



**Oversight and Governance**

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## **SELECT COMMITTEE REVIEW**

### **Budget Scrutiny – Supplement Pack**

Tuesday 28 January 2020 (9.30am) and Wednesday 29 January 2020 (9am)  
Warspite Room, Council House

**Members:**

Councillor Kelly, Chair

Councillor Mrs Aspinall, Vice Chair

Councillors Allen, Mrs Bowyer, Churchill, Goslin, Mrs Johnson, Murphy and Winter.

Members are invited to consider the additional information in relation to item 5 overleaf.

For further information on attending Council meetings and how to engage in the democratic process please follow this link - [Get Involved](#)

**Tracey Lee**

Chief Executive

## **Select Committee Review**

### **5. Background Reading (reports for reference) (Pages 1 - 8)**

To provide the Budget Scrutiny Select Committee with background reading and reports to inform their discussions and deliberations.

# PROGRESS UPDATE ON 2019 BUDGET SCRUTINY RECOMMENDATIONS

January 2020



Ref.	2019 Budget Scrutiny Recommendation	Response from Cabinet 2019	Progress Update
a.	To continue to demand Central Government provide clarity on a long term, sustainable funding mechanism as we come to the end of the current multi-year deal	Agreed	<p>Over the last 12 months, a series of letters have been written to the new Prime Minister and the new Secretary of State for Housing, Communities and Local Government (MHCLG) raising the issue of long term sustainable funding.</p> <p>In Feb/March 2019, Plymouth City Council (PCC) responded to the Governments Relative Needs and resource's consultation and the Business Rate Retention Reform consultation. In each response, setting out the requirement for long term, sustainable funding mechanisms as the current multi-year deal ends in 2019/20.</p> <p>On the 17 January 2020, PCC wrote to the Local Government Finance Settlement Team at MHCLG expressing disappointment with the Provisional Settlement being only a one year Settlement resulting in uncertainty for financial planning. Plymouth will continue to urge the Government to provide details as part of the March Budget and for the earliest possible announcement of the next four years funding. This needs to include a clear timetable for proposals of the Fair Funding Review and any changes to the system for Business Rates. It is essential these reviews are completed at the earliest opportunity to ensure a fair and equitable distribution of resources to those authorities with high needs based upon its demographics.</p>
b.	To continue to lobby Government on a cross party basis to highlight severe pressures on local budgets in relation to Children's Services due to unprecedented demand and the escalating costs of placements; Adult Social Care due to the increase in the number of older people with ever increasing complex needs; and Public Health due to the ongoing reduction in the grant allocated to Plymouth.	Agreed	<p>The Council passed Motions on Notice (unanimous approval) towards the end of 2018 lobbying for enhancements to the Public Health Grant (letter sent 30 November 2018) and to all local Plymouth MPs.</p> <p>The Leader wrote to Nadhim Zahawi MP, Minister for Children with an ask to secure significant additional funding of Children's Social Care to meet the acknowledged funding gap; make arrangements to use the same principle as the Bellwin Scheme – 4 June 2019 – discussions are progressing.</p> <p>Leader wrote to Matt Hancock MP, Secretary of State for Health &amp; Social Care asking to reconsider the allocation of health and social care funding to Plymouth and increase regional pay for NHS staff – 26 June 2019.</p> <p>Leader wrote to Matt Hancock MP, Secretary of State for Health &amp; Social Care to increase NHS</p>

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			<p>funding to off-set the Winter Pressures – 6 January 2020.</p> <p>Leader wrote to Robert Jenrick MP, Secretary of State for MHCLG (29 July 2019)</p> <ul style="list-style-type: none"> <li>• Long-term sustainable formula for revenue funding for Adult Social Care provision</li> <li>• Capitalise costs for the highest cost provision for children in care</li> <li>• Review the Public Health grant for Plymouth.</li> </ul>
c.	<p>That the council should support the Local Government Association (LGA) view to extend the supplementary funding for Maintained Nursey Schools into 2020/21 to ensure that local authorities are able to maintain service provision. Scrutiny will undertake to work with the Cabinet Member for Education, Skills and Transformation in the new municipal year to provide evidence for submission to the Government when planning the long term future for maintained nursery provision.</p>	Agreed	<p>Letter to the Secretary of State for Education issued 22 March 2019 following Council Motion on Notice in March 2019 (unanimous approval) requesting fair funding for schools.</p>
d.	<p>That Cabinet work with the Special Interest Group of Municipal Authorities and the LGA and lobby to ensure measures of deprivation are given sufficient weighting within the new consultation on Fair Funding proposals (other than solely population) when establishing the Foundation Formula Allocation for allocation of resources to Plymouth in future Local Government finance settlements.</p>	Agreed	<p>PCC work closely with the Special Interest Group of Municipal Authorities (SIGOMA) and the Local Government Association (LGA) to lobby government for a fair share of funding. In response to the Government's "Fair Funding" proposals, our separate but collaborative replies all described how extremely disappointed we were with proposed changes and that we do not see 'Fair' in the 'Fair Funding Review'. We all responded that "Following years of austerity and disproportionate funding cuts we believe that proposals, particularly the removal of deprivation in the foundation formula will compound the negative impact on the most deprived councils in the country".</p> <p>PCC commissioned LG Futures to undertake an analysis of the impact to the city of the options described in the "Relative needs and resources" consultation. In relation to the removal of deprivation, the analysis found that Plymouth will be penalised (-2.7%) by the removal of deprivation from the current Environmental, Protective &amp; Cultural Services (EPCS) formula. We questioned the validity of MHCLG's analysis which looks at differences in authorities' total expenditure (which is naturally correlated with population size) rather than differences in expenditure per head. This could</p>

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			<p>mask the importance of deprivation in explaining differences in spending. Plymouth supports the LGA stance on the issue, with Lord Porter stating that “we are unanimous that deprivation should be in the foundation formula”. Therefore, we strongly disagree that per head of resident population is the only driver of foundation formula services. Any formula needs to reflect the key drivers of need to provide services. Essential to funding fairness are, deprivation, ability to pay and additional day time population as key drivers in all service blocks and must be included.</p> <p>In relation to the overall EPCS formula proposals, e.g. the removal of all four variables, Plymouth City Council will be penalised by at least -3.3% which is more than the Unitary average of -2.3%.</p>
e.	To urge Government not to change but to improve, the allocation of New Homes Bonus to avoid a detrimental impact to the growth agenda within the city.	Agreed	The City Council has written to the Ministry for Housing, Communities and Local Government (MHCLG) to set out our disappointment over the continued uncertainty regarding the future of the New Homes Bonus and how it forms a key role in local government finance. As per the other funding streams included in the 2020/21 Local Government Finance Settlement the City Council have asked for greater certainty over the rolling 4 year period to enable us to better inform strategic decision making.
f.	That Cabinet regularly monitor the Integrated Fund (Health and Social Care) and the risks related to the delivery of this critical area of spending.	Agreed	The Integrated Fund (Health and Social Care) and related risks is monitored regularly and report issued to Health and Adult Overview and Scrutiny Committee and Audit and Governance Committee. Integrated Fund position is included in Monthly Financial Reports to Cabinet.
g.	To recommend to cabinet to demand an increased allocation from the Central Government funding to support preparations for Brexit, highlighting the importance of Plymouth both as a continental port and as one of the top three English fishing ports for both volume and value. The Cabinet is also requested to publish significant actions that will be required from the council for both a deal / no deal scenario.	Agreed	<p>Significant lobbying efforts based on a sound business case were made to secure strategic status for the port.</p> <ul style="list-style-type: none"> <li>• The Leader raising the issue directly with the current Secretary of State for Local Government and his predecessor.</li> <li>• The Chief Executive discussing the matter at the highest levels in Whitehall.</li> <li>• A joint meeting between members of the ports group including the assistant Chief Executive and representatives of AB ports and Britany Ferries with the UK Borders Agency and MHCLG.</li> <li>• These key meetings were secured, and the case supported by correspondence between the Leader and the Secretaries of State for Housing, Communities and Local Government, Transport and leaving the European Union.</li> </ul>

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			<ul style="list-style-type: none"> <li>• In November 2019, following a presentation from the Leader, members of Plymouth Area Business Council supported our case by writing jointly and severally to the Secretary of State for Business, Energy and the Industrial Strategy setting out there concerns and the implications for local businesses.</li> <li>• Local MPs have been briefed and several questions have been asked of relevant ministers in the House of Commons.</li> <li>• The case has received significant media coverage at both local and national level, including a televised interview with the Leader on Channel 4 news. The leader has also given interviews on the subject to members of the French Media.</li> </ul> <p>To date this effort has not brought any additional funding or recognition of Plymouth as a strategic port, we have however received an explanation of the criteria which were interpreted differently by UKBA and the Department for Transport who subsequently advised MHCLG on their allocation of port funding. We did receive an additional payment for Brexit preparedness late in 2019 but this allocation was made on the same basis as previous awards, i.e. at a set rate for Unitary Authorities, whether or not they had a port.</p> <p>Cabinet endorsed a report in September 2019 setting out our proposed actions to mitigate risk associated with Brexit, with specific reference to the potential for a 'no deal' exit on October 31. Appropriate action was taken to ensure the Council was well prepared. The new government is committed to taking the UK out of the EU on 31 January and that trade negotiations will proceed from March.</p>
h.	To recommend that the Leader and Cabinet continue to work with partners to pressure the Government and Network Rail to publish a sustainable solution to the Dawlish stretch of line, making good on the Prime Minister's view that this improvement to the South-West's transport infrastructure is a national priority.	Agreed	PCC continue to press the case through the Peninsula Rail Task Force and have met with the CEX of Network Rail, Andrew Haines (27 March 2019) and wrote to the Secretary of State for Transport, Grant Shapps (16 September 2019). The government has committed £80 million towards the works to raise the sea wall at Dawlish and the construction of Dawlish Phase 1 is now underway. Network Rail has sufficient funding to progress the technical work on Phases 2 and 3 and are currently undertaking a public consultation on the line between Teignmouth and Dawlish. It remains the highest priority for funding to be made available for construction of these two Phases once statutory processes have been completed.

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i.	That Cabinet to join with upper tier local authorities and the LGA to pressure the government into publishing the green paper before the system of social care implodes due to increased demand and the lack of a sustainable funding settlement.	Agreed	<p>PCC responded to the Relative Needs &amp; Resources Consultation in February 2019 which includes the formula for funding adult social care.</p> <p>On 29 July 2019, the Leader wrote to Matt Hancock, Secretary of State for Health &amp; Social Care congratulating him on his reappointment and outlining increased pressures and challenges for adult social care as well as the local health system overall and requested that the social care green paper be published soon. A similar letter was sent to Robert Jenrick MP, Secretary of State for Housing, Communities and Local Government: (29 July 2019) asking for long-term sustainable funding for social care provision.</p> <p>In October 2019, the Leader wrote to the Shadow Secretary of State for Health &amp; Social Care Jonathan Ashworth following the Labour Party Conference about the pressures on health and social care and asked him to visit Plymouth.</p> <p>On 6 January 2020, the Leader responded to a letter from Matt Hancock and Robert Jenrick on winter pressures calling again for a long-term sustainable solution for adult social care and asking for proposals to be brought forward as a matter of urgency.</p> <p>The Leader wrote to Matt Hancock MP, Secretary of State for Health &amp; Social Care on 26 June 2019 with an ask to reconsider the allocation of health and social care funding to Plymouth and increase regional pay for NHS staff however this was not directly related to publishing the social care green.</p> <p>The green paper has not yet been published and the Council will continue to seek opportunities to collaborate with the LGA and other Upper Tier Authorities to feed into the development of the green paper.</p>
j.	To request that the Cabinet Member for Customer Focus and Community Safety investigate ways in which those on low incomes can be supported by the Council to provide internments for family members and report back to the relevant scrutiny committee at a future meeting.	<b>Agreed</b> , subject to further investigation, and will be reported back to a future meeting of the relevant Scrutiny Committee.	<p>On 16 December 2019, Cabinet agreed the creation of a new company limited by guarantee with charitable status to be known as Plymouth Crematoria, which will be an associate member of Co-ops UK. Amongst other things, this will add opportunity for the service to look at different ways to support people in their time of need through the charity.</p> <p>In 2019 and following requests from Funeral Directors and bereaved families we introduced a 'no service' funeral to help families reduce cost and give them greater choice of options at an emotional time.</p>

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			<p>When we are made aware of the deceased not having any family or no suitable arrangements are being made for their funeral our Environmental Protection officers signpost to various organisations who can help. This includes advice regarding Department for Work and Pensions funeral payments/grants and also give details of cheaper alternatives such as direct cremations. Many Funeral directors also offer payment plans and details of these are also shared with families.</p>
k.	<p>To recommend to Cabinet that a significant amount of negative demand through councillor casework enquires and the contact centre could be avoided if repairs and maintenance schedules for street services and highways could be published in a prominent area of the City Council's website and shared on social media platforms.</p>	<p><b>Agreed</b>, subject to further investigation, and will be reported back to a future meeting of the relevant Scrutiny Committee.</p>	<p>About half of Councillor casework enquiries relate to issues in the city that Street Services are responsible for – some of these are providing valuable intelligence to the Service on events such as fly-tipping and littering. Moreover, as a consequence of Councillor feedback we are aware of hotspots and do monitor and prioritise cleansing around these areas as well.</p> <p>Our modernisation programme and investment in new digital systems are creating the foundations for better data, which will improve the intelligence that optimises deployment of our resources. For instance, in-cab devices rolled out last year in the refuse vehicles is informing how we tackle issues around blocked access and contaminated recycling.</p> <p>We have also now embarked on work to digitise our cleansing, grounds, trees and play work, informed by the learning from the waste roll out. This is taking time as we are importing data on over 60,000 trees, but are working with the software provider to enhance this process. Once we have digitised, validated and rolled out devices to over 100 staff, the next steps will be to explore how we can ensure that all our residents are kept informed and updated on what is happening in their area. In this respect, we are working alongside Customer Services, Corporate Communications and being supported by The Way We Work Programme, who are working alongside our teams and will report back at the end of January. There is much to do and a lot of ground to cover as we want to get this right.</p>



<b>General Fund Balance from 2013 to 2020</b>						
<b>Year</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>GF Working Balance</b>	10,739	10,620	10,652	9,352	9,168	8,051
<b>Reduction</b>		-119	32	-1,300	-184	-1,117
<b>GF Budget</b>	212,560	204,680	193,009	186,702	183,884	185,556
<b>Ratio</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>% of GF Budget</b>	5.05%	5.19%	5.52%	5.01%	4.99%	4.34%

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