations:**

4. The reallocation of the JE contingency across council departments, as outlined in section 13.2.2, be approved.
5. Officers seek an urgent meeting with DCLG to discuss options to utilise the capital monies from the VAT shelter agreement to offset revenue pressures, these options to include:
  - (i) an in principle agreement to an exceptional Capitalisation Direction over the next 5 years, and/or
  - (ii) agreement to a special regulation under section 9 (3)(a) of the 2003 Local Government Act 2003 permitting the Council to treat Vat shelter receipts as revenue.

### **13.3 Risk Management (2) - Mid year Review of Reserves, Balances & Provisions**

(a) Working Balance

The Council's Working Balance currently stands at £11.739m which equates to 5.9% of net revenue spend. The working balance is forecast to reduce to £11.517m at the end of the year. This is within the tolerance levels within our Medium Term Financial Strategy, (March 2009), and remains in line with the Unitary Authority average.

(b) Reserves

The Council has created a number of specific reserves in order to plan in advance for known and anticipated future revenue costs. At 1 April 2009, these reserves stood at £23.631m. The total on these reserves will fluctuate during the year as they are used to meet ongoing pressures. The balance at 31 March 2010 is forecast to be £14.183m.

The main reserves and their purpose is shown at Appendix C.

As part of the closedown process last year additional approvals were given for carry forward of budget in a number of areas. Normally these budgets would be expected to be spent in full in the following financial year. However in two of these areas it is now expected that the reserve will not be utilised until 2010/11. These are being reported for information only and no further approval is required to slip the monies between years:

- LSP – the Local Public Sector Agreement (LPSA) strategy will not be finalised until November and the delay will result in the commissioning of work, and the reserve contribution, now slipping into 2010/11.
- JE appeals/competency framework – a transfer to reserve was made to meet HR costs of finalising JE appeals and implementing the new competency framework. It is now forecast that approximately £0.161m of this allowance relating to the new competency framework will slip into 2010/11.

The other main change to the movement on the reserves from that reported previously is the slippage of the DRCP local solution monies into 2010/11.

(c) Provisions

The Council has a number of budget provisions set up to meet known liabilities. The current provisions and estimated movement in the year are outlined in Appendix D. The main provisions relate to the insurance fund, specific provisions set up for the backdated costs of JE and JE appeals and the HRA gas servicing ex-gratia payments, together with a number of bad debt provisions.

(d) Contingent Liabilities

In addition to the specific reserves and provisions outlined above, there are a number of areas that may result in a financial liability to the Council but which cannot be quantified both in terms of costs and timing with any certainty. In the main these relate to legal claims against the Council or guarantees given by the council to its subsidiaries and associates. The Council is required to disclose all contingent liabilities in a note in the Statutory Statement of Accounts.

During the year contingent liabilities are kept under review and details reported to Audit Committee as part of the risk register monitoring. Many of the items contained within contingent liabilities have already been reported within the relevant sections of this report. Where considered appropriate, the Director for Corporate Support will make recommendations for budget provisions or transfer to reserves as a corporate health adjustment, reporting any action required to Cabinet as part of the monitoring reports.

As part of the negotiations for the Housing stock transfer the Council has been required to provide a number of warranties to Plymouth Community Homes, including warranties against asbestos and environmental claims. As any payments under these warranties will be unknown and unquantifiable, these items will be included as a contingent liability for accounting purposes.

The main contingent liabilities currently reported are:

- Municipal Mutual Insurance Ltd- Scheme of Arrangement- the company experienced trading difficulties and is working towards a 'solvent run off' until all outstanding claims settled, but there is a potential clawback arrangement if the company becomes insolvent, whereby the creditors would be required to pay a proportion of the claims paid. These claims totalled £1.286m at 31 March 09.
- PLUSS Organisation Ltd – the Council has guaranteed payments into the pensions fund for transferred employees, has also provided a loan of £0.235m and jointly agreed a bank overdraft facility with Torbay and Devon County Council.
- Section 117 refunds- the Council discloses a potential contingent liability in respect of claims for reimbursement from self funders, although the last claim submitted was in 2003.
- Single status equal pay claims – see 13.2.4 above.
- Civic centre – a contingent liability disclosed whilst the future of the building remains subject to uncertainty.
- Connexions – the Council has guaranteed to meet an element of pension liabilities should the organisation be wound up.
- Housing stock condition – Works required to meet decency standards – stock due to transfer to Plymouth Community Homes on 16 November 2009.
- Housing stock transfer – section 25 loan – possibility of loan not being reimbursed if transfer fails– stock due to transfer 16 November 2009.
- Contaminated land – potential liability for clean up costs especially if land transferred to developers.
- Treasury Management – Investment losses – see above.

#### **13.4 Partnership – Accountable Body Schemes – DRCP**

The final grant allocation for the year has now been confirmed as £7.621m. Actual spend at the end of the 2 quarter was £1.258m with claims yet to be processed totalling £0.976m. The programme remains high risk not least because much of the spend is profiled to the last two quarters of the year. Monthly meetings continue to be held with officers from DRCP, PCC and GOSW.

The delivery plan for 2009/10 assumed land acquisitions of £1.2m would be achieved in 2009/10. This element of the delivery plan is now unlikely to be achieved and DRCP staff are seeking alternative schemes to utilise the grant available. In order to provide an element of flexibility and give further time to work up and consider options, approval has been given by NDC to slip the 'local solution' monies into 2010/11.

The 10 year programme enters its final year in 2010/11 and attention is now focussed on completing major capital schemes and succession planning for post NDC grant. Cabinet have received and approved in principle the succession plan for DRCP and the necessary paperwork has been submitted to DCLG. However the Council's approval remains subject to the following conditions:

1. Completion of financial checks to include Neighbourhood Manager costs, Devonport Community Land and Leisure Trusts and their asset bases.
2. Discussion and agreement to the letter of intent between DRCP and the City Council.
3. The approval of Communities & Local Government of the Devonport Community Land Trust Governance arrangements.
4. Completion of the review into the future use of Parkside by the Director for Corporate Support.
5. Subject to agreement that we will be engaged in the discussion between DRCP and DCLG during the period end of October 2009 to April 2010.

One of the proposals for the succession plan is the appointment of a Devonport Neighbourhood Manager on an initial 3 year contract. This post will be funded from NDC grant, but as grant may not be carried forward after the end of the programme, it is proposed that DRCP meet the Council's current costs of running Brickfields, with an equivalent amount set aside in a City Council reserve to be utilised to fund the Devonport Neighbourhood Manager post in 2011/12 and 2012/13.

**Recommendation:**

6. Cabinet note the action taken by Officers to ensure funding for the Devonport Neighbourhood Manager post is available over the next 3 years and agree to the transfer of £0.100m to an earmarked reserve in return for additional NDC grant funding towards Brickfields running costs.



## Section C – Housing Revenue Account

### 14 HRA – Revenue Budget

- 14.1 Due to the impending stock transfer and the requirement of staff to produce the initial budget for Plymouth Community Homes (PCH), there has been limited detailed monitoring of the HRA during the period. However at this stage of the transfer process, it is still expected that pending all the residual entries to the HRA account post transfer, a working balance of at least £2m will remain.
- 14.2 Over the next few weeks officers will commence the closedown entries for the account, in particular liaising with PCH over apportionment of arrears and prepaid income.
- 14.3 Steps will also be taken to ensure the necessary consent is in place to transfer residual properties, namely the SHIP hostel and decanted properties at Devonport from the HRA to the Council's general fund. This will enable the final subsidy claim to be submitted in September 2010 and, subject to the auditors being satisfied that the claim is correct, an application to be made to the secretary of state to formally close the HRA. It is at this stage that any balances on the HRA would transfer to the General Fund.

### 15 Capital Programme

- 15.1 The latest approved capital programme for the year is £7.761m, with forecast spend at the end of September standing at £7.991m. Actual expenditure as at the end of September 2009 was £4.594m.
- 15.2 The forecast spend of £7.991m assumed a programme to 19 October based on an apportionment of capital resources up to transfer date. This figure included outstanding decanting works at Devonport, totaling £0.932m, which were due to be completed after transfer but for which equivalent capital resources were to be transferred to PCH, leaving a net programme of £7.060m. As a result of the extension to the transfer date to 16 November concerns have been raised about continuity of work/workloads etc, and it has been agreed that housing may continue to spend on the programme up to the original approval of £7.992m with any spend above £7.060m being 'reimbursed' by PCH. This will be effected by deducting any excess spend from the payment we have agreed for Devonport, the actual overspend to be determined once transfer has taken place and we have paid outstanding invoices and calculated the retention payments.
- 15.3 The Council will receive additional Major Repairs Allowance (MRA), totaling approximately £0.733m as a result of the extended transfer date. This amount will be transferred to the major repairs reserve. Once the final retention payments and other outstanding liabilities from the HRA capital programme have been settled, any balance remaining in the major repairs reserve will be used to repay debt.

## Section D – Treasury Management Activity

### 16. Loans and Investments

#### Borrowing

16.1 The Council's loans at 30 September 2009 were:

	Principal O/S £000	Average Rate %
PWLB (Public Works Loan Board)	141,500	5.4528
Market Loans	130,000	4.4202
Bonds	83	3.4458
Temporary Loans	9,000	0.2733
<b>Total Borrowing:</b>	<b>280,583</b>	<b>4.8077</b>
<b>Add Devon Debt @ 30/09/09</b>	<b>34,644</b>	<b>5.4000</b>
<b>Total Debt 30/09/09</b>	<b>315,227</b>	<b>4.8728</b>

16.2 The following borrowing limits for 2009/10 were approved by Council in March 2009:

- Authorised limits           £406m
- Operational Boundary   £430m

16.3 The maximum borrowing outstanding in the period 1 August 09 to 30 September 09 was £331.51m on 3 August 09. This was within both the authorised limit and the operational boundary. At 30 September 09 borrowing had fallen to £315.23m. The reduction is due to the repayment of temporary borrowing taken to cover cash flow requirements.

16.4 Based on the latest capital programme projections, there will be a need to take out additional loans to the value of at least £25m during the year. As actual spend on the capital programme remains low at the present time, the financing requirement continues to be managed via general cash flows, temporary borrowing and balances. This strategy will be continued through to the year end with low rate short-term loans taken as required delaying the need to take out additional long-term loans at relatively high interest rates.

#### Investments

16.5 At 30 September the Council's investments stood at £133.886m. This has fallen from £157.666m at 31 July due to a number of maturing deposits used to repay short term borrowing and cover cash flow requirements. The pie chart below analyses the investments by country.



16.9 The Council has call accounts with the following banks:

- Abbey
- Bank of Scotland (BOS)
- Clydesdale
- Royal Bank of Scotland (RBS)

16.10 All new investments are made in accordance with the approved counter party list, for varying periods up to a maximum of 12 months, based on liquidity requirements and the overall investment maturity profile.

**Recommendation:**

7. Note the action taken by Director for Corporate Support, acting under delegated authority, to remove the £10m limit on call accounts, these deposits to be managed within the overall credit limit for each banking group.

16.11 Progress on reducing debt and investment levels

In accordance with regulations, the Council has set aside funds to repay debt through the statutory requirement to make an annual charge to revenue (minimum revenue provision). A further set-aside balance has accrued as part of the requirement to set aside capital receipts to reimburse the funds used to repay a £34.4m loan for the Pavilions. These balances are shown within the Capital Adjustment Account on the Council's Balance Sheet.

The balance set aside stood at £53.8m at 31/3/09. During 2009/10 further sums will be set aside bringing the balance to £62.5m, including the full reimbursement of the funds used to finance the £34.4m loan repayment.

In line with the Council's strategy to reduce debt and minimise credit risk, and in consultation with our Treasury advisors, Arlingclose, this balance will be fully utilised in 2009/10 to repay the temporary borrowing taken in lieu of new longer term borrowing. Based on our current forecast to year end and the impact of stock transfer this will result in the Council's total debt, including £34.64m administered by Devon County Council, falling to approximately £227m at 31 March 2009. At the same time the Council's deposits invested in banks and building societies are forecast to fall from the balance at 30 September 2009 of £133.886m to £73.425m.

16.12 Audit Commission Report into Local Authority Investments in Iceland

The Audit Commission issued its report 'Risk and Return' outlining its findings into local authority deposits in Iceland earlier this year. The report identified a number of good and bad practices across authorities and set out a number of recommendations.

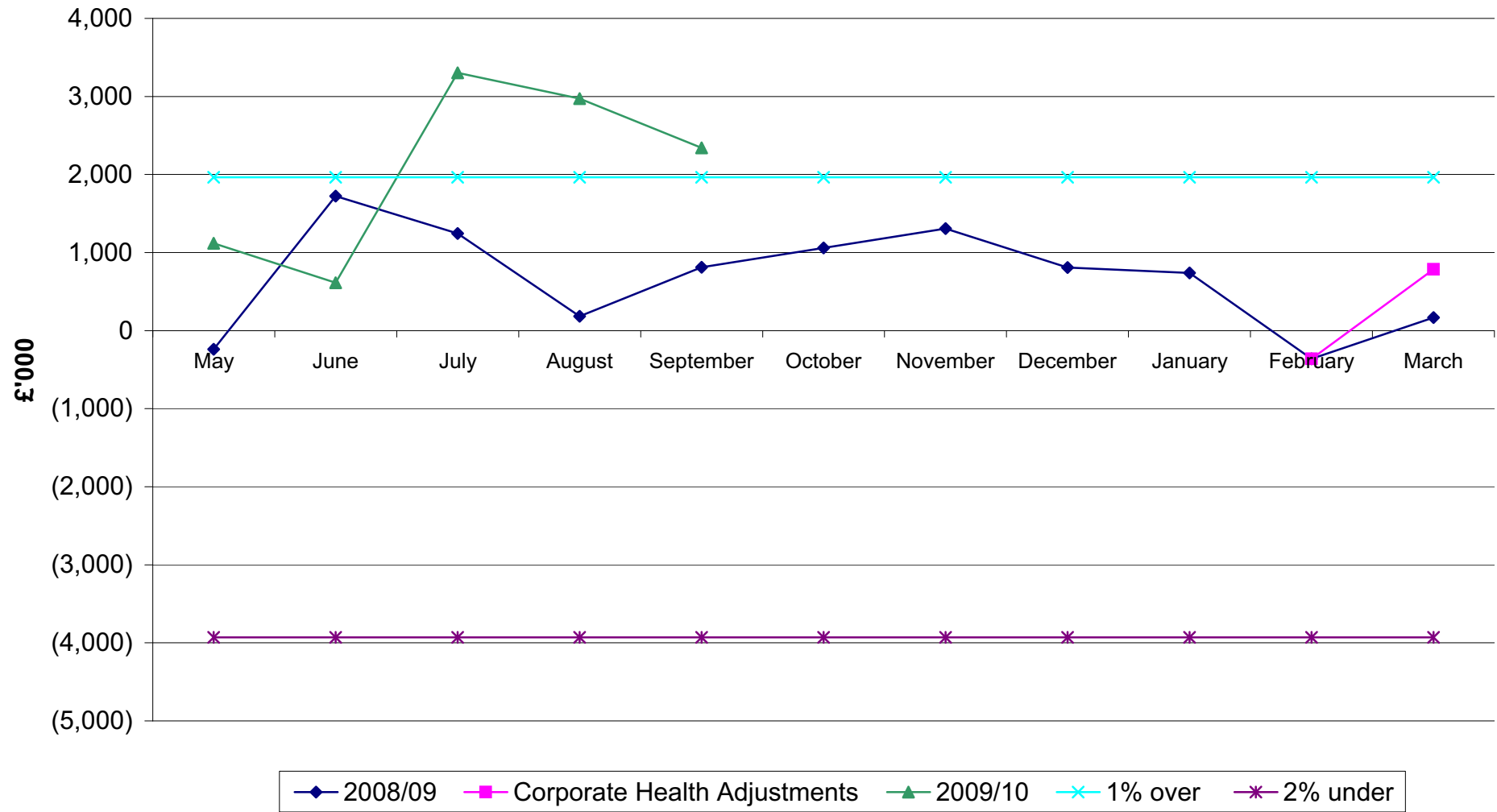
Although the authority can score itself as meeting best practice in a number of areas and has implemented the majority of the recommendations, the authority has recently commissioned an independent report from our treasury advisors, Arlingclose, to outline any further improvements that could be made to our treasury management practices and any recommendations will be reported to Cabinet at a later date.

## Section E – Concluding Remarks

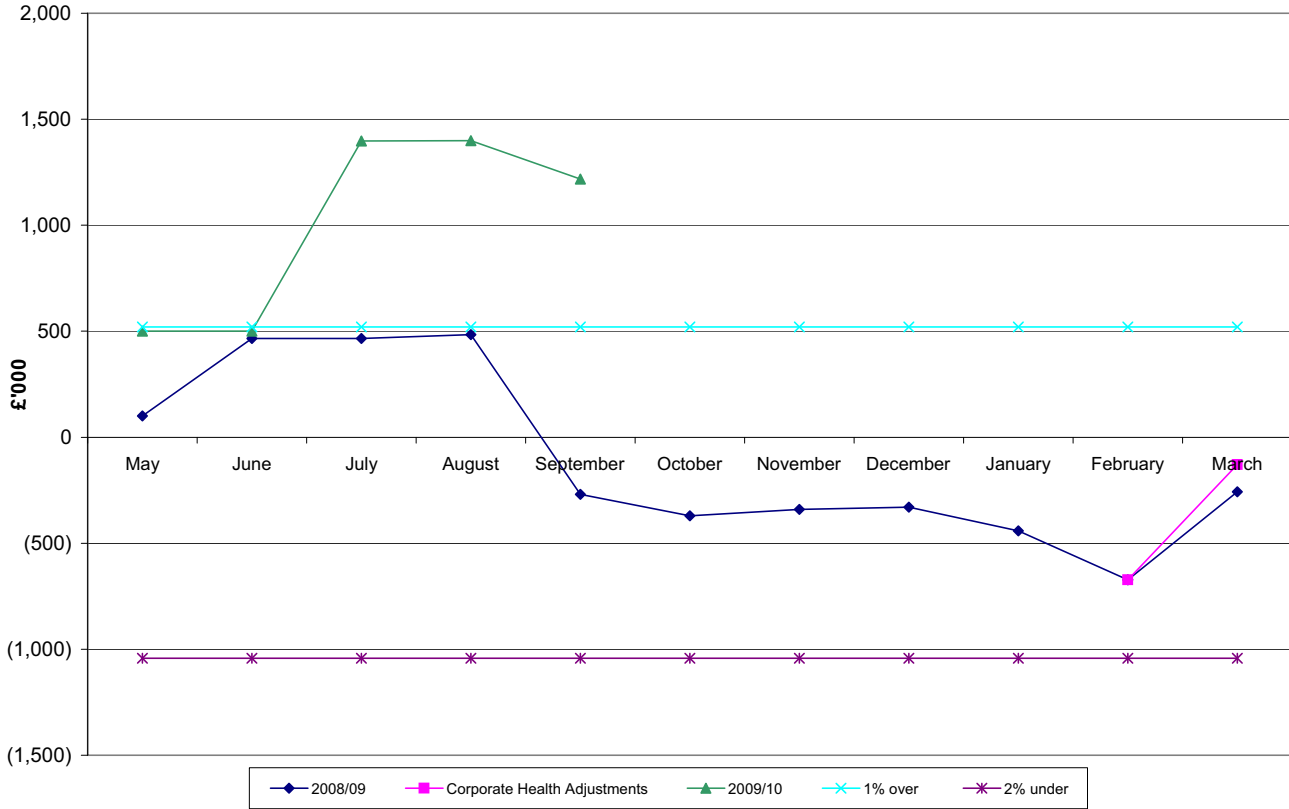
### 17. Summary

- 17.1 Performance information has been shown in a scorecard format highlighting the overall position of each CIP with narrative provided by each CIP lead to explain any issues arising and actions being taken
- 17.2 General Fund is forecasting a year end adverse variation (or overspend) of £2.341m or +1.2% of net revenue budget.
- 17.3 The revised in-year capital forecast and financing requirement is £82.478m, with actual spend as at 30 September standing at £35.687m.
- 17.4 A working balance of £2m is still forecast for the HRA but the actual amount will not be determined for some months as there remain a number of outstanding financial issues that will need to be addressed post transfer.

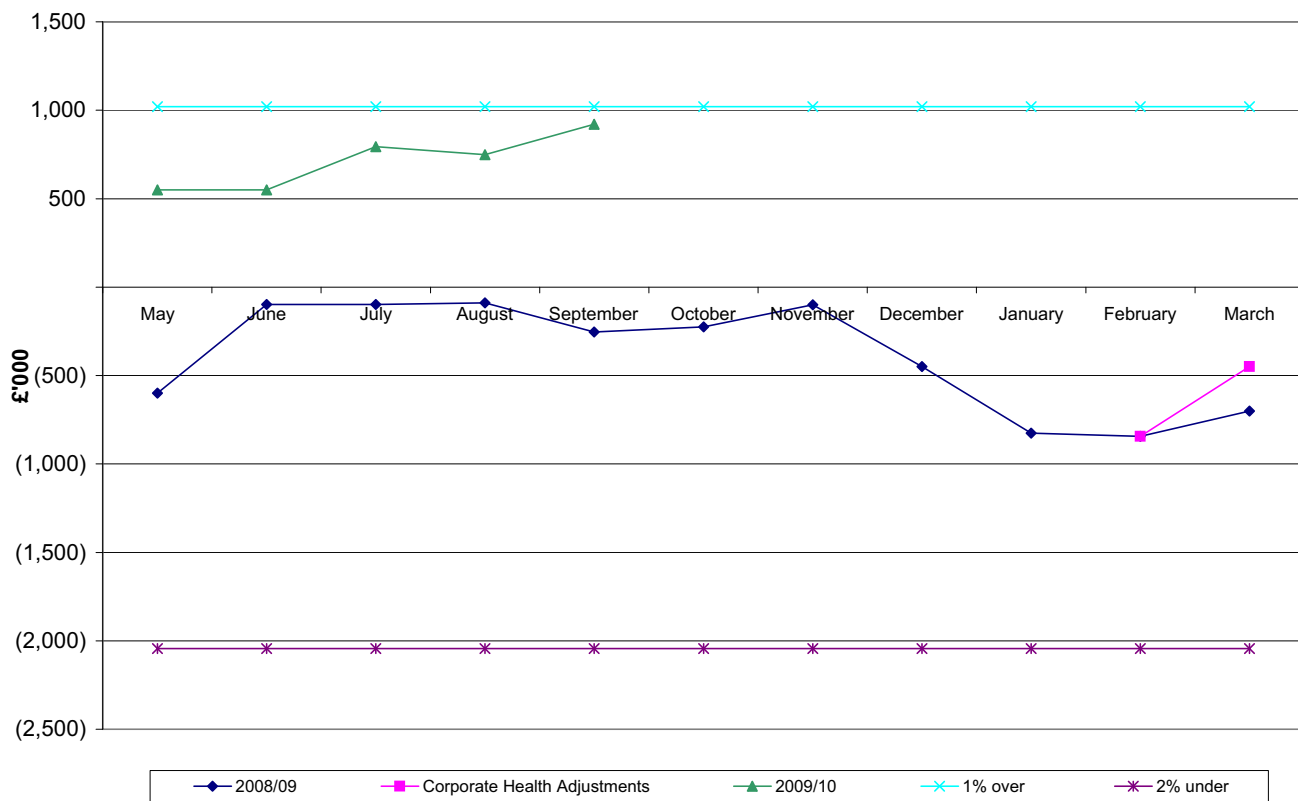
### General Fund Monitoring Comparison 2008/09 & 2009/10



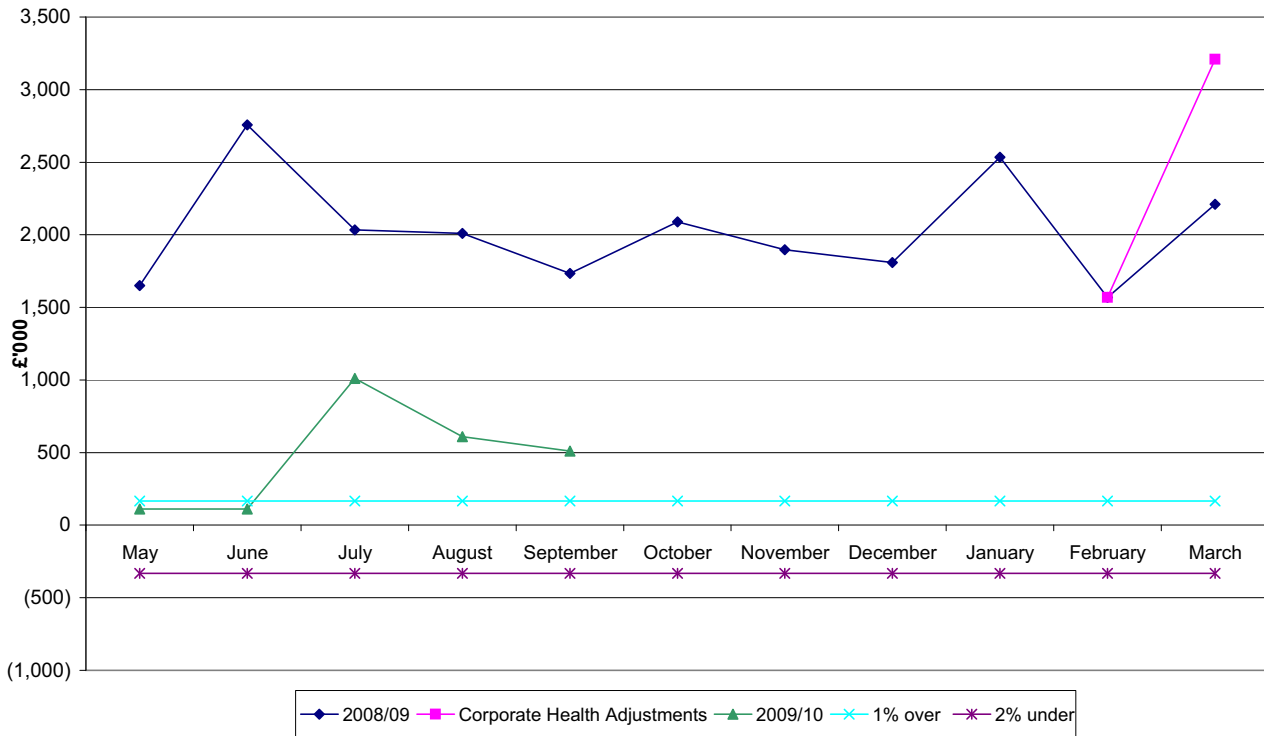
**Children's Services Monitoring Comparison 2008/09 & 2009/10**



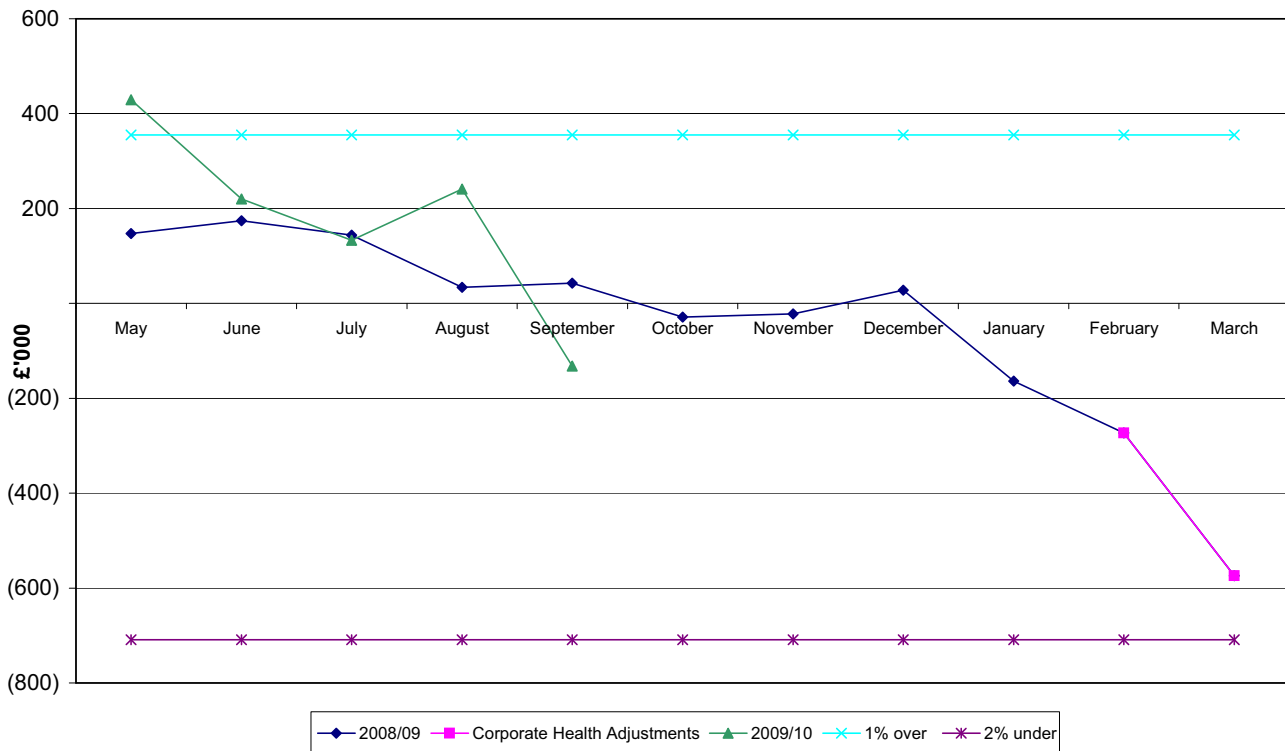
**Community Services Monitoring Comparison 2008/09 & 2009/10**



**Development Monitoring Comparison 2008/09 & 2009/10**

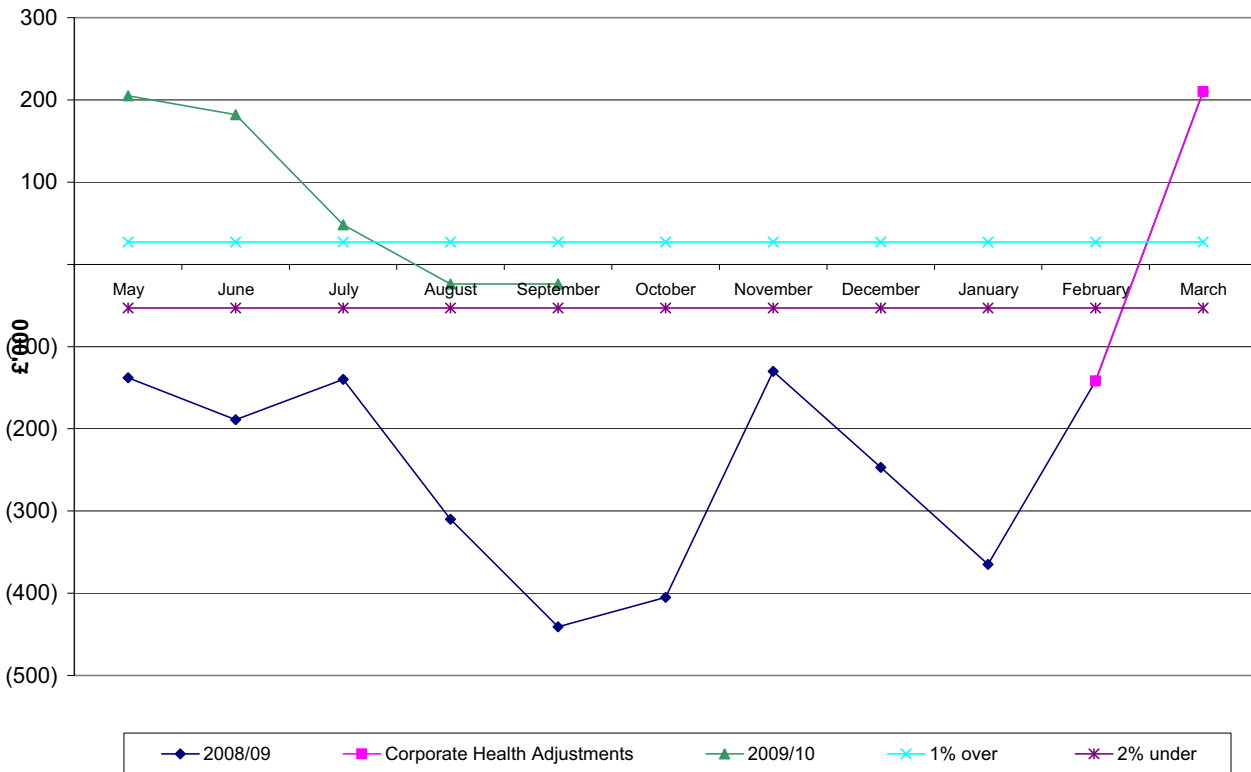


**Corporate Support Monitoring Comparison 2008/09 & 2009/10**

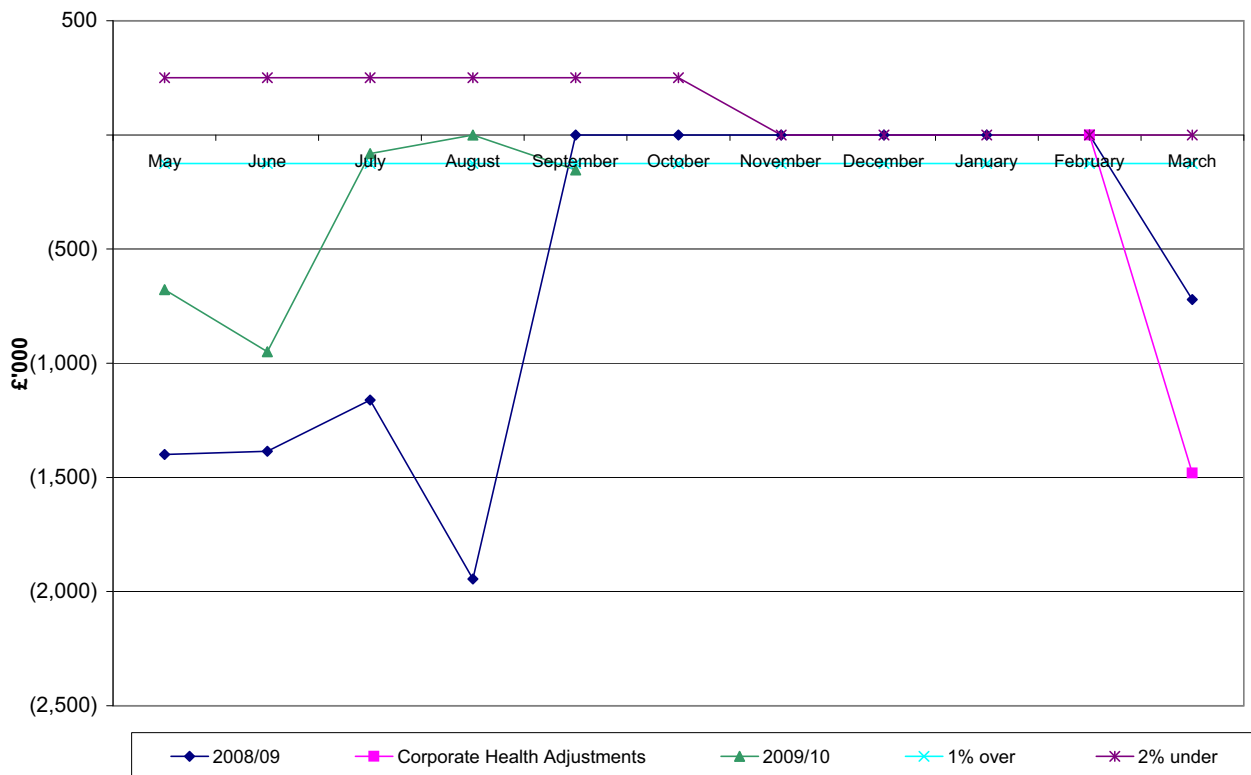




**Chief Exec Monitoring Comparison 2008/09 & 2009/10**



**Corp Items Monitoring Comparison 2008/09 & 2009/10**



**SUMMARY CAPITAL PROGRAMME - as at 31st September 2009**

	Budget						Financing						
	Latest Approved Budget (July)	New Approvals (August & September)	Re-Profiling (August & September)	Virements (August & September)	Variations (August & September)	Latest Forecast (September)	Expenditure	Capital Receipts	Unsupported Borrowing	Supported Borrowing	Grants, Contributions & Section 106	Revenue & Funds	Total Financing
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	58,426	50	-1,919		105	56,663	24,443	2,707	5,557	11,962	36,300	136	56,663
Community & Neighbourhood	11,398	43	-143			11,299	2,038	794	6,918		3,538	48	11,299
Corporate Support	1,097					1,097	593		2		1,094		1,097
Development & Regeneration	24,417	26	-1,048		-22	23,373	4,019	1,023	2,724	4,600	14,703	323	23,373
HRA	7,761	230				7,991	4,594			2,076		5,915	7,991
#REF!													
<b>Grand Total</b>	<b>103,098</b>	<b>349</b>	<b>-3,110</b>		<b>84</b>	<b>100,422</b>	<b>35,688</b>	<b>4,524</b>	<b>15,202</b>	<b>18,638</b>	<b>55,636</b>	<b>6,422</b>	<b>100,422</b>

Directorate	Service	Sub Programme	Latest Forecast - July	New Approval August & September	Re-Profiling August & September	Virements August & September	Variations August & September	Latest Forecast - September	Actuals (accruals basis)	% of LF Spent	
Children's Services	Completed Programmes: Outstanding Payments	Basic Need	-	-	-	-	-	-	-	-	
		Emergency Works	-	-	-	-	-	-	(3,356)		
		NOF	110,000	-	-	-	-	110,000	382	0.35%	
		Planned Modernisation	2,300	-	-	-	-	2,300	2,026	88.09%	
		Strategic Projects	-	-	-	81,688	-	81,688	42,572	52.12%	
	Condition and School Development Works	Condition Projects	-	-	-	-	-	-	-	-	
		Condition Works:	513,251	-	(18,330)	(106)	4,570	499,385	345,342	69.15%	
		Condition Works: Primary	58,945	-	-	-	-	58,945	1,689	2.87%	
		Condition Works: Special Schools	-	-	-	-	-	-	-	-	
		Removal of Temporary Classrooms: Primary	1,000,000	-	-	-	-	1,000,000	224,571	22.46%	
		Removal of Temporary Classrooms: Secondary	-	-	-	-	-	-	6,180		
		School Development: Primary	2,253,394	-	-	(80,000)	-	2,173,394	575,736	26.49%	
		School Development: Secondary	-	-	-	-	-	-	-	-	
		School Development: Special Schools	135,026	-	-	-	-	135,026	84,162	62.33%	
		Surestart / Extended Schools / Children's Centres / Families	722,507	-	-	-	-	722,507	15,447	2.14%	
	Sustainability / Carbon Reduction / Spend to Save	837,640	-	-	-	-	837,640	350,026	41.79%		
	Devolved Formula Capital	Nursery	106,340	-	-	-	-	106,340	12,019	11.30%	
		Other	236,144	-	-	(10,586)	-	225,558	110,629	49.05%	
		Primary	1,799,751	-	(42,464)	(326,679)	-	1,430,608	565,877	39.55%	
		Secondary	1,201,974	-	-	(112,241)	-	1,089,733	315,413	28.94%	
Special		227,063	-	-	-	-	227,063	50,882	22.41%		
Devolved Formula Capital Projects	Children's Social Care	-	-	-	-	-	-	-	-		
	Nursery	1,038	-	-	-	744	1,782	902	50.62%		
	Other	3,212	-	-	-	-	3,212	-	0.00%		
	Primary	443,777	-	-	256,821	3,635	704,233	357,726	50.80%		
	Secondary	477,289	-	-	59,609	48,558	585,456	353,760	60.42%		
	Special	30,102	-	-	800	5,040	35,942	16,791	46.72%		
Focused Work	14-19 Diploma Gateways & International Baccalaureate	2,061,990	-	(80,000)	(30,000)	32,000	1,983,990	828,215	41.74%		
	Condition Bid Programme (formerly Seed)	1,311,881	-	-	12,437	130	1,324,448	637,417	48.13%		
	ICT Projects	468,278	-	-	45,549	-	513,827	569,303	110.80%		
	Reducing Risk Bid Programme (formerly Security)	237,673	-	-	-	-	237,673	76,941	32.37%		
	School Meals	1,523,551	-	-	-	-	1,523,551	81,317	5.34%		
	Surestart / Extended Schools / Children's Centres / Families	1,817,608	-	-	80,000	-	1,897,608	109,758	5.78%		
Other Programmes	Other Items	-	-	-	-	-	-	-			
School Led Projects	Basic Need	-	-	-	(81,688)	-	(81,688)	(142,157)	174.02%		
	Children's Social Care	191,852	-	-	-	-	191,852	16,587	8.65%		
	Condition Bid Programme (formerly Seed)	-	-	-	-	-	-	-			
	DDA / Access Bid Programme	75,000	-	-	-	-	75,000	10,726	14.30%		
	Other Items	826,402	-	-	-	-	826,402	59,249	7.17%		
	Reducing Risk Bid Programme (formerly Security)	1,077	-	-	915	-	1,992	1,992	100.02%		
	SEN Placement Commitments in Schools	160,527	-	-	15,000	-	175,527	41,146	23.44%		
Strategic Programmes	City Development (Section 106 Projects)	82,193	-	-	60,000	-	142,193	2,535	1.78%		
	Development Fund	-	-	-	-	-	-	-			
	Diversity	-	-	-	-	-	-	-			

Directorate	Service	Sub Programme	Latest Forecast - July	New Approval August & September	Re-Profiling August & September	Virements August & September	Variations August & September	Latest Forecast - September	Actuals (accruals basis)	% of LF Spent
		Expanding Popular Schools	212,500	-	-	-	-	212,500	1,983	0.93%
		Localities	-	-	-	-	-	-	-	
		Multi-Agency Working	100,000	-	-	-	-	100,000	7,047	7.05%

Directorate	Service	Sub Programme	Latest Forecast - July	New Approval August & September	Re-Profiling August & September	Virements August & September	Variations August & September	Latest Forecast - September	Actuals (accruals basis)	% of LF Spent
		PFI	2,761,427	-	-	-	-	2,761,427	2,731,623	98.92%
		Primary Capital Programme	19,547,441	-	(1,777,952)	-	-	17,769,489	11,286,380	63.52%
		School Development: Secondary	935,553	50,000	-	10,981	(25,000)	971,534	300,601	30.94%
		Secondary Development / BSF	14,247,527	-	-	-	-	14,247,527	4,160,684	29.20%
		Special Education Needs and Inclusion	1,504,612	-	-	17,500	-	1,522,112	184,157	12.10%
		Tuition Service	-	-	-	-	-	-	-	-
		Youth / Adult Learning	199,164	-	-	-	35,706	234,870	49,114	20.91%
Children's Services										
Total			58,426,009	50,000	(1,918,746)	-	105,383	56,662,646	24,443,396	43.14%

Directorate	Service	Sub Programme	Latest Forecast - July	New Approval August & September	Re-Profiling August & September	Virements August & September	Variations August & September	Latest Forecast - September	Actuals (accruals basis)	% of LF Spent	
Development & Regeneration	Local Transport Plan	Capital Maintenance	1,572,150	-	-	(134,000)	-	1,438,150	(25,089)	-1.74%	
		Demand Management	574,986	-	-	25,946	(21,636)	579,296	165,532	28.57%	
		Developer Contribution	-	-	-	-	-	-	-	-	-
		Dft settlement not yet allocated	(38,165)	-	-	65,019	-	26,854	6,510	24.24%	
		Northern Corridor	735,843	-	-	-	-	735,843	310,219	42.16%	
		Public Transport	1,881,886	-	-	101,000	(5,000)	1,977,886	203,307	10.28%	
		Regeneration & Urban Renewal	-	-	-	-	-	-	-	-	-
		Road Safety	205,726	-	-	(3,000)	-	202,726	48,302	23.83%	
		Safety Camera Partnership	97,748	-	-	-	-	97,748	2,531	2.59%	
		Walking & Cycling	866,332	-	-	(55,965)	-	810,367	254,394	31.39%	
	Planning	Planning	431,800	-	-	-	-	431,800	1,202	0.28%	
	Transport - Development Projects	Alleygates	5,676	-	-	-	10,250	15,926	1,676	10.52%	
		Barbican Landing Stage	12,302	-	-	-	-	12,302	(24,243)	-197.07%	
		Cumberland Gardens	370,000	-	-	-	-	370,000	12,709	3.43%	
		Granby Green	54,095	-	-	-	-	54,095	47,354	87.54%	
		Parks	1,538,051	-	-	-	-	1,538,051	153,388	9.97%	
		Plymouth Gateway	162,230	-	-	-	-	162,230	-	0.00%	
		Stonehouse Regeneration	-	-	-	-	-	-	(12,897)	-	
	Transport - Non LTP	Eastern Corridor	2,123,629	-	-	1,000	(1,000)	2,123,629	-	0.00%	
		Other	400,000	-	-	-	-	400,000	-	0.00%	
		West End	2,927,625	-	-	-	-	2,927,625	1,376,458	47.02%	
	Property & Economic Development	Commercial Developments	718,690	-	(100,000)	-	-	618,690	6,434	1.04%	
		Corporate Real Estate	1,292,977	-	17,700	-	-	1,310,677	466,265	35.57%	
		Parks	-	-	-	-	-	-	-	-	
	Strategic Housing	Disabled Adaptations	-	-	-	-	-	-	-	-	
		HECA Programme Private Sector	417,717	-	-	-	-	417,717	83,929	20.09%	
		Misc Schemes	100,000	-	-	-	-	100,000	-	0.00%	
Partnership & Affordable Housing		338,309	26,000	-	-	-	364,309	739	0.20%		
Private Sector Grants		2,360,028	-	-	-	-	2,360,028	1,089,963	46.18%		
Private Sector Regeneration		315,663	-	-	-	-	315,663	10,854	3.44%		
Environmental Services	Recycling	851,725	-	(766,000)	-	-	85,725	-	0.00%		
	Waste	4,099,760	-	(200,153)	-	(4,317)	3,895,290	(160,054)	-4.11%		
Development & Regeneration Total		24,416,783	26,000	(1,048,453)	-	(21,703)	23,372,627	4,019,482	17.20%		

Directorate	Service	Sub Programme	Latest Forecast - July	New Approval August & September	Re-Profiling August & September	Virements August & September	Variations August & September	Latest Forecast - September	Actuals (accruals basis)	% of LF Spent
Community & Neighbourhood	Leisure Culture & Sport	Central Park	7,607,103	-	-	-	-	7,607,103	1,150,752	15.13%
		Libraries	829,396	-	-	-	-	829,396	80,414	9.70%
		Mount Edgumbe	307,011	-	-	-	-	307,011	157,059	51.16%
		Museums	-	-	-	-	-	-	40,693	-
		Other Leisure	-	-	-	-	-	-	-	-
		Plymouth Leisure	1,026,560	-	-	-	-	1,026,560	400,651	39.03%
	Adult Health & Social Care	Community Care	576,398	-	-	-	-	576,398	141,647	24.57%
		Drug Users in Treatment Programmes	-	-	-	-	-	-	-	-
	Environmental Services	Environmental & Regulatory	142,500	-	(142,500)	-	-	-	-	-
		LPSA	-	-	-	-	-	-	-	-
		Parks	324,416	43,441	-	-	-	367,857	57,853	15.73%
		Vehicle Purchases	584,361	-	-	-	-	584,361	9,056	1.55%
Community & Neighbourhood Total			11,397,745	43,441	(142,500)	-	-	11,298,686	2,038,124	18.04%

Directorate	Service	Sub Programme	Latest Forecast - July	New Approval August & September	Re-Profiling August & September	Virements August & September	Variations August & September	Latest Forecast - September	Actuals (accruals basis)	% of LF Spent
Corporate Support	Human Resources	Human Resources	6,745	-	-	-	-	6,745	-	0.00%
	Information Systems	Information Systems	1,087,495	-	-	-	-	1,087,495	593,478	54.57%
	Legal Services	Legal Services	2,497	-	-	-	-	2,497	-	0.00%
Corporate Support										
Total			1,096,737	-	-	-	-	1,096,737	593,478	54.11%



Directorate	Service	Sub Programme	Latest Forecast - July	New Approval August & September	Re-Profiling August & September	Virements August & September	Variations August & September	Latest Forecast - September	Actuals (accruals basis)	% of LF Spent
HRA	Housing Revenue Account	Decency Standards	4,555,583	160,000	-	35,000	-	4,750,583	3,149,148	66.29%
		Devonport	1,322,870	-	-	-	-	1,322,870	164,293	12.42%
		Disabled Adaptations	451,413	-	-	(50,000)	-	401,413	295,033	73.50%
		HRA Capitalised Salaries	520,034	-	-	-	-	520,034	482,889	92.86%
		Major Repairs	910,918	70,000	-	15,000	-	995,918	502,263	50.43%
HRA Total			7,760,818	230,000	-	-	-	7,990,818	4,593,626	57.49%
Grand Total			103,098,092	349,441	(3,109,699)	-	83,680	100,421,514	35,688,105	35.54%

## Movement in Reserves 2009/10

	Balance as at 31/03/2009 £'000	Transfers to Reserves £'000	Transfers from Reserves £'000	Balance as at 31/03/2010 £'000	Purpose of reserve
Off Street Parking	0	(851)	851	0	Represents Accumulated trading surplus
On Street Parking	0	(1,261)	1,261	0	Represents Accumulated trading surplus
City Market	(0)	(230)	230	(0)	Represents Accumulated trading surplus
Commuted Maintenance	(931)	0	23	(908)	Contribution from developers /section 106 agreements to provide for future maintenance over a period of years
Education Carry Forwards	(3,207)	(1,535)	3,073	(1,669)	Schools ringfenced resources mainly from grants
Taxis	131	(25)	0	106	Represents Accumulated trading deficit
Street Trading	(104)	0	0	(104)	Represents Accumulated trading surplus
Land Charges Development Fund	(54)	(35)	35	(54)	To fund improvements in the LLC service
Accommodation Reserve	(1,262)	(550)	250	(1,562)	To meet costs of repairs to Office Accommodation, and submission of planning applications for Civic and new office accommodation.
Insurance Reserve	(1,429)	0	350	(1,079)	To meet any unforeseen/increased costs of insurance claims or works to minimise insurance risk . Expenditure anticipated re almshouses
Carry Forwards	(3,856)	0	2,156	(1,700)	Reserve set up from end of year budget underspends to meet future Council priorities. This reserve will generally be utilised in full in the following year but may be supplemented as part of Closedown following assesment of future risks and budget pressures. reserve includes the JE appeals contingency of £2.1m. £1.399m anticipated as remaining at year end
Redundancies	(1,133)	0	1,133	0	To meet costs of redundancies in 2009/10
DRCP Freedom and Flexibility 07/08 reserve	(1,145)	0	0	(1,145)	Reserve set aside to meet future expenditure in Devonport, in lieu of grant funding in 2007/08. Approval to slip into 2010/11.
Corporate Improvement Reserve	(3,836)	(576)	3,662	(750)	Fund to be used to support the CIP's
Stock Transfer	(735)	0	735	(0)	This reserve is used to support the costs incurred in preparing for potential stock transfer
Capital Reserve	(975)	0	0	(975)	To be used to support the capital programme and potential shortfall in capital receipts. Anticipated will be required in 2010/11 and 2011/12
Waste Balancing Reserve	(750)	(350)	0	(1,100)	Reserve set up to proactively provide and manage the future budget shortfall when the waste PFI scheme becomes operational.
PFI reserve	(1,801)	0	0	(1,801)	PFI credits received in advance
Job Evaluation/Equal Pay	(350)	0	0	(350)	To meet costs of equal pay claims submitted after 1 April 2008 onwards
Strategy for Change (BSF)	(250)	(100)	350	0	To support the cost of submitting our BSF bid continuing the priority of providing high quality learning environments
Iceland Bank	(281)	(24)	0	(305)	Allowance for investment losses of the money invested in the Icelandic banks. Approved transfer to reserve of interest receivable under dividend repayments
Urban Enterprise Fund	(1,000)	0	674	(326)	Match funding to ensure that Plymouth gains access to the European funding available to the region to support Urban Enterprise
Other Reserves	(663)	(92)	295	(460)	as required to meet specific policy commitments
<b>Sub Total</b>	<b>(23,631)</b>	<b>(5,629)</b>	<b>15,077</b>	<b>(14,183)</b>	
<b>Working Balance</b>	<b>(11,739)</b>	<b>(128)</b>	<b>350</b>	<b>(11,517)</b>	General Balance available to meet unforeseen expenditure. This balance represents 6% of net revenue expenditure and is in line with Unitary Council averages
	<b>(35,370)</b>	<b>(5,757)</b>	<b>15,427</b>	<b>(25,700)</b>	

( ) Means favourable

## Position on Provisions as at 30 September 2009

Provision	Balance at 31/03/09	Provisions made in year	Provisions used in year	Balance at 31/03/10
	£000	£000	£000	£000
<b>General Provisions</b>				
Provision for Repayment of Grant	(337)	0	0	(337)
JE back dated appeals/Pay increase	(300)	0	300	0
Backdated equal pay*	(3,330)	0		(3,330)
Provision For Remedial Work DSD	(51)	0	0	(51)
Provision For Cyclical Repairs	(8)	(1)	0	(9)
s117 Refunds	(347)	0	347	0
Repaid Renovation Grants	(18)	(2)	1	(19)
Plymouth Pavilions	(80)	0	80	0
HRA Gas Servicing Ex-Gratia Payments	(1,786)	0	1,786	0
<b>Sub Total:</b>	<b>(6,259)</b>	<b>(3)</b>	<b>2,515</b>	<b>(3,747)</b>
<b>Insurance provisions</b>		0	0	
Accident Fund	(1,831)	(630)	315	(2,146)
Insurance Public Liability Fund	(2,905)	(1,208)	752	(3,361)
Insurance Computer Fund	0	0	0	0
Insurance Property Fund	(192)	(173)	94	(271)
Money Fidelity and All Risks Policy	0	0	(15)	(15)
Balance of Risk for School	(132)	0	16	(116)
DCC Insurance Fund Provision	(152)	0	0	(152)
Insurance Public Liability HRA	(366)	(100)	100	(366)
<b>Sub Total Insurance Provisions:</b>	<b>(5,579)</b>	<b>(2,110)</b>	<b>1,263</b>	<b>(6,426)</b>
<b>Total Provisions</b>	<b>(11,838)</b>	<b>(2,113)</b>	<b>3,778</b>	<b>(10,173)</b>
<b>Total provision for bad debt</b>	<b>(5,505)</b>	<b>(687)</b>	<b>790</b>	<b>(5,402)</b>

\* **Note** £1.842m added to provision in 2008/09 in line with statutory accounting requirements. This amount is offset by a negative 'backdated equal pay' reserve of £1.842m. This amount will not be charged to the revenue budget until actual payments are made. This differs from the treatment of all other reserves which are required to be charged to revenue when the provision is set up and/or transfers to the provision are made.

This page is intentionally left blank

**CITY OF PLYMOUTH**

**Subject:** Building Schools for the Future (BSF):  
Project Governance and BSF Cabinet Committee

**Committee:** Cabinet

**Date:** 10 November 2009

**Cabinet Member:** Cllr Monahan, Cabinet Member for Children and Young People

**CMT Member:** Chief Executive

**Author:** Gareth Simmons (Project Director for Buildings and Learning Environments)

**Contact:** Tel: 01752 307161  
Email: gareth.simmons@plymouth.gov.uk

**Ref:** Strategy for Change, Primary Capital Programme and Building Schools for the Future SF.AML(Cab)557(210508) approved 3 June 2008.

**Part:**

---

**Executive Summary:**

The Council has submitted its Readiness to Deliver (RtD) document to Partnerships for Schools (PfS) for entry into the Building Schools for the Future programme (BSF) and is awaiting confirmation of its inclusion in the next wave of BSF projects to be announced. The Council has also received written confirmation from PfS that its submission made in May 2009 was very strong and that confirmation into the programme will be made in the Autumn 2009. On the 24 September 2009 the Council was visited by Vernon Coaker, Schools Minister, who saw first hand the work Plymouth was undertaking to be 'Ready to Deliver' and confirmed that Plymouth's case was very strong.

One of the key criteria that is necessary for the Council to demonstrate its Readiness to Deliver BSF investment, is that governance arrangements for control of the project are in place. As an interim arrangement the Schools PFI Board have been considering the arrangements for BSF. It is recommended that governance arrangements now be formally approved and set up in relation to the BSF Project, which includes the monitoring of the wider SCYP Programme, so that the Council is ready to proceed with its involvement in BSF, without delay, on confirmation that Plymouth is included in the next wave of BSF projects.

The governance arrangements proposed involve:

- creation of a BSF Cabinet Committee;
- delegations to that Committee, a Project Owner and a Project Director;
- creation of a BSF Project Executive, advising and supporting the Project Owner; and
- creation of a BSF Project Team, advising and supporting the Project Director.

These governance arrangements are recommended in order to provide strong project governance for this large and complex city wide project which will lie at the heart of the Councils strategy for capital investment in its infrastructure. They are specifically tailored for the procurement phase and are structured to provide high-level elected member and officer oversight of the project while also facilitating rapid decision-making and shorter lines of communication.

Further details of the proposed governance arrangements, including proposals for membership of the Committee, the Project Executive and the Project Team are provided in Appendix 1 & 2. Proposed delegations from the Committee and the Project Owner, and roles and responsibilities are set out in the recommendations.

---

### **Corporate Plan 2009-2012:**

Delivering BSF is derived directly from the Council's *Investment for Children* strategy, adopted by Full Council on 2 December 2008. This *Strategy for Change* underpins and inextricably links the transformational aspirations of the Council to deliver high quality children's services and the economic strategy, which seeks to recreate Plymouth as one of Europe's finest, most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone. The strategy will enable the Council to develop outstanding built and extended environments suitable for the delivery of a personalised 21st Century curriculum, placing them in the heart of the community alongside other community facilities.

The following Corporate Improvement Priorities (CIPs) apply:

#### **CIP 4 - Narrowing the gap between communities**

There are many linkages between different CIPs; this is particularly the case for CIP 4. The proposal for BSF and the wider SCYP Investment Programme addresses imbalances in achievement between different parts of the city and seeks to ensure that investment will be targeted to ensure that benefits address these imbalances.

#### **CIP 6 - Widening cultural & leisure opportunities**

The proposal for BSF and the wider SCYP Investment Programme includes the notion of Extended Schools. It addresses the link between education and the community; in particular it supports the link between school environments and the promotion of high class sporting facilities for the city. As part of the Programme specific sporting and cultural forums have been set up to ensure the programme is well connected to the delivery of CIP 6.

**CIP 7 - Safeguarding children**

The Council will seek to ensure that safeguarding of children is at the heart of the proposal for BSF and the wider SCYP Investment Programme. Making building and schools safer places is a key objective of the *Investment for Children* strategy, in particular supporting anti-bullying and promoting multi agency spaces in schools.

**CIP 8 – Raising attainment**

The proposal for BSF and the wider SCYP Investment Programme is focused on attainment and continued improvement.

**CIP 9 – Developing high quality learning environments**

The proposal for BSF supports the framework for delivering this Corporate Priority, and its delivery is a key milestone in delivering the CIP.

**CIP 11 - Improving accessibility (transport)**

The proposal for BSF and the SCYP Investment Programme is targeted to ensure that all communities have good local schools. This is to ensure that the need to travel long distances for school places is reduced while parental choice is upheld.

**CIP 12 - Accelerating Sustainable Economic and Housing Growth**

The proposal for BSF and the SCYP Investment Programme recognises that housing growth can not be achieved or sustained without infrastructure growth in Services for Children and Young People. The proposal takes into account the housing growth set out in the LDF.

**CIP 14 – Value for money/effective long term budget / asset management**

The BSF and the SCYP Investment Programme is chiefly funded through central government investment programmes, which allow the Council to meet longer term responsibilities in capital funding and asset management of SCYP properties. It considers the changing nature of the Council's role in school organisation and school status, while meeting the Council's legal obligation to provide provision for Education.

---

**Implications for Medium Term Financial Plan and Resource Implications:  
Including finance, human, IT and land**

In March 2009, the Council completed a comprehensive review of its 14 Corporate Improvement Priorities (CIPs), including *Developing high quality learning environments (CIP9)*. CIP9's re - sourcing plans were unanimously supported in the recent budget setting exercise. Full agreement across all departments has been given to the prioritisation process and an initial procurement budget of £835k has been set for 2009/10, with the understanding that procurement costs will be in the order of £3-6m over the procurement life cycle. Within this it is anticipated that 31% will be spent on external consultant support and 69% on internal backfilling (to support capacity building) and new posts.

Included in the above commitment, £100k is allocated to the development of Change Management within the stakeholder base. This will be achieved through a combination of support delivered through the consultants that have been working

with the Council on visioning in schools, NCSL BSF Leadership Programme and backfilling support for stakeholder/senior management visioning time.

During the period October 2008 to February 2009, the Council has undertaken a comprehensive spending review of capital investment plans. Chiefly, this was due to the reduction of value of the capital receipts programme in the current economic climate. A total of £22m (previous valuation) of vacant school sites generated through the LA's primary reorganisation programme, *Ideas for Change*, were amongst these future receipts. It is the Council's policy position that allocations of resource from capital receipts as and when they are available will be allocated against corporate priorities including BSF. The Council is aware of a potential capital gap that could be generated in its objective of meeting multi-agency, community and shared use facilities co-located through the BSF investment and it will use corporate resources to meet these objectives in line with the decisions made on corporate priorities.

On 2 December 2008, Plymouth City Council gave cross party support for the *Investment for Children* Strategy and has demonstrated this commitment by setting BSF as a Corporate Priority for the Council. The Council is thoroughly committed to the benefits of BSF investment and understands that nationally PfS, the DCSF and the Treasury have to manage very large and constraining commitments. In this context, the Council understand that it needs to be flexible in terms of accepting financial, economic and political criteria (set by PfS) to realise the benefits of this investment, and so accelerate achievement of its educational and corporate objectives.

In planning the investment programme the Council expects that the new build element will be delivered through PFI Credits and understands, and accepts the ongoing Facilities Management commitment of this procurement model. Assuming that at least one build will be funded in this way, based on previous Council PFI projects, there will be an annual revenue shortfall which the Council will need to fund. The annual contribution will be strongly dependent on PFI credits, discount rate and swap rate. However, the Council and schools are familiar with the commitments of PFI funding and these will be considered in detail as part of the outline business case.

Currently non PFI schools have not received funding to sustain the buildings over the life of the asset in the same way as PFI. Schools forum have committed to redress this by review of the schools formula to prevent /avoid dilapidation of the school estate.

The Council is committed to delivering the programme and understands that shortfall liability rests with the Council's and the schools' own resources. The Council has significant plans to use the BSF investment as a catalyst to meet the wider agenda, including co-location, multi agency and locality service delivery. It is understood that BSF investment will not deliver this agenda alone and there is a commitment to joining-up funding routes across the council to ensure this is achieved.

If the council procurement options appraisal concludes that a LEP is the preferred procurement route, the Council will be committed to having a 10% equity share,



based on the LEP having a working capital of between £500k - £1m. This is expected to require an investment of between £50k and £100k.

There are resource implications for Democratic Support who would be responsible for administering the new BSF Cabinet Committee.

---

**Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.**

The project governance arrangements will facilitate risk management processes including creation and review of a project risks register. This Strategic Risk Register is currently monitored through the PFI Board as an interim measure, and detailed Risk Workshops have been developed to identify and develop mitigation measures to reduce risk and to develop opportunities.

---

**Recommendations & Reasons for recommended action:**

1. That a Committee of Cabinet be formed, to be known as the “BSF Cabinet Committee”, the members of that Committee being:
  - Cabinet Member for Children and Young People (Chair)
  - Cabinet Member for Budget and Resources
  - Cabinet Member for Safer and Stronger Communities

and that the Committee is asked to invite the Shadow Cabinet Member for Children and Young People and Councillor David Stark to attend Committee meetings as observers. It is noted that the Cabinet Procedure Rules will apply to the Committee

Reasons: To put in place a Committee which will monitor the BSF Project (including the procurement and contract) on behalf of the Council and take a limited number of high-level decisions.

2. That the Leader delegates all executive functions relating to the BSF Project (including without limitation the monitoring of the SCYP Capital investment) to that BSF Cabinet Committee, with the exception of decisions relating to the constitution of the BSF Cabinet Committee, the services to be provided by the LEP and the contract award, each of which the Leader delegates to Cabinet:

Reasons: To enable high-level elected member oversight of the BSF Project while also facilitating rapid decision-making and efficiency.

3. That the terms of reference and other provisions relating to that BSF Cabinet Committee, and the other arrangements for governance of the BSF Project, in each case as set out in Appendices 1 and 2, are approved and that the committee is requested to ensure appropriate sub-delegation, broadly in line with those arrangements.

Reasons: To ensure that appropriate governance arrangements are in place for the BSF Project, structured to provide high-level elected member and officer oversight of the project, as well as rapid decision-making and efficiency for the procurement.

4. That the BSF Cabinet Committee, the BSF Project Executive, the BSF Project Team, and the delegations to the Project Owner and Project Director will automatically terminate in the event that the Council doesn't achieve a 'Remit' meeting, (project inception, as defined by PfS processes) and accordingly it is requested that all delegations from the Committee to the Project Owner and from the Project Owner to the Project Director to be made on that basis.

Reason: To ensure convenient termination of these arrangements without reference back to Cabinet, in the event that the BSF Project does not proceed.

---

#### **Alternative options considered and reasons for recommended action:**

The development of the governance arrangements for BSF has been considered very carefully and different structures have been option appraised. External advice has been sought including an evaluation of the Council's proposals through the Skills Audit undertaken by Local Partnerships. An evaluated option appraisal was conducted of the key methods of operating governance over BSF. This was conducted by internal officers and the advisor from Local Partnerships. This evaluation showed that opinion was broadly aligned and that the advantages and disadvantages were balanced. It showed strong opinion that either method would create undue risk.

The following alternative options were considered;

- Not to form a Cabinet Committee for these purposes

Reasons for recommended action: A Committee of Cabinet is considered to be most likely to provide an appropriate level of effective oversight by elected members. BSF and the procurement of a LEP is complex and commercially sensitive process. It is necessary that the Members taking these decisions give sufficient dedicated time to understanding the implications of the decisions and immersed with the control of the project.

- To form a Cabinet Committee with different membership

Reasons for recommended action: The membership is constituted from the cabinet members with the most relevant portfolios to this Project. The Shadow Cabinet Member for Children and Young People is invited to attend as an observer to maintain good communication with the opposition and to allow the good cross party support for the investment proposals to remain.

- Not to delegate the relevant executive functions

Reasons for recommended action: The day to day decision making needs to be handled in an efficient manner. The private sector will be looking carefully at the Council's relevant executive delegations to ensure that the project will move at sufficient pace to reduce their bidding costs. This needs to be

balanced with the need for sufficient rigorous probity to the decision making process. The recommendation has been developed taking into account this balance.

- To delegate the executive functions other than to a Cabinet Committee

Reasons for recommended action: It is common in BSF for the executive powers to be delegated to a Board on which sit elected Members, however the delegated authority sits with the chair of that Board and those Members on the Board do not exercise that authority. A Committee of Cabinet is considered to be most likely to provide an appropriate level of effective oversight by elected members.

- Not to approve the other proposed terms of reference for the Project as set out in Appendices 1 and 2.

Reasons for recommended action: A project of the size and complexity of the BSF Project requires that robust governance arrangements are in place and this is also a requirement of Partnerships for Schools. Not to approve the proposed terms of reference would put into question the Council's readiness and commitment to deliver BSF.

**Background papers:**

1. Investment for Children, Council Policy adopted on 2 December 2008
2. BSF Expression of Interest (EoI) submitted to PfS on 28 November 2008
3. BSF Readiness to Deliver (RtD) submitted to PfS on 8 May 2009
4. Local Partnership guidance for BSF Governance.
5. PfS guidance on RtD

**Sign off:**

Fin	CD R/ finc ap0 1/29 .10. 09	Leg	DV S10 66	HR	MB/ 200 910 21	Corp Prop		IT	RdJ / 200 910 21	Strat Proc	
Originating SMT Member											

## **Appendix 1**

### **BSF Project Governance Proposals**

#### **1. Background**

- 1.1 In recommending arrangements for Building Schools for the Future (BSF) project governance, consideration has been given to the way the Council is managing project governance for major project delivery. The Schools Private Finance Initiative (PFI) Project Board set up in 2005 still sits, as the PFI procurement is moving into its operational phase. Consideration has been given to how that Board could bring its experience to the wider investment programme and it was concluded that the experience of Members and Project Officers on this board should be used to guide and monitor the strategic investment that was being executed in Children's Services and to exercise governance over the development of BSF through pre-engagement and Readiness to Deliver (RtD). Similarly the Council has begun multi-authority procurement for Waste, and also developed the Life Centre. Both of these have strong project governance arrangements to manage effective decision making for a very large procurement. These arrangements have been considered in framing the BSF Project governance proposals. Officers have also consulted with the Chief Executive in relation to these proposals.
- 1.2 Partnership for Schools (PfS) in their guidance notes for RtD make it clear that sufficient and robust governance must be in place before a council can be judged to be sufficiently ready to be in the programme. In the Council's RtD document, the arrangements the Council has in place were assessed and were deemed to be acceptable. However the timing of this Cabinet paper was highlighted in terms of ensuring that these proposed arrangements would be in place before the Council reached a Remit meeting (the point at which the council enters the BSF Programme). The proposed governance arrangements were also assessed by Local Partnerships (formerly known as 4Ps) in the skills audit carried out in July 2009, and a further options appraisal evaluation has been undertaken with Local Partnerships.

#### **2. Purpose - Procurement Phase**

- 2.1 These governance arrangements are tailored to suit the procurement phase of the BSF Project, which may involve procurement of a private sector bidder/consortium to partner with the Council in a Local Education Partnership (LEP), a delivery vehicle for a local BSF programme.
- 2.2 The governance arrangements are structured to provide high-level elected member and officer oversight of the project while also facilitating rapid decision-making and shorter lines of communications. Largely practical, commercial, management and organisational issues can be dealt with efficiently at officer level.

- 2.3 Stage plans will be developed throughout the procurement process to identify, control and monitor project activities. In appointing staff, and workstream leads, to the various roles care has been taken to consider the need for flexibility and contingency should staff changes occur and to ensure continuity from procurement into the contract management phase.
- 2.4 Project governance may be reviewed and may be revised towards the end of the procurement stage to ensure that the future needs of contract mobilisation and contract management are adequately covered as the LEP and other contracts become live.

### **3. *BSF Cabinet Committee***

- 3.1 The BSF Cabinet Committee will monitor the procurement and contract on behalf of the Council and will take a limited number of high-level decisions including the following:

- SfC Approval
- OBC Approval
- Evaluation Criteria Approval
- Selection of Bidders
- Contract Award
- Dispute Resolution (if required)

and will make recommendation to Cabinet in relation to award of the LEP arrangements procured, for Cabinet authorisation where required in accordance with the Council's Contract Standing Orders.

- 3.2 Contract Standing Orders require that for a procurement of over £2m, the relevant Portfolio Holder's approval is obtained for the evaluation criteria and Cabinet approves the award.

#### **Membership**

- 3.3 The BSF Cabinet Committee membership would be:

Cabinet Member for Children and Young People (Chair)  
Cabinet Member for Budget and Resources  
Cabinet Member for Safer and Stronger Communities

- 3.4 The Committee's quorum will be three as required by the Constitution. It is noted that the Cabinet Procedure Rules will apply to the Committee.

- 3.5 The Shadow Cabinet Member for Children and Young People will be invited to attend as an observer to maintain good communication with the opposition and to allow the good cross party support for the investment proposals to remain. In addition Councillor David Stark will be invited to attend as an observer.

- 3.6 Officer support will be provided by the Project Owner, the Director for Services for Children and Young People and the Project Director as appropriate from time to time.
- 3.7 It is anticipated that the Committee will meet at least quarterly, but will also meet when necessary to take key decisions. It is intended that an informal planning (not decision-making) meeting will take place approximately a fortnight prior to each Committee meeting.

#### **4. *BSF Project Owner and BSF Project Executive***

##### **BSF Project Owner**

- 4.1 The Cabinet Committee would delegate certain matters to the Project Owner. Due to the significance of the BSF Project to the Council, the Project Owner would be the Chief Executive of the Council, who would also chair the Project Executive.

##### **BSF Project Executive**

- 4.2 The Project Executive would advise and support the Project Owner.
- 4.3 The Project Executive membership would be:
- The Chief Executive (Chair)
  - Director for Services for Children and Young People
  - Director for Corporate Resources
  - Project Director for BSF
  - Assistant Director for Life Long Learning
  - Lifelong Learning ICT Adviser
  - Representative of Plymouth Assn. of Head Teachers (PASH)
  - Head of Legal Services
  - Head of Strategic Procurement
  - Capital Programme Manager
  - External Advisers PfS, Local Partnership, PUK, GOSW, or DCSF, as appropriate
  - Head of Planning as the Design/Sustainability Champion, (Client Design Adviser (CDA))
  - Other Assurance members as agreed by the Chair.
  - Internal Audit representative

#### **5. *Project Director and BSF Project Team***

##### **Project Director**

- 5.1 The Project Owner will delegate responsibilities to the Project Director who will be responsible for the day-to-day delivery and procurement of the project.

## **BSF Project Team**

- 5.2 The BSF Project Team will be led by an experienced fulltime Project Director and assisted by a full-time Programme Manager and Project Office Support Manager. Other officers, who will represent the Council in specialist areas such as planning, finance, communications and legal, will also be dedicated as required, and the Project Team will be supported by specialist external advisers.
- 5.3 The Project Director will chair project team meetings and develop the team to deliver the BSF outcomes. The Project Team membership would consist of workstream leads and will be:
- Project Director for Learning Environments (BSF Project Director) (Chair)
  - Assistant BSF Project Director (Programme Manager)
  - BSF Project Officer (Change Manager)
  - Education Officer
  - Education ICT Officer
  - School Organisation Officer
  - Legal Officer
  - HR Officer
  - Asset Management Officer
  - Procurement Officer
  - Finance Officer
  - Corporate ICT Officer
  - Planning Officer
  - Sport and Cultural Officers
  - Audit Officer
  - Specialist external advisers as required from time to time.

## **6. Stakeholder Board**

- 6.1 It is recommended that a Stakeholder Board will be set up in parallel to the BSF Project Executive and will represent a wide range of partners and stakeholders from key organisations with a direct interest in the investment proposals and outcomes. This group will have in attendance the BSF representative of PASH who will be responsible for presenting the views of school stakeholders on the executive.
- 6.2 The Project Director will chair the Stakeholder Board.

## **7. Interface with Project and Programme Boards**

- 7.1 Previously constituted and proposed Project and Programme boards set up to exercise delegated powers in day to day management of the Council's capital delivery will continue to operate. It is intended that the BSF Executive will put in place appropriate arrangements for liaison with those Boards. The symbiotic relationship between these are very important to the Council as BSF and

SCYP investment programmes are critically part of the Councils total investment programme. The Council sees its investment programme as a single capital pot and allocates in line with its corporate priorities. The SCYP capital investment including BSF will be developed and managed in the context of the overarching Capital Programme Board (or any equivalent replacement), however the delegated lines of authority set out in this Cabinet paper will apply to all decisions.

**8. Termination**

- 8.1 It is proposed that the BSF Cabinet Committee, the Project Executive, the Project Team, and the delegations to the Project Owner and Project Director will automatically terminate in the event that the Council does not achieve 'Remit' meeting (project inception, as defined by PfS processes) and accordingly that Cabinet should request that all delegations from the Committee to the Project Owner and from the Project Owner to the Project Director be made on that basis.
- 8.2 Post Remit meeting, it is anticipated that termination of the Committee and other governance arrangements would be made through Cabinet.



## **Appendix 2**

### **Delegations, Roles and Responsibilities**

#### **1. *BSF Cabinet Committee Terms of Reference***

- 1.1. The BSF Cabinet Committee will initiate, prioritise, and monitor the SCYP investment programme. That includes BSF investment. It is expected that the BSF Cabinet Committee will take a limited number of high-level decisions.

#### **Procedures**

- 1.2. The BSF Cabinet Committee will be conducted under the Council's constitution (including the Cabinet Procedure Rules).
- 1.3. The BSF Committee shall meet at least six times a year, but will also meet to take certain high-level decisions. It is intended that an informal planning (not decision-making) meeting will take place approximately a fortnight prior to each Committee meeting.
- 1.4. Extraordinary meetings shall be arranged by agreement when more immediate input is required, such as at key stages of the procurement process.
- 1.5. Meetings will be supported through Democratic support.
- 1.6. The Chair will have a casting vote

#### **Attendance**

- 1.7. The Committee's quorum will be three (or a quarter of the total number of members of the Cabinet, if greater), as required by the Constitution. As the number of Members making up a quorum is all the Committee Members, for decisions to be taken the Committee must have full attendance (the opposition observer not being counted for this purpose).
- 1.8. Apologies shall be submitted in advance of planned meetings.

#### **2. *Project Owner***

- 2.1 Due to the size and level of importance of BSF to the Council it is proposed that the Chief Executive will be the Project Owner.
- 2.2 The Project Owner provides overall sponsorship and leadership for the project. The Project Owner is the person who is ultimately seen as responsible for the successful delivery of the project, and is required to:
- Ensure cross-functional/departmental interaction and support

- Identify and secure a properly resourced team for the delivery of the project, including appropriate budgets for internal and external support
- Liaise with the Capital Programme Board to ensure that the BSF Programme aligns with and is supported by the Council's overall capital and revenue budgets.
- Manage issues that affect the 'stability' of the project
- Promote the project and liaise with elected Members, stakeholders and external bodies
- Obtain BSF Cabinet Committee approval at key milestones in the process
- Chair the BSF Project Executive
- Ensure the project provides Best Value and is affordable (a joint responsibility with the Project Director)
- Support the Project Director on key negotiating issues
- Support the Project Director when additional project resources are required.

### **3. *Project Director***

3.1 The Project Director plays a key role in delivering the BSF project and is considered the most critical appointment to the Project Team. As such, the appointment should be full-time and must take account of the decision-making structure, and the risk and complexity of the project. The Project Director is required to:

- Have the appropriate skills and experience in procurement and project management
- Have the ability to lead the Project Team
- Have the requisite seniority and experience to reflect the level of delegated authority, and the complexity of the project
- Undertake budget management of the individual capital projects supported by the Project Services Management Team
- Be empowered to make key decisions and to 'do the deal'
- Manage the procurement budget for all external and internal costs
- Undertake budget management of the individual capital projects,
- Understand his/her role, and the level of delegated powers
- Communicate effectively with all members of the Project Team, Project Executive, stakeholders, users and the wider community
- Appoint and manage advisers
- In conjunction with the Project Owner, identify and secure sufficient resources to deliver the project effectively
- Lead negotiations with bidders
- Manage the vital success factors for project delivery
- Report regularly and at key stages to the Project Executive and (where appropriate) the stakeholder forum
- Chair stakeholder forum and manage consultations
- Carefully manage the expectations of stakeholders and project partners
- Maintain regular contact with Local Partnerships and PfS and request project support when necessary

- Manage competing interests, particularly with other major Council initiatives
- Provide Quality Assurance (QA) and sign-off to all project documentation
- Plan for and organise Local Partnership or PfS Gateway Reviews
- Put in place an appropriate project management methodology and risk register
- Network with other local authorities and the wider market to share knowledge and current best practice
- Help the team maintain a work/life balance
- Celebrate success

3.2 An officer within the Council has been identified as suitable to undertake this role, and a full time job offer has been made subject to the Council achieving Remit.

#### **4. *BSF Project Executive - Terms of Reference***

4.1 Subject to ensuring that all decisions are taken by the relevant decision maker, the Project Executive will operate under the following terms of reference and advise the Project Director on the following matters:

4.2 At the start of the project, to agree:

- Objectives and scope, including recommendations and justification to Cabinet with respect to the selection (and scope of services included) of the preferred delivery vehicle and decisions on how “thin or thick” the LEP would be.
- The project plan
- Resources and project management structure, including expectations of scale and quality of corporate support
- Decision-making process
- Project launch (including a stakeholder event)

4.3 During the planning and development stages, to:

- Advise the Project Director and review project status against the plan
- Agree the scope of the Business Cases to be approved and to be rigorous in driving a deliverable solution that meets transformational objectives.
- Monitor management of project budget, risks and quality
- Ensure that the project follows a ‘service led’ approach
- To explore and promote opportunities for integrated and same site working between education and other agencies, and drive forward Council and other agencies resources to align with the project objectives
- Advise on consultation on school organisation proposals and proposals for re-organisations, closure/openings.
- To ensure the relevant stakeholders/organisations are engaged, support the scheme and obtain all associated ‘sign-offs’
- Resolve disputes as they rise between any parties that could lead to a disruption of the project objectives.

- Prioritise proposed developments within the project, where limits in resource and investment necessities such priority
  - Ensure that the proposals are affordable and deliver maximum value for money
  - Liaise or assist with liaison with Scrutiny as appropriate
- 4.4 At the start of the procurement, to agree:
- Objectives and scope
  - The OBC
  - The procurement plan
  - Resources to meet the procurement costs
  - Communication plans
  - Arrangements for quality assurance and risk management
  - Procurement launches (including pre-OJEU project viability review), bidders day and gateway reviews.
- 4.5 As the procurement progresses, to:
- Review project status against plans
  - Monitor management of procurement budget, risks and quality
  - Agree progression through key stages (e.g. stages in Competitive Dialogue procurement: OJEU Contract Notice, ITPD shortlist, ITCD, ITSFB) and obtain all associated 'sign-offs'
  - Agree procurement documents (including output specification, project agreement)
  - Agree evaluation of plans
  - Report within the Council on the progress of the procurements
  - Act as the ambassadors for the procurement and the project it facilitates
- 4.6 At the end of the procurement, to:
- Ensure that the expected products have been delivered satisfactorily
  - Ensure that the pre-contract risk review is completed
  - Agree the Final Business Case (FBC) to be approved
  - Recommend award of contract and obtain all final 'sign-offs'
  - Agree the structures and resources to continue to manage the contracts post financial close
- 4.7 To advise on the decision making route for those matters which are subject to the Council's Executive decision making processes.
- 4.8 To exercise governance over the programme management of other related capital investment into the BSF Project such as the Primary Capital Programme (PCP), DCSF Modernisation grants, Targeted Capital, and formulaic capital funding provided by central Government, including any locally supported funding that adds to this investment.
- 4.9 To consider any other issues as they may relate to the BSF Project.

### **Procedures**

- 4.10 The Executive shall meet monthly. Extraordinary meetings shall be arranged by agreement when more immediate input is required, such as at key stages of the procurement process.
- 4.11 Monthly meeting dates shall be arranged in advance and cancelled where there is insufficient business.
- 4.12 Except in cases of extreme urgency, meetings shall be arranged with at least three working days' notice.
- 4.13 An agenda shall be produced and issued to all Project Executive members at least three working days before the meeting. The agenda will be discussed at a pre-meeting between the Project Owner and Project Director.
- 4.14 Minutes of each meeting, indicating action points and their owners, shall be circulated to all Project Executive members with sufficient time before the next meeting.
- 4.15 Meeting dates shall be agreed for a period of six months in advance.
- 4.16 There will be sufficient secretarial support to organise and minute Project Executive meetings throughout the project directed from the BSF project team resource.

### **Decision Making**

- 4.17 The Project Executive shall operate within the financial regulations and standing orders of Plymouth City Council as well as taking into account as appropriate the relevant financial regimes of other funding organisations, such as the PCT, Academy Sponsors, and Sport England.
- 4.18 It is noted that the delegated authority will rest with the Project Owner (the Chair) who will take all decisions, supported by the Project Executive membership.

### **Attendance**

- 4.19 Substitution of members need to be made in advance and agreed with the Chair.
- 4.20 Apologies shall be submitted in advance of meetings.
- 4.21 Where a Project Executive member fails to attend three consecutive meetings, the Chair shall consider, and is entitled to, replace that member.

## **5. Project Team**

- 5.1 The Project Team will support the Project Director through the planning, development, procurement, and implementation phases of the project. It should have the relevant technical, financial, commercial and legal skills, expertise and experience to deliver the project. These internal officers are known as Work Stream Leads (WSL). The extent to which external advisers are needed will depend on the internal WSLs available, their availability, and the type, size and complexity of the project. It is expected that external advisers will be needed in the following disciplines:
- Education
  - Financial
  - Legal
  - Technical
  - HR
  - ICT
  - Client Design
- 5.2 Due to the nature of the transformational change BSF has as its objective, and due to the complex and high risk nature of the procurement, the Project Director needs the support of a dedicated internal Programme Manager and a Project Officer to manage communications and necessary administrative support. These first two appointments have been made and the process to appoint administrative support is in progress. When external advisers are appointed, the Project Team will have a WSL responsible for the management of each adviser, and demonstration of value for money in relation to the arrangements with each of them.
- 5.3 It is expected that the Project Team will comprise of 10-15 members to ensure that it has sufficient breadth of expertise and capacity whilst remaining a workable group. Members should include representation from relevant departments in the Council. Sub-groups are likely to be established to deal with specific tasks at key stages in the development and procurement process.
- 5.4 The Project Team will also interface with external government advisers and be responsible to the Project Executive for using and monitoring national guidance on BSF. External National Advisers will include, but not be restricted to the following:
- PfS
  - PUK
  - BECTA
  - NCSL
  - Cabe
  - Local Partnerships
  - Sport England
  - Arts Council

### **Procedures**

- 5.5 The core BSF Project Team of full time staff shall meet every week and the extended team, including WSLs, will meet fortnightly. External advisers will attend as requested by WSLs. Extraordinary meetings shall be arranged by agreement when more immediate input is required, such as at key stages of the procurement process.
- 5.6 Meeting dates and times shall remain consistent each week.
- 5.7 Except in cases of extreme urgency, meetings shall be arranged with at least three working days' notice.
- 5.8 Minutes of each meeting, indicating action points and their owners, shall be circulated to all WSLs with sufficient time before the next meeting.
- 5.9 There will be sufficient secretarial support to organise and minute Project Team meetings throughout the project directed from the BSF project team resource.

### **Decision-making**

- 5.10 The Project Team shall operate within the financial regulations and standing orders of Plymouth City Council and take into account as appropriate the relevant financial regimes of other funding organisations, such as the PCT, Academy Sponsors, and other Sport England.
- 5.11 It is noted that the delegated authority will rest with the Project Director (the Chair) who will take all decisions, supported by the Project Executive membership.

### **Attendance**

- 5.12 Substitution of members needs to be made in advance and agreed with the Chair.
- 5.13 Apologies shall be submitted in advance of meetings.
- 5.14 Where a Project Team member fails to attend three consecutive meetings, the Project Owner shall consider, and is entitled to, replace that member.

This page is intentionally left blank



**CITY OF PLYMOUTH**

**Subject:** Licensing Act 2003 -  
12-Month Review of the Cumulative Impact Policy

**Committee:** Cabinet

**Date:** 10 November 2009

**Cabinet Member:** Councillor Brookshaw

**CMT Member:** Director for Community Services

**Author:** Andy Netherton, Unit Manager (Safety, Health & Licensing)

**Contact:** Tel: (01752) 304742  
e-mail: andy.netherton@plymouth.gov.uk

**Ref:** ERS/LIC/

**Part:** I

---

**Executive Summary:**

On the 3<sup>rd</sup> June 2008 Cabinet resolved, having regard to all the evidence gathered, to recommend to City Council to adopt the recommendations contained in the Majority Scrutiny Report, that a Cumulative Impact Policy be adopted for the following five areas, namely Union St including Derry's Cross, Mutley Plain, North Hill, The Barbican and Stoke Village.

Cabinet further requested that the policy is reviewed by Customers & Communities Overview and Scrutiny Panel on an annual basis and their findings to be reported to Cabinet.

These recommendations were approved by City Council on the 23<sup>rd</sup> June 2008 and the revised Statement of Policy, including the Cumulative Impact Policy was adopted.

To conform to the resolution to review the Cumulative Impact Policy annually, officers have undertaken a formal public consultation to collect the views of statutory consultees (as defined in the DCMS Guidance issue under S.182 of the Licensing Act 2003 – 9<sup>th</sup> July 2009) and other interested parties. A review has also been completed by the Customers & Communities Overview and Scrutiny Panel

This report sets out the outcome of this consultation on the Cumulative Impact Policy and its continued use.

---

**Corporate Plan 2009 to 2012:**

The report links to the delivery of the corporate improvement priorities. In particular:

- Informing and involving residents.
- Providing more and better culture and leisure activities

**Implications for Medium Term Financial Plan and Resource Implications:  
Including finance, human, IT and land**

The cost of the consultation process has been absorbed within existing budgets

**Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment etc.**

Members should be aware that Section 17 of the Crime and Disorder Act 1998 puts a statutory duty on every Local Authority to exercise its various functions with due regard to the need to do all that it reasonably can do to prevent crime and disorder in its area.

The Cumulative Impact Policy was introduced to assist with the reduction in crime and disorder.

**Recommendation & Reasons for recommend action:**

That Cabinet consider the report and resolve to note the recommendations of the Customers & Communities Overview and Scrutiny Panel

**Alternative options considered and reasons for recommended action:**

None

It is a statutory requirement that the Licensing Policy, which contains the Cumulative Impact Policy, is reviewed every 3 years. The next statutory review must be completed by January 2011.

**Background papers:**

Cabinet Report (C 54 07/08 – 27/11/07) – Statement of Licensing Policy 2008 – 2011 revised 3 June 2008.

DCMS Guidance issued under S.182 of the Licensing Act 2003 (9 July 2009)

Customers & Communities Overview and Scrutiny Panel – 28<sup>th</sup> September 2009

**Sign off: !**

Head of Fin	<b>EM DevF 9100 048</b>	Head of Leg	<b>AG 6477/1 2.10.09</b>	Head of HR		Head of AM		Head of IT		Head of Strat Proc	
Originating SMT Member: C Burgoyne											

## **1.0 BACKGROUND**

- 1.1 On the 3<sup>rd</sup> June 2008 Cabinet resolved, having regard to all the evidence gathered, to recommend to City Council to adopt the recommendations contained in the Majority Scrutiny Report, that a Cumulative Impact Policy be adopted for the following five areas; Union St including Derry's Cross, Mutley Plain, North Hill, The Barbican and Stoke Village. The City Council approved this recommendation on the 23<sup>rd</sup> June 2008.
- 1.2 On the 23<sup>rd</sup> July it was also resolved that the policy is reviewed by the Customers and Communities Overview and Scrutiny Panel on an annual basis and their findings be reported to Cabinet.

## **2.0 CUMULATIVE IMPACT**

- 2.1 A Cumulative Impact Policy allows the Licensing Authority to consider the impact on the promotion of the licensing objectives, where a significant number of licensed premises are concentrated in one area and is a proper matter for a Licensing Authority to consider in developing its licensing policy statement. It is possible that the impact on surrounding areas of the behaviour of customers or the activities of all premises taken together will be greater than the impact of customers or activities of individual licensed premises.
- 2.2 A Cumulative Impact Policy does not allow a limit to be set on the number or type of licensed premises within an area, but to consider the cumulative impact that the concentration of premises are having upon surrounding areas, having regard to the impact upon the licensing objectives. For example, concentrations of young drinkers can result in queues at fast food outlets and for public transport. Queuing in turn may be leading to conflict, disorder and anti-social behaviour.
- 2.3 While more flexible licensing hours may reduce this impact by allowing a more gradual dispersal of customers from premises, it is possible that the impact on surrounding areas of behaviour of the customers of all premises taken together will still be greater than the impact of customers of individual premises.
- 2.4 It is usual for cumulative impact to be of particular relevance to the crime and disorder and public nuisance licensing objectives.
- 2.5 A policy should not address "need" for licensed premises in a certain area based on commercial demand. This is an issue that can more properly be addressed through the planning system.

## **3.0 EFFECT OF AN CUMULATIVE IMPACT POLICY**

- 3.1 A cumulative impact policy creates a rebuttable presumption that applications for new premises licences or club premises certificates or variations that are likely to add to the existing cumulative impact, will normally be refused if relevant representations are submitted. Applications will normally only be granted where the applicant can demonstrate in their operating schedule that there will be no negative cumulative impact on one or more of the licensing objectives. For example the application for a small restaurant is very unlikely to add to any cumulative impact and is likely to be granted.

- 3.2 The policy does not relieve the need for responsible authorities or interested parties to make relevant representations. If there are no representations then the license would be granted.
- 3.3 After receiving representations in relation to a new application for or a variation of a licence or certificate, the Licensing Authority must consider whether it would be justified in departing from its policy in the light of the individual circumstances of the case. If the Licensing Authority refuses an application it will still need to show that the grant of the application would undermine the promotion of one of the licensing objectives and that necessary conditions would be ineffective in preventing the problems involved.
- 3.4 The absence of a Cumulative Impact Policy does not prevent any responsible authority or interested party making representations on a new application for the grant, or variation of a licence on the grounds that the premises will give rise to a negative cumulative impact on one or more of the licensing objectives.
- 3.5 The policy may only be applied for new applications or variations. Licenses should not be reviewed due to the presence of a policy. Any review of a license must address issues specifically relating to the operation of that premises. Cumulative Impact Policies must not also seek to introduce set terminal hours within areas.
- 3.6 Since the introduction of this special policy on the 23<sup>rd</sup> June 2008 approximately 60 applications have been submitted requesting either a new application, variation, cancellation/surrender, temporary event, that have resulted in 13 being considered by Licensing Committee as a result of representations submitted by the police, environmental health or residents. Of these cumulative impact had an influence in five cases and the decisions taken by Committee were to grant three with revised conditions and refuse two.

#### **4.0 PUBLIC CONSULTATION**

- 4.1 Officers undertook a public consultation and in accordance with the S. 5(3) Licensing Act 2003 consulted with those specified, including the police, fire service, premises licence holders, club certificate holders and other relevant residents and businesses located within the existing cumulative impact areas.
- 4.2 Officers undertook a 4-week consultation that was launched on the 6<sup>th</sup> July 2009 with a press release. An information pack was sent to all statutory consultees and interested parties advising them of the consultation process, enclosing an explanatory letter, leaflet and feedback form.
- 4.3 Officers wrote to approximately 170 licensed premises and 50 'interested parties' including local solicitors, British Beer and Pub Association, Campaign for Real Ale, Breweries Federation of Small Businesses, pressure groups and support groups.
- 4.4 All information and documents were posted on the Licensing page of the Council website.

## **5.0 RESULTS OF THE CONSULTATION PROCESS**

- 5.1 Twelve responses were submitted from a variety of people from local residents, residents groups, local licensed premises and the police, the comments and an officer appraisal are set out in Appendix 1.
- 5.2 Based on the limited responses submitted, local residents are in favour of the retention of the policy, as opposed to a local licensee who is against, on the basis that he believes that it should either apply citywide, or be revoked so as to provide a 'level playing field'. It should be noted that this is not an option that is available as it would be contrary to the Act and statutory guidance, in that blanket coverage is considered to be unlawful.
- 5.3 The police have submitted a letter supporting the retention of the cumulative impact policy as stated, supported by a problem profile analysing public space violent crime offences within the areas covered by this special policy, for 1<sup>st</sup> April 2008 – 31<sup>st</sup> March 2009.
- 5.4 The Customers & Communities Overview and Scrutiny Panel reviewed the public consultation results and the operation of the cumulative impact policy on the 28<sup>th</sup> September 2009. The panel having regard to all the evidence put forward during the consultation process recommended to Cabinet that (1) the panel did not accept the conclusions of the consultation process and the existing policy should remain in place; and (2) a full review of the Cumulative Impact Policy should take place together with the three year licensing policy review for 2011.

## **6.0 CONCLUSIONS**

- 6.1 Following the introduction of cumulative impact policy the global economic downturn will have had an impact on the licensing trade as with all other businesses. It is debatable that sufficient time has elapsed to allow a realistic and informed judgement to be made on the effectiveness of the policy.
- 6.2 This special policy allows the Licensing Committee to consider the effects that a new application or variation will have on crime and disorder or public nuisance within the immediate area that is not necessarily attributable to any particular licensed premises.

## **7.0 RECOMMENDATIONS**

- 7.1 That Cabinet consider the report and resolve to note the recommendations of the Customers & Communities Overview and Scrutiny Panel

**Appendix 1****Consultation Response Table  
Cumulative Impact Policy Consultation – July 2009****Table Headings**

- |                          |  |
|--------------------------|--|
| 1. Reference Number      | Each particular response has been given a unique reference number.   |
| 2. Respondent            | The individual, company or organisation and address of the respondent.                                     |
| 3. Details of Comments   | A copy or précis of the response made referenced to the section of the policy.                             |
| 4. Appraisal of Comments | Officers response to the representation including whether any changes/variations are proposed as a result. |

**General Comments**

1	2	3	4
1	Society Group Stoke	<p>Having talked to the residents in the village (and living over the shops) I am told there is still noise with the late hours including the coming and going of taxis. I am also informed that there frequently is a mess on the pavements particularly take-away wrappings and cigarette ends.</p> <p>I do not know how many times the police have been called but I know of one example with pedestrians playing chicken with the traffic.</p> <p>I/we would need considerable reassurances before there is any relaxation of the Impact Policy.</p>	Still supports the policy but concerns are about noise and litter.
2	Licensee City Centre	<p>By definition the word cumulative this should incorporate all the factors towards an impact in any or all of the above districts. Restaurants, off sales, entertainment centres (snooker, bowling, gambling and the like) takeaway / fast food and mobile takeaway / fast food operators. Evidence based remarks are that any or all of the above districts On licence premises are being targeted by this city policy restricting their licence schedule activities, operating schedule and future growth development. Yet consideration must be made to the other many licensed operators who contribute to hospitality leisure throughout the city of Plymouth.</p> <p>This policy if not city wide and all encompassing should be revoked. I have first hand experience on the issues relating to this matter and would be willing to speak openly to the city council panel if the opportunity arose.</p>	Reference numbers 2, 3 and 4 are from the same person who believes the policy should be revoked, if not applied citywide. This is not an option that is open to us as it would be contrary to the Act and S.182 Guidance, in that blanket coverage is not an option. The contributor would be happy to address committee if requested.
3	Licensee Millbay	<p>By definition of the word 'cumulative' this should incorporate all the factors towards an 'impact' in the above areas. Restaurants, off sales, casinos, takeaway / fast food and mobile takeaway / fast food operators. Evidence based remarks, are that any one or all of the above districts on licence premises are being targeted to restrict their licence schedule activities and operating schedules. Yet consideration must. ...made to the other many operators who contribute to hospitality / leisure in any or all of the mentioned districts and further afield.</p>	See above comment

		<p>This policy if not city wide and all encompassing should be revoked. I have first hand experience on the issues relating to this matter and if called I would welcome the opportunity to speak to council panel. If I can be of any further assistance please do not hesitate to contact me.</p>	
4	Licensee Union Street	<p>By Definition of the word 'cumulative' this should incorporate all that factor towards an 'impact' in the above areas. Restaurants, off sales, casinos, take away / fast food and mobile takeaway / fast food operators. Evidence based remarks are that in any one or all of the above districts on licence premises are being targeted to restrict their operations yet a greater a consideration must be made to the other many licensed operators who contribute to the hospitality / leisure in any or all of the mentioned districts. And further afield in the city.</p> <p>This policy if not city wide and all encompassing of all permit licensed premises or activities should be revoked.</p> <p>I have first hand experience on the issues relating to this matter and if called, I would welcome the opportunity to speak to the council panel. If I can be of any assistance in this review, please contact me.</p>	See above comment
5	Resident Greenbank	<p>There has been an increase in reported alcohol fuelled violent assaults in the North Hill and surrounding area. General alcohol fuelled anti-social behaviour and disorder has also increased especially in the Sherwell Arcade area and in streets off North Hill, this has included damage to parked cars and general vandalism.</p> <p>Much of the foregoing has been due to poor policing or more correctly the total absence of police presence.</p>	Believes disorder has increased in the Sherwell Arcade and North Hill areas and puts it down to poor policing.
6	Licensed Premises City Centre	I have no evidence that the licensed establishments at Derry's Cross and Union Street cause any problems to the Theatre Royal or cause any concern to our patrons or staff.	No comment
7	Resident Mannamead	Responded the last time and my response remains the same that I fully support the Cumulative Impact Policy (Mutley Plain).	Supports the continuation of the policy
8	Resident Mutley	<p>Noise continues to be a problem late at night in Sutherland Road (typically 2.00am – 4.00am) when drunken people are returning home. The problem is notably worse on Friday, Saturday and Sunday evenings during university term time.</p> <p>Another related problem that we are still experiencing, once again almost exclusively in university term time, is the dumping of empty beer cans and bottles, empty alcopop bottles and also empty ( and sometimes half-empty) spirits bottles on the pavements and walls along the road and in our front garden during the night.</p> <p>I frequently sweep broken glass up outside our property in the early morning to avoid possible injury to passers by.</p> <p>I realise that the policy cannot be applied to shops and</p>	Noise and litter are the residents concerns and believe the empty cans and bottles are down to off-licensed shops.

		<p>that these tins and bottles were obviously purchased in off-licensed shops – but the two problems are related.</p> <p>From my observations of people walking towards Mutley Plain and North Hill in the late evening, many are holding bottles and cans of alcoholic drinks, which they are consuming whilst walking along. Presumably they are already ‘happy’ when they arrive at their venue and it only takes a couple more drinks in a licensed premises for them to no longer have an acceptable level of control over their own behaviour when returning home in the early morning.</p>	
9	Business Mutley Plain	No comment made.	
10	Residents Ass Mutley	<p>Our association represents residents of Hyde Park Road, plus other roads through which drinkers walk on their way home from the licensed premises of Mutley Plain, and our homes and gardens suffer the consequent late night noise, litter and general disturbance.</p> <p>We are therefore grateful to the council for this opportunity to comment on the effect of the past year’s Cumulative Impact Policy on the Mutley area. We trust that your request for ‘evidence based’ comment will not require samples of the unpleasant detritus we often have to remove from the frontage of our properties.</p> <p>The increased visual presence of the police has undoubtedly improved matters, but there are still, we believe, concerns to be addressed. The letter and leaflet, which accompanied the customer feedback form we received, would appear to be limiting, rather than, as we would wish, extending and improving upon the present policy, and even hints that, without sufficient representation from the police, it could become inoperative.</p> <p>Yet the police cannot be aware of every occasion, as are the residents, workers and shoppers of Mutley, when they are subjected to anti-social behaviour arising from the usually high number of licensed premises, which now already exist, on the Plain. For example there is much daytime drinking, and in good weather, rows outside, and barracking from licensed premises, of passers by, affects shoppers and school children who use the Plain on a daily basis.</p> <ul style="list-style-type: none"> <li>• Your Cumulative Impact Policy, by your definition, is concerned exclusively with limiting further extensions of licensing to an already dangerously overcrowded proliferation of licensed premises, yet this is just part of the problem. Mutley Plain, we believe, has a right to special consideration:</li> <li>• It is surrounded by closely packed, densely populated residential accommodation.</li> <li>• It is a valuable shopping and commercial centre.</li> <li>• It is one of the main arteries of the city’s bus service.</li> <li>• School children of all ages walk the area regularly, twice a day.</li> </ul>	<p>Grateful for being given the opportunity to comment. Believes there has been an increased police presence. Talks about social issues in the area and believes the policy which limits further extensions of licensing to an already dangerously overcrowded proliferation of licensed premises is just part of the problem with other issues needing to be addressed.</p>



		<ul style="list-style-type: none"> <li>• Ex-offenders, and sufferers from addictions and psychological problems, have been moved into the area by charities and social services, which have created provision for them in Mutley, despite the undesirability of placing vulnerable people alongside a plethora of licensed premises, amongst heavy traffic and shoppers. An other vulnerable group that cannot profit from such close proximity are our students, who wish to live here because Mutley is so close to the University. Their parents have entrusted them to Plymouth to acquire an education, not a drinking problem.</li> </ul> <p>We would therefore suggest that Mutley, Particularly, should be allowed no further extension of licensed premises, and that the present policy should be extended and strengthened.</p> <p>To conclude, as a community group, representing many of the council tax payers who are regularly affected by the heavy drinking that now takes place regularly on Mutley Plain, we would like to express our thanks to those responsible for the implementation of the Cumulative Impact Policy. We would, however, request a wider consideration of the variety of impacts on this area, which we believe should be considered as part of your Cumulative Impact Policy, in order to maintain the sustainability of an area which provides so much of value to this city</p>	
11	Resident Mutley	<p>Chester Place is used by the customers of the Junction as a quiet place to have private arguments. Earlier this week, Thursday 9<sup>th</sup> July I think, 2 young men thought they were having a private conversation outside our neighbour's house which most of the residents of Chester Place could hear. Fortunately one man calmed the other down and there were no more raised voices or violence. On a previous occasion a couple of years ago a man and woman's altercation descended into violence and, as she was getting hurt, my husband intervened and we called the police, resulting in the male being fined.</p> <p>Such occasions happen a few times a year as we are towards the further end of the street away from the pub. Sometimes it is a person the worse for drink wanting fresh air or somewhere dark and quiet to sleep, throw up, urinate or defecate. Last summer no noise was caused but an individual had obviously entered our garden, defecated, become confused, thrashed around causing several hundreds of pounds worth of damage to valuable plants and probably caused himself injury trying to find a way out.</p> <p>It is clear from the number of drinking glasses found opposite the entrance to the Junction in Chester Place that there is no doorman to control customers outside the premises. Most are outside to smoke, which merely causes the litter of disintegrating cigarette butts in the roadway as I have noticed that the receptacles for them are full to overflowing.</p>	Talks about one particular premises on Mutley Plain and issues associated with it.

		<p>We also suffer the nuisance of delivery lorries to the Junction completely blocking Chester Place. While all their crews know that they are allowed 20 minutes unloading time on double yellow lines, few of them appreciate that they are not allowed to block a public highway for any length of time resulting in frequent altercations and traffic chaos when waiting to enter Chester Place when it is blocked.</p> <p>Finally it is evident that drunken noisy customers are leaving premises at 5am as they are clearly heard across the valley of the railway line west of Mutley Plain. This is especially so in summer when we are more likely to have bedroom windows open. This could be heard twice this week 6<sup>th</sup> – 12<sup>th</sup> July.</p>	
12	Devon and Cornwall Police	<p>See APPENDIX 2.</p> <p>The police response to the Cumulative Impact Policy is that over the last twelve months the policy has only been invoked by the police on three occasions as the majority of applications have been of a high enough standard to negate its use.</p> <p>The police consider that the continuation of the Cumulative Impact Policy provides a valuable filter mechanism to ensure that only the highest quality of applications are considered with these key evening and night time economy neighbourhoods.</p> <p>I enclose supporting documentation detailing crime data on the neighbourhoods with Cumulative Impact Areas.</p>	The police believe the policy is a valuable filtering mechanism for applications.

**CITY OF PLYMOUTH**

**Subject:** Gambling Act 2005 – 3 Year Review of the Statement of Principles

**Committee:** Cabinet

**Date:** 10 November 2009

**Cabinet Member:** Councillor Brookshaw

**CMT Member:** Director of Community Services

**Author:** Andy Netherton, Unit Manager (Safety, Health & Licensing)

**Contact:** Tel: 01752 304742  
e-mail: [licensing@plymouth.gov.uk](mailto:licensing@plymouth.gov.uk)

**Ref:** ERS/LIC/PREM

**Part:** I

---

**Executive Summary:**

The Council is required to review the Gambling Act statement of policy, which lasts for a 3 year period. The current policy review must be completed to bring the new policy into force by the 31<sup>st</sup> January 2010.

The Council's existing Policy was reviewed and public consultation on the new draft Policy was undertaken in accordance with Department of Culture, media and Sport and the Gambling Commission guidance. The Customers and Community Overview and Scrutiny Panel has also reviewed the proposed new Policy.

Amendments have been made to the draft Policy following the consultation process, with the new proposed Policy contained in Appendix B.

The Policy is required to be considered by City Council at the meeting set for 30<sup>th</sup> November 2009 in order to meet Gambling Act 2005 requirements.

---

**Corporate Plan 2009- 2012:**

This report links to the delivery of the corporate improvement priorities. In particular:

1. Informing and involving residents.
  2. Providing more and better culture and leisure activities.
  3. Keeping Children Safe
-

**Implications for Medium Term Financial Plan and Resource Implications:  
Including finance, human, IT and land**

None.

**Other Implications: eg. Section 17 - Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment etc.**

Members should be aware that Section 17 of the Crime and Disorder Act 1998 puts a statutory duty on every Local Authority to exercise its various functions with due regard to the need to do all that it reasonably can do to prevent crime and disorder in its area.

**Recommendations and Reasons for recommended action:**

That Members consider this report and to:

1. Recommend to the City Council that the Gambling Act Statement of Licensing Policy contained in Appendix B is adopted and to authorise Officers to take the necessary steps to publish the new Policy to be implemented on the 31<sup>st</sup> January 2010.

**Alternative options considered and reasons for recommended action:**

- Cabinet may recommend alterations to the City Council meeting on the 30<sup>th</sup> November 2009.
- The only available Full Council meeting is set for the 30<sup>th</sup> November 2009, failure to have the policy approved by that date will be criticised by the Government and licence applications after the 31<sup>st</sup> January 2010 can not be processed until a new policy is approved.

**Background papers:**

Gambling Act 2005

Plymouth City Council - Gambling Act Statement of Principles 30<sup>th</sup> April 2007 to 30<sup>th</sup> January 2010

Full Council 6<sup>th</sup> July 2009 – Review of Council's Constitution

Cabinet – 15<sup>th</sup> September 2009, Agenda item 8

Customers and Community Overview and Scrutiny Panel, 28<sup>th</sup> September 2009

**Sign off:**

Head of Fin	<b>EM Dev F910 0049</b>	Head of Leg	AG 6463. 8.10.09	Head of HR		Head of AM		Head of IT		Head of Strat Proc	
Originating SMT Member											

## **1.0 BACKGROUND**

- 1.1 The Gambling Act 2005 (The Act) requires the Council as the Licensing Authority to have a Statement of Licensing Policy. The Act also requires that the policy must be for a three year period and must be reviewed at the end of each subsequent three year period. The current Policy is required to be republished by 31<sup>st</sup> January 2010. The Council is also required to consult publicly with a specified list of stakeholders affected by the exercise of the authority's functions under the Act.
- 1.2 A public consultation exercise was undertaken, which included the following interested parties:
- Citizen's Advice Bureau
  - Crime and Disorder Reduction Partnership
  - Devon and Cornwall Constabulary
  - Plymouth City Council Social Services / Education Department
  - Devon & Somerset Fire and Rescue Service
  - Environmental Health
  - Gamblers Anonymous
  - Gambling Commission
  - Gamcare
  - Local businesses and their representatives
  - Local faith groups
  - Local residents and their representatives
  - Mencap
  - NSPCC
  - Primary Care Trust
  - Representatives of existing licence-holders
  - Voluntary & Community organisations working with children & young people
  - Devon Licensing Forum
- 1.3 Internal consultation was undertaken via the Corporate Strategy Group.
- 1.3 Constitutional changes which were made at the City Council meeting on the 6<sup>th</sup> July 2009 brought the Gambling Act Statement of Licensing Policy (the Policy) into the Council's Policy Framework. Cabinet referred the Policy to the Overview and Scrutiny Management Board for inclusion on their work plan. Subsequently the Customers and Communities Overview and Scrutiny Panel discussed the draft Policy on the 28<sup>th</sup> September 2009. The panel noted the report and made no recommendations on alterations to the draft policy.
- 1.4 Following the public consultation 7 responses were received. A summary of the responses is contained in Appendix A.

- 1.5 As a result of the consultation exercise some areas of the draft Policy were amended. In summary these were;

Adult Gaming Centres – additional detail added to clarify issues to potential applicants

Sensitive areas – a list was added of those areas which the Council would consider sensitive when considering any application in close proximity. This is to ensure applicants are aware that the Council may expect a higher level of control on gambling activities in these areas.

“Race Nights” and non commercial gambling – Additional details added to highlight the potential need for licenses to undertake these activities and links to guidance.

Split Premises

Additional detail added following additional guidance received from the Gambling Commission

- 1.6 The Policy is required to be considered by City Council at the meeting set for 30<sup>th</sup> November in order to meet the statutory publication requirements under the Gambling Act 2005.

## **2.0 Recommendation**

That Members consider this report and to:

1. Recommend to the City Council that the Gambling Act Statement of Licensing Policy contained in Appendix B is adopted and to authorise Officers to take the necessary steps to publish the new Policy to be implemented on the 31<sup>st</sup> January 2010.

R. Carton  
Manager of Public Protection Service

# Appendix A

## Consultation Response Table Gambling Act 2005 - Statement of Principles Consultation July – September 2009

### Table Headings

- |                          |  |
|--------------------------|--|
| 1. Reference Number      | Each particular response has been given a unique reference number.   |
| 2. Respondent            | The individual, company or organisation and address of the respondent.                                     |
| 3. Details of Comments   | A copy or précis of the response made referenced to the section of the policy.                             |
| 4. Appraisal of Comments | Officers response to the representation including whether any changes/variations are proposed as a result. |

1	2	3	4
1	Earlswood Drive Trading Ltd	The current conditions issued by the Gambling commission are more than adequate. Our trade association, BACTA, are extremely diligent that all conditions are met including problem gambling information leaflets and phone contact numbers. Under age card application forms are available and all staff are trained to enquire about a person's age and what necessary documents are acceptable for proof of age.	The conditions issued by the Gambling Commission are applicable to the operators and personal licence. Our policy relates to the premises licenses under the Gambling Act 2005, in accordance with any relevant code of practice issued by the Gambling Commission.
2	Hooe & Turnchapel community Association	The association only has a lottery licence so we feel that this review does not affect us.	Small society lotteries are covered under the Gambling Act 2005 and are therefore also affected by this policy.
3	Mount Batten Park Ltd/Mount Batten Sailing & watersports centre	The centre agrees with the policy	Comment noted
4	Crownhill Methodist Church	We never allow gambling on the premises.	Comment noted

5	Prince Rock Primary School	As a primary school we don't have any gambling on the premises. Our only concern would be if we let out a room for a private function, do we need to ensure that no gambling takes place e.g. Bingo as we don't hold a licence.	Comment noted
6	Licensing Manager and Chair of the Devon Licensing Forum Mid Devon District Council	The Devon Licensing Officers Forum set up a small working party to review the Gambling Statement of Principles. As part of the outcome some additional guidance has been produced to cover unlicensed family entertainment centres and prize gaming as both of these activities are carried out by way of permits, rather than licences. Members of the Forum are encouraged to use this guidance in their statement of principles.	Additional guidance has been included in amended policy
7	Devon & Cornwall Constabulary	With reference to the draft Statement of Principles for public consultation, the Police having considered the document make no representations or suggestions to alter the policy as written. All appropriate licence conditions for consideration by applicants appear to be included with regard to preventing gambling from being a source of crime and disorder, or supporting crime and for protection of children.	Comment noted



# Appendix B



## **Plymouth City Council**

# **Draft Statement of Principles**

**Under the Gambling Act 2005**

For the period 31<sup>st</sup> January 2010 to 30<sup>th</sup> January 2013

## Table of Contents

<b>Item</b>	<b>Page</b>
<b>Part A - Statement of Principles</b>	
Licensing Objectives	2
Introduction	2
The Geographical Area	3
Consultation	4
Declaration	4
Relationship with Other Legislation	4
Responsible Authorities	5
Interested Parties	5
Exchange of Information	6
Enforcement	6
Licensing Authority Functions	7
The Licensing Process	8
<b>Part B - Premises Licences - Consideration of Applications</b>	
General Principles	9
Adult Gaming Centres	14
(Licensed) Family Entertainment Centres	15
Casinos	16
Bingo	16
Betting Premises	17
Tracks	17
Travelling Fairs	19
Provisional Statements	20
Reviews	21
<b>Part C - Permits/Temporary &amp; Occasional Use Notices</b>	
Unlicensed Family Entertainment Centre Gaming Machine Permits	23
(Alcohol) Licensed Premises Gaming Machine Permits	27
Prize Gaming Permits	28
Club Gaming & Club Machine Permits	28
Temporary Use Notices	29
Occasional Use Notices	30
Vessels	30
<b>Appendix A - Responsible Authorities</b>	
<b>Appendix B - Machine categories</b>	31
<b>Glossary</b>	33
	34

*Part A - Statement of Principles*

Text in the shaded boxes within this Statement of Principles is advisory and only intended to give assistance to applicants, interested persons and responsible authorities.

## 1. The Licensing Objectives

1.1 The Licensing Authority has a duty under the **Gambling Act 2005 (from now on referred to as the Act)** to carry out its licensing functions in a manner, which is consistent with three licensing objectives. The relevant licensing objectives are:

- **Preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime**
- **Ensuring that gambling is conducted in a fair and open way, and**
- **Protecting children and other vulnerable persons from being harmed or exploited by gambling**

1.2 In discharging its responsibilities under the Act and in making decisions in relation to premises licences and temporary use notices (S.153), this Licensing Authority will aim to permit the use of premises for gambling in so far as it thinks it that use will be:

- In accordance with any relevant code of practice issued by the Gambling Commission,
- In accordance with any relevant guidance issued by the Gambling Commission,
- Reasonably consistent with the licensing objectives,
- In accordance with this Licensing Authorities Statement of Principles.

2.2 Each case will be considered on its merits

2.3 In deciding whether or not to grant a licence, this Licensing Authority does not have regard to the expected demand for the facilities that are the subject of the application.

## 2. Introduction

2.1 This Statement of Principles is written to conform to the provisions of the Act and its associated regulations. Guidance issued under section 25 of the Act by the Gambling Commission outlines the way that this Licensing Authority will deal with applications for a range of premises licences, permits and enforcement of the Act.

2.2 This Statement of Principles is effective from the 31<sup>st</sup> January 2010 for a three-year period and will then be the subject of a further consultation and then re-published. The Statement will also be reviewed from time to time and any amended parts re-consulted upon and then re-published.

The Statement of Principles can be seen in the Councils website [www.plymouth.gov.uk](http://www.plymouth.gov.uk). Copies are available for viewing at the Council Offices, Civic Centre, Armada Way, Plymouth, PL1 2AA and in public libraries throughout the City

Should you have comments regarding this Statement of Principles please write to the Licensing Section at the above address or email [licensing@plymouth.gov.uk](mailto:licensing@plymouth.gov.uk)

It should be noted that this Statement will not override the right of any person to make an application, make representations about an application, or apply for a review of a licence, as each will be considered on its own merits and according to the statutory requirements of the Act.

### 3. The Geographical Area

- 3.1 Plymouth is the second largest City on the south coast of England and, after, Bristol, the largest in the South West with a residential population in the region of 241,00 with approximately 53% being within the 20-59 age group. Looked upon as the regional capital of Devon and Cornwall, Plymouth has a rich combination of heritage and natural beauty in what is a thriving maritime city that attracts millions of visitors.
- 3.2 The City is located in an area of outstanding beauty, with the Dartmoor National Park to the north, the natural harbour of Plymouth Sound to the south and the rivers Plym and Tamar on either side. Plymouth's rich history and maritime heritage, combines the advantages of city living with the benefits of having the diverse countryside and coastline of Devon and Cornwall on its doorstep.
- 3.3 Plymouth City Council has employed the world-renowned architect David Mackay and the 'Mackay Vision' are embedded in the on-going re-development of Plymouth. It is likely that over the next twenty years it is reasonable to expect that the population of Plymouth could rise to between 300,000 - 350,000 due to urban expansion.
- 3.4 This Licensing Authority recognises that the provision of entertainment is a major contributor to the economy of the City, attracting tourists and visitors, making for a vibrant City, which in turn continues to be a major employer. Commercial occupiers of premises have a legitimate expectation of an environment that is attractive and sustainable for their businesses.



#### 4. Consultation

##### 4.1 The Act requires that the following parties are consulted by Licensing Authorities:

- The Chief Officer of Police;
- One or more persons who appear to the Authority to represent the interests of persons carrying on gambling businesses in the Authority's area;
- One or more persons who appear to the Authority to represent the interests of persons who are likely to be affected by the exercise of the Authority's functions under the Act.

##### 4.2 List of persons this Authority consulted includes:

- Citizen's Advice Bureau
- Crime and Disorder Reduction Partnership
- Devon and Cornwall Constabulary
- Plymouth City Council Social Services / Education Department
- Devon Fire and Rescue Service
- Environmental Health
- Gamblers Anonymous
- Gambling Commission
- Gamcare
- Local businesses and their representatives
- Local faith groups
- Local residents and their representatives
- Mencap
- NSPCC
- Primary Care Trust
- Representatives of existing licence-holders
- Voluntary & Community organisations working with children & young people

##### 4.3 Proper weight has been given to the views of all those who have been consulted prior to the date of implementation of the Statement of Principles.

Our consultation took place between 20/07/2009 and 1/10/2009 having regard to the HM Government Code of Practice on Consultation (published July 2008), which can be viewed at <http://www.berr.gov.uk/files/file47158.pdf>

#### 5. Declaration

- 5.1 In producing the final Statement of Principles, this Licensing Authority declares that it has had regard to the licensing objectives of the Act, the **Gambling Commission's Guidance to Licensing Authorities (3<sup>rd</sup> Edition - May 2009) (from now on referred to as the Gambling commission's Guidance)** and any responses from those consulted on the statement.

#### 6. Relationship with Other Legislation

- 6.1 This Licensing Authority will seek to avoid any duplication with other

statutory or regulatory systems where possible, including planning. This Authority will not consider whether a licence application is likely to be awarded planning permission or building regulations approval, in its consideration of it. It will though, listen to, and consider carefully, any concerns about conditions, which cannot be met by licensees due to planning restrictions, should such a situation arise.

6.2 The grant of a licence does not imply the approval of other legislative requirements.

Applicants for Premises Licences for Casinos, Bingo Halls, Adult or Family Entertainment Centres (licensed or unlicensed) or Permits are advised to speak to the Planning Department of this Council before making a formal application to the Licensing Authority. The Planning Department can be contacted at Plymouth City Council, Civic Centre, Armada Way, Plymouth. PL1 2AA.  
Tel: 01752 304366  
Email: - [planningconsents@plymouth.gov.uk](mailto:planningconsents@plymouth.gov.uk)

## 7. Responsible Authorities

7.1 Responsible authorities are those public bodies, as specified by the Act, which must be notified of applications for premises licences. Such bodies are entitled to make representations to the Licensing Authority in relation to the applications. The responsible authorities are detailed in Appendix A.

7.2 This Licensing Authority is required by regulation to state the principles it will apply in exercising its powers under Section 157(h) of the Act to designate, in writing, a body which is competent to advise the authority about the protection of children from harm. The principles are:

- The need for the body to be responsible for an area covering the whole of the Licensing Authority's area; and
- The need for the body to be answerable to democratically elected persons, rather than any particular vested interest group.

7.3 In accordance with the Gambling Commission's Guidance this Authority designates the **Children's Services Child Protection Team, Plymouth City Council** for this purpose.

## 8. Interested Parties

8.1 Interested parties can make representations about licence applications, or apply for a review of an existing licence. These parties are defined in the Act as follows;

"For the purposes of this part a person is an interested party in relation to an application for or in respect of a premises licence if, in the opinion of the Licensing Authority which issues the licence or to which the applications is made, the person;

- Lives sufficiently close to the premises to be likely to be affected by the authorised activities
- Has business interests that might be affected by the authorised activities, or
- Represents persons who satisfy paragraph (a) or (b)"

8.2 This Licensing Authority is required by regulation to state the principles it will apply in exercising its powers under the Act to determine whether a person is an interested party. The principles are:

- Each case will be decided upon its merits.
- Will not apply a rigid rule to its decision-making.
- It will consider the examples of considerations provided in the Gambling Commission's Guidance (Para 8.11 to 8.18).

Interested parties can be persons who are democratically elected such as councillors and MP's. No specific evidence of being asked to represent an interested person will be required as long as the councillor or MP represents the ward likely to be affected. Other than these however, the licensing authority will generally require written evidence that a person/body (e.g. an advocate/relative) 'represents' someone who either lives sufficiently close to the premises to be likely to be affected by the authorised activities and/or has business interests that might be affected by the authorised activities. A letter from one of these persons, requesting the representation is sufficient.

If individuals wish to approach councillors to ask them to represent their views then care should be taken that the councillors are not part of the Licensing Committee dealing with the licence application. If there are any doubts then please contact the Licensing Section, Public Protection Service, Plymouth City Council, Civic Centre, Armada Way, Plymouth. PL1 2AA Tel: 01752 304141 or email: - [licensing@plymouth.gov.uk](mailto:licensing@plymouth.gov.uk)

## 9. Exchange of Information

Licensing Authorities are required to include in their Statement the Principles to be applied by the Authority in exercising the functions under S.29 and 30 of the Act with respect to the exchange of information between it and the Gambling Commission, and the functions under S.350 of the Act with the respect to the exchange of information between it and the other persons listed in Schedule 6 to the Act.

9.1 This Licensing Authority will apply the provisions of the Gambling Act 2005 in its exchange of information, which includes the provision that the Data Protection Act 1998 will not be contravened. In addition this Licensing Authority will also have regard to any Guidance issued by the Gambling Commission, as well as any relevant regulations issued by the Secretary of State under the powers provided in the Act.

9.2 Should any protocols be established as regards information exchange with other bodies then they will be made available.

## 10. Enforcement

Licensing Authorities are required by regulation under the Act to state the principles to be applied by the authority in exercising the functions under Part 15 of the Act with respect to the inspection of premises; and the powers under S.346 of the Act to institute criminal proceedings in respect of the offences specified.

10.1 This Licensing Authority's principles are that it will be guided by the Gambling Commission's Guidance and that enforcement should be:

- **Proportionate:** regulators should only intervene when necessary: Remedies

- should be appropriate to the risk posed, and costs identified and minimised;
- **Accountable:** regulators must be able to justify decisions, and be subject to public scrutiny;
- **Consistent:** rules and standards must be joined up and implemented fairly;
- **Transparent:** regulators should be open, and keep regulations simple and user friendly; and
- **Targeted:** regulation should be focused on the problem, and minimise side effects.

10.2 In line with the Gambling Commission's Guidance this Licensing Authority will endeavour to avoid duplication with other regulatory regimes so far as reasonably possible.

10.3 This Licensing Authority has adopted and implemented a risk-based inspection programme based on;

- **The Licensing Objectives**
- **Relevant codes of practice**
- **Guidance issued by the Gambling Commission, in particular at Part 36**
- **The principles set out in this statement of principles**

The main enforcement and compliance role for this Licensing Authority in terms of the Gambling Act 2005 is to ensure compliance with the Premises Licences and other permissions, which it authorises.

This Licensing Authority also keeps itself informed of developments as regards the work of the Local Better Regulation Office (LBRO) in its consideration of the regulatory functions of Local Authorities.

Bearing in mind the principle of transparency, this Licensing Authority's enforcement, compliance protocols and/or written agreements are available upon request to the Licensing Section, Public Protection Service, Plymouth City Council, Civic Centre, Armada Way, Plymouth. PL1 2AA Tel: 01752 304141 or email: - [licensing@plymouth.gov.uk](mailto:licensing@plymouth.gov.uk).

## 11. Licensing Authority Functions

11.1 Licensing Authorities are required under the Act to;

- Be responsible for the licensing of premises where gambling activities are to take place by issuing Premises Licences
- Issue Provisional Statements
- Regulate members' clubs and miners' welfare institutes who wish to undertake certain gaming activities by issuing Club Gaming Permits and/or Club Machine Permits
- Issue Club Machine Permits to Commercial Clubs
- Grant permits for the use of certain lower stake gaming machines at unlicensed Family Entertainment Centres
- Receive notifications from alcohol licensed premises (under the Licensing Act 2003) for the use of two or fewer gaming machines



- Issue Licensed Premises Gaming Machine Permits for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where there are more than two machines
- Register small society lotteries below prescribed thresholds
- Issue Prize Gaming Permits
- Receive and Endorse Temporary Use Notices
- Receive Occasional Use Notices
- Provide information to the Gambling Commission regarding details of licences issued (see section above on 'information exchange')
- Maintain registers of the permits and licences that are issued under these functions

It should be noted that this Licensing Authority is not involved in licensing remote gambling, which is regulated by the Gambling Commission via Operator Licences.

## **12. The Licensing Process**

- 12.1 A Licensing Committee, a Licensing Sub-Committee, or an officer acting under delegated authority may carry out the powers of the Licensing Authority under the Act.
- 12.2 Many of the licensing procedures are largely administrative in nature. In the interests of efficiency, non-contentious procedures are delegated to licensing officers.
- 12.3 This Licensing Authority will ensure that all Licensing Officers and Members of the Licensing Committee receive adequate training to enable them to undertake their role under the Act.
- 12.4 Where admissible and relevant representations are received in relation to an application for a premises licence, or in relation to the review of a premises licence, a Licensing Sub-Committee is delegated to hear the matter.
- 12.5 Applicants for premises licences are required to copy their applications in full to the responsible authorities as listed in Appendix A.

## Part B - Premises Licences - Consideration of Applications

### 1. General Principles

1.1 Premises Licences are subject to the requirements set out in the Act and associated regulations, as well as specific mandatory and default conditions, which are detailed in regulations issued by the Secretary of State. Licensing Authorities are able to exclude default conditions and also attach others, where it is believed to be appropriate.

1.2 This Licensing Authority is aware that in its **decision-making** about premises licences it should aim to permit the use of premises for gambling in so far as it thinks it is;

- In accordance with any relevant code of practice issued by the Gambling Commission
- In accordance with any relevant guidance issued by the Gambling Commission
- Reasonably consistent with the licensing objectives
- In accordance with the Licensing Authority's Statement of Principles.

It is appreciated that in line with the Gambling Commission's Guidance "**moral objections to gambling are not a valid reason to reject applications for premises licences**" (except as regards to any 'no casino resolution' - see section on Casinos below) and also that unmet demand is not a criterion for a Licensing Authority.

1.3 In the Act the **definition of "premises"** includes "any place". Section 152 therefore prevents more than one premises licence applying to any place. But a single building could be subject to more than one premises licence, provided they are for different parts of the building and the different parts of the building can be reasonably regarded as being different premises. This approach has been taken to allow large, multiple unit premises such as a pleasure park, pier, track or shopping mall to obtain discrete premises licences, where appropriate safeguards are in place. However, licensing authorities should pay particular attention if there are issues about subdivisions of a single building or plot and should ensure that mandatory conditions relating to access between premises are observed.

The Gambling Commission's Guidance states that: "In most cases the expectation is that a single building / plot will be the subject of an application for a licence, for example, 32 High Street. But, that does not mean 32 High Street cannot be the subject of separate premises licences for the basement and ground floor, if they are configured acceptably. Whether different parts of a building can properly be regarded as being separate premises will depend on the circumstances. The location of the premises will clearly be an important consideration and the suitability of the division is likely to be a matter for discussion between the operator and the licensing officer. However, the Commission does not consider that areas of a building that are artificially or temporarily separated, for example by ropes or moveable partitions, can properly be regarded as different premises."

Any premises granted multiple licences prior to clarification of guidance issued by the Gambling Commission, may be reviewed from time to time having regard to the amended guidance; the decision making process taken at that time; the separation control measures put in place; any material changes noted since the granting of the application and the relevance of all these factors having regard to the promotion of the licensing

objectives, in particular to the protection of children and vulnerable persons from being harmed or exploited from gambling.

This Licensing Authority takes particular note of the Gambling Commission's Guidance, which states that Licensing Authorities should take particular care in considering applications for multiple licences for a building and those relating to a discrete part of a building used for other (non-gambling) purposes. In particular they should be aware of the following.

- The third licensing objective seeks to protect children from being harmed by gambling. In practice, that means not only preventing them from taking part in gambling but also preventing them from being in close proximity to gambling. Therefore premises should be configured so that children are not invited to participate in, have accidental access to, or closely observe gambling where they are prohibited from participating
- Entrances to and exits from parts of a building covered by one or more premises licences should be separate and identifiable so that the separation of different premises is not compromised and people do not 'drift' into a gambling area. In this context it should normally be possible to access the premises without going through another licensed premises or premises with a permit
- Customers should be able to participate in the activity named on the premises licence

The Guidance also gives a list of factors which the Licensing Authority should be aware of, which may include:

Do the premises have a separate registration for business rates?  
Is the premises' neighbouring premises owned by the same person or someone else?  
Can each of the premises be accessed from the street or a public passageway?  
Can the premises only be accessed from any other gambling premises?

This Licensing Authority will consider these and other relevant factors in making its decision, depending on all the circumstances of the case.

**The Gambling Commission's relevant access provisions for each premises type are set out below from the Gambling Commission Guidance**

**Casinos**

- The principal access entrance to the premises must be from a street (Para 7.23)
- No entrance to a casino must be from premises that are used wholly or mainly by children and/or young persons
- No customer must be able to enter a casino directly from any other premises which holds a gambling premises licence

**Adult Gaming Centre**

- No customer must be able to access the premises directly from any other licensed gambling premises

**Betting Shops**

- Access must be from a street (Para 7.23) or from another premises with a betting premises licence
- No direct access from a betting shop to another premises used for the retail sale of merchandise or services. In effect there cannot be an entrance to a betting shop from a shop of any kind and you could not have a betting shop at the back of a café – the whole area would have to be licensed.

**Tracks**

- No customer should be able to access the premises directly from:
  - A casino
  - An adult gaming centre

Bingo Premises

- No customer must be able to access the premise directly from:
  - A casino
  - An adult gaming centre
  - A betting premises, other than a track

Family Entertainment Centre

- No customer must be able to access the premises directly from
  - A casino
  - An adult gaming centre
  - A betting premises, other than a track

Part 7 of the Gambling Commission's Guidance to Licensing Authorities (3<sup>rd</sup> edition May 2009) contains further guidance on this issue, which this authority will also take into account in its decision-making.

- 1.4 The Guidance states that a licence to use premises for gambling should only be issued in relation to premises that the licensing authority can be satisfied are going to be **ready to be used for gambling** in the reasonably near future consistent with the scale of building or alterations required before the premises are brought into use.

If the construction of a premises is not yet complete, or if they need alteration, or if the applicant does not yet have a right to occupy them, then an application for a **provisional statement** should be made instead.

In deciding whether a premises licence can be granted where there are outstanding construction or alteration works at a premises, this authority will determine applications on their merits, applying a two stage consideration process:-

- First, whether the premises ought to be permitted to be used for gambling
- Second, whether appropriate conditions can be put in place to cater for the situation that the premises are not yet in the state in which they ought to be before gambling takes place.

Applicants should note that a Licensing Authority is entitled to decide that it is appropriate to grant a licence subject to conditions, but it is not obliged to grant such a licence.

More detailed examples of the circumstances in which such a licence may be granted can be found in the Gambling Commission's Guidance (Para 7.59 – 7.66).

- 1.5 This Licensing Authority is aware that demand issues cannot be considered with regard to the **location of premises** but that considerations in terms of the licensing objectives are relevant to its decision-making. As per the Gambling Commission's Guidance this Licensing Authority will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder. Should any specific policy be decided upon as regards areas where gambling premises should not be located, this statement will be updated. It should be noted that any such policy does not preclude any application being made and each application will be decided on its merits, with the onus upon the applicant showing how potential concerns can be overcome.

Therefore in determining whether a premises location is suitable for the grant of a licence, this Licensing Authority will have particular regard to the following factors:-

- The proximity of the premises to any school, centre or establishment for the education, training or care of young and/or vulnerable persons

- The proximity of the premises to leisure centres used for sporting and similar activities by young and/or vulnerable persons
- The proximity of the premises to any youth club or similar establishment, and
- The proximity of the premises to any community, ecclesiastical, welfare, health or similar establishments used specifically, or to a large extent, by young and /or vulnerable persons

1.6 This Licensing Authority is aware of the **relationship between planning, building regulations and the granting of a premises licence** (Para 7.59). In determining applications this Licensing Authority has a duty to take into consideration all relevant matters and not to take into consideration any irrelevant matters, i.e. those not related to gambling and the licensing objectives. One example of an irrelevant matter would be the likelihood of the applicant obtaining planning permission or building regulations approval for their proposal.

1.7 This Licensing Authority will not take into account irrelevant matters as per the above guidance. In addition this authority also notes the following excerpt from the Gambling Commission's Guidance (Para 7.66):

“When dealing with a premises licence application for finished buildings, the licensing authority should not take into account whether those buildings have or comply with the necessary planning or building consents. Those matters should be dealt with under relevant planning control and building regulation powers, and not form part of the consideration for the premises licence. Section 210 of the 2005 Act prevents licensing authorities taking into account the likelihood of the proposal by the applicant obtaining planning or building consent when considering a premises licence application. Equally the grant of a gambling premises licence does not prejudice or prevent any action that may be appropriate under the law relating to planning or building.”

1.8 This Licensing Authority seeks to avoid any **duplication with other statutory/regulatory regimes**, where possible, including planning. This Licensing Authority will not consider whether a licence application is likely to be awarded planning permission or building regulations approval, in its consideration of it. It will though, listen to, and consider carefully, any concerns about conditions, which cannot be met by licensees due to planning restrictions, should such a situation arise.

When dealing with a premises licence application for finished buildings, this Licensing Authority will not take into account whether those buildings have to comply with the necessary planning or buildings consents. Fire or health & safety risks will not be taken into account, as these matters are dealt with under relevant planning control, buildings and other regulations and must not form part of the consideration for the premises licence.

Premises licences granted must be reasonably consistent with the **licensing objectives**. With regard to these objectives, this Licensing Authority has considered the Gambling Commission's Guidance.

1.9 **Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime** - This Licensing Authority is aware that the Gambling Commission takes a leading role in preventing gambling from being a source of crime. The Gambling Commission's Guidance does however envisage that Licensing Authorities should pay attention to the proposed location of gambling premises in terms of this licensing objective.

Thus, where an area has known high levels of organised crime this Authority will consider carefully whether gambling premises are suitable to be located there and whether conditions may be suitable such as the provision of door supervisors. This Licensing Authority is aware of the distinction between disorder and nuisance and will consider factors such as whether police assistance was required and how threatening the behaviour was to those who could see it will be taken into account.

1.10 **Ensuring that gambling is conducted in a fair and open way** - This Licensing Authority has noted that the Gambling Commission states that it generally does not expect licensing authorities to be concerned with ensuring that gambling is conducted in a fair and open way as this will be addressed via operating and personal licences. There is however, more of a role with regard to tracks, which is explained in more detail in Part B, Para 7, Tracks.

1.11 **Protecting children and other vulnerable persons from being harmed or exploited by gambling** – This Licensing Authority has noted the Gambling Commission’s Guidance that states that this objective means preventing children from taking part in gambling (as well as restriction of advertising so that gambling products are not aimed at or are, particularly attractive to children). This Licensing Authority will therefore consider whether specific measures are required at particular premises, with regard to this licensing objective. Appropriate measures may include supervision of entrances/machines, segregation of areas etc.

This Licensing Authority is also aware of the Gambling Commission Codes of Practice as regards this licensing objective, in relation to specific premises.

As regards the term “vulnerable persons” it is noted that the Gambling Commission does not seek to offer a definition but states that “it will for regulatory purposes assume that this group includes people who gamble more than they want to; people who gamble beyond their means; and people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, alcohol or drugs.” This Licensing Authority will consider this licensing objective on a case-by-case basis.

Conditions - Any conditions attached to licences will be proportionate and will be:

- Relevant to the need to make the proposed building suitable as a gambling facility
- Directly related to the premises and the type of licence applied for;
- Fairly and reasonably related to the scale and type of premises: and
- Reasonable in all other respects.

Decisions upon individual conditions will be made on a case by case basis, although there will be a number of measures this Licensing Authority will consider utilising should there be a perceived need, such as the use of supervisors, appropriate signage for adult only areas etc. There are specific comments made in this regard under some of the licence types below. This Licensing Authority will also expect the licence applicant to offer his/her own suggestions as to the ways in which the licensing objectives can be met effectively when making their application.

This Licensing Authority will also consider specific measures, which may be required for buildings, which are subject to multiple premises licences. Such measures may include the supervision of entrances; segregation of gambling from non-gambling

areas frequented by children; and the supervision of gaming machines in non-adult gambling specific premises in order to pursue the licensing objectives.

This Authority will also ensure that where category C (Guidance - Appendix B) or above machines is on offer in premises to which children are admitted:

- All such machines are located in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
- Only adults are admitted to the area where these machines are located;
- Access to the area where the machines are located is supervised;
- The area where these machines are located is arranged so that it can be observed by the staff or the licence holder; and
- At the entrance to and inside any such areas there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

These considerations will apply to premises including buildings where multiple premises licences are applicable.

This Licensing Authority is aware that tracks may be subject to more than one premises licence, provided each licence relates to a specified area of the track. In line with the Gambling Commission's Guidance, this Licensing Authority will consider the impact upon the third licensing objective and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

It is noted that there are conditions, which this Licensing Authority cannot attach to premises licences, which are:

- Any condition on the premises licence which makes it impossible to comply with an operating licence condition;
- Conditions relating to gaming machine categories, numbers, or method of operation;
- Conditions which provide that membership of a club or body be required (the Gambling Act 2005 specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated); and
- Conditions in relation to stakes, fees, winning or prizes

**Door Supervisors** - The Gambling Commission Guidance advises that if a licensing authority is concerned that a premises may attract disorder or be subject to attempts at unauthorised access (for example by children and young persons) then it may require that the entrances to the premises are controlled by a door supervisor, and is entitled to impose a premises licence to this effect.

Where it is decided that supervision of entrances/machines is appropriate for particular cases, a consideration of whether these need to be SIA licensed or not will be necessary. It will not be automatically assumed that they need to be licensed, as the statutory requirements for different types of premises vary (as per the Guidance, Part 33).

## 2. Adult Gaming Centres

- 2.1 This Licensing Authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the

applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the premises. Appropriate licence conditions may cover issues such as:

- CCTV
- Door supervisors
- Location of entry
- Notices / signage
- Physical separation of areas
- Proof of age schemes
- Provision information leaflets helpline numbers for organisations such as GamCare.
- Self –barring schemes
- Specific opening hours
- Supervision of entrances / machine areas

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

### 3. (Licensed) Family Entertainment Centres

3.1 This Licensing Authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machine areas.

3.2 This Licensing Authority will expect applicants to offer their own measures to meet the licensing objectives however appropriate measures/licence conditions may cover issues such as:

- CCTV
- Door supervisors
- Location of entry
- Measures / training for staff on how to deal with suspected truant school children on the premises
- Notices / signage
- Physical separation of areas
- Proof of age schemes
- Provision of information leaflets / helpline numbers for organisations such as GamCare.
- Self-barring schemes
- Specific opening hours
- Supervision of entrances / machine areas

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

3.3 This Licensing Authority will, in line with the Gambling Commission's Guidance, refer to the Commission's website to see any conditions that apply to operating licences covering the way in which the area containing the category C machines should be delineated. This Licensing Authority will also make itself aware of any mandatory or default conditions on these premises licences, when they have been published.



## 4. Casinos

### Casino – Local Policy

- 4.1 This Licensing Authority has not passed a **'no casino' resolution** under Section 166 of the Gaming Act 2005, but is aware that it has the power to do so. Should this Licensing Authority decide in the future to pass such a resolution, it will update this policy statement with details of that resolution. Any such decision will be made by the Full Council. Similarly, a resolution will not affect the ability of the casinos with preserved entitlements from the 1968 Gaming Act from continuing to operate as casinos.
- 4.2 **Licence considerations / conditions** - This Licensing Authority will attach conditions to casino premises licences according to the principles set out in the Gambling Commission's Guidance (Para 9), bearing in mind the mandatory conditions listed (Para 17), and the Licence Conditions and Codes of Practice published by the Gambling Commission.
- 4.3 **Betting machines** - This Licensing Authority will, as per the Gambling Commission's Guidance take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator wants to offer.

## 5. Bingo premises

- 5.1 This Licensing Authority notes that the Gambling Commission's Guidance states;
- 5.2 This Licensing Authority will take steps to satisfy themselves that bingo can be played in any bingo premises for which they issue a premises licence. This will be a relevant consideration where the operator of an existing bingo premises applies to vary their licence to exclude an area of the existing premises from its ambit and then applies for a new premises licence, or multiple licences, for that or those excluded areas (Para 18.4).
- 5.3 This Licensing Authority also notes the Gambling Commission's Guidance regarding the unusual circumstances in which the **splitting of pre-existing premises** into two adjacent premises might be permitted, and in particular that it is not permissible to locate sixteen category B3 gaming machines in one of the resulting premises, as the gaming machine entitlement for that premises would be exceeded (Para18.8).
- 5.4 Children and young people are allowed into bingo premises, however they are not permitted to participate in the bingo and if category B or C machines are made available for use these must be separated from areas where children and young people are allowed (Para 18.7).
- 5.2 **Credit in Casinos and Bingo Premises** – S. 177 of the Act does not prevent the licensee from permitting the installation of cash dispensers (ATMs) on the premises. Such machines may accept credit cards (and debit cards) and the arrangement is subject to a requirement that the licensee has no other commercial connection in

relation to gambling (aside from the agreement to site the machines) with the service-provider and does not profit from the arrangement, not make any payment in connection with the machines. This Licensing Authority will also take note of any restrictions and requirements on the Operating Licences for betting premises as regards credit.

## 6. Betting premises

- 6.1 **Betting machines** – S.181 contains an express power for Licensing Authorities to restrict the number of betting machines, their nature and the circumstances in which they are made available by attaching a licence condition to a betting premises licence or to a casino premises licence (where betting is permitted in the casino). When considering whether to impose a condition to restrict the number of betting machines in particular premises, this Licensing Authority, amongst other things, will take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable persons.”

## 7. Tracks

- 7.1 This Licensing Authority is aware that tracks may be subject to more than one premises licence, provided each licence relates to a specified area of the track. As per the Gambling Commission's Guidance, this Licensing Authority will especially consider the impact upon the third licensing objective (that is the protection of children and vulnerable persons from being harmed or exploited by gambling) and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.
- 7.2 This Licensing Authority will therefore expect the premises licence applicant to demonstrate suitable measures to ensure that children do not have access to adult only gaming facilities. It is noted that children and young persons will be permitted to enter track areas where facilities for betting are provided on days when dog-racing and/or horse racing takes place, but that they are still prevented from entering areas where gaming machines (other than category D machines) are provided.
- 7.3 This Licensing Authority will expect applicants to offer their own measures to meet the licensing objectives however appropriate measures/licence conditions may cover issues such as:
- CCTV
  - Location of entry
  - Notices / signage
  - Physical separation of areas
  - Proof of age schemes
  - Provision of information leaflets / helpline numbers for organisations such as GamCare
  - Self-barring schemes
  - Specific opening hours
  - Supervision of entrances / machine areas

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

- 7.4 **Gaming machines** -Where the applicant holds a pool betting operating licence and is going to use the entitlement to four gaming machines, machines (other than category D machines) should be located in areas from which children are excluded.

Applicants are advised to consult the Gambling Commission's Guidance on where gaming machines may be located on tracks and any special considerations that should apply in relation, for example, to supervision of the machines and preventing children from playing them. This Licensing Authority will take note of this guidance. This Licensing Authority will also, in line with the Gambling Commission's Guidance, consider the location of gaming machines at tracks.

- 7.5 **Betting machines** - This Licensing Authority will, as per part 6 of the Gambling Commission's Guidance, take into account the size of the premises and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator proposes to offer.

On tracks where the potential space for such machines may be considerable, bringing with it significant problems in relation to the proliferation of such machines, the ability of track staff to supervise them if they are scattered around the track and the ability of the track operator to comply with the law and prevent children betting on the machines, this Licensing Authority will generally consider restricting the number and location of betting machines, in the light of the circumstances of each application for a track betting premises licence.

- 7.6 **Applications and plans** - The Act (S.51) requires applicants to submit plans of the premises with their application, in order to ensure that the licensing authority has the necessary information to make an informed judgement about whether the premises are fit for gambling. The plan will also be used for the licensing authority to plan future premises inspection activity (Para 20.28).

Plans for tracks do not need to be in a particular scale, but should be drawn to scale and should be sufficiently detailed to include the information required by regulations (Para 20.29).

Some tracks may be situated on agricultural land where the perimeter is not defined by virtue of an outer wall or fence, such as point-to-point racetracks. In such instances, where an entry fee is levied, track premises licence holders may erect temporary structures to restrict access to premises (Para 20.31).

In the rare cases where the outer perimeter cannot be defined, it is likely that the track in question will not be specifically designed for the frequent holding of sporting events or races. In such cases betting facilities may be better provided through occasional use notices where the boundary premises do not need to be defined (Para 20.32).

This authority appreciates that it is sometimes difficult to define the precise location of betting areas on tracks. The precise location of where betting facilities are provided is not required to be shown on track plans, both by virtue of the fact that betting is permitted anywhere on the premises and because of the difficulties associated with pinpointing exact locations for some types of track. Applicants should provide sufficient information that this authority can satisfy itself that the plan indicates the main areas where betting might take place. For racecourses in particular, any betting areas subject to the "five times rule" (commonly known as betting rings) must be indicated on the plan (Para 20.33).

Only one premises licence may be issued for any particular premises at any time. There is one exception to this rule, namely a track (i.e. a horse race course, dog track or other premises where races or sporting events take place), which may be subject to more than one premises licence, provided each licence relates to a specified area of the track. The Act sets out that there will be a main (betting premises) licence for the track, and in addition subsidiary premises licences for other gambling activities may be issued.

In principle there is no reason why all types of gambling should not co-exist upon a track, however this Licensing Authority will want to think about how the third licensing objective is delivered by the co-location of premises. As with the granting of multiple licences in a single building, this Licensing Authority will need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

Premises licences in relation to tracks are unusual in that, because the track operator does not need to have an operating licence (although may have one), the premises licence will need to contain requirements about responsibilities in relation to the proper conduct of betting. The conduct of the betting on tracks will be regulated primarily through the operating licences that the persons offering betting on the track will need to hold (whether a general betting operating licence or a pool betting operating licence). The track operator will have a role to play in ensuring, for example, that the betting areas are properly administered, and licensing authorities will have an important role in regulating tracks, because of the particular rules surrounding on-course betting, and the sub-division of the track into different areas.

As the betting premises licence for a track could authorise the entire premises to be used for providing betting facilities, this could mean that no separate betting premises licence would be necessary for the self-contained premises. The effect of this approach would be that the track operator was responsible for premises licence issues relating to the self-contained premises, rather than accountability resting with the betting operator providing facilities within it.

If the self-contained premises were the subject of a separate premises licence, that licence would have its own, directly imposed conditions. It would also allow the premises to use up to four gaming machines (in categories B2 to D), as described Appendix B.

In the Commission's view, it would be preferable for all self-contained premises operated by off-course betting operators on track to be the subject of separate premises licences. This would ensure that there was clarity between the respective responsibilities of the track operator and the off-course betting operator running a self-contained unit on the premises. This Licensing Authority also notes that, as per the Gambling Commission's Guidance:

The Commission has issued guidance about how such premises should be delineated, both to make it clear to the public that they are entering a "betting office" and to keep children and young persons out.

## 8. Travelling Fairs

- 8.1 Where category D machines and/or equal chance prize gaming without a permit are available for use at travelling fairs. The Licensing Authority is responsible for deciding whether the facilities for gambling are no more than an ancillary amusement at the fair.
- 8.2 This Licensing Authority will also consider whether the applicant falls within the statutory definition of a travelling fair.
- 8.3 It is noted that the 27-day statutory maximum for the land being used as a fair, applies on a per calendar year basis, and that it applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. This Licensing Authority will work with its neighbouring Authorities to ensure that land, which crosses our boundaries, is monitored so that the statutory limits are not exceeded.

## 9. Provisional Statements

- 9.1 **Provisional Statements** - Developers may wish to apply to this authority for provisional statements before entering into a contract to buy or lease property or land to judge whether a development is worth taking forward in light of the need to obtain a premises licence. There is no need for the applicant to hold an operating licence in order to apply for a provisional statement.
- 9.2 S.204 of the Act provides for a person to make an application to the licensing authority for a provisional statement in respect of premises that he or she:
- Expects to be constructed;
  - Expects to be altered; or
  - Expects to acquire a right to occupy.
- 9.3 The process for considering an application for a provisional statement is the same as that for a premises licence application. The applicant is obliged to give notice of the application in the same way as applying for a premises licence. Responsible authorities and interested parties may make representations and there are rights of appeal.

In contrast to the premises licence application, the applicant does not have to hold or have applied for an operating licence from the Gambling Commission (except in the case of a track) and they do not have to have a right to occupy the premises in respect of which their provisional application is made.

The holder of a provisional statement may then apply for a premises licence once the premises are constructed, altered or acquired. The licensing authority will be constrained in the matters it can consider when determining the premises licence application, and in terms of representations about premises licence applications that follow the grant of a provisional statement, no further representations from relevant authorities or interested parties can be taken into account unless:

- They concern matters which could not have been addressed at the provisional statement stage, or
- They reflect a change in the applicant's circumstances.

In addition, the authority may refuse the premises licence (or grant it on terms different to those attached to the provisional statement) only by reference to matters:

- Which could not have been raised by objectors at the provisional statement stage;
- Which in the authority's opinion reflect a change in the operator's circumstances; or
- Where the premises have not been constructed in accordance with the plan submitted with the application. This must be a substantial change to the plan and this licensing authority notes that it can discuss any concerns it has with the applicant before making a decision.

The Gambling Commission's Guidance (Part B - Para 1.6) also applies.

Once an operator has completed a building, the licensing authority will be able to consider a premises licence application for it.

Requiring the building to be complete ensures that the authority can inspect it fully, as can other responsible Authorities with inspection rights under Part 15 of the Act. Inspection will allow Authorities to check that gambling facilities comply with all necessary legal requirements, for example, that Category C and D machines in a licensed family entertainment centre are situated so that people under 18 do not have access to the category C machines. The physical location of the machines will be an important part of this, and inspection will allow the authority to check that the layout complies with the operator's proposals and the legal requirements." (In relation to Provisional Licences)

## 10. Reviews

10.1 Requests for a review of a premises licence can be made by interested parties or responsible authorities however it is for this Licensing Authority to decide whether the review is to be carried-out. This will be on the basis of whether the request for the review is relevant to the matters listed below;

- In accordance with any relevant code of practice issued by the Gambling Commission;
- In accordance with any relevant guidance issued by the Gambling Commission;
- Reasonably consistent with the licensing objectives; and
- In accordance with the Licensing Authority's Statement of Principles.

10.2 The request for the review will also be subject to the consideration by the authority as to whether the request is frivolous, vexatious, or whether it will certainly not cause this authority to wish to alter/revoke/suspend the licence, or whether it is substantially the same as previous representations or requests for review.

10.3 This Licensing Authority can also initiate a review of a particular premises licence or a particular class of premises licence on the basis of any reason, which it thinks is appropriate.

10.4 Once a valid application for a review has been received, representations can be made by responsible authorities and interested parties during a 28 day period. This period begins 7 days after the application was received by the licensing authority, who will publish notice of the application within 7 days of receipt.

- 10.5 The licensing authority must carry out the review as soon as possible after the 28 day period for making representations has passed.
- 10.6 The purpose of the review will be to determine whether the licensing authority should take any action in relation to the licence. If action is justified, the options open to the licensing authority are;
- Add, remove or amend a licence condition imposed by the licensing authority;
  - Exclude a default condition imposed by the Secretary of State (e.g. opening hours) or remove or amend such an exclusion;
  - Suspend the premises licence for a period not exceeding three months; and
  - Revoke the premises licence.
- 10.7 In determining what action, if any, should be taken following a review, this Licensing Authority will have regard to the principles set out in S.153 of the Act, as well as any relevant representations.

In particular, this Licensing Authority may also initiate a review of a premises licence on the grounds that a premises licence holder has not provided facilities for gambling at the premises. This is to prevent people from applying for licences in a speculative manner without intending to use them.

Once the review has been completed, the licensing authority will, as soon as possible, notify its decision to:

- The licence holder
- The applicant for review (if any)
- The Commission
- Any person who made representations
- The chief officer of police or chief constable; and
- Her Majesty's Commissioners for Revenue and Customs

## Part C - Permits/Temporary & Occasional Use Notices

1. **Unlicensed Family Entertainment Centre (Gaming machine permits Statement of Principles – Schedule 10 Para 7)**
  - 1.1 Where an establishment does not hold a Premises Licence but wishes to provide gaming machines, it may apply to the licensing authority for this permit. It should be noted that the applicant must show that the premises will be wholly or mainly used for making gaming machines available for use (Section 238).
  - 1.2 The Act states that a Licensing Authority may prepare a statement of principles that they propose to consider in determining the suitability of an applicant for a permit and in preparing this statement, and/or considering applications, it need not (but may) have regard to the licensing objectives and shall have regard to any relevant guidance issued by the Commission under section 25. The Gambling Commission's Guidance also states: "In their three year licensing policy statement (statement of principles), licensing authorities may include a statement of principles that they propose to apply when exercising their functions in considering applications for permits", "licensing authorities will want to give weight to child protection issues." (Para 24.6).
  - 1.3 Gambling Commission's Guidance also states: "An application for a permit may be granted only if the Licensing Authority is satisfied that the premises will be used as an unlicensed Family Entertainment Centre and if the Chief Officer of Police has been consulted on the application..."

This Licensing Authority will consider asking the applicant to demonstrate (Para 24.7);

- A full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed Family Entertainment Centres;
  - That the applicant has no relevant convictions (those that are set out in Schedule 7 of the Act; and
  - That staff are trained to have a full understanding of the maximum stakes and prizes (Para 24.7)
- 1.4 This Licensing Authority will not attach conditions to this type of permit.
  - 1.5 **Statement of Principles**

This licensing authority has adopted a Statement of Principles in accordance with Paragraph 7 of Schedule 10 of the Act and they are for the purposes of clarifying the measures that this licensing authority will expect applicants to demonstrate when applying for a permit for an unlicensed family entertainment centre. This will allow this licensing authority to better determine the suitability of the applicant and the premises for a permit.

Within this process this Licensing Authority will aim to grant the permit where the applicant is able to demonstrate that:

- They are a fit and proper person to hold the permit
- They have considered and are proposing suitable measures to promote the licensing objectives, and
- They have a legal right to occupy the premises to which the permit is sought.



The measures suggested in this statement of principles should be read as guidance only and this Licensing Authority will consider any alternative measures suggested by the applicant, not included, and to substitute measures as appropriate.

## 1.6 **Unlicensed Family Entertainment Centres**

The term 'unlicensed family entertainment centre' (uFECs) is one defined in the Act and refers to a premises which provides category D gaming machines along with various other amusements, such as computer games and penny-pushers. The premises is 'unlicensed' in that it does not require a premises licence, but does require a permit to be able to provide its category D gaming machines. It should not be confused with a 'licensed family entertainment centre' which does require a premises licence because it contains both category C and D gaming machines.

uFECs will be most commonly located at seaside resorts, in airports and at motorway style service centres, and will cater for families, including unaccompanied children and young persons.

This Licensing Authority will only grant an uFEC gaming machine permit where it is satisfied that the premises will be operated as a bonafide unlicensed family entertainment centre.

In line with the Act, while this Licensing Authority will not attach conditions to this type of permit, but can refuse applications, if not satisfied that issues raised in this "Statement of Principles" have been addressed in the application.

## 1.7 **Supporting Documents**

The council will require the following supporting documents to be served with all uFEC gaming machine permit applications:

- Proof of age - a certified copy or sight of an original birth certificate, a photo style driving licence, or passport – all applicants for these permits must be aged 18 or over)
- Proof that the applicant has the right to occupy the premises - acceptable evidence would be a copy of any lease, a copy of the property's deeds or a similar document
- A criminal records basic disclosure - the disclosure must have been issued within the previous month. This will be used to check that the applicant has no relevant convictions (those that are set out in Schedule 7 of the Act).
- Evidence that the machines to be provided are or were supplied by a legitimate gambling machine supplier or manufacturer who holds a valid gaming machine technical operating licence issued by the Gambling Commission
- A plan of the premises for which the permit is sought showing the following items:
  - (i) The boundary of the building with any external or internal walls, entrances and exits to the building and any internal doorways
  - (ii) Where any category D gaming machines are positioned and the particular type of machines to be provided (e.g. slot machines, penny-falls, cranes)
  - (iii) The positioning and types of any other amusement machines on the premises
  - (iv) The location of any fixed or semi-fixed counters, booths or offices on the premises whereby staff monitor the customer floor area

- (v) The location of any ATM/cash machines or change machines
- (vi) The location of any fixed or temporary structures such as columns or pillars
- (vii) The location and height of any stages in the premises; any steps, stairs, elevators, balconies or lifts in the premises
- (viii) The location of any public toilets in the building

Unless otherwise agreed, the plan should be drawn to a standard scale with a key showing the items mentioned above. The standard scale is 1:100.

## 1.8 **Child Protection**

This Licensing Authority will expect the applicant to show that there are policies and procedures in place to protect children from harm. Harm in this context is not limited to harm from gambling, but includes wider child protection considerations. The council will consider these policies and procedures on their merits but should (depending on the particular permit being applied for) include appropriate measures/training for staff having regard to the following:

- Maintain contact details for any local schools and or the education authority so that any truant children can be reported
- Employ policies to address problems associated with truant children who may attempt to gain access to the premises and to gamble when they should be at school
- Employ policies to address any problems that may arise when there is an increased likelihood that children may frequent the premises in greater numbers, such as half terms and summer holidays
- Maintain information at the premises of the term times of any local schools in the vicinity and to review staffing levels during these times
- Display posters with the 'Child Line' phone number in discreet locations throughout the premises e.g. toilets, corridors
- Maintain a register of any incidents that arise on and around the premises related to children i.e. children gambling excessively, truant children, children being unruly or young unaccompanied children entering the premises. The register can be used to detect any trends which require action by the management of the premises.
- Take steps to ensure all young children are accompanied by a responsible adult.
- Maintain policies to deal with any young children who enter the premises unaccompanied
- Undertake satisfactory disclosure checks (criminal records checks) for all staff who will be working with children.

NB: Any supporting evidence of the above measures e.g. training manuals or other similar documents/written statements should be attached to the application.

## 1.9 **Protection of Vulnerable Persons**

This Licensing Authority will expect the applicant to show that there are policies and procedures in place to protect vulnerable persons. Applicants should refer to Part 2 Para 1.11 of this policy for further information on protecting (children) and vulnerable persons from being harmed or exploited by gambling. This Licensing Authority will assess the submitted policies and procedures on their merits, but (depending on the

particular permit being applied for) should include appropriate measures/training for staff relating to the following:

- Display Gamcare helpline stickers on all gaming machines
- Display Gamcare posters in prominent locations on the premises
- Training for staff members which focuses on building an employee's ability to maintain a sense of awareness of how much (e.g. how long) customers are gambling, as part of measures to detect persons who may be vulnerable
- Consider appropriate positioning of ATM and change machines, including the display of Gamcare stickers on any such machines.

NB: Any supporting evidence of the above measures e.g. training manuals or other similar documents/written statements should be attached to the application.

### 1.10 Other Miscellaneous Issues

The applicant should also be mindful of the following possible control measures (depending on the particular permit being applied for) to minimise crime and disorder and the possibility of public nuisance:

- Maintain an effective CCTV system to monitor the interior and exterior of the premises
- Keep the exterior of the premises clean and tidy
- Ensure that external lighting is suitably positioned and operated so as not to cause nuisance to neighbouring or adjoining premises
- Consider the design and layout of the outside of the premises to deter the congregation of children and youths.

NB: Any supporting evidence of the above measures e.g. training manuals or other similar documents/written statements should be attached to the application.

Applicants for Permits for Adult or Family Entertainment Centres (licensed or unlicensed) (formerly known as 'Amusement Arcades') are advised to speak to the Planning Service, Plymouth City Council before making a formal licensing application.

2. (Alcohol) Licensed premises gaming machine permits –  
(Schedule 13 Para 4(1))

2.1 **Automatic Entitlement: 2 Machines** - There is provision in the Act for premises licensed to sell alcohol for consumption on the premises, to automatically have 2 gaming machines, of categories C and/or D. The premises merely need to notify the licensing authority. The Licensing Authority can also remove the automatic authorisation in respect of any particular premises if:

- Provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
- Gaming has taken place on the premises that breaches a condition of section 282 of the Act (i.e. that written notice has been provided to the Licensing Authority, that a fee has been provided and that any relevant code of practice issued by the Gambling Commission about the location and operation of the machine has been complied with)
- The premises are mainly used for gaming; or
- An offence under the Act has been committed on the premises

2.2 **Permit: 3 or More Machines** - If a premises wishes to have more than 2 machines, then it needs to apply for a permit and the licensing authority must consider that application based upon the licensing objectives, any guidance issued by the Gambling Commission issued under Section 25 of the Act, and “other such matters as the Authority think relevant.” This Licensing Authority considers that “such matters” will be decided on a case by case basis but generally there will be regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machines. Measures which will satisfy the licensing authority that there will be no access may include the adult machines being in sight of the bar, or in the sight of staff that will monitor that the machines are not being used by those under 18. Notices and signage may also be helpful. As regards the protection of vulnerable persons, applicants may wish to consider the provision of information leaflets/helpline numbers for organisations such as GamCare.

2.3 It is recognised that some alcohol-licensed premises may apply for a premises licence for their non-alcohol licensed areas. Any such application would most likely need to be applied for, and dealt with as an Adult Gaming Centre premises licence. It should be noted that the licensing authority can decide to grant the application with a smaller number of machines and/or a different category of machines than that applied for but conditions (other than these) cannot be attached.

2.5 It should also be noted that the holder of a permit must comply with any Code of Practice issued by the Gambling Commission about the location and operation of the machine.

Applicants should be aware that only those premises which have a ‘bar’ (servery) at which alcohol is sold for consumption on the premises will be eligible for a machine in the bar area of the premises. This means that premises such as restaurants, which do not have a bar for serving drinks or can only, sell alcoholic drinks as an ancillary to food will no longer automatically qualify for two machines.

### 3. *Prize Gaming Permits*

- 3.1 The Act states that a licensing authority may “prepare a statement of principles that they propose to apply in exercising their functions under this Schedule” which “may, in particular, specify matters that the Licensing Authority proposes to consider in determining the suitability of the applicant for a permit”.
- 3.2 This Licensing Authority will expect the applicant to set out the types of gaming that he or she is intending to offer and that the applicant should be able to demonstrate:
- That they understand the limits to stakes and prizes that are set out in Regulations; and
  - That the gaming offered is within the law
  - Clear policies that outline the steps to be taken to protect children from harm
- 3.3 In making its decision on an application for this permit the Licensing Authority does not need but may have regard to the licensing objectives but must have regard to any Gambling Commission’s Guidance (the Act, Schedule 14, Para 8(3)).
- 3.4 It should be noted that there are conditions in the Act by which the permit holder must comply, but that the Licensing Authority cannot attach conditions.

The conditions in the Act are:

- The limits on participation fees, as set out in regulations, must be complied with;
- All chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played;
- The prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if non-monetary prize); and
- Participation in the gaming must not entitle the player to take part in any other gambling.

### 4. *Club Gaming and Club Machines Permits*

- 4.1 Member’s Clubs (but not Commercial Clubs) may apply for a Club Gaming Permit or a Clubs Gaming machines permit. The Club Gaming Permit will enable the premises to provide gaming machines (3 machines of categories B, C or D), equal chance gaming and games of chance as set out in forthcoming regulations. A Club Gaming machine permit will enable the premises to provide gaming machines (3 machines of categories B, C or D).
- 4.2 Gambling Commission Guidance states: "Members clubs must have at least 25 members and be established and conducted “wholly or mainly” for purposes other than gaming, unless the gaming is permitted by separate regulations. The Secretary of State has made regulation and these cover bridge and whist clubs, which replicates the position under the Gaming Act 1968. A members’ club must be permanent in nature, not established to make commercial profit, and controlled by its members equally. Examples include working men’s clubs, branches of Royal British Legion and clubs with political affiliations."

- 4.3 The Commission Guidance also notes that "Licensing Authorities may only refuse an application on the grounds that:
- (a) The applicant does not fulfil the requirements for a members' or commercial club or miners' welfare institute and therefore is not entitled to receive the type of permit for which it has applied;
  - (b) The applicant's premises are used wholly or mainly by children and/or young persons;
  - (c) An offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities;
  - (d) A permit held by the applicant has been cancelled in the previous ten years; or
  - (e) An objection has been lodged by the Commission or by the police.
- 4.4 There is also a '**fast-track**' procedure available under the Act for premises, which hold a Club Premises Certificate under the Licensing Act 2003 (Schedule 12 paragraph 10). As the Gambling Commission's Guidance to licensing authorities states: "Under the fast-track procedure there is no opportunity for objections to be made by the Commission or the police and the ground upon which an Authority can refuse a permit are reduced." and "The grounds on which an application under the process may be refused are:
- (a) That the club is established primarily for gaming, other than gaming prescribed under schedule 12;
  - (b) That in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
  - (c) That a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled."
- 4.5 There are statutory conditions on club gaming permits that no child uses a category B or C machine on the premises and that the holder complies with any relevant provision of a code of practice about the location and operation of gaming machines.

## 5. Temporary Use Notices

- 5.1 Temporary use notices allow the use of premises for gambling where there is no premises licence but where a gambling operator wishes to use the premises temporarily for providing facilities for gambling. Premises that might be suitable for a temporary use notice, according to the Gambling Commission, would include hotels, conference centres and sporting venues.
- 5.2 The licensing authority can only grant a temporary use notice to a person or company holding a relevant operating licence, i.e. a non-remote casino operating licence.
- 5.3 The Secretary of State has the power to determine what form of gambling can be authorised by temporary use notices, and at the time of writing this Statement the relevant regulations (SI no 3157: The Act (Temporary Use Notices Regulations 2007) state that temporary use notices can only be used to permit the provision of facilities or equal chance gaming, where the gaming is intended to produce a single winner, which in practice means poker tournaments.
- 5.4 There are a number of statutory limits as regards temporary use notices. The meaning of "premises" in Part 8 of the Act is discussed in Part 7 of the Gambling Commission's Guidance. As with "premises", the definition of "a set of premises" will

be a question of fact in the particular circumstances of each notice that is given. In the Act "premises" is defined as including "any place".

- 5.5 In considering whether a place falls within the definition of "a set of premises", the licensing authority needs to look at, amongst other things, the ownership/occupation and control of the premises. This licensing authority expects to object to notices where it appears that their effect would be to permit regular gambling in a place that could be described as one set of premises, as recommended in the Gambling Commission's Guidance.

## 6. Occasional Use Notices

- 6.1 This Licensing Authority has very little discretion as regards these notices aside from ensuring that the statutory limit of 8 days in a calendar year is not exceeded.
- 6.2 Occasional Use Notices or other licences may be required for events such as "race nights". This Licensing Authority will consider any guidance issued by the Gambling Commission or any other statutory agency (please refer to the references at the end of this document) regarding non-commercial betting and race nights of how their activities can be regulated within the Act. Similarly, for gaming activities such as poker played in licensed premises, further details are set out in the glossary at the end of this document.

## 7. Vessels

- 7.1 This Licensing Authority when considering applications for premises licences in respect of vessels will give particular weight to the views of the Maritime and Coastguard Agency in respect of promoting the licensing objectives. Where in the opinion of the Licensing Authority any of the three objectives are undermined, and this cannot be resolved through the imposition of conditions, the application will be refused.

Where a premises licence is sought in connection with a vessel which will be navigated whilst licensable activities take place, the licensing authority will be concerned following the receipt of relevant representations, with the promotion of the licensing objectives on-board the vessel. The licensing authority will not focus on matters relating to safe navigation or operation of the vessel, the general safety of passengers or emergency provisions, all of which are subject to regulations, which must be met before the vessel is issued with a Passenger Certificate and Safety Management Certificate. It is expected that if the Maritime and Coastguard Agency is satisfied that the vessel complies with Merchant Shipping standards for a passenger ship, the premises will normally be accepted as meeting the public safety objectives. In respect of other public safety aspects, representations made to the licensing authority by the Maritime and Coastguard Agency will be given particular weight.

**Disclaimer:** This Licensing Authority wishes to make clear that the Gambling Commission's Guidance to Local Authorities (3<sup>rd</sup> Edition – May 2009) was the most recent information available at the time of writing and can be the subject of change within the period that this statement of principles is in force. I would also draw your attention to the following:

- **Legislation may change over time and the advice given is based on the information available at the time the guidance was produced – it is not necessarily comprehensive and is subject to revision in the light of the further information**
- **Only the courts can interpret statutory legislation with any authority; and**
- **This advice is not intended to be definitive guidance nor a substitute for the relevant law and independent legal advice should be sought where appropriate**



## Appendix A

### Responsible Authorities Contacts (non emergency calls only): -

#### 1) The Licensing Authority

Licensing Section  
Plymouth City Council  
Civic Centre  
Plymouth, PL1 2AA

Tel: 01752 307981 / 305465 / 307983

Fax: 01752 307810

Email: [licensing@plymouth.gov.uk](mailto:licensing@plymouth.gov.uk)

#### 2) The Gambling Commission

Victoria Square House  
Victoria Square  
Birmingham, B2 4BP

Tel: 0121 230 6666

Fax: 0121 230 6720

Email: - [info@gamblingcommission.gov.uk](mailto:info@gamblingcommission.gov.uk)

#### 3) H M Revenue & Customs

Law Enforcement  
Custom House  
The Parade  
Barbican  
Plymouth, PL1 2JP

Tel: 01752 234644

#### 4) Child Protection

Child Protection Team  
Social Services  
Ginkgo House,  
156 Mannamead Road  
Plymouth, PL3 5QL

Tel: 01752 306340

Fax: 01752 306344

Email: [childprotect@plymouth.gov.uk](mailto:childprotect@plymouth.gov.uk)

#### 5) Devon & Cornwall Police

The Licensing Office  
Devon & Cornwall Constabulary  
Charles Cross Police Station  
Hampton Street  
Plymouth, PL4 8HG.

Tel: 01752 720469

Fax: 01752 720487

Email: [plymlc@devonandcornwall.pnn.police.uk](mailto:plymlc@devonandcornwall.pnn.police.uk)

**6) Devon & Somerset Fire and Rescue Service**

Glen Road  
Plympton  
Plymouth, PL7 3XT

Tel: 01752 333600

Fax: 01752 333640

Email: [westfiresafety@devfire.gov.uk](mailto:westfiresafety@devfire.gov.uk)

**7) Public Protection Service**

Public Protection Service  
Plymouth City Council  
Civic Centre  
Armada Way  
Plymouth, PL1 2AA

Tel: 01752 304141; Fax: 01752 226314

E-mail: [public.protection@plymouth.gov.uk](mailto:public.protection@plymouth.gov.uk)

**8) Planning & Regeneration**

Planning Consents  
Plymouth City Council  
Civic Centre  
Plymouth, PL1 2AA

Tel: 01752 304366;

Fax: 01752 305523

E-mail: [planningconsents@plymouth.gov.uk](mailto:planningconsents@plymouth.gov.uk)

**9) Maritime & Coastguard Agency (Boats only)**

Plymouth Marine Office  
New Fish Market  
Sutton Harbour  
Plymouth, PL4 0LH

Tel: 01752 266211

Fax: 01752 225826

Email: [plymouthmo@mcga.gov.uk](mailto:plymouthmo@mcga.gov.uk)

## Appendix B

Premises Type	Machine category						
	A	B1	B2	B3	B4	C	D
Regional casino (machine/table ratio of 25-1 up to maximum)	Maximum of 1250 machines Any combination of machines in categories A to D, within the total limit of 1250 (subject to table ratio)						
Large casino (machine/table of 5-1 up to maximum)		Maximum of 150 machines Any combination of machines in categories B to D, within the total limit of 150 (subject to table ratio)					
Small casino (machine/table ratio of 2-1 up to maximum)		Maximum of 80 machines Any combination of machines in categories B to D, within the total limit of 80(subject to table ratio)					
Pre-2005 Act casinos (no machine/table ratio)		Maximum of 20 machines categories B to D <u>or</u> C or D machines instead.					
Betting premises and tracks occupied by Pool Betting			Maximum of 4 machines categories B2 to D				
Bingo Premises				Maximum of 4 machines in Category B3 or B4		No limit C or D machines	
Adult gaming centre				Maximum of 4 machines in Category B3 or B4		No limit C or D machines	
Family entertainment centre (with premises licence)						No limit on Category C or D machines	
Family entertainment centre (with permit)							No limit on Category D machines
Clubs or miners' welfare institutes with permits					Maximum of 3 machines in categories B4 to D		
Qualifying alcohol licensed premises						1 or 2 machines of category C or D automatic upon notification	
Qualifying alcohol licensed premises with gaming machine permit						Number as specified on permit	
Travelling fair							No limit on Category D machines
	A	B1	B2	B3	B4	C	D

## References

**DCMS** - Department of Culture, Media, and Sport

[http://www.culture.gov.uk/what\\_we\\_do/gambling\\_and\\_racing/3305.aspx](http://www.culture.gov.uk/what_we_do/gambling_and_racing/3305.aspx)

Race Nights under the Gambling Act 2005

Poker under the Gambling Act 2005

Factsheets – bingo, casino nights, poker, race nights, arcades, gaming machines in pubs and clubs, etc

**LACORS** - The Local Authority Coordinators of Regulatory Services

**Gambling Commission – Documents**

<http://www.gamblingcommission.gov.uk/>

Poker in Pubs - Advice on allowing poker in alcohol licensed premises (July 2009)

Advice on Gaming in clubs and alcohol licensed premises: Gambling Act 2005 (Sept 2008)

**Note** – Specific guidance on activities such as **poker in pubs, race nights and lotteries** may be obtained by visiting the above-mentioned web sites

## Glossary

**An Interested Party** – is a person, in the opinion of the Licensing Authority who:

- a) Lives sufficiently close to the premises to be likely to be affected by the authorised activities,
- b) Has business interests that might be affected by the authorised activities, or
- c) Represents persons who satisfy paragraph (a) or (b)

**Responsible Authority** –

- (i) The Licensing Authority
- (ii) The Gambling Commissioner
- (iii) The Chief Officer of Devon & Cornwall Constabulary
- (iv) The Devon Fire & Rescue Service.
- (v) The local planning authority within the meaning given by the Town and Country Planning act 1990 (c.8) for any area in which the premises are wholly or partly situated
- (vi) The local authority by which statutory functions are exercisable in any area in which the premises are wholly or partly situated in relation to minimising or preventing the risk of pollution of the environment or of harm to human health
- (vi) A body, which is designated in writing for the purpose of this paragraph, by the Licensing Authority for an area in which the premises are wholly or partly situated, as competent to advise the authority about the protection of children from harm:
- (vii) And any other person prescribed by regulations by the Secretary of State.