



Oversight and Governance

Chief Executive's Department
Plymouth City Council
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CABINET – SUPPLEMENT PACK TWO

Tuesday 9 November 2021
4.00 pm
Council House, Plymouth

Members:

Councillor Kelly, Chair

Councillor Nicholson, Vice Chair

Councillors Mrs Bridgeman, Deacon, Downie, Drear, Mrs Pengelly and Riley.

Members are invited to attend the above meeting to consider the items of business overleaf.

Please find enclosed additional information relating to items 9 and 11.

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Tracey Lee

Chief Executive

Cabinet

- 9. Commitments: (Pages 1 - 6)**
- 11. Finance Update 2022/23: (Pages 7 - 16)**

Cabinet



Date of meeting:	09 November 2021
Title of Report:	The new Administration's commitments: August to December 2021
Lead Member:	Councillor Nick Kelly (Leader)
Lead Strategic Director:	Tracey Lee (Chief Executive)
Author:	Robert Sowden (Senior Performance Advisor)
Contact Email:	Robert.sowden@plymouth.gov.uk
Your Reference:	
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

The Conservative Administration has identified 86 commitments to Build Back Better in Plymouth, and within the first 100 days following election has delivered 22 of these commitments. The focus is now on a further 38 identified commitments that will be delivered by the end of December 2021. This report sets out in Appendix A progress in respect of these 38 commitments, five commitments have been completed. The most recent of these is the four commitments shown below;

- 15. We will introduce a designated phone line for those without internet access to contact the Council.
- 51. We will prioritise the delivery of the proposed dual carriageway road improvement works from Woolwell to The George pub.
- 52. Continue to raise the city's profile with Government to level up the investment within the city to provide a resilient and reliable road and rail network to serve Plymouth.
- 53. Lobby for the M5 motorway to be extended past Exeter to Plymouth.

Recommendations and Reasons.

That Cabinet:

1. Agrees and endorses the completion of commitment number 15, 51, 52 and 53 identified in this report.
2. Endorses the progress made against the remaining 33 commitments.

The Leader and Cabinet wish to demonstrate delivery at pace against the Administration's commitments to improvements across a range of services which are important to residents, visitors and businesses.

Alternative options considered and rejected

Not to produce a plan. Without the formal agreement and publication of a defined set of actions, there is a risk of slippage against commitments and a lack of transparency.

Relevance to the Corporate Plan and/or the Plymouth Plan

The commitments set out at Appendix A relate to the revised priorities set out in the Corporate Plan which was adopted by the Council on 14 June 2021

Implications for the Medium Term Financial Plan and Resource Implications:

Most commitments will be delivered from within existing revenue and capital resources. Where there are new resource implications, decisions will be made about allocation of resources in line with the Council's decision making procedures. Where delegated decisions are required in order to implement specific commitments, financial implications will be set out as part of the decision making process in accordance with the Council's constitution.

Carbon Footprint (Environmental) Implications:

Environmental sustainability is a key priority of the new administration, and the waste management, recycling and traffic management commitments are specifically aimed at reducing the city's carbon footprint.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

The commitments make specific contributions to community safety, inclusion, community engagement, increased support for the vulnerable and improved educational standards for children and young people.

We have given due regard to our statutory duties under the Equality Act 2010 and the Public Sector Equality Duty.

The commitment to fast track applications to the blue badge scheme, disabled facility grants and parking spaces for those with terminal illness will have a positive impact on people with disabilities. Securing a sustainable funding settlement for Adult Social Care will contribute to better outcomes for people with disabilities and the agenda to empower local people has the potential to contribute to better outcomes for communities sharing protected characteristics.

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	The Administration's commitments: August to December 2021							

Background papers:

**Add rows as required to box below*

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)
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	If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.						
	1	2	3	4	5	6	7

Sign off:

Fin	pl.21. 22.1 51.	Leg	LS/3 7598 /AC/ 5/11/ 21.	Mon Off		HR		Asset s		Strat Proc	
Originating Senior Leadership Team member: Giles Perritt (Assistant Chief Executive)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 04/11/2021											
Cabinet Member approval: Councillor Nick Kelly											
Date approved: 04/11/2021											

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Number	Commitment	Headline Section	Lead Dept.	DMT Member	Lead	Cabinet Member	Progress Update	Completed
63	We will exempt all motorcycles (2 wheels) from having to have a residential parking permit, currently CDP 30	Infrastructure	Street Services	Anthony Payne	Mike Anderson	Jonathan Drayton	Cabinet Member agreed to deliver through removing the fee for a residents permit in residential parking areas, but retain the requirement to register for a permit. This will be delivered through a traffic order. This commitment is on target. The parking application process is also being updated to capture information from residents relating to the type of vehicle they are applying for, so that the Council can collate such information going forward.	
64	We will review the provision of disabled parking spaces to ensure there is sufficient parking for blue badge holders	Infrastructure	Street Services	Anthony Payne	Mike Anderson	Jonathan Drayton	We are undertaking a review of all disabled parking provision within our car parks and On Street locations, to ensure adequate provision of parking to support persons with requirements. Commitment on track.	
65	To encourage greater use of our Commercial Ferry services we will offer incentive parking for motorcycles as a response for those embarking or disembarking the ferry.	Infrastructure	Street Services	Anthony Payne	Mike Anderson	Jonathan Drayton	A project is underway to review the opportunities to increase the provision of parking locations for carpools and overnight stays to support this commitment. On the options are being discussed with CH Devon following an assessment of access and suitability of the identified sites.	
66	We will increase the speed limit from 30mph to 40mph on the new and improved Tavistock Road section to improve journey times	Infrastructure	High & Street Services	Anthony Payne	Mike Anderson	Jonathan Drayton	A briefing is being prepared for Cabinet Member which will be followed by an Executive Decision to deliver this pledge through a Traffic Order. Commitment on track.	
68	We will promote the need to offer a modern and suitable Cross Tavistock to Plymouth by working with partners such as Associated British Ports and Brixton Farms	Infrastructure	Economic Development	Anthony Payne	Annabel Murray and Amanda Luntley	Jonathan Drayton	Round table discussion moved back to line subject due to new CEJ coming into place at Brixton Farms. Meeting with Oct 16th with Brixton prior to setting up round table.	
69	We will build closer links with the Taxi Trade to ensure the current fee regime remains fair and basic and ready available 24/7 for passengers. We will encourage the introduction of Electric Vehicles charging points to encourage operators to switch from petrol or diesel vehicles to electric powered taxis	Infrastructure	Police (and ODPH)	Anthony Payne Nash Hurrell	Richard Hird (for ODPH Learning)	John Riley	We will continue to work with the taxi trade to ensure that the way in which the fee are set is communicated fully, to provide assurance that it is open fair and transparent. The Taxi fees are reviewed by the Taxi Committee Members every year and will be going to committee again in December 2022/January 2023 to set the fees for April 2023 onwards. Therefore engagement work will happen prior to and during the process. We will continue to work with the Transport team and the Low Carbon City Officers to consider the transition to Ultra low emission vehicles and the need for decarbonisation in the city. We will explore any green that may be available to encourage operators to upgrade their vehicles to those with low or no emissions.	
71	We recognise that residential parking is an issue so we will provide funds and work with local committees to create additional neighbourhood car parking spaces by reorganising areas to allow Diagonal/ Perpendicular parking	Infrastructure	Street Services	Anthony Payne	Mike Anderson	Jonathan Drayton	Proposed trial locations have been agreed with the Cabinet Member. A safety audit is being undertaken at this location to establish how to deliver this commitment in a manner that could deliver the safety.	
72	Local governments across the UK are seeing millions of pounds in uncollected Parking Tickets, due to a number of reasons, often resulting criminal activity. The Traffic Management Act allows local authorities to undertake removal of persistent evaders (those with more than 3 CPDs outstanding) from the road and store and outstanding debts cleared and updated info provided to the DVLA. If after the removal the car is not claimed the car can then be sold or scrapped and the income used to cover any outstanding debts. We will step up enforcement in this area	Infrastructure	Street Services	Anthony Payne	Mike Anderson	Jonathan Drayton	A proposal is being prepared for the Cabinet Member for the proposed adoption of Immobilisation and Removal powers, the powers to seize vehicles. This includes the establishment of a revenue public and an economic approach for such a service. This commitment is on target.	
73	We will work with local housing associations to create a wider range of homes for local people. Regional providers in the Plymouth Housing Development Partnership are key to accelerating housing delivery in Plymouth but could do more to deliver a wider range of housing, for example housing for older people including care care, housing for people with mental difficulties, self build housing, and housing for veterans. However not all regional providers are active in creating new housing and so could be encouraged through greater access to corporate housing. The City Council could access through the public works loan board	Housing	High	Anthony Payne	Niall Phelan	Wesley Pugh	The Housing Delivery team are working on a wide range of Plan for Homes initiatives with members of the Plymouth Housing Delivery Partnership to deliver more affordable housing in the city. This work includes the use of Council land assets and green funding to provide the gap funding needed to deliver the new affordable housing that is a key element of the city. The needs groups addressed by the new affordable housing include older persons, adults with learning disabilities, homeless and vulnerable people, those who needs wheelchair adapted accommodation, various veterans as well as general needs for those registered on Devon Home Choice. In addition the Partnership has recently grown with 11 RPs who bring the strong members of PHDP, at least 8 of those undertaking some form of affordable housing development in the city. Finally the Council continues to explore new individual agreements with the most proactive members of the PHDP to unlock further development on PCC and JP allocated housing sites.	

Cabinet



Date of meeting:	9 November 2021
Title of Report:	Finance Update 2022/23 - Budget Development
Lead Member:	Councillor Nick Kelly (Leader)
Lead Strategic Director:	Brendan Arnold (Service Director for Finance)
Author:	Paul Looby - Head of Financial Planning and Reporting David Northey – Head of Integrated Finance Stephen Coker – Principal Technical Accountant
Contact Email:	paul.looby@plymouth.gov.uk david.northey@plymouth.gov.uk stephen.coker@plymouth.gov.uk
Your Reference:	Fin/PI/
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To provide an update on progress on the starting point and development in the coming weeks of the 2022/23 revenue and capital budgets. The report shows the result of the initial budget build as a gap of £20m. Since this time we have done some further work, which has included reviewing additional cost pressures. We have modelled the cost and volume impact on the demand-led services and also other financial adjustments. All of these will be further refined as we move towards balancing the budget.

This report does not look at or address the contents and impact of the Autumn Budget and Comprehensive Spending Review 21 announced Wednesday 27th October. At the time of writing this report, we are still digesting the contents and implications of the Chancellor's statements. The Comprehensive Spending Review (CSR) gave very few local authority funding details and we cannot reliably predict the value of this for Plymouth at this point.

Recommendations and Reasons:

That Cabinet:

1. Notes the report and the timetable for preparation of the 2022/23 revenue and capital budgets.

Alternative options considered and rejected

The approval of the Council's budget and the approval of a balanced budget by 28 February 2022 is a statutory requirement under the Local Government Act 2003 so there are no alternative options.

Relevance to the Corporate Plan and/or the Plymouth Plan

The development and approval of the annual budget is fundamentally linked to delivering the priorities within the Council's Corporate Plan. Allocating limited resources to key priorities will

Sign off:

Fin	ar.21. 22.14 8	Leg	MS/I /05.1 1.21	Mon Off		HR		Asset s		Strat Proc	
Originating Senior Leadership Team member: Brendan Arnold (Service Director for Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 03/11/2021											
Cabinet Member approval: Leader after discussion with Cabinet colleagues											
Date approved: 03/11/2021											

1.0 Introduction

- 1.1 This report sets the scene for the development of the 2022/23 revenue and updated capital budgets.
- 1.2 Like all local authorities, we have had to balance the provision of business as usual services together with the additional COVID-19 demands for the past two years. There are legacy costs to be covered in the 2022/23 Budget, adding to the existing pressures from the Council's system of modelling demographic and service pressures.
- 1.3 Within the assumptions regarding core resources it is presently assumed the Council's resources base will be broadly unchanged by the Local Government Finance Settlement, expected in early December. Revenue Support Grant (RSG) is assumed to continue in its present form or be fully compensated with alternative funding.
- 1.4 Directorates have identified £25m of additional gross costs which, taken with amendments for changes in resources and other adjustments leads to a forecast budget shortfall in 2022/23 of £20m. This report is the first stage in the budget process as we head towards a balanced budget in February.

2. Spending Review 2021 and Local Government Finance Settlement

- 2.1 The Chancellor has announced the Government's Comprehensive Spending Review (CSR21) which set out an overview of the Government's spending plans over the next three years and provided details of spending allocations for Government Departments. Further details of the outcome of the CSR will be presented to Members when it has been fully analysed.
- 2.2 As a result of COVID-19 and the wider implications arising from the pandemic, the Government recently announced that they would increase national insurance contributions with the money collected used to support the NHS. Due to close links between the NHS and Social Care there is an expectation that additional resources may be redirected to support local authorities in the provision of Social Care services. Details of this and other factors are unlikely to be clarified until the release of the Provisional Finance Settlement in December.

3. The Revenue and Capital Budgets

Revenue Budget

- 3.1 The Medium Term Financial Plan and 2022/23 budget is in development in preparation for receipt of the funding settlement referred to above. At the present time a budget shortfall of circa £20m is anticipated for financial year 2022/23.

Core Funding

- 3.2 We are modelling estimated resources of £198.660m as set out below.

Total Resources	2022/23 Total £m
RSG	(9.742)
Council Tax	(123.514)
Business Rates	(65.404)
Core Resources	(198.660)

Council Tax

- 3.3 A key issue was whether local authorities would be permitted to raise an additional Adult Social Care Precept in 2022/23. The CSR announced a potential maximum increase of 1% but this has not been reflected in these assumptions pending further consideration during the autumn.

Business Rates (National Non Domestic Rates)

- 3.4 The planning assumption is that the total business rates rateable value will remain broadly static due, in part, to the impact of COVID-19 on the economy nationally and locally within Plymouth.

Revenue Support Grant (RSG)

- 3.5 The planning assumption is that will continue in its current form or to the same value though an alternative route subject to the release of the Government's detailed proposals.

4. Spending Assumptions

- 4.1 The Council is subject to a number of cost pressures that are unavoidable and have to be built into the 2022/23 base budget.
- 4.2 The additional costs within the budget plans for 2022/23 currently amount to £25m. These cover a range of costs including pay award provision and additional pension costs; the borrowing costs to finance the existing capital programme; plus cost and volume increases for Adults' and Children's services and the impact of our commitment to providers to fund the proposed National Living Wage increase.
- 4.3 The Council is committed to the National Living Wage and ensuring our care providers receive the necessary funding. This, together with additional demand and complexity within our adult social care services see a year on year increase in the cost of providing care for the most vulnerable. Meeting the costs of care requires ongoing and increasing investment.
- 4.4 A significant proportion of our revenue budget (over 70%) is spent on two main areas; adult social care services and children's social care provision. Nationally and locally the costs of providing health and wellbeing services are rising as demand and complexity increases. We have an ageing population and higher levels of young children requiring our services and the ongoing impact of COVID-19 is impacting on future years.
- 4.5 For example, Plymouth provides around 610,000 hours of care each year to help elderly residents to remain living at home and around 4,700 long term care support packages to residents with a wide range of conditions and disabilities. The Council also investigated around 1,700 referrals about the safety of adults. Plymouth currently spends £87 million in this area, but demand for services continues to rise due to a growing elderly population and the complexity of the needs of the people we provide care for.
- 4.6 The Council continues to work and provide more joined up care services with the NHS and have been pioneering in combining our adult social care services with the community health services in Livewell Southwest. The aim is to reduce costs and improve the health of Plymouth residents. This includes work to prevent more people from needing care by focusing on services that help people stay healthy and remain independent for longer.
- 4.7 Nationally there has been significant pressures within Children's Services. A combination of increased numbers and increasingly complex cases has meant costs have been rising beyond the existing budget provision. Plymouth is responsible for ensuring children and young people are safe and protected from harm. This includes working with more than 5,500 children in need.
- 4.8 Plymouth spends around £29 million on providing placements for children in care through foster carers, residential care and secure placements and services for children with special needs or a disability. There is also a range of services for children in children's centres, nurseries, and school transport and school places. The total spend on services for children is around £53 million.
- 4.9 Attention has been focused on early intervention and prevention to try to prevent children and young people needing to come into care and work closely with partners in health, schools and the police on all of this work
- 4.10 The coronavirus pandemic has placed further pressures on budgets due to a rise in the number of children needing support. The cost of care packages for children and young people with very complex needs is also increasing. The Council is determined to protect these vital services and is proposing to reduce costs by increasing the number of in-house foster carers we use, reducing the need for more expensive placements with external providers.

- 4.11 The Place Directorate accounts for a net budget of £25m (12.8% of the overall Council net budget) with gross expenditure of the department at £85.6m. Over many years, the directorate has striven to maximise income, increase efficiency and remove costs wherever possible. This work is on-going.
- 4.12 The Place Directorate covers a wide range of areas under the headline departments of Economic Development; Strategic Planning and Infrastructure (SPI); and Street Services. The services provided cover areas as broad as Land and property/major regeneration programmes, commercial estate and business parks, economy and enterprise, Arts/culture/events and Freeport's; support of concessionary fares and support for non-commercial bus routes, planning, housing delivery, strategic transport, climate change and Green Infrastructure; universal services to all residents of the city in areas such as highways and parking as well as street scene and waste.
- 4.13 The Directorate is also seeing an increased cost base, in part as a result of the pandemic and the impact of people working from home on for example increased volumes of domestic waste collection.

5. Summary Budget Position

- 5.1 The Council is currently reviewing the £20m budget gap and is in the process of identifying solutions to resolve the current position. It is important that ongoing sustainable solutions are used to bridge the gap, wherever possible. That said, it is not unlikely that a mixture of one off and recurring solutions may need to be considered in achieving final balance when the Finance Settlement is eventually received and the shortfall confirmed.
- 5.2 In this regard it is important to note that the Council is launching a Consultation exercise on 3 November which will run for four weeks, so that residents can feed in their views to the work being undertaken presently by chief officers and Portfolio Holders to devise means of addressing the shortfall. Proposals will be set out in the Draft Budget Report to be presented at Cabinet on 21 December 2021.

6. Capital Budget

- 6.1 The City has an ambitious capital investment programme which supports the local economy, the creation of jobs and improving the infrastructure for the Council. At the November Council Meeting, Members will be recommended to approve a revision to the Capital Programme 2021-2026 to £344.7m. In addition to this a Capital Pipeline of schemes exists from which schemes will be drawn down for inclusion in the Approved Capital Programme which will be presented to Council for final approval on 28 February 2022.
- 6.2 The revenue implications to fund the corporate borrowing in the existing capital programme has already added an additional £1.648m to the 2022/23 budget. Clearly, given the pressure on revenue resources there will also be a need for prioritisation in the adoption of some capital schemes.

7. Budget Timetable

7.1 The budget timetable is summarised below:

Date / meeting	Item
3 November 2021 Budget Engagement	Launch of public consultation on the Budget. The consultation runs until 28 th November.
29 November 2021 – Audit Committee	Treasury Management Strategy and Capital Financing Strategy
December 2021 – date to be confirmed	Local Government Finance Settlement 2022/23
November/December 2021 Budget Scrutiny preparatory sessions	2022/23 Budget Scrutiny preparatory sessions
21 December 2021 – Cabinet	2022/23 Draft Budget
11 January 2022 – Cabinet	Council Tax Base Report Council Tax Support Scheme Tamar Bridge and Torpoint Ferry Budget
20 or 21 January (TBC) 2022 – Budget Scrutiny Second session	Budget Report 2022/23 and Medium Term Financial Plan Treasury Management Strategy and Capital Financing Strategy Capital Budget Strategic Risk Register Corporate plan Service Business Plans
24 January 2022 - Council	Council Tax Base Report Council Tax Support Scheme Tamar Bridge and Torpoint Ferry Budget Pay Policy
8 February 2022 - Cabinet	Final Budget Report Scrutiny Recommendations re Budget Proposals Treasury Management Strategy and Capital Financing Strategy
28 February 2022 - Council	Final Budget Report Council Tax Setting

8. Conclusion

- 8.1 A large portfolio of work is being undertaken in developing and finalising the 2022/23 revenue and capital budgets. The completion of the budgets is dependent upon the Government's announcement of funding – the Provisional Settlement - and at the time of writing this report no date has been set. A full report including final options to balance the budget will be considered by Cabinet on 8 February 2022.
- 8.2 This report has highlighted a budget gap of £20m. Whilst there is further work required to close the gap this should be achievable over the coming months. However, there will be a number of assumptions and issues which need to be considered by Cabinet. These will include:
- The impact of the Spending Review announcement;
 - The impact of the Provisional Local Government Finance Settlement;
 - Consideration of all proposals for service savings and income increases and the impact of grants.
 - A further review of additional costs pressures.
- 8.3 There are always risks when preparing a Budget and a full financial risk register will form part of the suite of budget papers when presented to Full Council in February. The current risks include:
- The impact on our figures of the £9.50 National Living Wage for our care providers; this will cost an additional £2m on top of the assumptions already built in at the previously trailed £9.24.
 - It is not clear how the extra monies announced for ASC reform will be allocated between the health and local government sectors.
 - It is inferred that the Adult Social Care precept will be available to local authorities but that this will be to 1% rather than 3% as before. It may be that the difference will be supplied through grant rather than via council tax but this is unlikely to be confirmed until the Finance Settlement in December.
 - No specific date has been released for the release of the Provisional Finance Settlement although there is an increasing expectation of mid-December rather than late December.
 - From the additional funds to be made available to local government (£1.6 billion) increases in National Insurance (as recently announced) and the increases to the National Living Wage will be offset. This might not leave much for other service pressures.

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