



Oversight and Governance

Chief Executive's Department
Plymouth City Council
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CABINET

Tuesday 8 February 2022
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.

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Tracey Lee

Chief Executive

Cabinet

3. Minutes (Pages 1 - 10)

To sign and confirm as a correct record the minutes of the meeting held on 11 January 2022.

9. Commitments: (Pages 11 - 48)

10. Finance Monitoring Report December 2021: (Pages 49 - 60)

11. Budget Scrutiny Recommendations: (Pages 61 - 78)

12. Proposed Budget 2022 - 2023: (Pages 79 - 158)

14. Procurement of the Contract for the Provision of Agency Workers: (Pages 159 - 184)

15. Compulsory Purchase Order Resolution at Bath Street West: (Pages 185 - 198)

16. Exempt Business

To consider passing a resolution under Section 100A(4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

At the time this agenda is published no representations have been made that this part of the meeting should be in public. (Members of the public to note that, if agreed, you will be asked to leave the meeting).

PART II (PRIVATE MEETING)

17. Compulsory Purchase Order Resolution at Bath Street West: (Pages 199 - 202)

Cabinet**Tuesday 11 January 2022****PRESENT:**

Councillor Kelly, in the Chair.

Councillor Nicholson, Vice Chair.

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

Note: The full discussion can be viewed on the webcast of the City Council meeting at www.plymouth.gov.uk. At a future meeting, the Council will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

217. **Declarations of Interest**

There were no declarations of interest made by cabinet members.

218. **Minutes (To Follow)**

The minutes from 21 December 2021 were signed as a true and accurate record.

219. **Questions from the Public**

There were no public questions received.

220. **Chair's Urgent Business**

There were no items of urgent business from the Chair.

221. **COVID 19 Update (Verbal Report)**

Dr Ruth Harrell, Director of Public Health in Plymouth gave an update to members and highlighted the following key points:

- (a) Omicron was the most dominant strand with 90% of cases;
- (b) Rates of COVID-19 in Plymouth had been high and had been recorded at 1485 cases per 100,000. It was recognised that although below the England average of 1665, recorded cases were very high and had doubled since the previous cabinet meeting which took place on 21 December 2021;
- (c) Hospital admissions had increased with over 100 people being admitted for COVID-19 and current numbers almost reaching the previous peak in January 2021. 50,000 people across England had been admitted to hospital. Dr Harrell advised members that although it had been reported that this strain was milder, for many that was not the case;
- (d) In the previous four to five months there had been 12% increase in excess

deaths, 50% were directly caused from COVID and the other 50% had been due to the impact of the pandemic in accessing services;

- (e) Vaccination uptake across the city had been good with many outreach clinics providing boosters and vaccinations;
- (f) South Africa had seen a sharp increase from their pandemic before this drastically reduced. It was recognised that England has an older population compared to South Africa and it was the winter season, this could see a change in the way the population behaves as well as the virus.

Members discussed:

- a) Derriford Hospital declared a critical incident which had been due to the number of COVID-19 cases and the levels of staff sickness relating to the infection. Rates of hospitalisations had been increasing and culminated in a very high admission rate on the weekend of 8 January 2021. Due to the infection being very infectious this meant extra measures had been put in place for the COVID wards which had included keeping spaces empty. This had been difficult for the NHS and locally they had been feeling the pressure although were doing their best to manage COVID cases and those requiring other forms of treatment;
- b) Plymouth City Council did not keep records of staff that had a booster as this was only pertinent to staffs own medical records. As an organisation Plymouth City Council had been doing relatively well which had been due to government guidelines under Plan B requiring office staff to work from home where possible. Sickness rates in the Council had not been high and was not impacting frontline services.

222. **Leader's Announcements**

Councillor Nick Kelly, Leader of the Council announced the following:

- (a) had now appointed an interim chief executive for our National Marine Park.
- (b) Elaine Hayes was an environmentalist with a brilliant track record of leading nature and conservation organisations, and brought with her a vast wealth of knowledge and experience;
- (c) We have some really exciting times ahead with a lot of different ambitions and projects to deliver in this sector. We want to plan for a more sustainable future but also inspire and enthuse our residents.
- (d) had been working closely with Shekinah, which was a charity organisation in Plymouth that provides opportunities for people who were experiencing all forms of homelessness and other challenges. They help people to make meaningful changes in

their lives with specialist support to address health issues, getting a home and learning new skills to lead to employment.

- (e) With them we were hoping to turn the empty Stonehouse Community Centre at Stonehouse Creek into a new type of community centre, bringing all types of services into one, safe space. The new venture would include offering:
- Skills training;
 - Health promotion;
 - Education;
 - Employment services;
 - Housing advice;
 - Mental health support;
 - Counselling.
- (a) Shekinah had an incredible track record of changing lives of many Plymouth people and we are keen to support them in any way possible. This move would bring a new lease of life to a current vacant building, but it also means we could continue with our long term goal to regenerate Millbay. The new boulevard has really opened up the area, and with a new hotel being built, means this is all good news for the city, the economy and residents;
- (b) Plymouth hospitality, leisure and accommodation businesses that had been impacted by Covid-19 would now be able to apply for further financial support through the Council. The Government announced the new Omicron Hospitality and Leisure grant on 21 December to help support businesses in this sector that had been impacted over the Christmas and New Year period;
- (c) The team here had worked quickly to get this latest business grant scheme up and running. We were now working on plans for the discretionary grant scheme as we want to make sure we understand where the support is really needed most and how we could make sure the funding available has the best impact;
- (d) Had received the news that Historic England were giving us an increase to the existing High Street Heritage Action Zone Grant. We would be getting an extra £130k for the historic enhancements projects within Old Town Street and New George Street. This was excellent news to help with the delivery of this important project within our town centre.

223. **Cabinet Member Updates**

Councillor Jonathan Drear (Cabinet Member for Transport) made the following announcements:

- (a) work had been completed on resurfacing of Millford Lane, St Peters Road phase A

and B, 50% of Drake circus roundabout and the footways around it. Eight footbridges had been refurbished, some of them were Outland Road, Roborough, Pennycomequick, two at Gdynia Way and Prince Rock;

- (b) the Winter Service continued and to date had been out seven times gritting the main roads. Vaccination and testing centres had also been gritted and covered 333 kilometres per night. To date only 130 tonnes of rock salt had been used;
- (c) the Fasola Road artificial intelligence had been ordered. The training on the system was going to commence next month. It was a satellite digitalized service to survey the roads and pavements for defects underneath that the eye couldn't see;
- (d) lighting and CCTV upgrades were continuing, especially in the Keyham and City Centre areas, and we're engaging with local communities following additional funding being received from Central Government by the Safer Streets and the Safer Keyham projects;
- (e) in terms of Councillor casework, all the numbers have come down over the last few months; in October we were at 90 cases and on the 11 January this year we were down to 14 – highways officers were congratulated for their concerted efforts;
- (f) Plymouth City Council had started an exciting venture to increase the use of electric vehicles in the city. While the majority of people may find it easy to plug in EV vehicles, it may be difficult for someone who has a mobility issue or was disabled. The parking team recognised this and as of the 24 January 1 trial was starting in the Theatre Royal car park on assisted electric vehicle charging;
- (g) the Morlaix Drive Access Improvement scheme, originally scheduled for 2020, but delayed because of the pandemic, would start on 24 January, and would be finished by the end of the year; as part of the scheme it would be widened to allow for the flow of a two way traffic system including buses and the upgrade of the existing narrow foot way to a shared pedestrian and cycle path;
- (h) 50 specimen trees were also being planted as well as ornamental plantings and bat and insect boxes along Morlaix Drive.

Councillor Vivien Pengelly (Cabinet Member for Homes and Communities) made the following announcements:

- (i) the housing delivery team who formed part of a strategic planning and infrastructure department were working proactively to help meet the serious challenges we were facing on homelessness as well as to address the urgent need for more affordable housing in Plymouth. So far the team have been successful in securing more than £2.2 million of land released funding from the Government to deliver 325 new affordable homes on 13 council owned sites over the next two to three years. We have also recently bid for another £220,000 of land released funding to build a further 12 community led affordable homes, and we expect to hear if these funds are also approved over the next few weeks;

- (j) these projects were being promoted under the council's nationally recognised Plan for Homes programme which made public land and other forms of capital subsidy available to housing association partners to help meet priority housing needs in the city. For example, groups such as service veterans, older people, those with physical and learning disabilities, homeless families and those who simply could not afford private accommodation of their own were already benefiting from this initiative and would now continue to do so.

Councillor Mark Deacon (Cabinet Member for Customer Services, Culture, Leisure & Sport) made the following announcements:

- (k) the registration service continued to see a high demand for new citizens and the Council was seeing increased revenue as a result. The service would be attending Plymouth Wedding Fair at the Guildhall at the weekend to promote the Council House as the chosen venue for Plymouth residents and to improve the relationship with local businesses and the wedding community;
- (l) one of the Council's registrars took on the amazing honour of conducting the marriage of her daughter and her new son in law at the historic Duke of Cornwall Hotel on the 27 December 2021;
- (m) the Green Tavern Suite at Plymouth Argyle would become officially licensed for ceremonies at Home Park this month. We are really looking forward to seeing couples say I do overlooking the pitch;
- (n) the schools library service was pleased to report that over the Christmas and New Year period, 600 topic boxes were collected from schools and a further 400 topic boxes were delivered. Each of these topic boxes contained a collection of 25 books on a related topic that school staff used to enhance learning. In total, the FLS staff based at Burrington Way collected and distributed 25,000 books over three weeks in what remained difficult circumstances. As well as schools and public library related stock, staff at Burrington Way have for the past month been designated a principle distribution centre of lateral flow tests to the public. The library service typically handed out in the region of 2000 test packs each week;
- (o) in line with the Council's green agenda, the library service promoted brand new digital library cards available through the library app; anyone with a smartphone could now have as an option a digital library card as a replacement for what had traditionally been plastic library cards. In addition, on Saturday the 12 February 2022 Plympton Library would celebrate its 10th birthday. The library was built on the site of the former library that was destroyed by fire. The occasion would be marked with events and activities.

Councillor David Downie (Cabinet Member for Education, Skills and Children and Young People) made the following announcement:

- (p) in 2018/2019 the Government funded several pilot projects across the country to research how it could best support children eligible for benefits related free school meals during the school holidays. Plymouth City Council was lucky enough to be involved through its national partnership with Streetgames in 2018, and as one of

10 national local authority pilot projects in 2019. In 2020, following the huge success of these pilot projects, the Government had invested £220 million nationally to the holiday activity and Food Fund programme to reach disadvantaged children so they were able to access healthy food and take part in fun enriching activities over the Easter, Summer and Christmas holidays. The Government had confirmed that this programme would continue and Plymouth City Council have been awarded £1,037,160; this year, on year investment would enable the council to extend and enhance the existing Fit and Fed programme and to further develop positive outcomes for all children and young people in the city.

Councillor John Riley (Cabinet Member for Governance, HR, IT and Community Safety) made the following announcement:

- (q) following the murder of Sarah Everard in March 2021 a national conversation and increased awareness of the dangers faced by women was launched. Many women and girls reflected on and spoke out about their own personal experiences of violence across the UK. Locally we had our own tragedy with the murder of Bobby Ann MacLeod in November 2021. Following this tragic event, it was imperative that we assessed what more could be done at a local level to ensure women and girls felt safe and empowered to live without fear of harm, abuse or intimidation. The leader launched the Violence Against Women and Girls Commission with the first meeting having taken place at the end of 2021. The objectives of this Commission included shining a spotlight on the national issue of violence against women and girls, and to understand more about the issue for those living in Plymouth, taking a proactive stance to better understand a wide range of views and experiences, and consider what more needed to be done to tackle the issue, improve the perception and the lived experience of women and girls that Plymouth was a safe city. This was an opportunity to revisit and review local policies were appropriate, including the public health approach to addressing violence against women and girls, and to identify and seek to influence any areas of national policy that needed revising.

Councillor Patrick Nicholson (Deputy Leader) made the following announcement:

- (r) regarding Devon CCG's decision to abandon the procurement of services delivered by the Mayflower Medical Group; this would be discussed at the Health and Wellbeing Board in a few weeks' time and the Devon CCG would be present. The intention at the Health Wellbeing Board was to have an open discussion on GP access in the city and a private discussion with the CCG in relation to the Mayflower Medical Group whose contract ends on the 31 March 2022 and the continuation of the services provided by those GP practices. Dialogue would continue so that patients had a fitting and proper service to GP services. Whilst there was capacity of Derriford to deal with all medical needs of the city as well as parts of Devon and southeast Cornwall, it was imperative that the GP provision in the city provided the first point of contact for many of those elements that we all have is as the population, and that they don't end, they don't start in the accident and emergency department.

Councillor Nick Kelly, The Leader of the Council introduced the Commitments report to Cabinet, this report provided progress on the remaining 43 commitments.

Cabinet noted the progress made on the remaining commitments in anticipation of further commitments being completed in the early part of 2022.

225. **Response to Scrutiny Recommendations**

Councillor Dr Pam Buchan, Vice Chair of the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee presented the report to members.

- (a) The four key priorities from the report and put before Cabinet included; endorsing the Climate Emergency Action Plan 2022 and to note that the Investment Fund is yet to be funded or established; To ensure that the Climate Emergency Action Plan is understandable to the public and to ensure that the document is easily readable, free from jargon; To write to local MP's to support the Climate Emergency Action plan; To develop the Council's portal so as to ensure the public are able to contribute to the Climate Emergency Action Plan.

Councillor Mrs Maddi Bridgeman made the following points:

- (b) The administration had focussed on sectors that had been responsible for carbon emissions in both action plans. The administration had focussed on deliverable actions with Councillor Mrs Maddi Bridgeman updating scrutiny every 6 months to demonstrate the administration's commitment to taking climate change seriously.
- (c) Councillor Mrs Maddi Bridgeman took into account all four recommendations made by the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee and recommended to Cabinet that those were all accepted.

Members discussed:

- (d) The Plymouth Highways team had been working to reduce their Carbon emissions and had partly achieved this through the white lining of roads;
- (e) The COVID-19 pandemic had an impact on the pace of delivering the Climate Emergency Action Plan however this still remained a top priority for the Council.
- (f) Members of the public had been encouraged to review the consultation of the taxi trade which had been attempting to tackle vehicle emissions over a period of time. Members of the public were also encouraged to comment appropriately on the consultation.

Cabinet agreed to:-

1. Support and endorse the Climate Emergency Action Plan 2022, noting that the Climate Emergency Investment Fund has yet to be funded or established;
2. Contextualise prior actions within the Climate Emergency Action Plan in 2022;

3. Support the Plymouth Climate Emergency Action Plan by asks to Government through local MPs and national channels;
4. Provide the public with a Plymouth Climate Emergency Action Plan website support tool by May 2022.

226. **Finance Monitoring Report November 2021**

Councillor Nick Kelly, Leader of the Council provided an update on month 8 of the Financial Monitoring Report

- (a) the Month 8 Finance Monitoring Report, which covered the revenue forecast position as at the end of November 2021;
- (b) an example of how the financial position would fluctuate as we move through the year, this month saw an improvement from the October position;
- (c) In October, it was reported an over spend position of £883,000. For November, this had improved to £744,000 over. A favourable movement of £139,000.

The improvements were:

- (d) The Corporate & Customer Services Directorate had recorded a further improvement of £37,000; the forecast was now an over spend of £618,000;
- (e) The Place Directorate was now forecasting a breakeven position from last month's over spend of £121,000; The pressures (arising from the impact on income targets following delegated decisions signed off by us in June 2021) had been set against savings from Treasury Management activity;
- (f) As a reminder, we continued to improve and were now more than 50% below the position of a forecast over spend of £1.514m at Quarter 2 in June;
- (g) full disclosure of our revenue savings targets and latest forecast of delivery was included at Appendix A;
- (h) It is worth noting that we are now reporting close to 80% of the savings targets as either already achieved or ready to be achieved being a total of £10.771m from the total £13.845m;
- (i) There were still £2.662m of savings marked as Red and at risk; these were all included in the forecast figures;
- (j) Officers and Members would work closely to manage the finances towards a balanced position by the end of the year.

Cabinet noted the report.

227. **Tamar Bridge and Torpoint Ferry Future Financing**

Councillor Jonathan Drean, Cabinet Member for Transport introduced the report to members and highlighted the following key points:

- (a) On 13 January 2022, the Tamar Bridge and Torpoint Ferry Joint Committee launched a consultation on proposals to address the financial shortfalls impacted by COVID-19 and the on-going reduced traffic levels for the Tamar Bridge and Torpoint Ferry's;
- (b) The Tamar Bridge and Torpoint Ferry's carry 18 million vehicles a year, 16 million on the bridge at 40,000 a day and 2 million on the ferries which equated to 5,500 per day. Both gateways were strategic to the economies in the region;
- (c) Tamar Crossings receive no subsidies from Government nor from the two owners of the crossings, Plymouth City Council and Cornwall County Council. Tolling income was used to operate, maintain and improve the Tamar Bridge and Torpoint Ferries from the 1957 Crossings Act;
- (d) Before the Coronavirus pandemic, tolls had not been expected to increase before 2023. This however, had been impacted by a reduction in traffic crossings and would be expected to remain for some years. A proposal to increase tolling in Autumn 2021 had been deferred in December 2020 following financial COVID support from government, this support had ended;
- (e) The Tamar Crossings reserves had been forecasted to be completely depleted in 2022 and Tamar Crossings had been facing an increased deficit unless there would be an intervention to increase the tolling. The forecasted figures indicated an annual funding gap of £3.2 million by March 2024. The Joint Committee had reviewed all areas of spending which had included; staffing, reduced service levels and a range of other options to address the financial shortfall;
- (f) Joint Chairs had written to government requesting National Highways, formally Highways England contribute to the cost of maintaining the bridge. The Minister did not support this request and there had been no prospect of further support from government, however the Joint Committee and two Councils would continue to lobby government for support.
- (g) After considering a number of proposals including a 35% increase for all users, the Joint Committee was consulting on a 30% increase on both cash and tag tolls for users and all classes of vehicles.
The toll income had been used to operate, maintain and improve the crossings. Tamar Crossings employed 100 staff to deliver the service 24 hours a day, 365 days a year. Despite the pandemic, Tamar Crossings had continued to deliver the service to users. Over the past few years, significant work had been carried out on the bridge and ferries and in total the bridge had injected £17 million for works and the introduction of contactless methods of payment for tolling.
- (h) It was highlighted that any deficit in the budget would be need to be fulfilled by

Plymouth City Council and Cornwall County Council.

Members discussed:

- a) Councillors would continue efforts to lobby government for fair financial support for the important strategic gateway between Cornwall and Devon.
- b) Members would set up a petition for users of the bridge as well as residents of Devon and Cornwall to sign and once 100,000 have signed this would trigger a formal ministerial response.

Cabinet agreed to:-

1. TBTFJC's preferred option for toll revision of uniform 30% toll increases on both Tag and cash tolls for all user classes be approved. Such approval to be subject to the Joint Committee making a decision whether or not to implement the preferred option following consideration of the public consultation responses. The Joint Committee being given the authority to make the implementation decision;
2. That Plymouth City Council, through the Portfolio Holders and Joint Chairs of the Tamar Bridge and Torpoint Ferry Joint Committee, continue to lobby Government and support a User's Campaign for a fair contribution towards maintaining the A38 across the Tamar Bridge to reduce the burden on the user

228. **Tamar Bridge and Torpoint Ferry 2022-2023 Revenue and Capital Estimates**

Councillor Jonathan Drear (Cabinet Member for Transport) introduced the Tamar Bridge and Torpoint Ferry 2022-23 Revenue and Capital Estimates report to members and highlighted the projects that were required to be undertaken as well as maintenance works.

Future plans included the bridge protective coating phase three and the ferry refits which were scheduled for 2030.

Cabinet agreed to recommend the Tamar Bridge and Torpoint Ferry Joint Committee's Annual Business Plan and the 2022/23 Revenue Estimates and Capital Programme to Council for approval.

Cabinet



Date of meeting:	08 February 2022
Title of Report:	Cabinet commitments
Lead Member:	Councillor Nick Kelly (Leader)
Lead Strategic Director:	Giles Perritt (Assistant Chief Executive)
Author:	Andrew Loton (Senior Performance Advisor)
Contact Email:	Andrew.loton@plymouth.gov.uk
Your Reference:	CC080222
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

The Cabinet, at their meeting in June 2021, identified 86 commitments to build back better in Plymouth. 22 of the 86 commitments were delivered within the first 100 days and to date 48 have been delivered. This report provides an overview of the commitments delivered and the progress made on the remaining 38 commitments.

Recommendations and Reasons.

That Cabinet:

1. Agrees and endorses the completion of five commitments in January; 28, 29, 34, 40 and 69.
2. Notes the progress made on the remaining 38 commitments.

Alternative options considered and rejected

Not to produce an update. Without publication of progress, 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	Cabinet Commitments.							

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) <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

Sign off:

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Originating Senior Leadership Team member: Giles Perritt (Assistant Chief Executive)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 03/02/2022											
Cabinet Member approval: Councillor Nick Kelly											
Date approved 03/02/2022											

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CABINET COMMITMENTS

Chief Executive's Department



1. INTRODUCTION

The Cabinet, at their meeting in June 2021, identified 86 commitments to build back better in Plymouth which would be delivered over 4 years. 22 of the 86 commitments were delivered within 100 days and to date 48 have been delivered.

The commitments support a range of activities that benefit the City of Plymouth and its residents across a spectrum of themes which are listed below:

- Health, wellbeing and safety.
- Education and skills
- The environment
- Job creation
- City centre and waterfront rejuvenation
- Infrastructure
- Finance
- Housing

Work has been undertaken by the Cabinet and officers to deliver the commitments and this report provides a summary of progress along with details of the ongoing work to deliver the remaining commitments

2. COMMITMENTS OVERVIEW

The Cabinet have now completed 48 (56%) of the original 86 commitments and have a further 38 on which progress has been made. The table (table 1) below shows commitments currently in progress and those completed.

Table 1: Commitments Summary.

Theme	In Progress	Completed
Health, Wellbeing & Safety	5	15
Education & Skills	2	4
The Environment	1	9
Job Creation	6	5
City Centre and Waterfront Rejuvenation	7	0
Finance	0	1
Housing	6	1
Infrastructure	11	13
Total	38	48

3. COMPLETED COMMITMENTS.

28/01/2022

The table below (Table 2) shows that delivery has been particularly successful in the areas of health wellbeing and safety, infrastructure and the environment. Of the 48 commitments delivered 22 were completed in the first 100 days demonstrating the Leader and Cabinet's wish to demonstrate delivery at pace to improvements across a range of services which are important to residents, visitors and businesses. Following the first 100 days the Cabinet delivered a further 21 in the period between September and December 2021 achieving 50% delivery of all commitments within the first seven months of their Administration.

Table 2: Completed Commitments

Theme	First 100 Days	September to December 2021	January to February 2022	Total
Health, Wellbeing & Safety	6	9		15
Education & Skills	4			4
The Environment	6	1	2	9
Job Creation		3	2	5
Finance	1			1
Housing		1		1
Infrastructure	5	7	1	13
Total	22	21	5	48

There have been five commitments that have been completed in January 2022 (included within the 48 completed above). The full list of all commitments completed can be found in Appendix A of this report. Below is a table (Table 3) showing the five commitments that have been completed in January 2022.

Table 3: Commitments Completed in January 2022.

Commitment	Cabinet Member	Month Completed	Delivery Overview
28. We will actively promote positive lifestyle changes and improve our environment for all, including our wildlife by improved soft and hard landscaping projects throughout the city. (The Environment)	Maddi Bridgeman	Jan-22	<p>Preventing Plastics Project</p> <ul style="list-style-type: none"> • 14 signatories for Plastic Charter for local businesses /schools/communities; • Tenders issued for 2 x innovative art installations using recycled plastic waste; • Proposal finalised for the testing and evaluation study of the addition of AI(artificial intelligence) and Autonomy to 2 x 'Wastesharks' to collect plastic litter in the Cattewater. 'Plymouth's Action on Plastic' brochure produced; • Engaged with 300 people (Sail GP and other community events.) <p>Mayflower Improvements:</p>

			<ul style="list-style-type: none"> • Completed Welcome sign installation; • Hoe Volunteering Gardening group established; • General Waterfront improvements continued. • 2/11/21: Plastic sculpture procurement complete; Waste Shark procurement complete <p>Green Minds:</p> <ul style="list-style-type: none"> • Summer Engagement Programme in green spaces and at the Pannier Market - 77 events, 2051 participants (1038 new to the project). • Green Social prescribing project launched at Central Park. • Greenspace access improvements initiated at Duncombe Avenue (link to Kings Tamerton Wood), <p>Urban Tree Challenge:</p> <ul style="list-style-type: none"> • Consultation completed for Blossom Together project at Devil's Point (over 200 respondents). Works started January 2022. • Tree procurement for citywide winter planting completed. • Funding (£1.2m) secured from DEFRA for Plymouth Natural Grid partnership project Oct 21 - Mar 23) with National Trust and Real Ideas to enhance 300 hectares of nature sites across the city and run Kickstart programme of 30 young people to build skills and employability in green sector. • Project underway and project team in place. First 11 Kickstart placements in progress. 4 projects secured <p>Abercrombie Awards:</p> <ul style="list-style-type: none"> • Delamere Road – Best Community Project - Winner; • Teats Hill – Best Natural Infrastructure Project - Commended; • Plymouth Tree Challenge - Best Natural Infrastructure Project - Commended; • Star Park - Best Community Project - Commended
29. We commit to improve the environment by supporting and creating innovative plans to make Plymouth carbon neutral by 2030 (The Environment)	Maddi Bridgeman	Jan-22	<p>On Monday the 24th January 2022 the Corporate Carbon Reduction Plan 2022 and Climate Emergency Action plan 2022 were debated and endorsed. The plans contain a range of actions to be taken in 2022 to support the</p>

			Council to meet it's net zero target by 2030 and were developed with full engagement of the Council's Scrutiny System.
34. We will promote The National Marine Park which showcases our world class marine, engineering and research facilities creating more jobs in these areas. (Job Creation)	Nick Kelly	Jan-22	<ul style="list-style-type: none"> • £9.5m has been awarded to the National Marine Park from the National Lottery Heritage Fund (Heritage Horizons Award). 10% made available for the 2 year development phase of the project to test and trial initiatives and develop capital projects to RIBA design stage 3. • Project fully mobilised and a year of listening and engaging to start in the spring to enable residents to co-design the project and the marine park. • £665,873 grant award from Community Renewal Fund for business support activities to deliver innovative approaches to green/blue tourism, decarbonisation of the waterfront and connection communities to the waterfront. Leads and core structures for HF Horizon project have been agreed and being established. This work must be delivered and complete by June 22. • Announcement of new appointment to the new role of Interim Chief Executive for National Marine Park (NMP) on 7th January. They will lead the wider development of the NMP as well as support the HF Horizons project.
40. We shall lobby the Government to review and complete an overhaul of the Business Rates system to make it fairer for businesses and benefit the local community. (Job Creation)	Nick Kelly	Jan-22	<p>The Plymouth Ask document has been updated and a letter sent to the Chancellor of the Exchequer from the Leader on the 6th July regarding the Business Rates system and a fundamental review.</p> <p>We are aware that the Government are not intending to conduct any review of Business Rates via the proposed Fair Funding Review however this will be an area that we will continue to lobby on and any change in government support will be provided via the Levelling Up Agenda.</p>
69. We will build closer links with the Taxi Trade to ensure the current fee regime remains fair and taxis are readily available 24/7 for passengers. We will accelerate the installation of Electric Vehicle charging points to encourage	John Riley	Jan-22	<p>We continue to work with the taxi trade to ensure that the way in which the fees are set is communicated fully, to provide assurances that it is open fair and transparent.</p> <p>Fees are reviewed by the Taxi Licensing Committee Members every year and were</p>

operators to switch from petrol or diesel vehicles to electric powered Taxis (Infrastructure)			<p>last reviewed on 13 January 2022 and for the second year were not increased. We always engage with the trade prior to and during this process.</p> <p>We will continue to work with the Private Hire Operators and assist with the application process to encourage new drivers to join the trade.</p> <p>The Taxi Fare Tariff has been recently reviewed and following consultation the new fares came into effect on 18 January 2022. It has been agreed that the fare tariff will be reviewed by the committee in the autumn so that any proposed changes will come into effect by the end of the year.</p> <p>We have worked closely 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 grants that may be available to encourage proprietors to upgrade their vehicles to those with low or no emissions. The EV charging point programme has continued and by the end of March there will be over 200 EV charging points across the city.</p>
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4. COMMITMENTS IN PROGRESS.

The Cabinet and officers are working hard towards delivery of the remaining 38 commitments. The delivery date for commitments ranges from February 2022 to December 2025. Identified delivery dates can be subject to change dependant on external factors. Table 4 (below) describes commitments to be delivered within the 2021/22 financial year) and table 5 those that will be delivered in 2022/23 and beyond (listed in order of the delivery date.

Table 4: Commitments due to be completed by March 2022.

Commitment	Cabinet Member	Delivery date	Progress Update
36. We will promote Plymouth as an historic port with a large fishing fleet, a major hub for marine leisure industries and activities. It is also a major tourist attraction.(Job Creation)	Nick Kelly	Feb-22	<p>Destination Plymouth Board will discuss positioning of Plymouth as a major city in relation to the findings of the Independent Review of Destination Management Organisations and wider regional entities.</p> <p>Ongoing</p> <p>No allocation in CSR but DCMS received a 3% uplift in their grant. MP's being lobbied to ask DCMS to fund £51 million over 3 years to support DMO review implementation. This is ongoing.</p> <p>Cruise activity very positive over autumn with 7 vessels coming into port.</p>

Commitment	Cabinet Member	Delivery date	Progress Update
			<p>12 booked for 2022 already. Completed now working on 2023 bookings</p> <p>Winter campaign being developed to highlight Plymouth as a major regional shopping and leisure destination due to go 'live' end October. Completed</p> <p>British Travel Trade Fair attended and World Travel Market early Nov for B2B activity. Completed</p> <p>Successful CRF and ARG funding application has provided £134k to deliver 'Green Tourism' scheme for the city starting Dec 2021. (start moved to Feb 14th 2022)</p> <p>Development activity commencing around business tourism pipeline linked to four key vertical sectors: Marine and Environment, Health and wellbeing, Creative digital and manufacturing – will be summer 2022.</p>
38. We will work with partners such as Sutton Harbour Holdings to improve our fish landing facilities as well as local fishers to grow and modernise the fleet to maintain Plymouth's standing as a top fishing port.(Job Creation)	Nick Kelly	Feb-22	<p>We have commissioned a feasibility study for improving the landing facilities at the Fish market and undertook a fishing round table during the summer of 2021.</p> <p>We will continue to work with the industry and are creating initial designs which will be used to bid for future funding. A number of potential bidding opportunities have been identified.</p>
46. We will prioritise the development of the Quality Inn site on the Hoe with a suitable and sympathetic plan for this stunning location(City Centre and Waterfront Rejuvenation)	Nick Kelly	Feb-22	<p>We have agreed terms with a preferred developer and hope to be able to make a formal announcement about this in early 2022.</p>
55. Consult YOU about the possibility of reducing or abolishing the tolls on the Tamar Bridge and Torpoint Ferry Crossings by lobbying the Government to secure similar status to the Severn Bridge Crossing(Infrastructure)	Jonathan Drea	Feb-22	<p>The Covid-19 pandemic has had considerable impact on the use of the bridge and the ferry and has resulted in reduced income for the Tamar Crossings.</p> <p>Whilst joint (Plymouth and Cornwall) discussions with Government continue to look at how we might replicate operating models adopted elsewhere, there is a pressing requirement to look at how to maintain a level of income to make both crossings safe and viable.</p> <p>It remains our aspiration to reduce tolls and seek further support from</p>

Commitment	Cabinet Member	Delivery date	Progress Update
			Government, but this must now be seen as a longer-term commitment in light of an anticipated reduction of income. A consultation is under way to consider current tolls and a consultant will be commissioned in the next few months to develop a revised business plan.
66. We will increase the speed limit from 30mph to 40mph on the new and improved Tavistock Road section to improve journey times(Infrastructure)	Jonathan Drean	Feb-22	<p>Statutory consultation on changes to the speed on Tavistock Road has been undertaken.</p> <p>An Executive Decision is currently being prepared for the Cabinet Member to take the decision to proceed with the advertised changes to speed, in line with the commitment.</p> <p>Following the statutory process required to be undertaken the actual change to the speed on the road is expected to go live in March 22.</p>
67. We will commission new technology using satellite imagery to inspect the condition of our local road network. This will allow potholes to be identified, and repaired quicker and more cost effectively(Infrastructure)	Jonathan Drean	Feb-22	Vaisala selected as supplier, Order processed and received with training arranged end January 2022. Hardware being set up by Delt with trial period to commence Feb 2022
73. Local governments across the UK are owed millions of pounds in uncollected Parking Tickets, due to a number of reasons, often involving criminal activity. The Traffic Management Act allows local authorities to undertake removal of persistent evaders (those with more than 3 PCNs outstanding) from the road and store until and outstanding debt cleared and updated info provided to the DVLA. If after the removal the car is not claimed this can then be sold or scrapped and the income used to cover any outstanding debt. We will step up enforcement in this area(Infrastructure)	Jonathan Drean	Feb-22	<p>An Executive Decision is being prepared for Cabinet Member approval to adopt these powers.</p> <p>Procurement supply chains have been established and policies for this activity drafted, for approval as part of the Executive Decision.</p> <p>There is a statutory process to follow when implementing such powers, whilst the Council will be able to announce the intention to adopt these powers sooner, the Council is expected to be able to utilise these new powers from April 22.</p>
2. We want older people to keep their independence for longer by supporting them in their own homes. We will offer greater access to digital services including robopets and devices such as Amazon Echo and Alexa which can act as a helpful friend to those living with dementia(Health, Wellbeing & Safety)	Patrick Nicholson/ John Riley	Mar-22	We are looking into previous trials of technology to support dementia patients in the city. Amazon Echo's (Alexa) have been sourced and a meeting held with Ermington based Robopets to understand the work they have done recently with Essex NHS. Now working with adult social care team to understand how they will trial them.

Commitment	Cabinet Member	Delivery date	Progress Update
10. We will explore introducing a "Plymouth App" to make accessing information about local services much easier and in one place. (Health, Wellbeing & Safety)	John Riley	Mar-22	Business case developed for the website replacement which will provide a mobile friendly content refresh. The first phase of implementation will take Council Tax content into a trial to be launched this Spring allowing customers to bookmark the site on their smartphones so that it behaves like an app, without the cost of maintaining the content in multiple technologies.
20. We recognise the real issue of Child Poverty within our city. We will raise awareness of this issue and provide additional funds to work with partners to eradicate Child Poverty and give every child the best possible start in life to boost their life opportunities(Health, Wellbeing & Safety)	Vivien Pengelly	Mar-22	<p>In late December 2021, the Child Poverty Working Group reviewed the progress towards the current 2022 targets in the plan (of the data available). Of the 9 targets, all but one were on their way to achieving their goals in one way or other. 4 targets have been achieved (with caveats). 4 targets are achieving success in part with more work to do in 2022 and 1 target is not currently progressing.</p> <p>With this information the working Group has set up 'planning workshops' to develop the next plan. It is anticipated that the next plan will be a three/four year plan running from 2022-2025. (The current plan ends 2022). The new plan will focus on raising awareness of this issue and seek to put in places mechanisms to give every child the best possible start in life to boost their life opportunities</p>
23. Look to investigate the replacement of old primary school buildings(Education & Skills)	Dave Downie	Mar-22	<p>After exploring all the funding opportunities, we are in the process of developing a short, medium and long term School Conditions Improvement Plan based on completed School Conditions Surveys.</p> <p>This plan will utilise the School Condition Grant that the LA receives to improve our maintained school estate. All surveys have been 'RAG' rated and the plan will prioritise any elements that have been identified as 'red' ratings before going on to address amber elements.</p>
32. We shall prioritise the further improvements required to our largest green area, CENTRAL PARK. Following a thorough consultation with YOU we shall invest millions to make this park a must visit place for sport, recreation, socialising and wildlife that appeals to all ages(The Environment)	Patrick Nicholson	Mar-22	<p>Delivery programme for 21/22 agreed with Portfolio Holders at meeting on 30 September. Project Mandate completed and signed off for Central Park Phase 3 improvements £2.4m.</p> <p>2/11/21: Site improvements ongoing –</p> <ul style="list-style-type: none"> • new Oral History Interpretation installed; • Tree planting winter programme finalised; <p>Plans for SuDs and additional access and nature enhancements progressing.</p>

Commitment	Cabinet Member	Delivery date	Progress Update
			Business Case in progress for Phase 3. Central Park Hub improvements Phase 2 were an Abercombe Award Winner for Best Natural Infrastructure Project.
43. KICK START – We will support and encourage all local Small & Medium sized businesses to get access to this innovative scheme that provides funding to create new job placements for 16 to 24 year olds on Universal Credit who are at risk of long-term unemployment(Job Creation)	Nick Kelly	Mar-22	<p>As lockdown measures ease the number of kickstart placements in and around the city continue to grow. As of July 2021 we have 217 starters (high calibre candidates), 336 vacancies which we are actively trying to fill and a further 146 placements in the system awaiting approval.</p> <p>Approval rate for new applications remains high at approx. 97% (due diligence by gateways) and there are good working relations locally with DWP, as well as an established citywide Kickstart Task and Finish group.</p> <p>In addition we are seeing high quality work placements many above the conditioned hours and above the national minimum wage and jobs that will lead to long term employment.</p> <p>In addition gateways and employers are concerned about the number of young people DWP are putting forward to fill existing vacancies. We continue to work hard with all key stakeholders in the city to address these issues.</p>
48. To celebrate our rich history and culture we will invest in our Guildhall to improve the facilities and make it a real asset to the city by allowing a far wider use of the building and its facilities(City Centre and Waterfront Rejuvenation)	Nick Kelly	Mar-22	<ul style="list-style-type: none"> • Future High Streets Fund grant secured to enable this project to progress. • Initial stakeholder consultation has been completed to identify key project requirements. External project managers appointed. • Other members of the design team will now be appointed in order to progress the design and costings.
61. We will consult with neighbouring Councils to provide further conveniently sited "Park & Ride" sites with the delivery of such a facility at Deep Lane, Plympton.(Infrastructure)	Jonathan Drea	Mar-22	<p>Plymouth City Council have secured funding for the expansion of the George Junction Park and Ride through the Governments Levelling Up fund. This will support the abstraction of trips from settlements within the Plymouth Travel to Work Area such as Tavistock.</p> <p>Discussions with Devon County Council regarding the Deep Lane Junction P&R site, as part of Devon's longer term</p>

Commitment	Cabinet Member	Delivery date	Progress Update
			submission to the Levelling Up Fund and supporting the development of the Plymouth and South west Devon Freezone, are ongoing.
65. To encourage greater use of our Continental Ferry service we will offer bespoke parking for motorhomes as a stopover for those embarking or disembarking the ferry.(Infrastructure)	Jonathan Drean	Mar-22	A review has been undertaken on the opportunities to increase the provision of parking locations for campervan and overnight stays to support this commitment. The outcome of this review has been shared with the Cabinet Member, leading to the preferred option to introduce a trial site at Coypool Park and Ride. A pilot is now going to be implemented to allow a section of the site to be used for motorhome parking, this is expected to be completed March 22.
68. We will prioritise the need to offer a modern and suitable Cruise Terminal in Plymouth by working with partners such as Associated British Ports and Brittany Ferries(Infrastructure)	Jonathan Drean	Mar-22	Round table discussion held with Brittany and ABP in November – next steps involve developing research and data analysis of port impact prior to supporting funding bid for capital investment in improvement of port infrastructure linked to 'levelling up or shared prosperity funds – summer 2022
71. We recognise that residential parking is an issue so we will provide funds and work with local communities to create additional neighbourhood car parking spaces by reconfiguring areas to allow Diagonal / Perpendicular parking(Infrastructure)	Jonathan Drean	Mar-22	Some initial proposed locations did not proceed due to high cost and little return in parking created, therefore review commenced of alternative locations, more economically viable, around the city, that could benefit from this approach. A number of sites have been identified and the Portfolio Holder is to receive a briefing (January 22) to review the additional locations. Subject to approval we then expect to be able to deliver the first sites by March 22.

Table 5: Commitments due to be completed from April 22.

Commitment	Cabinet Member	Delivery Date	Progress Update
42. We welcome the Government's decision to make Plymouth a Free Port. This status will allow us to attract new manufacturing and assembly businesses creating specialist jobs for local people(Job Creation)	Nick Kelly	Apr-22	Detailed Plan Phase: Outline Business Case submitted on the 26th November 2021. This includes review Offers and Asks to include additional asks that may maximise the benefits of Freeport status - complementary initiatives relating to skills, innovation, net zero, regeneration, housing, transportation, land remediation, and mitigating displacement. Full Business case

			to be submitted by 15th April 2022 will see the commitment completed.
58. We feel that Plymouth City Council car parking charges are punitive and we will review city centre parking charges. We will introduce periods of FREE parking in council owned car parks to save you money and support local businesses(Infrastructure)	Jonathan Drea	Apr-22	<p>Building upon the concessions implemented at Christmas, the service is working with a third party to explore an innovative solution; a system that rewards customers that spend money in Plymouths shops with free parking; ensuring such a solution recognises those contributing to the local retail economy.</p> <p>A plan is currently being developed to deliver a concession on parking during the Easter Period that will support the completion of this commitment.</p>
78. We will support our local veterans to get the care and support they need by developing a 'veterans village' to provide the homes they need. The completed Nelson project in Stonehouse and the commenced Stirling House project in Honicknowle have won national awards and made a significant contribution to meeting the housing needs of veterans, as well as providing the required wrap-around support and advice services to address mental health and well-being issues often faced by ex-servicemen(Housing)	Vivien Pengelly	Apr-22	<p>There have been a series of discussions with housing and support providers for service veterans and officers will continue to engage through the appropriate channels to establish the need for and type of future veterans housing and support.</p> <p>The Stirling House veterans self build project commenced construction earlier in the year with up to 12 veterans engaged on this self build initiative. The new homes are due for completion by around Spring 23.</p>
80. We will make home ownership more readily available by delivering the right homes, in the right place, for local people. We support the schemes with affordable homes at Woolwell, Coypool, North Prospect and Barne Barton(Housing)	Vivien Pengelly	Apr-22	<p>Officers continue to promote a wide range of affordable homes for ownership in the city through the Plan for Homes initiative and on sites that have previously been stalled. For example 126 homes for open market sale and affordable home ownership have started on two sites that have been stalled for many years. We also are working to unlock a further 400+ affordable units including homes for affordable ownership in the city that are currently stalled. Officers also continue to bring long term empty homes back into use using a range of legal powers and financial incentives. This action helps provide new private homes for sale and rent, helping regenerate those neighbourhoods impacted by the blight that long term empty properties often create. South Hams District Council are continuing to have planning discussions with the applicants on the development of the Woolwell site. The Coypool development proposal for 550 homes was given planning consent on 23/6/21 delivering at least 110 affordable homes. The North Prospect regeneration project continues to progress and the final phase of construction is now</p>

			fully funded and will complete over the next 2-3 years. Finally Housing Delivery Officers are working closely with Housing Association partners Clarion Housing and Sanctuary Housing to help achieve the earliest possible start on site for two developments in Barne Barton, providing more than 300 new high quality homes on these exemplar regeneration projects.
12. We will seek to strengthen our military covenant with the Armed Forces by looking at our Veterans ongoing needs especially around medical support and mental health provision. We want to create a hub where Plymouth is recognised as a centre of excellence for Veteran support(Health, Wellbeing & Safety)	Vivien Pengelly	Delivery after May 2022	We have met with providers Improving Lives and Livewell southwest to identify any gaps in mental health provision. Meeting to be held with Portfolio Holder to agree end state and review commitment ownership.
18. We will increase the funding for Access Plymouth to allow greater mobility around our city.(Health, Wellbeing & Safety)	Jonathan Dreaan	Delivery after May 2022	The Plymouth Bus Service Improvement Plan (BSIP) was submitted to the DfT in October. It includes the aspiration to deliver five electric mini-buses and associated infrastructure, to support the city's aspirations for expanded Demand Responsive services. Such services are currently provided by Access Plymouth's Dial A Ride service. Access Plymouth submitted a letter of support for the BSIP which is available online at www.plymouth.gov.uk/bsip . The outcome of the Council's BSIP submission is currently unknown.
39. We are extremely proud of our military heritage and will look to keep our service personnel and facilities in Plymouth whilst continuing to offer support to all of our Veterans.(Job Creation)	Vivien Pengelly	Delivery after May 2022	We will support Babcock in the physical redevelopment of the naval base, and will support veterans through the Armed forces day which will celebrate key events and achievements, including the commemoration of the Falkland conflict, the creation of the Veteran's Village as well as dedicated and continued support to our military and their families. We will continue to support the Armed Forces Covenant initiatives which includes securing the gold award for the Defence Employers Recognition Scheme (DERS). Discussion with PFH is planned to discuss the submission for the gold award.
41. Covid 19 has reinforced the benefits of shopping locally. We will therefore invest and improve the local shopping centres to keep them as the heart of local communities. By working with landlords and traders we will secure the future of all our District and Local Shopping Centres for our residents including Southway, Whitleigh, St.Budeaux, Plymstock, Estover, West Park, Plympton, Stoke, Devonport, Crownhill and Mutley Plain (Job Creation)	Nick Kelly	Delivery after May 2022	We have identified 100K to support the district shopping centres. We have commissioned Geddon Plymouth to help promote and raise awareness of all local shopping. We are looking to undertake local surveys to listen to traders and hear what they want.

45. We will upgrade and modernise the Tinside Lido to increase the usage throughout the year to create a 'must visit' venue.(City Centre and Waterfront Rejuvenation)	Maddi Bridgeman	Delivery after May 2022	<p>£9.5m has been awarded to the National Marine Park from the National Lottery Heritage Fund (Heritage Horizons Award). 10% made available for the 2 year development phase of the project to test and trial initiatives and develop capital projects to RIBA design stage 3.</p> <p>Project fully mobilised and a year of listening and engaging to start in the spring to enable residents to co-design the project and the marine park. Throughout 2022 with the new LATC to run the pool, we will be promoting this asset and running events to encourage more use of this fantastic asset.</p> <p>Tinside pool and adjacent Tinside cove is one of 4 capital projects that will be developed to enhance this asset. A stage two bid will be submitted in June 2023 and then we should be in a position to start delivery and release the remaining 90% of funding to the project in late 2023.</p>
62. We will assist residents living near the Dockyard to park near their homes by encouraging Babcock and the Royal Navy to provide more on-site parking(Infrastructure)	Jonathan Drean	Delivery after May 2022	<p>Discussions are currently underway with Babcock, involving members and senior officers, in relation to challenges around Dockyard parking. Babcock will be presenting a range of proposals, from additional on-site parking through to permit parking options to protect resident's streets. The next meeting is scheduled for February, where these options are to be reviewed. The Cabinet Member will receive a briefing on these.</p>
26. We believe that the mental health of our young people is paramount, and that school pupils should be taught to think, to question and to understand, not just to cram for exams. We will actively investigate the setting up of new schools which do not rely on the outdated, industrial-scale exam system, but which highlight things such as creativity, entrepreneurship, social and community skills and teamwork. Academic skills will be given parity with life skills to benefit our young people.(Education & Skills)	Dave Downie	Aug-22	<p>Every school has a link PCC Educational Psychologist working with staff, children/young people and their families. The EP Service provides an immediate response to critical incidents, and initiatives are underway to support wellbeing for education recovery. These include whole school strategies to develop positive mental health and promote children's self-confidence and prosocial behaviour, such as emotional literacy training for support assistants, training for mental health leads, and guidance to manage emotionally based school avoidance. Joint work with CAMHS and external partners to support planning for mental health in schools is co-ordinated by PCC via an Emotional Health and Well-being Steering Group.</p> <p>Devon Mind have been commissioned to coordinate Plymouth Wellbeing for Education Recovery Project including the evaluation of the emotional based literacy training and the mental health leads training delivered by PCC Educational Psychologists. Devon Mind will further develop the Local Offer on the Plymouth Online Directory ensuring that schools and the wider system are aware of the emotional health and</p>

			wellbeing offer available to children, young people and their families.
49. Prioritise the city's offering around live music/concerts by working with partners to develop and deliver live music venues(City Centre and Waterfront Rejuvenation)	Mark Deacon	Dec-24	We have appointed an external project manager and are in the process of appointing the wider professional team to help progress our plans to modernise and refurbish the Guildhall, with a planning application due to be submitted in August 2022 with works due to start by May 2023. This will provide an improved venue for live music.
44. Plymouth Hoe & the Barbican, our waterfront, is the "jewel in the crown" for this city. We promise a major upgrade to the waterfront area by creating a futuristic park that will offer far greater and better facilities for residents and visitors(City Centre and Waterfront Rejuvenation)	Nick Kelly	Dec-25	Following the Council's successful bid for Heritage Lottery Funding towards the development of the National Marine Park (NMP) we will be exploring how facilities in the waterfront area can be improved as part of the wider programme of enhancements proposed through the NMP.
47. In our city centre we will encourage and facilitate more residential living, introducing more green and recreational facilities including an events space for local entertainers to entertain the public and become a focal point.(City Centre and Waterfront Rejuvenation)	Nick Kelly	Dec-25	Review of residential masterplan for Colin Campbell Court is ongoing and will be progressed following planning application for the health hub. Work is being carried out to consider whether Colin Campbell House upper floors would be suitable for conversion to apartments. City centre housing demand study has been commissioned jointly by PCC and Homes England and the final report is expected in October 2021. Future High Streets Fund has awarded £12m for Plymouth, part of which will allow Urban Splash to progress the delivery of the Civic Centre, including 144 apartments and a conference and events space. The Guildhall will also be refurbished and modernised.
50. We will look to introduce a covered walkway to allow shoppers to have easy access to both ends of the city centre during inclement weather.(City Centre and Waterfront Rejuvenation)	Nick Kelly	Dec-25	To be discussed further with British Land and City Centre Company.
54. A Conservative Council will use its influence and powers to acquire the leasehold interests of Plymouth Airport from Sutton Harbour Holdings with the objective of making the airport operational again(Infrastructure)	Nick Kelly/ Patrick Nicholson	Dec-25	The Council is in active discussions with Sutton Harbour about this.

75. We will work with local housing associations to create a wider range of homes for local people. Registered 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 extra care, housing for people with learning difficulties, self-build housing, and housing for veterans. However not all registered providers are active in creating new housing and so could be incentivised through prioritised access to corporate borrowing the City Council could access through the public works loan board.(Housing)	Vivien Pengelly	Date for delivery being discussed with Portfolio Holder	Housing Delivery Officers continue to progress 20+ development sites with Plymouth Housing Development Partnership (PHDP) members on land owned by the Council as part of the Plan for Homes programme. This year the team have also secured £600k of Brownfield Land Release Funds to deliver an additional 70 homes and a further funding bid to Government has recently been made for £220k to deliver 12 community led homes. In October 2021 5 bungalows for older people at Ham Green Lane were completed by Westward Housing Group on a Council owned site that used Government Land Release funding to demolish the vacant building on the site.
76. We will create a dedicated Housing Investment Fund to get unsightly stalled housing sites across the city started. By providing grants and loans to housing providers to provide infrastructure and help unblock sites to deliver policy compliant housing schemes and/or by purchasing market units from developers, either directly by the City Council or through registered providers, to provide increased levels of affordable rented homes to meet identified needs, will help address meet identified needs, will help address stalled sites and increase rented and for sale homes. This could include acquiring stalled sites(Housing)	Vivien Pengelly	Date for delivery being discussed with Portfolio Holder	Our Plan for Homes Programme has an existing Housing Investment Fund. All monies are committed with the agreement of the Cabinet Member for Home and Communities to support a range of interventions to unlock and accelerate delivery, including on sites we have previously acquired, JLP sites and PCC sites brought forward for development. We have entered into two Housing Partnership Agreements with key Housing Association partners Plymouth Community Homes and Livewest to further maximise their investment into new and improved homes.
77. We will once again as a City Council build local homes for local people. The purpose would be to further increase and accelerate the delivery of a wide choice of quality new market and affordable homes through a number of direct interventions in the housing market. This could include the provision of grant and loan funding to provide the infrastructure to help de-risk existing sites; help lever in funds from Homes England; improve the affordability of new homes; increase housing choices for different groups in the community; and accelerate construction on new parcels of land in the Joint Local Plan Plymouth Policy Area. The City Council has a significant role to play in the delivery of new homes in the city. Clearly the City Council would not actually build the homes and nor would it re-open the Housing Revenue Account but effectively it would be proactively intervening to deliver local homes for local people, the range and mix of course open to further discussion(Housing)	Vivien Pengelly	Date for delivery being discussed with Portfolio Holder	Recent activity includes preparing and bringing forward council owned land as 'site ready' for development; providing grant to support the provision of infrastructure to unlock stalled sites; supporting estate regeneration programmes to replace obsolete homes with new energy efficient homes; and work to bring empty homes back into occupation. We are working with Homes England to increase partnership working and funding to support our growth ambitions, with a focus on unlocking stalled JLP sites and supporting city centre renaissance. We have also started the direct development of new homes in the city. Our pilot scheme at Broadland Green has secured planning consent we plan to develop a pipeline of future sites.

<p>79. We will stop the further intensification of houses in multiple occupation in the streets around Plymouth University and go further by buying up properties and converting these back to single family homes. The overall objective of housing policies in the Joint Local Plan is to create balanced sustainable communities but in some streets around the university there are very high percentages of student houses and other houses in multiple occupation which not only mean that the overall population in the area is not balanced but has other environmental impacts due to the intensification of the housing usage such as anti- social behaviour, the proliferation of bins etc. A targeted approach to identify homes currently used for student housing which are no longer in demand and which are potentially at risk of disposal to rogue landlords will, if left unchecked, result in poor quality housing and a further reduction in the quality of life in local neighbourhoods. If these properties are bought up by the City Council they could be 'de-converted' into larger single family homes to meet that need(Housing)</p>	<p>Vivien Pengelly</p>	<p>Date for delivery being discussed with Portfolio Holder</p>	<p>A scheme is being developed and discussions with the main landlord association in Plymouth are underway.</p> <p>UPDATE - The housing market has changed dramatically in the last year, whilst we have worked up a loan scheme for both MEES and the de-conversion of HMO's back to family houses, we are unsure whether it is still a viable option. Lots of landlords are leaving the market through selling their properties. We now need to work with the PFH to finance some pump prime funding to create a pot of funding to finance the loans to landlords. We are hopeful to have a full update of whether this is still viable by March/April 2022.</p>
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Appendix A – Completed Commitments.

Commitment	Cabinet Member	Month Completed	Delivery Overview
57. We will NOT introduce a congestion charge in Plymouth. This would be detrimental to residents and local businesses.(Infrastructure)	Jonathan Drean	Jun-21	Completed: Announcement by the Cabinet Member for Transport at the 8th June 2021 Cabinet confirming there are no plans to introduce a congestion charge in Plymouth and issue communications.
82. We will reduce the cost of Plymouth City Councillors by removing the new additional Councillor allowances Labour introduced immediately they took control in 2018.(Finance)	John Riley	Jun-21	At the Annual General Meeting in June 2021 the Administration confirmed a reduction in Cabinet members from 10 to 8. The Administration has also not appointed to Assistant Cabinet member positions for which an allowance was previously given.
5. We will increase our consultation with local communities and look to devolve more power to local people so they feel empowered and have a greater input in determining their priorities. Conservatives recognise that family values and personal responsibility strengthen local communities so we will listen more and act accordingly(Health, Wellbeing & Safety)	Vivien Pengelly/ Nick Kelly	Jul-21	<p>Using our Engagement Framework plan and launch a "Summer of Community Conversations"</p> <p>Conversation topics included:</p> <ul style="list-style-type: none"> • Homelessness-(In partnership with the VCS) • Violence against Women and Girls • Healthy Communities Together (Social Isolation and Social Connections) • City Centre Health and Wellbeing Hub • Leader's Listening Residents' Survey • Leader's Listening Business Sector Round Table <p>The Homelessness Prevention Partnership first met in June on Engagement. They have continued throughout the summer and went onto an Event on World Homelessness Day.</p> <p>Health and wellbeing hub -The community engagement report was finalised. The engagement with GP patients started on the 29th July and the next phase of community engagement workshops to inform the design of the building were held in September.</p> <p>Healthy Communities Together - community researchers have listened to the experiences of people in terms of loneliness and social isolation and this will be collated together and fed into a bid for stage 2 funding to the Lottery and the Kings Fund.</p>

Commitment	Cabinet Member	Month Completed	Delivery Overview
14. We will introduce more CCTV cameras to deter crime but also identify offenders and prosecute to create safer communities for our residents.(Health, Wellbeing & Safety)	John Riley	Jul-21	<p>We have taken delivery of 10 x rapidly deployable CCTV cameras and have received requests from the Police to position a unit where social disturbance is being experienced - there is a formalised process to follow, with a privacy impact assessment being carried out to ensure we are deploying in compliance with section 30 of the Protection of Freedom Act 2012.</p> <p>A further 3 units are ordered and await delivery. We are working with Police, Safer Plymouth and Community to re-inforce CCTV cover in the central area of the city and have entered into round 2 of the Safer Street Fund for additional CCTV cover and Emergency Help Points. Fibre interconnections in the North StoneHouse area have replaced aged copper interconnections with additional CCTV cover in Victoria Park and the surrounding residential streets. 94% of the HMPE CCTV cover (x60 units) have now been converted to high resolution PTZ Digital Cameras.</p>
21. We believe education is key to life opportunities. Sadly under Labour standards at Plymouth's schools have declined. This is unacceptable. Plymouth continues to be below the national average for all stages, Early years, Primary and Secondary educational attainment. To reverse this decline we will focus on supporting the Plymouth Education Board to drive up educational attainment because our children deserve to attend a Good or Outstanding schools.(Education & Skills)	Dave Downie	Jul-21	<p>The Place-based Trailblazer Programme has progressed with five priorities being identified. The strong MATs and PCC Education Service have been identified to lead these areas of improvement. Cabinet member announced Placed-based Trailblazer Funding and plan of action and associated PR at Cabinet on 13 July 2021. Discussion also took place at the Education and Children's Social Care Scrutiny Committee on 07 July 2021. Further discussion and communication happened through the Plymouth Education Board on 09 July 2021. A Bright Future – Plymouth Children's Services Plan has been developed which will provide strategic framework for supporting the Plymouth Education Board (PEB) to drive up education improvement. PEB is being aligned with the Plan to have clear governance structure of phase focus strategy boards and inclusion strategy board. The governance of the Place-based Trailblazer programme is fully developed in partnership between PCC, MATs and the Regional School Commissioner (RSC). The School Causing Concern Process has been reviewed and renamed as Every Child Attends a Good School Review Process in order to have a more robust system to monitor schools' performance and to intervene timely where necessary.</p>

Commitment	Cabinet Member	Month Completed	Delivery Overview
<p>22. We will support the policy of not fining parents for unauthorised absence of up to 11 sessions allowing families to take a one-week holiday during term time without penalty. Family time is important(Education & Skills)</p>	<p>Dave Downie</p>	<p>Jul-21</p>	<p>A new attendance related Penalty Notice Code of Conduct has been developed, consulted and agreed to by the schools and the stakeholders, committing to not fining parents for an unauthorised absence of up to 10 sessions.</p> <p>The Code of Conduct for Penalty Notices has been reviewed to reflect the position in Plymouth and all schools supported to enforce regular school attendance. At present penalty notices can be issued for all types of unauthorised school absence, but not unauthorised holiday absence.</p> <p>Plymouth City Council held a statutory consultation in relation to changes to the Code of Conduct. It has been presented to Head teachers and MAT CEOs' meetings. As a result of the Consultation a new Code of Conduct will be launched on 1 September 2021.</p> <p>The new Code of Conduct will change the threshold for unauthorised holiday absence within the Code of Conduct from 8 sessions to 11 sessions for unauthorised holiday absence only and keep the threshold at 8 sessions for all other types of unauthorised absence. This will provide an opportunity for families to take a week of unauthorised holiday during term time every 12 months, whilst enabling schools to continue to tackle other types of unauthorised absence at an early stage.</p>

Commitment	Cabinet Member	Month Completed	Delivery Overview
<p>24. We welcome the Government's increase in the Dedicated Schools Grant of £8.16m which increases school funding to £178m in 2021/22. This will see a significant increase of resources per pupil in the city's schools(Education & Skills)</p>	<p>Dave Downie</p>	<p>Jul-21</p>	<p>Cabinet member announced at Cabinet on 13 July 2021 that City Council welcome the Government's increased in school funding, setting out the city's effort to use this opportunity to enhance school improvement collaboration. While the City Council recognise that the funding is dedicated to schools, PCC's Education Service have taken into account this new funding landscape in developing school improvement partnership and Every Child Attends a Good School Process in order to empower schools to improve through a school-led self-improving system.</p> <p>The Council's Finance Service have analysed the funding increase and provided an accurate calculation of what Plymouth schools will receive. It will be an average per pupil increase of £225 (4.6%) compared against the 2020/21 baseline. The national average per pupil increase is £196 (3.9%). Plymouth's average funding increase per school is £0.066m for primaries and £0.173m for secondaries. This additional funding will help to raise standards and promote inclusion across the city, with a significantly increased potential to sustain the school improvement collaboration in Plymouth. This additional funding will go some way to helping us achieve our commitment and to ensure no child is left behind - it will help to raise standards and promote inclusion across the city, and will significantly increase the potential to sustain the collaboration that has been happening between us and schools to deliver the improvement that is needed. This work will also be supported by the recent funding announcement where Plymouth has been selected as one of only 4 areas nationally to benefit from a share of £10m to pilot new place-based school improvement approaches to improving educational attainment.</p>

Commitment	Cabinet Member	Month Completed	Delivery Overview
25. Plymouth Conservatives will continue to campaign for fairer funding where Plymouth schools see equal funding to London schools(Education & Skills)	Dave Downie	Jul-21	The Code of Conduct for Penalty Notices has been reviewed to reflect the position in Plymouth and all schools supported to enforce regular school attendance. At present penalty notices can be issued for all types of unauthorised school absence, but not unauthorised holiday absence. Plymouth City Council held a statutory consultation in relation to changes to the Code of Conduct. It has been presented to Head teachers and MAT CEOs' meetings. As a result of the Consultation a new Code of Conduct will be launched on 1 September 2021. The new Code of Conduct will change the threshold for unauthorised holiday absence within the Code of Conduct from 8 sessions to 11 sessions for unauthorised holiday absence only and keep the threshold at 8 sessions for all other types of unauthorised absence. This will provide an opportunity for families to take a week of unauthorised holiday during term time every 12 months, whilst enabling schools to continue to tackle other types of unauthorised absence at an early stage.
27. As Conservatives, we are truly committed to improving the environment for future generations. We will put this at the heart of what we do. We will therefore work more closely with our local communities and businesses to create innovative ways to reduce waste, avoid single use plastic and increase recycling rates(The Environment)	Maddi Bridgeman	Jul-21	We continue to champion adherence to the waste hierarchy, empowered by the government's Environment Bill, which is currently under consultation. We continue to explore ways to make it easier for businesses and communities to reduce the waste they produce and to favour reuse and recycle over recovery and disposal. Within the 'Preventing Plastic Pollution' (PPP) project we are seeking to work with '50 local businesses and 50 local communities' to help them reduce their plastic waste and explore new ways to evidence change and illustrate modifications in their supply chains. They will have the opportunity to sign up to a Plastic Charter.As part of this work, we have developed a 2 year contract with 'The Ocean Conservation Trust' and Environment Plymouth to act as external experts. Work will build on those pledges and networks already identified when Plymouth became a Plastic Free City. To date, we have seven new businesses, three new schools and four new tourism and leisure groups signed up to the revised Charter.Moreover, the Plastics Task Force and PPP project have worked with the following local communities in the last 12 months:Odyssey Innovations, National Marine Aquarium, Surfers Against Sewage, Marine Conservation Society, Food Plymouth, Source to Sea, Clean Our Patch, 1000 Tyres Project, KFC, Plastiki, Precious

Commitment	Cabinet Member	Month Completed	Delivery Overview
			Plastic Plymouth, FabLab Plymouth, Smart Citizens Programme
83. We will scrap the £15 bin delivery charge(The Environment)	Maddi Bridgeman	Jul-21	Completed: Delegated decision taken by the Leader on the 9th June. Implemented on the 17th June.
3. We will fast track applications for Blue Badges, disabled facilities grants and disabled parking spaces for those with terminal illness.(Health, Wellbeing & Safety)	Patrick Nicholson/Jo nathan Drean	Aug-21	1) Blue Badges- Rapid Review and refresh of existing policy and process- June 2021 - Update public information and promote scheme (July) COMPLETED 2) DFGs-Review and Refresh Existing Independent Living Policy. Update information and communicate widely-July COMPLETED 3) Parking Spaces-Review existing policy and amend to specifically cover terminal illness-July. COMPLETED
4. We will continue to lobby the Government to put in place a sustainable funding settlement for Adult Social Care, to include increased funding to support carers and those living independently with disabilities. We will also seek a fair distribution of national Public Health resources for Plymouth.(Health, Wellbeing & Safety)	Patrick Nicholson	Aug-21	We have ensured that our local MPs are aware of the issues facing the population of Plymouth with the current funding situation for both adult social care and public health. We have produced an up to date summary of the key issues facing Plymouth regarding the funding of adult social care and public health. We have also reviewed the ambition for health and wellbeing hubs across the city. Meetings with Members of Parliament have been used to discuss health and adult social care, health and wellbeing hubs and concerns around lack of GP accessibility and dental health care provision.
7. Plymouth is Britain's Ocean City so we will invest in maritime facilities allowing more people to benefit from our coastal waters and making accessing the sea easier.(Health, Wellbeing & Safety)	Jonathan Drean/ Maddi Bridgeman	Aug-21	We installed 5 new semi-automatic defibrillators and 14 sea swimming safety signs across Waterfront; plus arranged defibs and CPR training courses for 48 business staff and wild swimmers. Improve visual appearance of Mount Batten Water sports Centre ahead of SailGP. Install fibre connectivity required to host SailGP event to Hoe and Millbay. The (trial) NMP swimming platform was

Commitment	Cabinet Member	Month Completed	Delivery Overview
			installed just off Tinside East Beach on 2nd August.
13. We will increase enforcement against anti-social behaviour. This will include fly tipping, dog fouling, littering and graffiti.(Health, Wellbeing & Safety)	John Riley	Aug-21	<p>1. Fly Tipping - new CCTV equipment is now deployed and being used in hotspot areas by PPS. Immediate searching of waste has recommenced from 19th July 2021 to increase evidence collection. Prosecutions and issuing of FPN's is continuing.</p> <p>2. Dog Fouling and Littering - uniformed and non-uniformed patrols to be increased when additional staff available. Fixed Penalty Notices [FPN] are issued for these offences. Numbers available on line.https://www.plymouth.gov.uk/environmentandpollution/environmentalcrime</p> <p>3. Graffiti – It is recognised that this has been increasing across the city, on public and private land. This is a multi-pronged approach, with enforcement being one part. Community Connections are leading on improved reporting through the council website with the police to identify perpetrators and enable a crime to be logged where appropriate. This action should permit persistent tags to be identified easier and means that if an offender is arrested it will give a good base of crimes to put against them. A 'Paint Jam' was organised in June, allowing graffiti artists to showcase work in a specific location, and there was a large appetite for an area to be legally made available for artists to work, similarly to other local authority areas. To facilitate this approach, meetings are planned with the Leader and Portfolio Holder, and if agreed, further meetings will be planned to identify sites. Both BIDS have been approached and are happy to explore this further. Further having just completed the Safer Streets 3 funding application, monies (£28,000) have been requested to assist with reclaiming public spaces and graffiti.</p>

Commitment	Cabinet Member	Month Completed	Delivery Overview
30. We will lobby the Government to provide funding to allow a major network of electric charging points throughout the city to make electric vehicle ownership easier. We will use the planning system to ensure new build properties have electric charging facilities to support Plymouth motorists changing to electric vehicles(The Environment)	Jonathan Drean	Aug-21	<p>The Actions below demonstrate how we have delivered the commitment</p> <ul style="list-style-type: none"> Reviewed and updated Asks Document and engaging MPs. Lobbying letter from Cabinet Member sent to Secretary of State. Cabinet Member for Transport has reviewed the planning policies in relation to EV charging. Continued to promote existing charging points around the city.
59. We will commit to FREE parking at our district shopping centres to support our local communities in Whitlegh, St.Budeaux, Plymstock, Plympton, Estover, West Park, Stoke, Devonport, Leigham, Mountbatten Crownhill and Mutley Plain(Infrastructure)	Jonathan Drean	Aug-21	We have publicised and will continue to do so, free shopper car parks as part of promotion of local shopping centres. A Cabinet member decision was taken in early August will mark the completion of the commitment
70. We will invest in Mutley Plain to improve the trading conditions for local businesses by extending the FREE car parking at the Barracks and Napier Street car parks to THREE hours. We will install new CCTV cameras to expose and help prosecute anti-social behaviour such as street drinking, fly tipping, vandalism, dog fouling and drug use(Infrastructure)	Jonathan Drean/ John Riley	Aug-21	The Council advertised proposals to increase from 2 to 3 hours free parking on 24th June as part of the statutory process. Subject to any representations received, following the statutory consultation, Cabinet Member authority will be sought, via Exec Decision, to implement the change. It is proposed to modernise CCTV within the car park with new digital CCTV systems.
72. To help improve road safety and traffic flow we will encourage greater use of private garages and driveways for the parking of vehicles so leaving the roads clearer(Infrastructure)	Jonathan Drean	Aug-21	<p>1. Operational – A target campaign in areas know to suffer from challenges of On Street parking through raising awareness of the issues and encouraging people to use off street parking through leaflets/material/information Letters sent out on the 26th August 2021 to specific businesses/companies in areas we are aware of challenges with the parking of business vehicles on the street. The letters are to raise awareness of the challenges and associated safety concerns creates around On Street parking, especially larger vehicles, and asks if companies can work with us to consider this going forward, review vehicle use – links to our sustainable travel options and, that Off Street parking is used over parking in On Street where available. The sending out of the letters is phase one of an ongoing work stream. This approach allows us to have delivered against this commitment.</p> <p>2. Strategically – To engage SP&I to ensure</p>

Commitment	Cabinet Member	Month Completed	Delivery Overview
			this is a consideration and factored into new housing developments
74. To improve traffic flow and make it easier to get around Plymouth we will undertake a review of the traffic light sequencing across the city. This will also help to reduce emissions and be better for the environment(Infrastructure)	Jonathan Drean	Aug-21	We are expanding the city's traffic management capabilities whilst increasing Road Capacity by 13% (DfT prediction) by investing in 'Microprocessor Optimised Vehicle Actuation (MOVA)' technology which makes more effective use of the Highway network at all times of the day and night by increasing the virtual intelligence of signalised junctions, allowing the controllers to 'learn' traffic movements, maximise control efficiency and communicate with up/down stream junctions. They are also equipped with Vehicle technology - in readiness for semi-automated vehicle movement.
84. We will extend the green garden waste collection period including bags and go back to fortnightly collections(The Environment)	Maddi Bridgeman	Aug-21	Completed: Delegated decision taken by the Leader on the 9th June. Implemented on the 17th June.
51. We will prioritise the delivery of the proposed dual carriageway road improvement works from Woolwell to The George pub(Infrastructure)	Jonathan Drean	Sep-21	Completed: With support from the Cabinet Member for Transport, SP&I has submitted a bid for £19.9m to DfT to its Levelling up Fund on 18th June. The full award of £19.9m from LuF for the Woolwell to the George scheme was announced by Government on 27th October and Cabinet on the 9th November allocated £33.5m to the Capital Programme to enable delivery of the Woolwell transport scheme This includes the requirement for £7.3m of Local Authority Corporate Borrowing. Delivery will be between Summer 2022 and Autumn 2024.

Commitment	Cabinet Member	Month Completed	Delivery Overview
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.(Infrastructure)	Nick Kelly/ Jonathan Drea	Sep-21	Completed: Councillor Jonathan Drea, Cabinet Member for Transport made an announcement at the Cabinet meeting on the 12th October of the work that continues to raise the city's profile with Government to level up 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(Infrastructure)	Nick Kelly/ Jonathan Drea	Sep-21	Completed: Councillor Jonathan Drea, Cabinet Member for Transport made an announcement at the Cabinet meeting on the 12th October to say he had written to Plymouth's local MP's to seek their continued support for the A38 between Bodmin and Exeter to be included as a priority for investment in the Government's forthcoming third Road Investment Strategy (RIS3).
85. We will scrap the need to register EVERY year for the green garden waste collection service(The Environment)	Maddi Bridgeman	Sep-21	Completed: Delegated decision taken by the Leader on the 9th June. Implemented on the 17th June.
8. We will appoint a "City Tree Champion" to promote the planting of numerous new trees throughout the city and maintain our existing specimen trees. We will plant 2021 trees in our first year to improve air quality, increase biodiversity and improve our health and wellbeing.(Health, Wellbeing & Safety)	Maddi Bridgeman/ Patrick Nicholson	Oct-21	Tree Champion appointed - Cllr Bridgeman Our tree planting programme is well underway and we are due to complete planting of 2021 trees by end December.
86. We will scrap the charges to dispose of soil and rubble for local residents at Chelson Meadow(The Environment)	Maddi Bridgeman	Oct-21	Completed: Delegated decision taken by the Leader on the 9th June. Implemented on the 17th June.
15. We will introduce a designated phone line for those without internet access to contact the Council.(Health, Wellbeing & Safety)	Mark Deacon	Nov-21	Contact centre menus and options revised so that it is now very clear that customers have the choice in all cases of talking to an advisor. The options presented to customers and been simplified and language used to describe our services in ways that customers will understand. Where a customer joins a queue they are advised where they are in the queue so that they can exercise their choice to go online if they don't want to wait. Press release published and request for customer feedback on the changes issued.

Commitment	Cabinet Member	Month Completed	Delivery Overview
1. Working with key partners we will complete the provision of Health & Well-Being Hubs in Plymouth in order to reduce inequalities in our local communities.(Health, Wellbeing & Safety)	Patrick Nicholson	Dec-21	A plan for the roll-out of the second phase of Health and Wellbeing Hubs is going to Cabinet for approval on 21st December 2021. This will see a further 5 hubs being rolled out over the next 2 -3 years, as well as the City Centre Health and Wellbeing Centre, subject to government approval of the Business Case. This builds on the success of the first 6 hubs that have seen a collaborative effort between PCC, the CCG, Livewell Southwest and the Voluntary, Community and Social Enterprise sectors to deliver health and wellbeing initiatives in communities.
6. We will encourage more community lunch clubs and activities for lonely people by working in conjunction with voluntary and community groups to establish a wider network of community activities. We aim to reduce social isolation and social exclusion, whilst improving the physical, mental and emotional health and well-being of participants.(Health, Wellbeing & Safety)	Patrick Nicholson	Dec-21	<p>As part of the lottery funded 'Healthy Communities Together' programme, we have been working in partnership with POP to train local people as 'community researchers'. These researchers have been having conversations with people in communities to understand their experience of loneliness and social isolation; this will lead to a stage 2 bid to the lottery to enable us to put more activity in place to address social isolation.</p> <p>We have funded Age UK (from COVID money) to provide a telephone befriending service targeted at those people who have been shielding or self-isolating; they will be bringing people using the service together into local community groups in order to become more socially included</p> <p>We are also planning a small grant fund to increase wellbeing activity in communities in order to address social isolation and mental, emotional and physical health. We would like groups specifically to promote sharing of food which is a great way to bring people together</p> <p>The CCG have put additional money into Time Banking to specifically support people over 65 to get involved in their local community, sharing skills and supporting each other . Announcement of the second stage of the Healthy Communities Together programme on 2nd December 2021 has enabled us to work strategically across the city on tackling loneliness and social isolation.</p>
9. We will prioritise the work required to eliminate homelessness in our city and the Government's policy to eradicate rough sleeping by 2024 and support the "no second night" initiative(Health, Wellbeing & Safety)	Vivien Pengelly	Dec-21	Portfolio Holder has attended the Homelessness Prevention Partnership and set out the vision of the administration for the partnership. The executive has worked up a clear project mandate, priority action plans, and a performance framework. This is now underway to help meet the demands around homelessness including the opening of a night shelter.

Commitment	Cabinet Member	Month Completed	Delivery Overview
11. We will continue to provide funding to create and enhance our play areas. We aim to provide more inclusive and family-friendly parks which include sensory areas.(Health, Wellbeing & Safety)	Patrick Nicholson	Dec-21	Play Phase 3 Business Case approved at £380,000. A press release was issued in November highlighting improvements to 10 sites by end of March 2021.
16. We will continue to work with Devon & Cornwall Police to prevent, detect and reduce crime on our streets making Plymouth a safer and more welcoming city.(Health, Wellbeing & Safety)	John Riley	Dec-21	Safer Plymouth continues to keep people in Plymouth Safe. We agreed a new set of priorities formed from MORILE (Management of Risk in Law Enforcement) workshops and a strategic assessment. Strategic Assessment has been signed off at the Safer Executive in October.
19. We will accelerate the plans to redevelop Colin Campbell Court and offer NHS, health and dental services within the city centre.(Health, Wellbeing & Safety)	Patrick Nicholson	Dec-21	NHSE have reviewed and approved local proposals and multi-agency programme team are now working to develop detailed designs. Engagement continues with resident population and potential tenants for the building. Planning proposals will be submitted in December 2021.
31. We will support community volunteers to keep our streets, greenspaces and beaches clean.(The Environment)	Vivien Pengelly/Mad di Bridgeman	Dec-21	The first Plastics volunteer event working with Plymouth Gin Distillery took place on Tuesday 13th April 2021 on the Barbican. 9kg of plastic waste was collected. 13 people involved. The second event working with Plymouth City Council staff took place on Wednesday 28th April 2021 on the Hoe. 5.3kg of plastic waste was collected. 12 people involved. The third event took place on Wednesday 12th May 2021 at Teat's Hill. 10.9kg of plastic waste was collected. 5 people involved working with NMA and Gin Distillery staff. All Mayflower Maker and the Plymouth Good Neighbour Scheme volunteers have been actively encouraged to sign up to the: Clean Our Patch, Keep Britain Tidy and Plymouth Beach Clean volunteer activities. All these projects and additional opportunities for volunteers to keep our streets, greenspaces and beaches clean are advertised on the Our Plymouth website. Work to support volunteering will be ongoing post the sign off of this commitment.

Commitment	Cabinet Member	Month Completed	Delivery Overview
33. We will establish an investment fund, via the Council's capital spending programme, to promote the creation of a vibrant small business start-up sector in Plymouth.(Job Creation)	Nick Kelly	Dec-21	<p>Four brand-new projects will offer businesses a lifeline and support Plymouth's economic recovery following the coronavirus pandemic.</p> <p>The aim is to create 50 new jobs, 27 new social enterprises and support more than 140 individual businesses. This will involve helping individuals into self-employment or guiding them as they set up new businesses, as well as supporting existing businesses looking to 'relaunch' after the interruption caused by coronavirus.</p>
35. We will lobby the Government and protect our Dockyard. It is home to the Royal Navy and is the largest dockyard in Western Europe.(Job Creation)	Nick Kelly	Dec-21	<p>We have continued to lobby and protect and support partners to protect the naval base. This has included, including South Yard in the Freezone bid, inviting Secretary of State for Defence to Plymouth, writing to the Secretary of State for Defence, Ben Wallace MP in eth summer seeking government's continued commitment to HMNB Devonport and specifically the base porting and maintenance of the Type 26 and through life support for the Type 31 Frigates. We have provided cross party MP briefings on future deep maintenance of the Type 26 Frigates.</p>
37. We will build on our enviable reputation for hosting major nautical events such as the Americas Cup, the Fastnet, Sail GP(Job Creation)	Mark Deacon	Dec-21	<p>Against fierce global competition we have secured Sail GP for 2022. This global sailing event shines a spotlight on City positioning Plymouth as Britain Ocean City</p>
56. We will make sure utility companies minimise the impact of their works on the highway network and repair the carriageway to the same standard.(Infrastructure)	Jonathan Dreaan	Dec-21	<p>Highways will enforce the permitting requirements for the undertaking of works on the Highway to effectively manage works on the Highway and minimise disruptions. Highways will robustly apply the requirements of NRSWA to ensure statutory undertakers and private contractors reinstate the highway to the same condition as previous, with inspections undertaken by dedicated Highways inspectors. Sept 2020 saw the introduction of NRSWA Dft revision and the team are robustly applying legislation, Cllr Dreaan being regularly update in PH meetings.</p>

Commitment	Cabinet Member	Month Completed	Delivery Overview
60. We will encourage and help facilitate the greater use of public transport, walking and cycling as a more sustainable way of getting around the city. We will work with bus operators to provide the services and routes you want(Infrastructure)	Jonathan Drean	Dec-21	Plymouth City Council have worked in partnership with Plymouth's bus operators on the development of a Bus Service Improvement Plan for Plymouth. The Plan has been informed by stakeholder consultation to ensure it provides the services and routes Plymouth residents want and need. The vision is for Plymouth's buses to be more frequent, more reliable, easier to understand and use, better co-ordinated and cheaper. Submission of the Bus Service Improvement Plan to DfT in October, alongside the publication of Plymouth's 2021 Local Cycling and Walking Infrastructure Plan, achieves the Council's commitment to encourage and help facilitate the greater use of public transport, walking and cycling as a more sustainable way of getting around the city.
63. We will exempt all motorcycles (2 wheels) from having to have a residential parking permit, currently £30 pa(Infrastructure)	Jonathan Drean	Dec-21	This commitment has been delivered. Charges for residents' permits stopped from 1st December 2021.
64. We will review the provision of disabled parking spaces to ensure there is sufficient parking for blue badge holders(Infrastructure)	Jonathan Drean	Dec-21	We have undertaken 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 impairments. Our consideration to blue badge holder parking was recently underpinned from an independent review identifying Plymouth as the 2nd most accessible areas for disabled parking,
81. We believe tenants who live in Houses of Multiple Occupancy (HMOs) have the right to live in affordable, good quality and safe accommodation. To ensure these standards are met we will scrutinise HMOs across the city so that such accommodation makes a valued contribution to Plymouth's housing stock(Housing)	Vivien Pengelly	Dec-21	Officers reported on the current success of improving HMO conditions in the City which was shared with the Cabinet Member and action agreed.
17. We will work with our Police & Crime Commissioner to provide additional Police Officers on the beat in Plymouth.(Health, Wellbeing & Safety)	John Riley	Jan-22	Conversation with the Police, OPCC and Cabinet Member have been held and an approach to ensuring more officers are deployed at key times as part of the policing strategy.

Commitment	Cabinet Member	Month Completed	Delivery Overview
28. We will actively promote positive lifestyle changes and improve our environment for all, including our wildlife by improved soft and hard landscaping projects throughout the city.(The Environment)	Maddi Bridgeman	Jan-22	<p>Preventing Plastics Project: 14 signatories for Plastic Charter for local businesses/schools/communities; Tenders out for 2 x innovative art installations using recycled plastic waste; Proposal finalised for the testing and evaluation study of the addition of AI(artificial intelligence) and Autonomy to 2 x 'Wastesharks' to collect plastic litter in the Cattewater. 'Plymouth's Action on Plastic' brochure produced; Engaged with 300 people (Sail GP and other community events.)Mayflower Improvements: Completed Welcome sign installation; Hoe Volunteering Gardening group established; general Waterfront improvements continued.</p> <p>2/11/21: Plastic sculpture procurement complete; Waste Shark procurement completeGreen Minds: Summer Engagement Programme in green spaces and at the Pannier Market - 77 events, 2051 participants (1038 new to the project). Green Social prescribing project launched at Central Park. Greenspace access improvements initiated at Duncombe Avenue (link to Kings Tamerton Wood), Urban Tree Challenge: Consultation completed for Blossom Together project at Devil's Point (over 200 respondents). Works due to start January 2022. Tree procurement for citywide winter planting completed. 02/11/21 CA comment - £1.2m Funding secured from DEFRA for Plymouth Natural Grid partnership project Oct 21 - Mar 23) with National Trust and Real Ideas to enhance 300 hectares of nature sites across the city and run Kickstart programme of 30 young people to build skills and employability in green sector. Project underway and project team in place. First 11 Kickstart placements in progress. 4 projects secured Abercrombie Awards: Delamere Road – Best Community Project - Winner; Teats Hill – Best Natural Infrastructure Project - Commended; Plymouth Tree Challenge - Best Natural Infrastructure Project - Commended; Star Park - Best Community Project - Commended</p>
29. We commit to improve the environment by supporting and creating innovative plans to make Plymouth carbon neutral by 2030(The Environment)	Maddi Bridgeman	Jan-22	<p>On Monday the 24th January the Corporate Carbon Reduction Plan and Climate Emergency Action plan were debated in Council. The Council voted to adopt these plans. The plans contain a range of actions to be taken in 2022 to support the Council to meet it's net zero target by 2030 and were developed with full engagement of the Council's Scrutiny System.</p>

Commitment	Cabinet Member	Month Completed	Delivery Overview
34. We will promote The National Marine Park which showcases our world class marine, engineering and research facilities creating more jobs in these areas.(Job Creation)	Nick Kelly	Jan-22	<p>£9.5m has been awarded to the National Marine Park from the National Lottery Heritage Fund (Heritage Horizons Award). 10% made available for the 2 year development phase of the project to test and trial initiatives and develop capital projects to RIBA design stage 3. Project fully mobilised and a year of listening and engaging to start in the spring to enable residents to co-design the project and the marine park.</p> <p>£665,873 grant award from Community Renewal Fund for business support activities to deliver innovative approaches to green/blue tourism, decarbonisation of the waterfront and connection communities to the waterfront. Leads and core structures for HF Horizon project have been agreed and being established. This work must be delivered and complete by June 22. Announcement of new appointment to the new role of Interim Chief Executive for National Marine Park (NMP) on 7th January. They will lead the wider development of the NMP as well as support the HF Horizons project.</p>
40. We shall lobby the Government to review and complete an overhaul of the Business Rates system to make it fairer for businesses and benefit the local community.(Job Creation)	Nick Kelly	Jan-22	<p>The Plymouth Ask document has been updated and a letter sent to the Chancellor of the Exchequer from the Leader on the 6th July regarding the Business Rates system and a fundamental review. We are aware that the Government are not intending to conduct any review of Business Rates via the proposed Fair Funding Review. Any change in government support will be provided via the Levelling Up Agenda.</p>

Commitment	Cabinet Member	Month Completed	Delivery Overview
<p>69. We will build closer links with the Taxi Trade to ensure the current fee regime remains fair and taxis are readily available 24/7 for passengers. We will accelerate the installation of Electric Vehicle charging points to encourage operators to switch from petrol or diesel vehicles to electric powered Taxis(Infrastructure)</p>	John Riley	Jan-22	<p>We will continue to work with the taxi trade to ensure that the way in which the fees are set is communicated fully, to provide assurances 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 January 2022 to set the fees for April 2022 onwards. Therefore engagement work will happen prior to and during this process.</p> <p>We will continue to work with the Private Hire Operators and assist with the application process to encourage new drivers to join the trade.</p> <p>The Taxi Fare Tariff is currently out for consultation to increase the fares for Hackney Carriage drivers.</p> <p>We have worked closed 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 grants that may be available to encourage proprietors to upgrade their vehicles to those with low or no emissions.</p> <p>The Taxi Licensing Policy has been updated to enhance the vehicle emissions and age policy and it is intended to remove the limit on the number of Hackney Carriage Vehicles to encourage more HC's in the City. The Policy has been updated to comply with the DfT Statutory Guidance and will be out for consultation at the end of November for 12 weeks.</p>

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Cabinet



Date of meeting:	08 February 2022
Title of Report:	Finance Monitoring Report December 2021
Lead Member:	Councillor Nick Kelly (Leader)
Lead Strategic Director:	Brendan Arnold (Service Director for Finance)
Author:	David Northey - Head of Integrated Finance Hannah West – Finance Business Partner
Contact Email:	David.northey@plymouth.gov.uk
Your Reference:	Fin/djn/2021(09)
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

This report sets out the forecast revenue finance monitoring position of the Council to the end of the financial year 2021/22, as at the end of December 2021.

The overall savings plans for the year continue to be set out in detail in Appendix A. Of the total target savings of £13.845m, Directorates are reporting that £8.016m (over 57%) are already achieved, with a further £3.416m (over 24%) on course to be delivered by the end of the year.

Recommendations and Reasons

That Cabinet:

1. Notes the current revenue monitoring position;
2. Approves the virements as shown in Section C to Full Council and
3. Approve the revision of the Capital Budget 2021-2026 to £688.366 (as shown in Section D Table I) to Full Council 28 February 2022

This is part of the monthly monitoring cycle to ensure good financial reporting in line with best accounting practices

Alternative options considered and rejected

None – our Financial Regulations require us to produce regular monitoring of our finance resources.

Relevance to the Corporate Plan and/or the Plymouth Plan

The financial outturn report is fundamentally linked to delivering the priorities within the Council's Corporate Plan. Allocating limited resources to key priorities will maximise the benefits to the residents of Plymouth.

Implications for the Medium Term Financial Plan and Resource Implications:

Robust and accurate financial monitoring underpins the Council's Medium Term Financial Plan (MTFP). The Council's MTFP is updated regularly based on on-going monitoring information, both on a local and national context. Any adverse variations from the annual budget will place pressure on the MTFP going forward and require additional savings to be generated in future years.

Financial Risks

This is the monitoring position as at the end of December 2021. As with all financial information there are associated risks as we move through the year. These are set out in the report, and in particular within the savings tables. All efforts are being made to bring the financial position back to a balanced outturn at the year end. The £1.875m of "red" savings which are at risk of not being delivered, have been covered within the monitoring forecast.

Carbon Footprint (Environmental) Implications:

No impacts directly arising from this report.

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

The reducing revenue and capital resources across the public sector has been identified as a key risk within our Strategic Risk register. The ability to deliver spending plans is paramount to ensuring the Council can achieve its objectives.

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	2021/22 Savings status							

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) <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

Sign off:

Fin	pl.21. 22.24 6	Leg	LS/37 984/A C/27/ 1/22	Mon Off		HR		Assets		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: 17/12/2021											
Cabinet Member approval: Councillor Nick Kelly (Leader)											
Date approved: 21/12/2021											

SECTION A: EXECUTIVE SUMMARY

Table 1: End of year revenue forecast

	Budget £m	Net Forecast Outturn £m	Variance £m
Total General Fund Budget	195.568	196.094	0.526

The forecast revenue outturn after the application of Covid grants and council mitigating actions is currently estimated at £0.526m over budget, which is a variance of +0.27% against the net budget (+0.10% against the gross budget). This is a favourable movement in the month of £0.218m from the last report (period 8). It should be noted that the financial position will fluctuate as we move through the year. Officers and Members will work closely to manage the finances towards a balanced position by the end of the year.

The pandemic continues to have a major impact on our financial resources, with a potential drawdown of £18.284m against the currently available grants. Accordingly there is a nil impact on the forecast variance.

SECTION B: Directorate Review

Table 2: End of year revenue forecast by Directorate

Directorate	Budget £m	Forecast £m	COVID offset £m	Forecast Net Variance £m	Status
Executive Office	5.429	5.655	(0.226)	0.000	on budget
Customer and Corporate Services	44.031	45.267	(1.212)	0.024	over
Children's Directorate	53.074	63.575	(9.410)	1.091	over
People Directorate	89.441	93.018	(3.577)	0.000	on budget
ODPH	(0.537)	(0.715)	(0.127)	(0.305)	under
Place Directorate	24.976	28.708	(3.732)	0.000	on budget
Corporate Items	(20.846)	(39.414)	18.284	(0.284)	under
Total	195.568	196.094	0.000	0.526	over

1. Executive Office

- 1.1 The Executive Office is reporting a balanced position. COVID-19 related pressures reflect additional costs associated with court activity and resourcing.

2. Customer and Corporate Services Directorate

- 2.1 The Directorate is forecasting an over spend of £0.024m. This has improved by £0.594m in the last month owing to treasury management performance, savings on training budgets and continued management of staffing costs, aided by the use of the Covid Outbreak Management Fund. COVID-19 costs have grown due to impact on court fee income.

3. Children's Directorate

- 3.1 The Directorate is forecasting an over spend of £1.091m; this is an increase of £0.677m from the November forecast. £0.362 relates to a shortfall against savings; £0.201m pressure within Children's Social Work relating to increased assessment costs; and £0.114m increased interagency fees with the Regional Adoption Agency.

4. Office of the Director of Public Health (ODPH)

- 4.1 Public Protection Service, within Public Health, is reporting an under spend of £0.305m due to staffing costs being offset to Covid grant and additional funding.

Place Directorate

- 4.2 The Directorate is reporting a balanced position, although COVID-19 related additional spend and income foregone totals £3.732m. The majority of this continues to relate to loss of car parking income.

5. Corporate Items

- 5.1 Favourable variances of £0.284m are expected at a corporate level and in addition. COVID-19 financial support continues to be held here.

SECTION C: VIREMENTS

Directorate	Departmental movements £'000	Totals £'000
Executive Office	0	0
Customer and Corporate Services	477	477
Children's Directorate	(360)	(360)
People Directorate	0	0
Public Health	0	0
Place Directorate	(118)	(118)
Corporate Items	0	0
	0	0

These changes occurred in Q1 and reflect the full year effect of the Business Support Review

Recommendation:

For Cabinet to approve these virements

SECTION D Capital Finance Report Quarter 3 2021/22

The five-year capital budget 2021-2026 is currently forecast at £688.366m as at 31 December 2021. The capital budget has been adjusted to take into account the new approvals or changes to the capital programme and to adjust the future funding assumptions shown in table 1.

Current Capital Resources

Table 1 The Capital budget consists of the following elements:

Description	£m
Approved Capital Programme 2021-2026	402.356
Future Funding Assumptions *	286.010
Total Revised Capital Budget for Approval (2021-2026)	688.366

* Estimate of funding to be received to finance future capital projects (funding see Table 2b)

The above table includes both existing programming and programming where funding may become available looking forward.

Capital Programme

New schemes are added to the Programme following approval of an agreed business case. Once in receipt of officer authorisation, these business cases are presented for Executive decision and then reported to Cabinet in the quarterly updates to the Capital Programme.

Future Funding Assumptions

The current estimate of future capital funding for the next five years 2021-2026 is £286m. (see table 2b). This figure changes from time to time and comprises both ring-fenced and un-ringfenced grants, SI06 resources and other external contributions.

Tables 2a and 3 below show the revised capital programme for the period 2021-2026, as at 31 December 2021.

Additions to the capital programme during the quarter

Table 2. Additions to the capital programme

During the quarter, the new approvals are as follows:

Project	£'000
Purchase of a Freehold Property Interest	2,069
Ballard House Roof Repairs	1112
New Data Migration Centre	221
National Marine Park (Development)	803
Derriford District Park	17,860
Safer Streets	444
Settled Housing – PATH	220
Woolwell to the George	33,501
Housing – Brownfield Land Release Funded Projects	950
Green Homes	1,752
King George V Playing Field	31
Plymouth Natural Grid	169
Other	566
Total	59,698

All additions to the capital programme in Table 2 above are fully funded within the existing budget.

The capital programme is delivering some major projects across the city and it has won large grant funding bids for these projects. Some of the notable projects:

- Future High Streets Fund grant - £12.047m
- National Marine Park - National Heritage Lottery Fund award £9.6m
- The Eclipse project - £1.887m
- Forder Valley Link Road – £41.191m
- Forder Valley Interchange - £7.336m
- Transforming Cities Fund – £51.244m
- Brunel Plaza redevelopment of Plymouth Train Station – £26.224m
- Highway maintenance and essential engineering – £19.198m
- Plymouth Crematorium - £13.001m
- Woolwell to the George – Levelling Up Fund - £19.924m
- Brownfield Land Release Funding - £0.600m
- Safer Street - £0.418m
- Green Homes - £1.752m

Revised Capital Programme**Table 2a Capital Programme by Directorate**

Directorate	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m
People	8.930	11.876	3.716	0.132	0.132	24.786
Place - Economic Development	29.534	74.537	34.728	0.418	0.080	139.297
Place – Strategic Planning and Infrastructure	58.149	84.886	18.465	8.600	0.756	170.856
Place – Street Services	22.404	14.702	3.963	2.017	0	43.086
Customer & Corporate Services	8.768	3.193	0	0	0	11.961
Public Health	12.370	0	0	0	0	12.370
Total	140.155	189.194	60.872	11.167	0.968	402.356
Financed by:						
Capital Receipts	1.618	5.632	6.428	0.619	0.836	15.133
Grant funding	50.860	69.000	14.293	0.132	0.132	134.417
Corporate funded borrowing	47.282	33.011	10.208	9.310	0	99.811
Service dept. supported borrowing	33.041	70.424	26.433	0.304	0	130.202
Developer contributions	5.051	11.124	3.510	0.802	0	20.487
Other contributions	2.303	0.003	0	0	0	2.306
Total Financing	140.155	189.194	60.872	11.167	0.968	402.356

Table 2b Future Funding Assumptions

Future Funding Estimates	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m
Service borrowing & external loans	26.250	30.850	2.120	4.696	5.000	68.916
Grants	10.548	16.456	20.787	30.416	105.094	183.301
SI06 and CIL	4.071	4.452	4.088	3.736	3.791	20.138
Other sources	2.771	6.971	1.288	1.335	1.290	13.655
Total	46.640	58.729	28.283	40.183	115.175	286.010

Table 3: Capital Programme by Delivery Outcome

Primary Outcome of Projects	£m
Securing Growth in the City Centre/Waterfront	17.247
Securing Growth in Derriford and the Northern Corridor	75.642
Securing Growth in the Eastern Corridor	3.922
Delivering More/Better Housing	28.162
Ensuring Essential City Infrastructure	86.840
Improving Neighbourhoods and Community Infrastructure	5.511
Ensuring Good Quality School Places	0.868
Growing the Economy	74.514
Delivering Oceansgate	4.202
Connecting the City	32.068
Celebrating Mayflower	1.160
Delivering The Box	0.936
Transforming Services	71.284
Total	402.356

Appendix A 2021/22 Savings status (I) Summary

	Total	Achieved savings	on track for delivery	Working on for delivery	Planned, internal/external actions required to deliver
	£m	£m	£m	£m	£m
Children's	4.001	2.562	0.401	0.262	0.776
People	3.160	3.160	0.000	0.000	0.000
ODPH	0.028	0.028	0.000	0.000	0.000
Customer & Corporate	4.571	1.136	2.845	0.019	0.571
Place	1.035	0.080	0.170	0.257	0.528
Corporate Items	1.050	1.050	0.000	0.000	0.000
2021/22 Savings	13.845	8.016	3.416	0.538	1.875

Appendix A 2021/22 Savings status (2) Detail

Directorate / Plans	Target Savings	Achieved savings	Plans on track for delivery	Plans worked on for delivery	Planned, internal/external actions required to deliver
	£m	£m	£m	£m	£m
Children					
EPS step up	0.152				0.152
Home to School Transport	0.179	0.179			
AST	0.500	0.293		0.207	
Fostering	0.670	0.189	0.082		0.399
Troubled Families	0.650	0.505	0.145		
Placement Review	1.400	1.171	0.174	0.055	
Management Actions	0.450	0.225			0.225
Children - Savings	4.001	2.562	0.401	0.262	0.776
People					
Care Package Reviews (SC)	0.775	0.775			
Direct Payment Reviews (SC)	0.250	0.250			
Increased FCP Income (SC)	0.100	0.100			
Commissioned Contracts (SC)	0.250	0.250			
Grant Maximisation (CC)	0.200	0.200			
Management Actions (CC)	0.050	0.050			
Income Targets (CC)	0.050	0.050			
One Off Savings 2020/21 (SC)	1.485	1.485			
People - savings	3.160	3.160	0.000	0.000	0.000
ODPH					

Additional Income	0.008	0.008			
Additional Income #2	0.020	0.020			
ODPH - savings	0.028	0.028	0.000	0.000	0.000
Customer, Corporate Services and Executive Office					
Efficiency	0.949		0.949		
FM review	0.550				0.550
Business support	1.200	0.917	0.283		
ICT	1.000		1.000		
CEX; Legal services	0.100		0.100		
Coroner	0.040			0.019	0.021
Training	0.153	0.153			
Capitalise Capital Team	0.050	0.050			
Internal Audit	0.016	0.016			
Departmental	0.513		0.513		
Customer & Corporate Services and Executive Office savings	4.571	1.136	2.845	0.019	0.571
Place					
Regeneration Property Fund	0.500				0.500
Concessionary Fares	0.080	0.080			
Weston Mill, bulky & trade waste income	0.208			0.180	0.028
Resident Parking	0.060		0.060		
On/Off parking	0.065		0.065		
Fees and charges including Mt. Edgcumbe	0.122		0.045	0.077	
Place savings	1.035	0.080	0.170	0.257	0.528
Corporate					
Schools PFI - adjustments	1.015	1.015			
Income target not allocated	0.035	0.035			
Corporate savings	1.050	1.050	0.000	0.000	0.00
Overall Total savings	13.845	8.016	3.416	0.538	1.875

Cabinet



Date of meeting: 08 February 2022

Title of Report: **Budget Scrutiny Recommendations**

Lead Member: Councillor Chris Penberthy (Chair of Budget Scrutiny Select Committee)

Lead Strategic Director: Giles Perritt (Assistant Chief Executive)

Author: Ross Jago (Head of Governance, Performance and Risk)

Contact Email: Ross.jago@plymouth.gov.uk

Your Reference: BudR22/23

Key Decision: No

Confidentiality: Part I - Official

Purpose of Report

This report sets out the recommendations made by the Budget Scrutiny Select Committee following its review of the Council's budget preparations for 2022-2023.

Recommendations and Reasons

That Cabinet consider each of the 17 recommendations made by the Budget Scrutiny Select Committee.

Reason: The recommendations were made after careful consideration of the Cabinet's budget proposals, the Local Government Finance settlement and accompanying documentation and stakeholder feedback.

Alternative options considered and rejected

None - Cabinet is obliged by the Constitution to take account of recommendations made by the Budget Scrutiny Select Committee.

Relevance to the Corporate Plan and/or the Plymouth Plan

The Select Committee considered the themes within the Corporate Plan to ensure that proposals within the budget and business plans deliver against the council's vision.

Implications for the Medium Term Financial Plan and Resource Implications:

The recommendations directly relate to the Council's Medium term financial plan.

Carbon Footprint (Environmental) Implications:

Recommendation 4 relates to the Climate Emergency.

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.

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	Budget Scrutiny Select Committee Recommendations.							

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) <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

Sign off:

Fin	pl.21 .22.2 50	Leg	LS/38 019/A C/3/2 /22	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: 02/02/2022											
Chair of Scrutiny approval: Councillor Chris Penberthy											
Date approved: 02/02/2022											

BUDGET SCRUTINY 2022



1. Budget Scrutiny

- 1.1. Budget Scrutiny provides the opportunity to test assumptions, examine risks and challenge priorities; this is with a view to establishing and maintaining resources that are fit for purpose, meet the council's obligations and priorities and address the needs and aspirations of the people of Plymouth.
- 1.2. The Scrutiny Management Board agreed an alternative approach to scrutiny of the 2022/23 budget and this document outlines the methodology undertaken and provides notice of the recommendations to Cabinet.
- 1.3. The Board endorsed the following in advance of the establishment of the Select Committee to guide the review –
 - That an opportunity for involvement was provided to all scrutiny members covering the breadth of the council services to participate in budget scrutiny sessions in December. This was done to give all Cabinet members the chance to privately discuss the pressures their budgets were facing in 2022/23 and the ways in which these pressures could be addressed. This would enable all scrutiny committee members to make recommendations and provide advice to feed into the formal Budget Scrutiny process..
 - That as a results of significant work ahead of budget consideration in January, Budget Scrutiny would take place over a single day in January 2022, with an additional session where recommendations for Cabinet were finalised
 - That a risk-informed approach would be taken utilising the strategic risk register and informed by the committee sessions, with time allocated to areas for discussion at budget scrutiny based on risk level.
- 1.4. The new approach acknowledges feedback, from previous years, that the duration of budget scrutiny when held as a single event demands significant resourcing and impacts on the individuals involved in the process due to the amount of papers, its duration and the detail of the topic covered.
- 1.5. The alternative approach split the process and paper publication between December and January provided greater opportunity for further consideration and reflection on the issues by scrutiny members.

2. Pre-budget Sessions

- 2.1. Key lines of enquiry were established in sessions held with all scrutiny committees held on –

30 November 2021	Performance, Finance and Customer Focus - Budget Preparatory Session
-----------------------------	--

6 December 2021	Health and Adult Social Care - Budget Preparatory session
6 December 2021	Education and Children's Social Care - Budget Preparatory session
10 December 2021	Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee - Budget Preparatory Session

2.2. In addition the Scrutiny Management Board met on –

- **15 December 2021** – To review key lines of enquiry resulting from the budget preparatory sessions and draft budget.
- **7 January 2021** – Informal session for final preparation ahead of the scrutiny sessions.

2.3. Following discussions with members in December and January, the budget scrutiny sessions focused on key issues within service areas as set out below.

Session and key lines of enquiry
<p>Session One – Opening of Budget Scrutiny and Plymouth City Council Financial Position</p> <p>Leader/Chief Executive and SI51.</p> <p><u>Key lines of enquiry –</u></p> <ul style="list-style-type: none"> • Introduction of draft budget; • Budget engagement; • Local Government Finance settlement; • Risks and opportunities 2022/23; • Covid-19 support expectations in 2022/23; • Cost of the implementation of the manifesto commitments and the impact on the budget; • Treasury Management; • Level of precept; • Savings/income generation.
<p>Session Two - Community Services</p> <p>Councillors Mrs Pengelly / Craig McArdle / Matt Garrett.</p> <p>(Additional officers as deemed appropriate by directors)</p> <p><u>Key lines of enquiry -</u></p> <ul style="list-style-type: none"> • Homelessness and Housing

Session Three - Council Facilities and Customer Services

Councillor Deacon/ Leader and Andy Ralphs.

(Additional officers as deemed appropriate by directors)

Key lines of enquiry –

- Facilities Management and Buildings;
- Customer Service;
- Transformation.

Session Four - Health and Social Care**Adults**

Councillor Nicholson /Craig McArdle/Anna Cole/Ruth Harrell.

(Additional officers as deemed appropriate by directors)

Key lines of enquiry –

- Staffing (agency and cost);
- Health and Social Care Levy – System point of view?
- Fair shares;
- Care Packages/care market management.
- Grant maximisation
- Impact of Covid on mental health issues/ costs

Children

Councillor Downie and Alison Botham and Jean Kelly.

(Additional officers as deemed appropriate by directors)

Key lines of enquiry –

- Staffing (agency and cost);
- Out of area placements;
- Fostering risk register and Recruitment of staff.

Session Five - Place

Councillors Mrs Bridgeman/Drean and Leader – Anthony Payne, Philip Robinson, David Draffan/Paul Barnard and Brendan Arnold.

(Additional officers as deemed appropriate by directors)

Key lines of enquiry -

Streets and Waste

- Waste;
- Parking;
- Public Transport;
- Areas of savings/parks/street cleaning if applicable.

Economy and Infrastructure

- Council investments;
- Impact of Covid-19 on Tourism / Cultural Spend.

Capital Programme

- Impact of increased costs on development;
- Capital Programme and affordability;
- Impact of climate emergency.

3. Background Papers

3.1. Members were provided with the following paperwork to support their review of the budget.

- Draft Budget Report 2022 – 23
- Budget Equalities Impact Assessment
- Budget Engagement 2022 - 23
- Council Tax Base and Council Tax Support Scheme 2022 - 23
- Finance Monitoring Report Month 8
- Treasury Management Strategy 2022 - 23
- Capital Financing Strategy 2022 - 23
- Capital Monitoring Report Quarter 2
- Corporate Plan Monitoring Report Quarter 2
- Risk Management Monitoring Report

3.2. In response to further requests from the Committee the following background papers were provided –

- Provisional Finance Settlement 2022/23 briefing note
- Departmental Savings Proposals
- Corporate Charging Policy
- Plymouth City Council General Fund Budget 2022/23 – Departmental Breakdowns
- Capital programme as at 31 December 2021
- List of Capital Schemes for addition to updated capital programme

4. Membership

4.1. Budget Scrutiny Committee was politically balanced and comprised the following members -

- Councillor Chris Penberthy (Chair)
- Councillor David James (Vice-Chair)
- Councillor Richard Bingley
- Councillor Jemima Laing
- Councillor Mary Aspinall
- Councillor Sue Dann
- Councillor Glenn Jordan
- Councillor David Salmon

5. Recommendations

5.1. Following the budget scrutiny session, members developed and finalised the following recommendations for Cabinet.

To Cabinet	
1.	That Cabinet Members and Officers should review the budget development process to ensure that options for closing expected budget gaps are identified during Cabinet's review of the draft budget ahead of its submission to the scrutiny function.
2.	That the ongoing costs and impact of Covid-19 continue to be reviewed through the finance monitoring process at Cabinet and regular reporting to the scrutiny function, to enable the development of an evidence base to support any requests to government for additional funding and / or flexibilities to enable us "to live with the virus".
3.	That cabinet should clarify, before council consideration of the budget The status of the Disabled Facilities Grant Contingency and mitigation measures in place to address external factors such as inflation, supply chain and workforce issues both on the Capital Programme and Revenue Budget.
4.	Approach to cyber security and how this is / will be reflecting in the Strategic Risk Register.
5.	That climate outcomes are clearly identified within the capital programme.
6.	To note the progress which has been made against the delivery of "Fair Shares" health funding and recommend that Cabinet continue to lobby for further acceleration of the redistribution
7.	That Cabinet recommend to council to apply the Adult Social Care 1% precept, but that the council should lobby for funding in future years delivered through central government grants.
8.	That Cabinet make provision in the budget for the recommendations arising from the Violence Against Women and Girls Commission.
9.	That Cabinet consider within its invest to save programme, the development of further resources / facilities specifically within Children's Social Care to manage local demand locally.
10	That through the Local Care Partnership, a Plymouth Workforce Plan for Children and Adults Health and Care Services is developed for review by the Health and Wellbeing Board.
11	The council, through its HR teams identify Mental Health First Aiders within the work force and champion the approach with public and private sector partners
To Government	

12	To lobby for multiyear settlements in respect of the Public Health Grant and for earlier announcements of grant allocations which meets local government budget timelines.
13	Recognise the investment and work which has been carried out locally in respect of homelessness but lobby government for multiyear funding for homelessness, extending beyond rough sleepers.
14	To lobby for earlier, equitable distribution of the National Insurance Health and Social Care Levy to Social Care.
15	To lobby government for a national health and social care workforce strategy.
To scrutiny	
16	Further review of the Corporate and Commercial Estate and Accommodation Strategy.
17	Further consideration of digital exclusions and the councils measures to address it.

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Cabinet



Date of meeting:	08 February 2022
Title of Report:	Cabinet Response to Budget Scrutiny Select Committee Recommendations
Lead Member:	Councillor Nick Kelly (Leader and Cabinet Member for Finance)
Lead Strategic Director:	Brendon Arnold (Service Director for Finance)
Author:	Giles Perritt (Assistant Chief Executive)
Contact Email:	Giles.Perritt@plymouth.gov.uk
Your Reference:	CabR22
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

The Budget Scrutiny Select Committee was convened on the 20/21 January 2022 to consider the Cabinet's approach to setting the budget for the 2022/23 financial year.

This report sets out the proposed Cabinet response to the recommendations made by the Budget Scrutiny Select Committee following its review of the Council's budget preparations for 2021-2022.

Recommendations and Reasons

That the Cabinet:

1. Responds to each of the 17 recommendations made by the Budget Scrutiny Select Committee as outlined within Appendix A.
2. Thanks the Budget Scrutiny Select Chair and Committee for their work on scrutinising the Cabinet's proposed budget and making recommendations to Cabinet.

Reason: In line with the Constitution the Cabinet is obliged to take account of recommendations made by the Budget Scrutiny Select Committee.

Alternative options considered and rejected

None - Cabinet is obliged by the Constitution to take account of recommendations made by the Budget Scrutiny Select Committee.

Relevance to the Corporate Plan and/or the Plymouth Plan

The Select Committee considered the themes within the Corporate Plan to ensure that proposals within the budget and business plans delivered against the council vision.

Implications for the Medium Term Financial Plan and Resource Implications:

The recommendations directly relate to the Councils Medium Term Financial plan.

Carbon Footprint (Environmental) Implications:

Recommendation 4 relates to the Council's Climate Emergency and Corporate Carbon Reduction Action Plan.

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.

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	Response to Budget Scrutiny Select Committee Recommendations.							

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) <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>						
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Sign off:

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Originating Senior Leadership Team member: Giles Perritt (Assistant Chief Executive)
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 02/02/2021
Cabinet Member approval: <i>Councillor Nick Kelly (Leader and Cabinet Member for Finance)</i> Date approved: 02/02/2021

APPENDIX A**CABINET RESPONSE TO BUDGET SCRUTINY
RECOMMENDATIONS 2022/23**

To Cabinet		Response
1.	That Cabinet Members and Officers should review the budget development process to ensure that options for closing expected budget gaps are identified during Cabinet's review of the draft budget ahead of its submission to the scrutiny function.	Accepted – A review will be undertaken in the 1 st quarter of 2022/23.
2.	That the ongoing costs and impact of Covid-19 continue to be reviewed through the finance monitoring process at Cabinet and regular reporting to the scrutiny function, to enable the development of an evidence base to support any requests to government for additional funding and / or flexibilities to enable us “to live with the virus”.	Accepted – The recommendation will be reflected in the regular Finance Monitoring reports considered at Cabinet.
3.	That cabinet should clarify, before council consideration of the budget <ul style="list-style-type: none"> • The status of the Disabled Facilities Grant • Contingency and mitigation measures in place to address external factors such as inflation, supply chain and workforce issues both on the Capital Programme and Revenue Budget. 	Accepted – Recommendations will be reflected in the draft budget and Officers will report to the relevant scrutiny committee.
	<ul style="list-style-type: none"> • Approach to cyber security and how this is / 	Accepted – this will be actioned by the Performance and Risk team and reflected in

	will be reflecting in the Strategic Risk Register.	future submission to the Audit and Governance Committee.
4.	That climate outcomes are clearly identified within the capital programme.	Accepted – Reflected in draft budget.
5.	To note the progress which has been made against the delivery of “Fair Shares” health funding and recommend that Cabinet continue to lobby for further acceleration of the redistribution	Accepted – The relevant portfolio holder will continue to make progress and lobby NHS commissioners for accelerated redistribution of funding.
6.	That Cabinet recommend to council to apply the Adult Social Care 1% precept, but that the council should lobby for funding in future years delivered through central government grants.	<p>Accepted – The 1% ASC precept is reflected in the draft budget.</p> <p>The City Council has and will continue to press the Government for a fair settlement for Plymouth tax payers.</p>
7.	That Cabinet make provision in the budget for the recommendations arising from the Violence Against Women and Girls Commission.	<p>Accepted - An initial sum of money has been allocated to contribute towards the cost of any commissioned work by the Violence Against Women and Girls Commission to assist them in reaching an agreed set of recommendations.</p> <p>The Commission will be reporting on their findings at the end of March 2022. This report will include a set of recommendations for the City to respond to, which will include public, private and VCSE organisations.</p> <p>Any recommendations that sit solely with the Council will be considered and addressed appropriately, including ensuring funding is made available if needed.</p>
8.	That Cabinet consider within its invest to save programme, the development of further resources / facilities specifically within Children’s Social Care to manage local demand locally.	Accepted – proposals will be developed and brought to the relevant scrutiny panel.
9.	That through the Local Care Partnership, a Plymouth Workforce Plan for Children and Adults Health and Care	Accepted – Progress will be reported to the Health Scrutiny function and approvals sought in line with the statutory requirements.

	Services is developed for review by the Health and Wellbeing Board.	
10.	The council, through its HR teams identify Mental Health First Aiders within the work force and champion the approach with public and private sector partners	<p>Accepted – Plymouth City Council operates a Wellbeing Champions network, mental health training and the ability to offer support is one of the key roles (click for example).</p> <p>This is in addition to the Employee Assistance Programme where more in depth support can be accessed.</p> <p>Through Thrive Plymouth, OCC Public Health Team commission a workplace wellbeing training offer through Livewell SW which is open to all employers in the city. This offer includes a range of mental health training, including Mental Health First Aider training but also other options such as Connect 5, Mental Health Awareness, SafeTalk etc.</p> <p>Please see more detail here http://www.wellbeingatworkcouthwest.co.uk</p>
Government		
11.	To lobby for multiyear settlements in respect of the Public Health Grant and for earlier announcements of grant allocations which meets local government budget timelines.	<p>Accepted -</p> <p>The City Council has and will continue to press the Government for a fair Public Health settlement for Plymouth including multi-year settlements and an earlier announcement.</p>
12.	Recognise the investment and work which has been carried out locally in respect of homelessness but lobby government for multiyear funding for homelessness, extending beyond rough sleepers.	<p>Accepted - The City Council has and will continue to press the Government for streamlined and multi-year funding for homelessness.</p>
13.	To lobby for earlier, equitable distribution of the National Insurance Health and Social Care Levy to Social Care.	<p>Accepted – The City Council is currently reviewing its policy position around adult social care as we await more information through the Integration White Paper. Once this is available there will be an opportunity to reflect this in public affairs plans.</p>

14.	To lobby government for a national health and social care workforce strategy.	Accepted - The City Council and its health partners will seek to include in future public affairs activity.
To scrutiny		
15.	Further review of the Corporate and Commercial Estate and Accommodation Strategy.	Accepted – Cabinet Members and Officers will report to the relevant scrutiny committee.
16.	Further consideration of digital exclusions and the councils measures to address it.	Accepted - Cabinet Members and Officers will report to the relevant scrutiny committee.

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Cabinet



Date of meeting: 08 February 2022
Title of Report: **Proposed Budget 2022/23**
Lead Member: Councillor Nick Kelly (Leader)
Lead Strategic Director: Brendan Arnold (Service Director for Finance)
Author: David Northey
Contact Email: David.northey@plymouth.gov.uk
Your Reference: Bud/2022/2023
Key Decision: Yes
Confidentiality: Part I - Official

Purpose of Report

Cabinet considered the Draft Budget for 2022/23 at its meeting on 21 December 2021 and the Budget Scrutiny Select Committee considered the budget proposals on 20 January 2022.

Under the Council's Constitution, Cabinet is required to recommend the Budget to Full Council, which will meet on 28 February 2022.

This report:

- Summarises the impact of the provisional Local Government Finance Settlement on the 2022/23 budget;
- Sets out revenue budget planning assumptions in respect of funding, approved savings plans and resource requirements for 2022/23 (see Section 1);
- Sets out capital budget planning assumptions for 2022/23 (see Section 2)
- Summarises cost pressures;
- Highlights the delivery of the Corporate Plan priorities (see Section 3)
- Sets out the Capital Financing Strategy and the Treasury Management Strategy for 2022/23 (see Section 4)

Recommendations and Reasons

That Cabinet recommends the following to Full Council, subject to amendments by the Section 151 Officer in consultation with the Leader:

1. The Revenue Budget 2022/23
2. The Capital Budget 2022/23
3. The Capital Financing Strategy 2022/23
4. The Treasury Management Strategy 2022/23

Reason; setting a balanced budget is a statutory requirement. The obligation to make a lawful budget each year is shared equally by each individual Member, discharged through Council. Options for achieving a balanced budget have been considered in the preparation of the proposed budget set out in this report.

Alternative options considered and rejected

Setting a balanced budget is a statutory requirement. Options for achieving this have been considered in the preparation of the proposed Budget set out in this report.

Relevance to the Corporate Plan and/or the Plymouth Plan

The development and approval of the annual budget and the Medium Term Financial Plan (MTFP) is fundamentally linked to delivering the priorities within the Council's Corporate Plan. Section Three of this report sets out how the proposed budget supports the Council's priorities.

Implications for the Medium Term Financial Plan and Resource Implications:

Implications for the above are set out in the body of the report.

Financial Risks

The Council is a complex service organisation with a gross revenue expenditure budget exceeding £500m. It is essential that careful consideration is given to all factors that could impact upon the budget to ensure they are – when eventually approved - robust and deliverable within the overall budget allocations that are available.

Carbon Footprint (Environmental) Implications:

The proposed Budget includes provision for a Climate Fund in the Capital Programme and the revenue budget takes account of the key implications and issues set out within the Corporate Carbon Reduction Plan 2022 and the Climate Emergency Action Plan 2022.

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 reducing revenue and capital resources across the public sector has been identified as a key risk within our Strategic Risk register. The ability to deliver spending plans whilst supporting the Council's Child Poverty Action Plan and Health and Safety has been prioritised. An Equality Impact Assessment has been undertaken and is included in Appendix 7 of this report.

Appendices

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
1	Additional Expenditure 2022/23							
2	Additional Grant Resources / adjustments and Savings Proposals approved by Cabinet							
3	Proposed 2022/23 General Fund Budget							
4	New Homes Bonus Allocations							
5	Budget Engagement							
6	Budget Select Committee recommendations							
7	Budget 2022/23 Equality Impact Assessment							

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)						
	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
Budget 2022/23 – Draft Budget							

Sign off:

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Originating Senior Leadership Team member: Brendan Arnold											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 21/01/2022											
Cabinet Member approval: Leader after discussion with Cabinet colleagues											
Date approved: 01/02/2022											

REVENUE AND CAPITAL BUDGET 2022/23

A BUDGET THAT BUILDS BACK BETTER



Introduction

Our budget plans for 2022/23 reflect our continuing ambition for Plymouth and its residents and to build back better and make Plymouth a great place to live, work and visit. Our work in setting the budget is guided by our drive to unlock the city's potential and care for people and communities.

We have made a range of commitments to Plymouth residents to help deliver these ambitions and these priorities are at the heart of our plans for setting a budget for 2022/23.

Getting to the stage where we can recommend a proposed budget for the next financial year has been very challenging as, like all local authorities, we are facing growing pressures on our resources as demand for services rises and costs increase while funding reduces. This has resulted in pressures on budgets for children's and adult social care, in particular. They account for around 70 per cent of our total revenue budget.

The pandemic has also caused pressures on budgets, as income – such as car parking revenue – has been affected. Due to these pressures we started the process of setting a budget for 2022/23 with a shortfall of £20 million.

We have worked hard over the last few months to identify how to close this gap and have identified £6.2 million savings and secured additional grants and applied one-off measures in order to propose a balanced budget.

Listening to Plymouth residents is a high priority for the Council and we received valuable feedback during a budget consultation held at the end of 2021 which has informed our budget plans and referenced in this report.

Setting the budget does not mean the work is over as financial pressures will continue to provide a challenge and we will need to deliver our savings plans that are being put in place. The Council will need to continue to transform how it operates to reduce costs. For example, major changes are due to take place this year in how the Council uses its estate. We are reducing the number of office buildings we operate, while also continuing to maximise opportunities to increase efficiency by better use of technology.

- 1.1 Cabinet received a report on the proposed Budget for 2022/23 at its meeting on 21 December 2021. This report provided an update on the budget shortfall standing at £13.533m. In addition, it also included a separate summary on the main findings from the Provisional Local Government Settlement.
- 1.2 This report builds upon the material presented in the previous report and asks Cabinet to recommend the proposed Revenue and Capital Budget to Council on 28 February 2022. The report structure is:
- Section 1: Revenue Budget
 - Section 2: Capital Budget
 - Section 3: Delivering the Corporate Plan Priorities
 - Section 4: Capital Financing Strategy and Treasury Management Strategy
 - Section 5: Appendices
- 1.3 The preparation of the Budget and the Medium Term Financial Plan will always present challenges for local authorities. The Council continues to manage a challenging financial environment where service demands continue to increase, the ongoing impact of COVID-19 continues and where uncertain and unpredictable funding levels remain.

Provisional Local Government Finance Settlement

- 1.4 The late timing of the announcement has not been helpful with regard to preparing the Council's budget. The details from the Provisional Settlement have been incorporated within the planning assumptions below, however further analysis has been undertaken to ensure that these final budget proposals can be delivered within acceptable parameters.
- 1.5 A summary of the key points from the Provisional Settlement are:
- Despite the commentary during the autumn of 2021, it is a one-year settlement and is at odds with the recent publication of CSR21, which indicates the planning envelope runs over three years.
 - The referendum threshold for Council Tax remains at 2% and councils are able to raise a further 1% through the Adult Social Care precept. These points were previously announced at CSR21 on 27 October 2021.
 - A new in year Service Grant has been created for 2022/23 only.
 - Plymouth City Council has been allocated £0.900m from the Government's Market Sustainability and Fair Cost of Care Fund (£1.6bn nationally) 2022/23 ring fenced to Adult Social Care for implementation of the White Paper.
 - There is little reference in the Settlement letter to the long expected reform of the local government finance system. A process of consultation and engagement is referred to in order to improve this position moving forward including revisions to the underlying information used in the various allocation formulae.
 - Reform to New Homes Bonus has been deferred, Rural Services Delivery Grant and Lower Tier Services Grant have been retained; the Revenue Support Grant has been uplifted by 3% for inflation and rolled over at levels seen in 2021/22.
 - The Provisional Settlement did not include details of the Public Health Grant, which is essential as local government continues to be at the forefront in responding to the Pandemic. The allocation is expected later in 2022.

- 1.6 The impact of the Provisional Settlement on the available resources combine to yield an additional £2.939m compared to the resource assumptions in the 21st December Draft Budget Report. The changes are included into the relevant sections of this report.

Budget Engagement



- 1.7 A public engagement to support the 2022/23 budget setting process took place between Friday 5 November and Sunday 28 November 2021. A questionnaire asked respondents to prioritise key public services the Council provides and to give their views on the savings proposals being put forward by the Administration to balance the Council's budget for the 2022/23 financial year.
- 1.8 The engagement was promoted in the local media and through the Council's own channels, which included a website banner, newsroom feature and press release. More than 17,000 people on Twitter and 77,500 people on Facebook viewed social media posts, and the message arrived in almost 73,000 inboxes via e-newsletters. Library staff had access to a print version of the questionnaire and social media posts and the email newsletters asked residents to inform their friends and family without internet access on how to take part. The questionnaire was also shared with Council employees in the Staff News bulletin.
- 1.9 This year's budget engagement exercise yielded a high level of response compared to previous years with 1,196 online questionnaires completed. Initial analysis of the responses received provide a clear picture of the priorities of those who responded. The table below shows the highest priority to be delivered within each of the themed service areas;

Service Theme	Highest Ranked Priority
Leisure	Park and open spaces
Transport	Road maintenance
Children and Young People	Support for vulnerable children, children in care or in need of protection
Environment	Environmental regulation, e.g. food safety, trading standards, noise control
Waste and Recycling	Refuse collection
Growing Plymouth's Economy	Creating and protecting jobs across the city
Health and Adult Social Care	Support for mental health services

- 1.10 The engagement also provided the opportunity for respondents to give comments on a number of savings proposals. These were themed under the following headings;
- Continuously improving what we do to provide better value for money
 - Caring for the elderly and vulnerable adults in our community
 - Protecting vulnerable children and young people
 - Investing in a clean and safe city and reducing our carbon footprint
 - Raising income and reviewing fees and charges
- 1.11 More details are contained within Appendix 5.

Section I – Revenue Budget**Resources (Funding)**

- 1.12 The total core resources available with and without a Council Tax increase and an Adult Social Care precept, are set out in the table below.

Resources (Funding)	2022/23 without CT increase/ precept £m	2022/23 with 1.99% increase in Council Tax / 1% Precept £m
Council Tax	(121.354)	(125.004)
Business Rates	(65.130)	(65.130)
Revenue Support Grant	(10.045)	(10.045)
Total Resources	(196.529)	(200.179)
Resources Required	200.179	200.179
Budget Balance	3.650	0.000

Council Tax

- 1.13 The Full Council meeting in January 2022 approved the Council Tax Base report for 2022/23. It set the number of Band D equivalent properties at 73,830, an increase of 715 on 2021/22.
- 1.14 The rise in the tax base for 2022/23 primarily reflects the increase in the number of properties within the City, offset by an increase in the number of residents claiming Council Tax Support. The assumed collection rate continues at 97.5%; this is realistic and prudent due to the current economic climate.
- 1.15 As set out above, the Provisional Settlement set the Council Tax referendum limit at 1.99% (i.e. this is the highest level of increase permissible without a referendum) and an adult social care precept (ASC) of 1.00%. For Plymouth, every quarter percent (0.25%) increase in the Council Tax would yield an additional £0.305m.
- 1.16 As part of developing the 2022/23 budget, Council would have the option to consider adopting a 1.99% increase for Council Tax and a 1.00% level of ASC precept in order to present a balanced budget. If adopted, these increases would provide an additional £2.429m in council tax and £1.221m adult social care precept; a total of £3.650m. The Government have assumed we will maximise this when referencing Council's Core Spending Power.
- 1.17 The final decision on these matters will be taken at Full Council on 28 February 2022.

Business Rates

- 1.18 The CSR21 stated the multiplier for the calculation of Business Rates would be set at 0%, but with a Section 31 Grant to compensate for the resultant impact. As a result, business rates income will increase by £2.120m in 2022/23 from the current £63.010m to a revised £65.130m

Revenue Support Grant (RSG)

- 1.19 The Provisional Settlement announced a RSG of £10.045m. This is an incremental inflationary increase of £0.303m to the forecast figure assumed in the budget report to Cabinet on 21 December, written before the Provisional Settlement.

New Homes Bonus (NHB)

- 1.20 The allocation for New Homes Bonus payment in 2022/23 is £1.7m. This is £0.897m more than the forecast figure included in the budget report to Cabinet on 21st December because the Government has rolled over last year's policy on NHB. There has not been an indication as to the longer-term future for the scheme and allocations from 2023/24 onwards. Details of the allocation are set out in Appendix 4.

2022/23 Services Grant and Social Care Grant

- 1.21 Nationally, the Government has provided a one off 2022/23 Services Grant worth £833m. Plymouth's allocation is £4.021m. This Grant is in recognition of the vital services delivered by local government.
- 1.22 The Council also receives a Social Care Grant. There was no clear indication of the continuation of this one-off grant before the Settlement, however it has continued and our allocation for 2022/23 is £3.573m.
- 1.23 Our assumption in the draft budget was to receive £5.876m. This was based on the CSR21 announcement that local authorities would be compensated for the impact of the increased National Living Wage and the new National Insurance costs. The confirmation of these two grants against our assumption gives an additional £1.718m for 2022/23.

Lower Tier Services Grant

- 1.24 Last year, the Government announced a new Lower Tier Services grant. This has continued for 2022/23 and Plymouth's allocation is £0.408m, an increase of £0.021m.

Public Health Grant

- 1.25 The Public Health grant is another key source of income and is used to improve public health and health inequalities. At the time of writing this report, the 2022/23 grant has yet to be advised. Although there has been no indication of the level of the grant, it is assumed that during the current pandemic, it is unlikely to be reduced from the 2021/22 level of £15.504m.

COVID-19

- 1.26 COVID-19 has had a significant impact on the cost base for the Council. All relevant COVID-19 cost pressures have been included within the base budget for 2022/23. The budget assumes a carry forward of £4.9m of grant provided to meet Covid19 pressures to assist with the additional placement and other costs arising from the pandemic.
- 1.27 Community Connections have identified an increase in costs, in particular in the Bed & Breakfast provision and as a direct result of the pandemic. The Government's drive is to ensure the number of people sleeping on the streets is minimised. As a late announcement in December 2021, we were advised of a £0.250m top up to our usual rough sleeping grant. Together with an identified reduction in the adult social care cost and volume calculation of £0.250m, this budget allocates an additional £0.500m to the service provision.

Spending Assumptions

- I.28 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.
- I.29 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. The People budget in 2021/22 is £89 million in this area, but demand for services continues to rise due to a growing elderly population and the complexity of the needs.
- I.30 The Council continues to work and provide more joined up care services with the NHS and has 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.
- I.31 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.
- I.32 Plymouth spends around £36 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 budget on services for children in 2021/22 is around £53 million.
- I.33 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.
- I.34 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.
- I.35 The Place Directorate accounts for a net budget in 2021/22 of £25m (more than 13% of the overall Council net budget) with gross expenditure budget of the department at £86m. Over many years, the directorate has striven to maximise income, increase efficiency and remove costs wherever possible. This work continues.

I.36 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 a broad range, including but not limited to

- 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.

Additional Costs

I.37 The estimated additional budget costs for 2022/23 are set out in Appendix I. These include;

- Cost and volume increases for Adults' and Children's Services
- An allocation for initial cost associated with children's poverty and Violence Against Women and Girls Commission.
- Net cost and volume increased allocation for Homelessness.
- Covering the Council's commitment to the National Living Wage for our adult social care providers, and ensuring they receive the necessary funding
- Additional corporate costs covering salary increases, the new NI charge and pension provision.
- The cost of financing the Capital Programme.
- Place Directorate specific pressures as a direct result of Covid covering reduced car park income and additional domestic waste collection costs.
- The ongoing service adjustments adopted by the incoming Administration during summer 2021.

Savings Plans

I.38 Cabinet Members and Officers included £6.751m of savings in the draft budget, approved by Cabinet in December 2021. The proposals included a preliminary saving within the People Directorate; this has now been amended following further analysis. The saving has been adjusted by £0.570m to reflect this position resulting in a total set of £6.181m as shown in Appendix 2.

Closing the Budget Shortfall

- 1.39 As in previous years, the additional resources available to fund the budget for 2022/23 are insufficient to cover the base budget plus the additional costs. Cabinet Members and Officers have worked to identify a range of solutions to offset the net budget pressures. These include:
- The capitalisation of £1.000m of community equipment with a consequent saving to the revenue budget. The equipment offers the support needed to allow people to live in their own homes.
 - Application of grants (£4.890m) that were provided to deal with COVID-19 related expenditure in 2022/23
 - Within revenue resources in 2021/22, £2.845m is available for carry forward to support balancing the 2022/23 Budget.
 - Full Council in June 2021 approved the 2020/21 Outturn Report. The report included a decision as follows: “As part of this position, and to assist in preparing for budget settlements in 2022/23 and 2023/24, the Council is proposing to set aside a contingency in the sum of £3.526m.” During 2021/22 some of these resources have been used to devise recurring savings to serve the 2022/23 budget process. The residual balance of £1.708m is available to balance the 2022/23 budget.

Settlement impact and Closing the Budget shortfall

- 1.40 The Cabinet meeting in November 2021 received a budget report for 2022/23 that highlighted that due to estimated reductions in funding and rising demand for services the forecast budget shortfall was £20m. This was after the ongoing savings targets already agreed in previous years in order to protect services for Plymouth residents.
- 1.41 The Council has worked hard over the last few years to reduce costs and has achieved this without significantly reducing services. Savings of over £25 million largely related to improved efficiency have already been achieved over the last three years. Cabinet Members and Officers identified initial savings of £6.751m and together with a number of adjustments and grant assumptions moved to the December report showing the budget shortfall adjusted to £13.533m.
- 1.42 The movement from this shortfall to the proposed balanced position is set out below. The budget balances on the premise of the maximum Council Tax and Precept increases.

	£m
Budget shortfall December Report	13.533
Additional allocations	(8.443)
Additional Resources post Settlement	(2.939)
Additional Costs identified	1.499
Revised shortfall	3.650
Level of Council Tax to be agreed at Full Council	-
Level of Adult Social Care Precept to be agreed at Full Council	-
Budget gap	3.650

- 1.43 The overall Budget position is shown in Appendix 3(a)

Conclusion

- 1.44 This report sets out the remaining budget gap before the application of a Council Tax increase which is to be agreed at Full Council on 28 February 2022.

1.45 To get to this position, Cabinet Members and Officers have:

- Incorporated the impact of the Provisional Settlement as the Final Settlement has not yet been notified; it is not expected that this will result in any or significant variation.
- Included the additional grant allocations
- Included all identified costs
- Proposed recurring savings of £6.181m
- Applied a suite of in year adjustments.

1.46 Cabinet are advised to note that the budget position as set out could be balanced if Council were to adopt:

- A Council Tax increase of one point nine nine percent (1.99%)
- An Adult Social Care Precept increase of one percent (1.00%)

Medium Term Financial Plan (MTFP)

1.47 As part of developing the 2022/23 budget future years have been considered and modelled in the following table. This includes the full year effect of savings proposals introduced in 2022/23 and the ongoing pressures within all services.

1.48 For purposes of modelling only, for 2023/24 through 2025/26 Council Tax has been shown at the current referendum threshold limits. Attention is drawn to the ongoing forecast shortfalls in resources and the Council is already considering means of achieving balance in those years.

Outturn Prices;

General Fund Budget	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Resources	(196.529)	(206.646)	(214.043)	(219.662)
2021/22 Budget Costs	195.568	195.568	195.568	195.568
Additional Costs	29.506	44.799	56.298	66.971
Grant Funding	(12.591)	(2.823)	(2.823)	(2.823)
Savings	(6.181)	(11.303)	(11.303)	(11.303)
In Year Adjustments	(6.123)	-	-	-
Shortfall	3.650	19.595	23.697	28.751

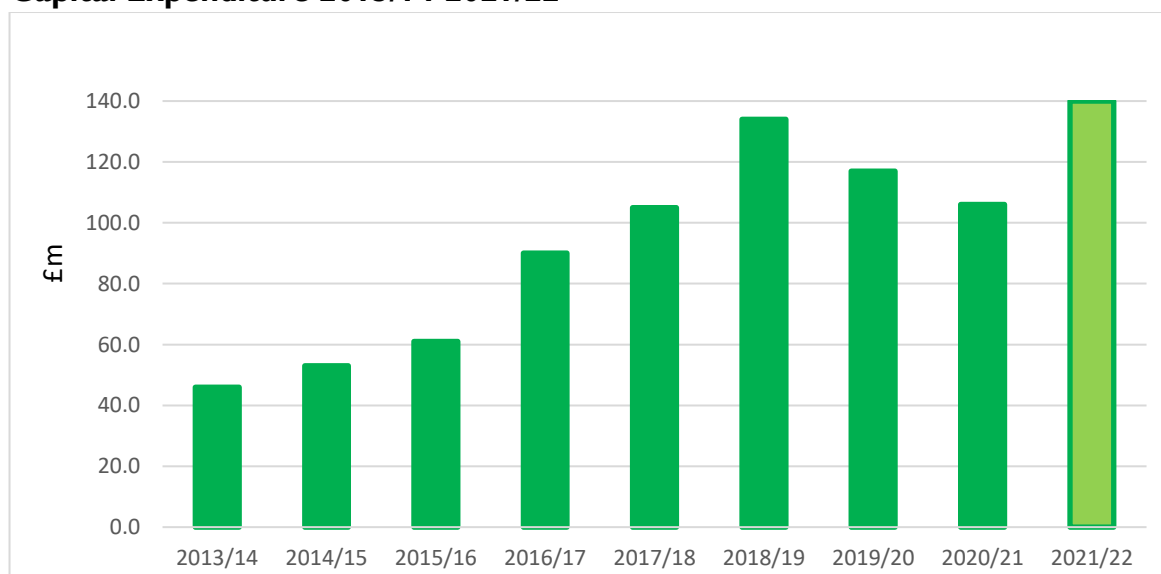
Note: It should be noted that when the shortfall in 2023/24 of £19.595m is met a commensurate adjustment will apply to the shortfalls in 2024/25 and 2025/26.

1.49 Moving forward the MTFP will be closely monitored to take account of proposals emerging from Government policy and Council initiatives as they become available to mitigate the shortfall.

Section 2 - Capital Budget

- 2.1. The Plymouth Plan is the principal driver for the capital programme. Primarily through its planning vehicle, the Plymouth and South West Devon Joint Local Plan, there are proposals to build new homes across the area, create new jobs, and to continue a major investment programme in modernising infrastructure including transport, schools and green spaces.
- 2.2. This investment is assisting Plymouth in becoming the key economic driver for the far South West; it will ensure that communities and businesses have the facilities they need to continue to thrive and prosper. The investment supports growth within the local economy, and is generating additional business rates, Council Tax, and Community Infrastructure Levy (CIL).
- 2.3. The Council continues to take a strategic approach to the Capital Programme, having established 10 outcomes aligned to the Plymouth Plan and the Plymouth and South West Devon Joint Local Plan; together with the investment and business planning programmes of other organisations to maximise delivery in the city and surrounding areas.
- 2.4. The Capital Programme consists of the approved capital projects the Council intends to deliver over a five-year period. During recent years, the programme has grown substantially, however due to the COVID-19 pandemic some projects have been delayed or slowed. The programme, in challenging times, delivered expenditure of approximately £106m in 2020/21 and the forecast reported at month 8 for 2021/22 is £140m.

Capital Expenditure 2013/14-2021/22



- 2.5. The capital programme includes the following major projects:
 - Future High Streets Fund - £12.047m (Grant funded)
 - National Marine Park - National Heritage Lottery Fund £9.6m;
 - The Eclipse project - £1.887m;
 - Forder Valley Link Road – £41.191m (includes LEP Funding £22.6m)
 - Forder Valley Interchange - £7.336m (includes NPIF Funding £5.0m)
 - Transforming Cities Fund – £51.244m (includes Tranche 1 £7.8m Grant)
 - Brunel Plaza redevelopment of the Train Station – £26.224m;
 - Highway maintenance and essential engineering – £19.198m;
 - Woolwell to the George – Levelling Up Fund - £19.924m.

- 2.6. The table below shows the breakdown of the current five-year Capital Programme forecast across the Directorates.

Five-Year Capital Programme by Directorate

Directorate	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m
People	8.930	11.876	3.716	0.132	0.132	24.786
Place - Economic Development	29.534	74.537	34.728	0.418	0.080	139.297
Place – Strategic Planning and Infrastructure	58.149	84.886	18.465	8.600	0.756	170.856
Place – Street Services	22.404	14.702	3.963	2.017	0	43.086
Customer & Corporate Services	8.768	3.193	0	0	0	11.961
Public Health	12.370	0	0	0	0	12.370
Total	140.155	189.194	60.872	11.167	0.968	402.356
Financed by:						
Capital Receipts	1.618	5.632	6.428	0.619	0.836	15.133
Grant funding	50.860	69.000	14.293	0.132	0.132	134.417
Corporate funded borrowing	47.282	33.011	10.208	9.310	0	99.811
Service dept. supported borrowing	33.041	70.424	26.433	0.304	0	130.202
Developer contributions	5.051	11.124	3.510	0.802	0	20.487
Other contributions	2.303	0.003	0	0	0	2.306
Total Financing	140.155	189.194	60.872	11.167	0.968	402.356

2.7. The breakdown of the five-year Programme by outcome is shown below.

Five-Year Capital Programme by Outcome

Primary Outcome of Projects	£m
Delivering a Net Zero Plymouth	73.279
Delivering a sustainable City Centre and Waterfront	32.883
Delivering a sustainable Derriford / Northern Corridor	73.192
Delivering a sustainable Eastern Corridor	2.516
Delivering sustainable homes for the City	32.929
Delivering essential City infrastructure / Improving neighbourhoods	35.545
Ensuring sufficient good quality school places	1.950
Delivering a sustainable economy	84.816
Connecting the City	32.068
Commercialisation of services (including property)	33.178
Total	402.356

New Capital Approvals

2.8. The following capital schemes will be added to the Plan once a full business case has been completed and all legal and financial implications considered. At that stage, a decision will be taken by the Executive which will be reflected in the quarterly report to Council. The required corporate borrowing has been funded within the revenue budget proposals for 2022/23.

Committed Priority Pipeline Projects included in 2022/23 Budget and MTFP	2022/23	2023/24	2024/25
	£m	£m	£m
Additional Borrowing costs Health & Safety	0.113	0.185	0.236
Crematorium – additional investment	0.191	0.191	0.191
Improvements to the Corporate Estate	0.411	0.711	0.861
Woolwell to George – medium term costs	0.000	0.160	0.321
Manadon Interchange	0.000	0.000	0.040
National Marine Park	0.000	0.033	0.323
Mill Ford School	0.120	0.371	0.503
Freeports	0.020	0.095	0.182
Airport	0.100	0.210	0.210
Fish Quay	0.000	0.000	0.040
Climate Fund Capital	0.250	0.250	0.250
Central Park Drainage Capital	0.150	0.150	0.150
Total as listed in Appendix I for 2022/23	1.355	2.356	3.307

Note; a number of these schemes receive government grants as the greater part of their funding package.

Funding of the Capital Programme

- 2.9. The current estimate of future capital funding for the five years 2021/22-2025/26 is £286m. (See table below). This figure changes from time to time and comprises both ring-fenced and un-ringfenced grants, S106 resources and other external contributions. The revenue implications of the current programme and the agreed priorities have been addressed in developing the 2022/23 Medium Term Financial Plan.
- 2.10. The Council takes an organised and proactive approach to identifying, bidding for and then securing external grants which reduces the pressure on the revenue budget. To ensure the capital programme remains sustainable in the long term the level of borrowing continues to be regularly monitored.

Capital Programme 2021/22 – 2025/26

- 2.11. The table below includes both existing programming and programming where funding may become available looking forward the forecast five year capital programme, 2021/22-2025/26, is £688.366m as at 31 December 2021. The Capital Budget has been adjusted to take into account new approvals and changes to the capital programme and adjustments to the income assumptions.

Description	£m
Approved Capital Programme 2021/22-2025/26	402.356
Future Funding Assumptions (Capital Pipeline)*	286.010
Total Revised Capital Budget for Approval (2021/22-2025/26)	688.366

* Estimate of funding required to finance future capital projects

- 2.12. The Council will endeavour to ensure a significant proportion of the funding for the Programme comes from external sources – grants from other organisations and Government departments and agencies (33%). Capital receipts make up about 4% of the programme with S106 contributions and CIL constituting about 5%. Every effort is being made to secure funding from grant programmes and other external sources.

Prudential Code

- 2.13. The Prudential Code for capital finance in local authorities 2021 edition was published in December 2021 and changes were primarily in respect of commercial investments and associated risks. The key change is a local authority must not borrow to invest primarily for financial return. Investment is permissible for projects that are for regeneration purposes within a local authority area. These changes involve additional financial implications for the revenue account and all projects have been reviewed accordingly. No new projects are included in the programme at this time.
- 2.14. Commercial property and development activities in the Council operate under robust and effective governance arrangements as set out in the Constitution. The Council has a small team of experienced in-house chartered surveyors including an Asset Manager recruited specifically for the Regeneration Investment Fund who has significant experience in property fund management obtained in the private sector.
- 2.15. The Capital Finance Strategy gives an overview of how the associated risks are managed and the implications for future financial sustainability. The Capital Strategy and Treasury Management Strategy are attached in Section 4. Both of these reports were approved by the Audit and Governance Committee on 29 November 2021.

- 2.16. The Pandemic has delayed overall delivery of the Capital Programme but since April 2021 national restrictions have been easing and projects have been re-commencing. Inflation pressures are acknowledged due to global and national issues which may impact on some projects. This is due to cost increases for raw materials and external labour. It is recognised the global economy is volatile and may place pressure on existing capital budgets which is in addition to other unforeseen project cost increases. Project Managers are closely monitoring cost pressures and associated timing issues; these will be managed within existing budgets which include where necessary contingency budgets which is provided for in all capital budgets to mitigate against increased costs. For grant funded schemes, where appropriate, Project Managers have been encouraged to contact funders to see if any additional funding is available.

Climate Emergency Investment Fund

- 2.17. In order to work towards the 2030 net zero target significant investment will be required. The draft Capital Budget proposes to set up a Climate Emergency Investment Fund with an initial programme value of at least £2m. Drawdown of this ring-fenced fund will include match funding, and/or to deliver interventions that enable the City to secure external investment into delivering Climate Emergency solutions. Examples could include:
- Match funding
 - Retrofit Loans
 - Asset Investment
 - Staff incentives to de-carbonise. Future CCRP and CEAP actions
 - Carbon off-setting initiatives
 - ECO Homes Programme.
 - Transport Decarbonisation Plan
 - Behavioural Change Programmes
- 2.18. Many of the projects that could utilise the investment fund will also generate an income, either through financial savings or through the selling of services, for example electricity. These financial benefits would be recycled into the Climate Emergency Investment Fund, increasing the investment pot and therefore the ability to scale up activity further in future years.
- 2.19. The benefits of investment in the Climate Emergency Fund include:
- Reducing PCC's carbon emissions
 - Reducing the City's carbon emissions
 - Helping contribute to the Council's declaration to be carbon net-zero by 2030.
 - Allows the Council to be more agile and successful in pursuing external funds that support the Climate Emergency.
 - Ensuring equality within the Climate Emergency response.
 - Saving the Council money in the longer term by scaling up the response to the climate emergency now delivering actions that will get more expensive over time.

Conclusion

- 2.20. The Capital Programme sets out a scheme of investment with all financial implications included in the revenue budget. This investment is supporting the growth agenda, within the City, including regeneration and contributing to the local economy and creation of jobs. Cabinet are asked to RECOMMEND the Capital Programme for adoption by Council on 28 February 2022.

Section 3 – Delivering the Corporate Plan Priorities

- 3.1. The Council agreed a revised Corporate Plan at its meeting of 14 June 2021, which reflected the new Administration's vision for the city and the Council and reframed the Council's mission, values and priorities to support this. In addition and following fifteen months of unprecedented challenges created both nationally and locally by the COVID-19 pandemic the opportunity was taken to reintegrate response and recovery activities into the Corporate Plan and the Council's associated delivery plans.
- 3.2. Below are key examples of how the proposed budget for 2022/23 is supporting our Corporate Plan priorities of unlocking the city's potential and caring for people and communities.

Unlocking the City's potential

- 3.3. Delivering the day-to-day Council services that Plymouth residents value and which affect their daily experiences of living in the city to a better standard. This means prioritising our services that tackle litter, graffiti and dog fouling and that are responsible for clearing weeds, cutting grass and repairing potholes. We are investing in these services while driving greater efficiency through new ways of working.
- 3.4. We will aim to look after the condition of the city's roads and pavements and ensure potholes are addressed as quickly as possible. The proposed capital programme for next year includes £2.8 million on road resurfacing, £1.1 million on road surface improvements, £750,000 on permanent repairs and £679,000 for resurfacing footways.
- 3.5. We are tackling the climate emergency and working to deliver our ambition to make Plymouth a carbon neutral city by 2030 through a wide range of measures, including securing funding for further infrastructure in the city for electric vehicles, working more closely with our local communities and businesses to create innovative ways to reduce waste, avoiding single use plastic and increasing recycling rates.
- 3.6. The capital programme for next year includes £1.8 million investment in green homes, as well as more than £373,000 for the planting of new trees under the Plan for Trees. We will continue to work with local businesses to help them reduce their use of plastics, as well as with a wide range of partners in the city committed to making Plymouth a plastic free city. We will continue to reduce our own carbon footprint through a range of initiatives, including introducing further electric vehicles.
- 3.7. We are driving the City's growth agenda through delivery of a package of measures which make Plymouth a great place to live, do business in, invest in and visit. This includes leveraging investment, business development and support, spatial planning and strategy, a strong cultural and events offer, housing delivery and our own capital delivery programme which includes major sustainable transport improvements.
- 3.8. Delivering the ambitious economic recovery programme will continue to be a key priority for 2022/23 alongside helping businesses to navigate both the challenges and opportunities posed by Brexit, addressing the challenges set by the Levelling Up agenda and the envisaged long term impact of COVID-19 on employment and the wider economy.

- 3.9. We will also be working with partners on innovative projects and initiatives that will provide significant benefits to the city's economy and secure jobs or provide income to support the delivery of Council services. This includes working with partners on initiatives such as the regeneration of the Fish Quay and securing investment to develop the Plymouth and South Devon Freezone, which will help the city bounce back from the pandemic.
- 3.10. We are investing in the city centre, as well as local shopping centres, which are at the heart of local communities. The proposed capital programme for next year includes £4.9 million towards the scheme to regenerate Old Town Street and New George Street East, and £8 million investment of Future High Streets Funding for major improvements in the area around the Civic Centre. There is also £12.7 million in the capital programme for Armada Way as part of the Better Places programme.
- 3.11. We are also investing in the city's transport infrastructure next year, including the Woolwell to the George scheme to reduce congestion in the north of the city. This includes £19.9 million from the Levelling Up Fund, £3.7 million on the Forder Valley Link Road, £3.9 million on the Forder Valley interchange, seeking to acquire the leasehold of Plymouth Airport site with the aim of making it operational again, investing in schemes that make it easier to get around the city using public transport or by walking and cycling, including £1.5 million in the capital programme for the northern corridor strategic cycle network and £1.2 million for the Eastern corridor strategic cycle network. The regeneration of the railway station remains a priority and next year there's £13 million in the capital programme for a new multi-storey car park.
- 3.12. We are providing more and better quality homes for Plymouth residents through working with local housing associations and other partners to create new homes, providing grants and loans to housing providers to provide infrastructure and unblock stalled sites, through raising standards in the private rented sector and continuing to tackle empty homes. There's £4.54 million allocated in the capital programme to invest in phase 3 of our Plan for Homes.
- 3.13. We are continuing to invest in Central Park, which is one of the city's most important green spaces and continuing to improve it for Plymouth residents remains a priority. The capital programme already includes £1.7 million for repairs to Pounds House, which sits within the park and further improvements are planned to deal with drainage in the park.
- 3.14. We will make sure Plymouth has the digital infrastructure to help drive the city's growth agenda by supporting significant investment in high speed networks by City Fibre. We are working across the city and with our partners to continue to maximise our investments and pilot new technologies to their best effect, including a 5G Sound Project. This is all part of our wider plan to support and invest in digital skills and tackle digital inclusion.

Caring for people and communities

- 3.15. We are prioritising ways of increasing the safety of Plymouth residents, including providing better CCTV coverage in areas where people feel unsafe. We will be maximising the impact of investment in better CCTV and are supporting the work of the Violence Against Women and Girls Commission by providing £50,000.

- 3.16. Improving the health and wellbeing of Plymouth residents is a key priority, and providing support to the most vulnerable in our community, promoting early intervention to help people stay well and independent for longer are central to our plans. We are continuing to provide health and wellbeing hubs in areas where they will have the most impact in tackling health inequalities. For example, our capital programme for next year includes £1.3 million funding for a joint project with the NHS to offer a new health hub at Colin Campbell Court to offer a range of health and wellbeing services in the city centre.
- 3.17. Supporting our ambition to raise standards in Plymouth schools, we will be progressing the place based trailblazer programme to deliver the five priorities that have been identified. We will be delivering the new Bright Future service plan and will continue to work to secure further Government resources for this work.
- 3.18. Our aim is to continue improving the experiences of both adults and children in our community who need social care, while addressing the ongoing national challenges caused by the rising demand and cost of social care.
- 3.19. These challenges are due to the combination of a growing and ageing population, more people with long-term conditions, and a challenging economic climate means greater demand on services and more problems for people in accessing care.
- 3.20. We are developing our Caring for Plymouth operating model, which involves a series of system-wide transformations across social care and communities aimed at improving the experience of our citizens and delivering improvements to the city's care system.
- 3.21. We will continue to focus on working with individuals at the earliest point on the pathway in order to enable professionals and the community to help keep them as healthy and independent as possible. This in turn will lead to reducing health inequalities and keeping those we are responsible for safe.
- 3.22. We will continue to prioritise the principle of 'promoting independence', recognising the assets and strengths of people and enabling people to live independent and fulfilled lives as part of their communities.
- 3.23. We will also be investing £10 million in an innovative new centre of excellence in Outland Road to provide emergency and planned respite for people with complex physical and learning disabilities.
- 3.24. The Government has acknowledged the serious strains on council budgets as a result of the rising demand for adult social care services. While it has recently announced additional future funding for social care, this is unlikely to be available to councils immediately as the NHS is being prioritised. To ensure that councils don't have to cut social care services the Government has given them authority to add a precept of one per cent to the Council Tax to support these services.
- 3.25. The cost of children's social care is also increasing due to the rising cost of care packages and placements for vulnerable children and the COVID-19 pandemic has seen a doubling in the number of children requiring support.

Section 4 – Capital Financing Strategy and Treasury Management Strategy

Capital Financing Strategy 2022/23

INTRODUCTION AND CONTEXT

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas. It is a requirement of the amendments implemented in the 2018 Treasury Management Code of Practice Guidance that all Local Authority's will need to produce a Capital Strategy each year.

Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

The strategy will provide an overarching policy framework for the Council's capital programme and planning, and will form part of a suite of strategies which provide a holistic view of the Council's financial planning framework. With this in mind this document should be considered in conjunction with the Medium-Term Financial Strategy, Treasury Management Strategy and Investment Strategy.

CAPITAL FRAMEWORK

The Council updated the Plymouth Plan 2014-2034 on 25 January 2021 which sets out the strategic direction for the city.

The Plan identifies specific strategic outcomes for the Council and its partners for the medium and longer-term; these outcomes align to those set in the Plymouth and South West Devon Joint Local Plan.

Performance is measured towards the delivery of the agreed outcomes and reported against on an annual basis.

In February 2021 the Council approved a budget which contained an uplift to the revenue budget of £1.771m to meet some of the increased costs associated with borrowing requirements to fund the capital programme. The current MTFP contains proposals to further increase this sum in 2022/23. The MTFP sets out a summary of schemes that the Council wishes to support and an indicative level of Council financial support which will assist in the delivery of those schemes which all deliver towards the city's outcomes.

GOVERNANCE

The Financial Regulations detail how capital projects are approved and added into the capital programme.

All new schemes must be fully financed and receive relevant approval by Section 151 Officer; up to £0.200m, or by the Leader when above this threshold.

Each scheme will need to detail:

- the aim of the project and any other ways of achieving it
- how it will be funded
- if there are any future revenue implications from the project e.g. building maintenance
- effects on staffing
- legal, contractual and prudential borrowing code implications
- if the Council is acting through an agent or partnership, legal advice must be sought on whether it has the power to act this way
- if it is a key decision, any comments made during consultation and the Council's response
- the estimated amount and timing of any capital and revenue spending.

All proposed new schemes will need to demonstrate how they meet the requirements of the City by presenting a Business Case for approval and detail which of the City's outcomes are being achieved and how the scheme will address this need.

Due diligence is carried out on all new proposals to determine whether the scheme is deemed suitable. Financial and capital planning reviews are carried out prior to any Business Case being presented to the City Council Investment Board (CCIB) to provide members with the confidence that the schemes meet the expected requirements in line with the strategic direction of the city.

Once accepted, all new schemes, which will require both finance and legal sign-offs, are published in the Executive Decision along with the Leaders decision.

CAPITAL PLAN

The Capital Plan is the collective term which defines two key elements; the Capital Programme as approved by the Leader or S151 Officer and the Capital Pipeline which refer to possible future funding that may be available for future projects yet to be approved.

The Capital Programme is the list of schemes which have a confirmed funding source and have been approved for capital investment by the Leader following consideration of a robust, evidence-based business case.

"The Capital Pipeline" is the term used to refer to funding that the Council hopes to receive in the future but has not yet been approved. These consist of both ringfence and unringfenced resources.

Ringfenced resources are essentially those that can only be applied to a specific purpose and include specific grants and S106 contributions etc. Unringfenced resources can be applied to any project and include unringfenced grants and corporate borrowing etc.

CAPITAL PROGRAMME

Once approved, schemes are added to the capital programme for delivery.

Any adverse variance to approved schemes are required to seek further approval, with identified funding, to enable authorisation for increased expenditure providing details of the variance.

CAPITAL EXPENDITURE AND FINANCING

Capital expenditure is defined as money spent on assets, such as property or vehicles, which will provide a service benefit for more than one year. In local government, this also includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 (land and buildings) and £5,000 (vehicles, plant or equipment) are not capitalised and are charged to revenue in year.

Capital expenditure is financed by a range of sources which may either be ringfenced or unringfenced. The source of financing is always identified and approved at the time of capital project approval. The capital programme is currently financed by:

- Capital Receipts;
- Grants and contributions;
- S106 and Community Infrastructure Levy (CIL);
- Revenue Contribution to Capital Outlay (RCCO);
- Borrowing – both funded corporately, or where schemes deliver a saving, this is offset against the project and repaid by service.

PROPERTY AND REGENERATION FUND

The Property and Regeneration Fund's strategic objectives are to deliver regeneration, economic and employment growth with associated income benefits in the Plymouth Functional Economic Area.

This will enable the Council to invest in direct developments and forward funding opportunities to promote regeneration, safeguarding and creating new jobs as well as encouraging economic growth in Plymouth Functional Economic Area.

The investment fund helps deliver the Plymouth Plan and assists in the redevelopment of brown field sites in the Plymouth area where it is difficult to attract external investment. Any regenerated areas encourage other private companies to invest in the locality as well as attracting external investment from inward investment by companies moving into the area.

EXISTING INVESTMENT PROPERTIES

The Property and Regeneration Fund (previously known as the Asset Investment Fund) has approved investment of over £250 million in commercial property including direct development and forward funding commercial property schemes to deliver:

- Stimulation of economic and employment growth and regeneration in Plymouth Functional Economic Area.
- Associated long-term income generation (via rental revenues) to support the wider financial position of the Council.

All investment decisions have been fully accountable and followed a sequence of internal reporting and sign-offs. In addition, verification of purchase price by external suitably qualified RICS Approved Valuers were obtained prior to any investment.

In terms of on-going governance arrangements, the fund's properties are managed alongside the Council's existing commercial property portfolio in accordance with delegated land and property procedures as set out in the Council's Constitution. In addition, the team undertake regular analysis at both a portfolio and property-level to benchmark performance and manage risk. To improve transparency and disclosure, a regular fund managers' report is produced and a Management Group of key stakeholders meet regularly to review outputs.

AFFORDABILITY

The Council considers all finances from a prudent perspective; this includes the assessment of affordability of all capital investments.

At the point of approval of a scheme, both the funding implications and any ongoing revenue implications are evaluated to enable informed decisions to be made regarding investment opportunities.

The short, medium and longer-term impacts are all assessed taking into account any other wider policy implications which could impact on the decision.

As much of the capital programme is funded by borrowing, assumptions and decisions on the cost and affordability of the Council's borrowing is linked to the Public Works Loan Board (PWLB) interest rates, prudential indicators and the approved borrowing strategy as set out in the Treasury Management Strategy 2022/23.

RISK MANAGEMENT

Risks are assessed continually from both an operational and financial perspective.

In carrying out due diligence, potential project risks are identified and relevant mitigation measures documented prior to approval.

All risks are then managed in line with the Council's risk management policy which includes documenting risks on a risk register, assigning owners, regular review of risks and Red Amber Green (RAG) rating.

Subject to careful consideration, the Council may consider investing in a higher risk initiative should there be a significant direct gain to the Council's resources or enable more effective delivery of statutory duties.

KNOWLEDGE AND SKILLS

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Service Director of Finance is a qualified accountant with over 20 years' experience.

The Council pays for staff to study towards relevant professional qualifications including CIPFA, ACCA, CIMA, MRICS, and CIPS etc.

Where Council staff does not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

Treasury Management Strategy 2022-23

Councillor Nick Kelly

Leader of the Council and Cabinet Member for Finance

This Strategy demonstrates the network of controls that are in place to provide confidence in the way we management of our investments and borrowing.

It also demonstrates our commitment to sound management and control of the Council's cash and investments.

Brendan Arnold

Service Director for Finance

This Strategy is designed to underpin the Council's ambition to invest in the future of Plymouth. The strategy sets out a framework within which the Council's treasury management needs and risks can be managed successfully.

The strategy will keep us within our prescribed limits under the Prudential Code.

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This section explains how we invest and borrow

Introduction

Treasury Management is the management of the Council's cash flows, borrowing and investments, and the associated risks. Of necessity, the Council borrows and invests substantial sums of money and is therefore exposed to financial risks including the effects of changing interest rates.

This Treasury Management Strategy sets out how the Council will invest to meet future Infrastructure needs in an affordable way.

INVESTMENTS – FACTS AT A GLANCE

Principles and Objectives of the Treasury Management Strategy

- To achieve the best secure investment returns
- To achieve a balanced spread of maturities and commitments
- To achieve the right mix of borrowing vehicles

Market Intelligence

- Bank of England reports
- Market Outlook by the Council's advisers Arlingclose

Statutory and Performance Framework <i>Rules that guide us</i>	Investments <ul style="list-style-type: none"> Sterling only Can use UK Government, Local Authority or a body of high credit quality The Council defines “high credit quality” organisations and securities as those having a credit rating of [A-] or higher and domiciled in UK
	Counterparties and Limits (see table on page 20)
	Investment Limits – subject to Counterparty table on page 20 <ul style="list-style-type: none"> Unlimited UK Government Unlimited Money Market Fund £25m any single local authority or government entity £25m secured investment £10m per Bank (unsecured) £20m unrated corporates £60m Strategic Pooled Funds £10m Real estate investment
	Key Council Budget Assumption for 2022/23 <ul style="list-style-type: none"> Investments make an average rate of return of 1.5%
Approach <i>Choices made within the framework</i>	Objective - Security first, Liquidity second and then Yield Strategy - to maximise returns, reduce risk and diversify investments Risk Assessment and credit ratio - Our advisors monitor credit ratings daily so any new investments will be made using the latest credit information Other information on security of Investments - Market intelligence from our advisors may give warnings before credit warning changes e.g. credit default swaps information

BORROWING – FACTS AT A GLANCE

Principles and Objectives of the Treasury Management Strategy

- To minimise the cost of borrowing
- To achieve a balanced spread of maturities and commitments
- To achieve the right mix of borrowing vehicles

Market Intelligence

- Bank of England reports
- Market Outlook by the Council's advisers Arlingclose

Statutory and Performance Framework

Rules that guide us

Borrowing

- **£203m** Total Capital Expenditure
- **£1068m** Capital Finance Requirement (need to borrow)
- **£1086m** Total Debt (loans and private finance initiative)
- **£1135m** Operational Boundary (practical ceiling on borrowing)
- **£1180m** The Authorised Limit (absolute maximum debt approved)

Prudential Indicators

- **10.7%** Ratio of finance costs to net revenue stream (borrowing costs as a proportion of net revenue budget)
- **£10.70** Hypothetical increase in Council Tax affordability. (this is technical measure; the Council has made no future years tax decisions)

Treasury Management Indicators

- **60%** Limit on Fixed Interest Exposure
- **80%** Limit on Variable Interest Rate
- **0% to 80%** Maturity Structure of Borrowing, exposure in any duration

Minimum Revenue Provision Policy (MRP)

- Annuity Method
- PFI/Leases charged on an annuity method over the life of the asset
- Option for capital receipts to be used towards repaying debt

Key Council Budget Assumption for 2022/23

- New long-term loans will cost an average rate of 2.0%

Approach

Choices made within the framework

Objective - Balance low interest rates with long term certainty

Strategy – to have a balanced portfolio that utilises the benefits of low interest rates for short term borrowing together with the security of longer term fix rate borrowing

Sources of Finance - Banks or Building Society, Public Works Loan Board, Pension Funds, Capital Market Bonds, Municipal Bonds Agency, anyone with whom we would invest. Also, Leasing, PFI, Sale & Lease back

LOBOs will be repaid if there is a NPV saving and if there is agreement with the lenders

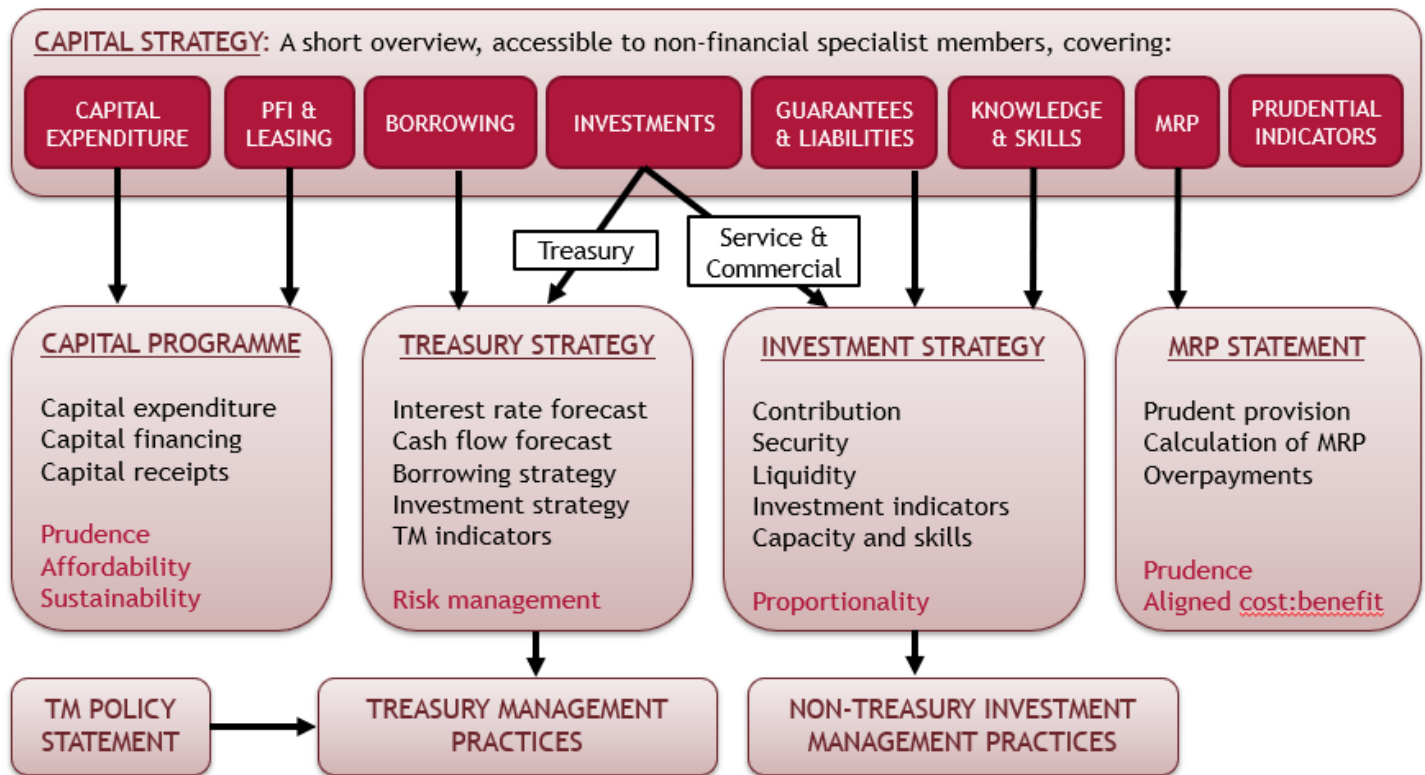
Municipal Bonds Agency Council will use where appropriate

Debt Restructuring A present value calculation based on current rates for the same period of loan may result in a discount or premium.

- Council will re-schedule if it reduces cost or risk

The diagram below shows how Capital expenditure affects the Treasury Management Strategy

Strategy Reports: England



The diagram above shows how the requirements of the Department of Levelling Up Housing and Communities (DLUHC) Guidance and The CIPFA Code interact with the Capital and Treasury Management. There is a new Capital Strategy (presented in a separate document) and a new Non-Treasury Management Investment Strategy (shown as service and commercial in the diagram) included in this document.

Specialist advisers Arlingclose support the Council with borrowing and investment advice. This is Arlingclose's expert assessment of the economy in the coming months and years.

Economic background as at December 2021:

The Bank of England (BoE) increased Bank Rate to 0.25% in December 2021 while maintaining its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 8-1 in favour of raising rates, and unanimously to maintain the asset purchase programme.

Within the announcement the MPC noted that the pace of the global recovery was broadly in line with its November Monetary Policy Report. Prior to the emergence of the Omicron coronavirus variant, the Bank also considered the UK economy to be evolving in line with expectations, however the increased uncertainty and risk to activity the new variant presents, the Bank revised down its estimates for Q4 GDP growth to 0.6% from 1.0%. Inflation was projected to be higher than previously forecast, with CPI likely to remain above 5% throughout the winter and peak at 6% in April 2022. The labour market was generally performing better than previously forecast and the BoE now expects the unemployment rate to fall to 4% compared to 4.5% forecast previously, but notes that Omicron could weaken the demand for labour.

UK CPI for November 2021 registered 5.1% year on year, up from 4.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 4.0% y/y from 3.4%. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%.

In October 2021, the headline 3-month average annual growth rate for wages were 4.9% for total pay and 4.3% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 1.7% while regular pay was up 1.0%. The change in pay growth has been affected by a change in composition of employee jobs, where there has been a fall in the number and proportion of lower paid jobs.

Gross domestic product (GDP) grew by 1.3% in the third calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% q/q in the previous quarter, with the annual rate slowing to 6.6% from 23.6%. The Q3 gain was modestly below the consensus forecast of a 1.5% q/q rise. During the quarter activity measures were boosted by sectors that reopened following pandemic restrictions, suggesting that wider spending was flat. Looking ahead, while monthly GDP readings suggest there had been some increase in momentum in the latter part of Q3, Q4 growth is expected to be soft.

GDP growth in the euro zone increased by 2.2% in calendar Q3 2021 following a gain of 2.1% in the second quarter and a decline of -0.3% in the first. Headline inflation has been strong, with CPI registering 4.9% year-on-year in November, the fifth successive month of inflation. Core CPI inflation was 2.6% y/y in November, the fourth month of successive increases from July's 0.7% y/y. At these levels, inflation is above the European Central Bank's target of 'below, but close to 2%', putting some pressure on its long-term stance of holding its main interest rate of 0%.

The US economy expanded at an annualised rate of 2.1% in Q3 2021, slowing sharply from gains of 6.7% and 6.3% in the previous two quarters. In its December 2021 interest rate announcement, the Federal Reserve continue to maintain the Fed Funds rate at between 0% and 0.25% but outlined its plan to reduce its asset purchase programme earlier than previously stated and signalled they are in favour of tightening interest rates at a faster pace in 2022, with three 0.25% movements now expected.

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This is Arlingclose's expert view on future interest rates.**Credit outlook:**

Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and had steadily edged down throughout the year up until mid-November when the emergence of Omicron has caused them to rise modestly. However, the generally improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.

The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable and even making a handful of rating upgrades.

Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.

This is Arlingclose's view of the risks of bank failures in the period ahead.**Interest Rate Forecast**

The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will continue to rise in calendar Q1 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.

Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise again, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.

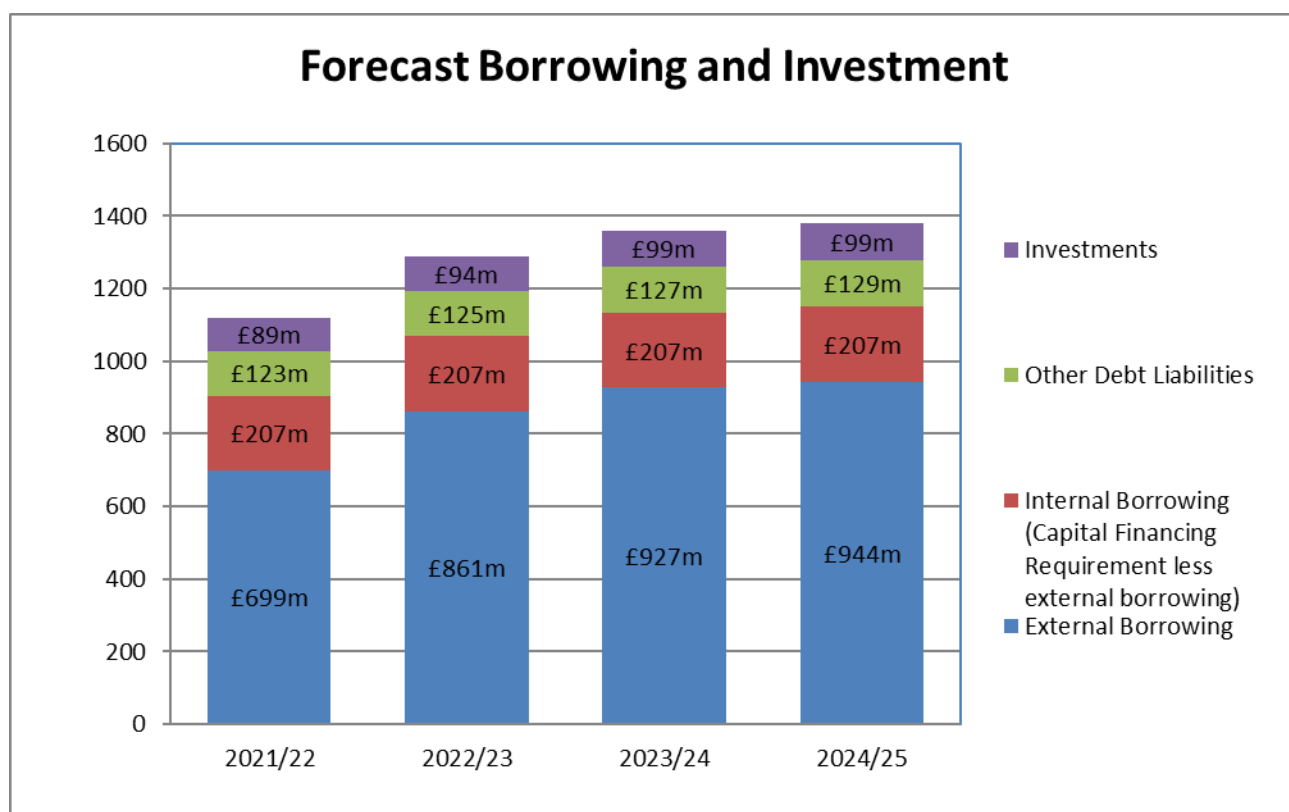
Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.65%, 0.90%, and 1.15% respectively. The risks around for short and medium-term yields are initially to the upside but shifts lower later, while for long-term yields the risk is to the upside. However, as ever there will almost certainly be short-term volatility due to economic and political uncertainty and events.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.

Part 2 – Technical Detail for Analysis

Borrowing

This is how much debt and investments we expect to have in the next three years the years ahead.



These are borrowing limits we are required to set by law. They are affordable levels and needed to fund our capital programme.

Maximum Total Debt

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement. Usable reserves and working capital are the underlying resources available for investment. The current strategy is not to borrow to the full underlying need. Some internal resources are used instead of external borrowing.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* sets a maximum for total debt. This is the maximum the CFR is expected to reach at any time during the next three years.

The Council held £600 million of loans in as at 31 March 2021. This was a decrease of £3 million on the previous year. The decrease in loans is because many of the capital project were slowed down by Covid and the Council received grants for capital and revenue purposes and will be used in 2022/23.

The Council expects to hold borrowing up to £ 861m in 2022/23. The total borrowing must not exceed the authorised limit set by the Council of £900 million.

We seek low interest rates, but it is good to be as sure as possible what our interest costs will be in future years.

Objectives of Borrowing Decisions

- To strike an appropriately low risk balance between securing low interest and fixed borrowing to obtain certainty of costs.
- Flexibility to renegotiate loans or to reschedule debt should the Council's long-term plans change.

It is much cheaper to borrow for a short period now. Before long term rates rise we intend to lock into fixed rate loans.

Borrowing Strategy

Since the Covid pandemic, we have seen the Bank of England cut the Bank Rate to its lowest rate ever. The Council has taken the opportunity to refinance some of its short term borrowing with long term fixed rate borrowing from PWLB. This has reduced the Council's short term borrowing and therefore reduced the interest rate risk (risk of interest rates rising).

There will be additional costs for taking the additional PWLB borrowing but it gives the Council certainty over more of its fixed costs. Long-term fixed rate loans remove the interest rate risk by fixing the rate for the term of the loan. These are popular among local authorities but are relatively expensive.

The Council will continue to review its portfolio of borrowing and may refinance its debt dependant on the market conditions. The benefits of short-term borrowing will continue to be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly.

Short term borrowing is the cheapest option but leaves the Council exposed to refinancing risk, which can be divided into interest rate risk (the risk that rates will rise) and availability risk (the risk that no-one will lend to the Council).

The Council has taken additional long term fixed rate borrowing from the PWLB (£100m in September and October 2021) to reduce the amount of short term borrowing and to reduce the interest rate risk. The Council also has an Interest Rate Swap to mitigate part of this risk by a contract that fixes the rate of interest on £75m for 20 years.

The Council will take the option to repay LOBO loans if there is a NPV saving and if there is agreement with the lenders.

The Council will reschedule or repay loans where this is expected to lead to an overall cost saving or a reduction in risk to reduce the overall long term costs of the loan portfolio.

The Council will only borrow from approved sources.

These are the lenders we are able to use.

Sources of Borrowing

The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- Any institution approved for investments (see below)
- Any other bank or building society authorised to operate in the UK
- Any other UK public sector body
- UK public and private sector pension funds (except Devon Local Government Pension Fund)
- Capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues and short term borrowing
- Any other counterparty that is recommended by the Council's TM advisors
- A Plymouth City Council bond or similar instruments
- Interest Rate Swaps – although not actual borrowing they can be used to reduce the interest rate risk

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing
- Hire purchase
- Private Finance Initiative
- Sale and leaseback

The Council continues to investigate other sources of finance, such as local authority loans and bank loans that may be available at more favourable rates.

The LOBO agreements were entered into under different market conditions. Where possible we will replace them with lower cost loans.

Lender's Option Borrower's Option (LOBOs)

The Council holds £64m of LOBO loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost.

The Council understands that lenders are unlikely to exercise their options in the current low interest rate environment but there remains an element of refinancing risk.

The Council will take the option to repay LOBO loans if there is a NPV saving and if there is agreement with the lenders.

The Municipal Bonds Agency may offer an alternative for short term borrowing

Municipal Bond Agency (MBA)

UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. In 2020 the agency issued its first bonds to the capital markets for individual local authorities. By issuing a single name bond, albeit using the MBA's infrastructure, the bond is again "solely, unconditionally and irrevocably guaranteed by the authority. This eliminates many of the

problems associated with aggregating funding across authorities, with no need to compromise on funding structure, timing, and no requirement to guarantee the debt of other issuers.

The MBA are looking at offering short term loans (1-3 years) to Local Authorities which would offer an alternative source of short term borrowing.

Short-term and Variable Rate loans

These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk.

If we can, we will replace existing loans with cheaper new loans.

Debt Rescheduling

Some lenders allow the Council to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Prudential Indicators 2022/23

The Local Government Act 2003 requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of Capital Expenditure

The Council's planned capital expenditure and financing may be summarised as follows.

This is how we will fund the investment needed to deliver the Plymouth Plan

Capital Expenditure and Financing	2021/22 Forecast £m	2022/23 Forecast £m	2023/24 Forecast £m	2024/25 Forecast £m
General Fund	139.955	202.662	55.080	17.791
Total Expenditure	139.955	202.662	55.080	17.791
Capital Receipts	1.618	5.637	6.128	0.619
Grants and Contributions	57.159	64.309	3.586	0.132
Reserves	0.000	0.000	0.000	0.000
Revenue	1.055	0.003	0.000	0.000
Borrowing	80.123	132.713	45.366	17.040
Leasing and PFI	0.000	0.000	0.000	0.000
Total Financing	139.955	202.662	55.080	17.791

Estimates of Capital Financing Requirement

The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose.

This is the total past and planned capital expenditure we need to finance.

Capital Financing Requirement	31 Mar 21 Actual £m	31 Mar 22 Forecast £m	31 Mar 23 Forecast £m	31 Mar 24 Forecast £m
General Fund	905.236	1067.949	1133.315	1151.355
Total CFR	905.236	1067.949	1133.315	1151.355

The Council has an increasing CFR and is forecast to rise by £283m over the next three years for the capital programme and therefore will require additional borrowing.

Gross Debt and the Capital Financing Requirement

In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

This is how much we expect to borrow over the three years

Debt	31 Mar 22 Forecast £m	31 Mar 23 Forecast £m	31 Mar 24 Forecast £m	31 Mar 25 Forecast £m
Borrowing	698.680	861.393	926.759	943.799
PFI liabilities & Finance Leases*	123.000	225.000	227.000	229.000
Total Debt	821.680	1086.393	1153.759	1172.799

* A provision has been made for IFRS 16 to allow for operating leases being brought onto the balance sheet as a debt liability with effect from 1 April 2022.

Total debt is expected to remain below the CFR during the forecast period.

Operational Boundary for External Debt

The operational boundary is based on the Council's estimate of most likely, (i.e. prudent, but not worst case) scenario for external debt.

This is the flexibility we need to cope with our changing borrowing position from day to day.

Operational Boundary	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Borrowing	700	900	950	1000
Other long-term liabilities	135	235	245	245
Total Debt	835	1,135	1,195	1,245

Authorised Limit for External Debt

The Authorised Limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003 it is the maximum amount of debt that the Council can legally owe. The Authorised Limit provides headroom over and above the operational boundary for unusual cash movements.

This is the absolute maximum of debt approved by the City Council

Authorised Limit	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Borrowing	775	935	1,000	1,030
Other long-term liabilities	140	245	255	255
Total Debt	915	1,180	1,255	1,285

Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

This measure demonstrates that our proposed borrowing is affordable.

Ratio of Financing Costs to Net Revenue Stream	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
General Fund	10.1%	10.6%	11.6%	12.1%

Incremental Impact of Capital Investment Decisions

This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the capital programme proposed.

**This is a technical measure prescribed by CIPFA to demonstrate affordability.
The Council has not made any decisions on council tax levels in future years.**

Incremental Impact of Capital Investment Decisions	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
General Fund - increase in annual band D Council Tax	£22.10	£10.70	£21.40	£11.90

Adoption of the CIPFA Treasury Management Code

The Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011* edition in April 2002. It fully complies with the Codes recommendations.

Treasury Management Investment Strategy

This explains the types of Investments under the CIPFA and DLUHC rules including non-Treasury Management Investments

Introduction

The Council invests its money for four broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- Financial investments to obtain a return in the form of interest or dividend (known as **non-treasury management investments**), e.g. Pooled Funds
- to support local public services by lending to or buying shares in other organisations (**service investments**), and
- Regeneration of areas within the City or immediate economic area to encourage private investment and to create or retain local jobs (known as **commercial investments** where this is the main purpose).

This investment strategy meets the requirements of statutory guidance issued by the government in January 2018, and focuses on the second and third of these categories.

This sets out how we invest any surplus funds for cash management

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds grants received in advance of future expenditure. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from CIPFA. The balance of treasury investments is expected to fluctuate between £20m and £60m during the financial year.

Objectives

The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing its treasury management funds is to have the monies available at short notice for unexpected payments.

The Council defines "high credit quality" organisations and securities as those having a credit rating of [A-] or higher that are domiciled in the UK or a foreign country with a sovereign rating of [AA+] or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of [A-] or higher or if unrated an assessment will be made from the financial information available.

**These are the limits we use for making individual investments.
They are based on advice from Arlingclose.**

Investment Limits

When considering investment limits in the chart below you must also refer to the credit ratings of the individual organisations to make the final assessment.

Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Treasury Investment Counterparty Limits

Sector	Time Limit	Counterparty Limit	Sector limit
The UK Government	50 Years	Unlimited	n/a
Local authorities & other government entities	25 years	£25m	Unlimited
Secured investments *	25 years	£25m	Unlimited
Banks (unsecured) *	13 months	£10m	Unlimited
Building Societies (unsecured) *	13 months	£5m	£10m
Registered providers (unsecured) *	5 years	£5m	£10m
Money Market Funds *	n/a	£12m	Unlimited
Strategic pooled funds	n/a	£25m	£60m
Real estate investments trusts	n/a	£5m	£10m
Loans and investments to unrated corporates	n/a	£5m	£20ml
Other investments, unrated investments in equity, quasi-equity, debt or otherwise	n/a	£5m	£20m

This table must be read in conjunction with the notes below:

Liquidity Management

The Council uses a cash flow forecasting spreadsheet to determine the amount of cash required on a day to day basis to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.

This is the rate we expect to pay on new borrowing, and how much we expect to earn on investments.

Council Budget Assumptions for 2022/23

- Investments will make an average rate of 1.5%
- New long-term loans will cost an average rate of 2.0%

Negative Interest Rates

As we come out of the COVID-19 pandemic and the economy starts to grow at a fast rate it puts pressure on rising inflation. The Bank of England looks unlikely to raise the Bank Rate in order to reduce inflationary pressures. Therefore this has removed the concerns of negative interest rates.

Strategy

Given the increased risk and very low returns from short-term unsecured bank investments, the Council holds non-treasury management investment in diversified managed funds which offer a higher yielding. The Council holds £50m as a long-term investment (CCLA Property Fund, CCLA Diversified Fund, Schroder's Income Maximiser and Fidelity Enhanced Income Fund) and these give a higher return than the short term investments. Although there is a higher return there is an increased risk that of capital values falling. The purpose of having medium to long-term investments is to generate income that supports the revenue budget and the provision of local services.

The majority of the Council's surplus cash is currently invested in short-term money market funds which offer very low rates but allows immediate withdrawal. The Council will continue to look for investment opportunities that give a good return whilst being a secure investment.

Business models:

Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved Counterparties

The Council may invest its surplus funds with any of the counterparty types in counterparty table above, subject to the cash limits (per counterparty) and the time limits shown.

Credit Rating

Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £10m per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured): Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England). As providers of public services, they retain the likelihood of receiving government support if needed.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying assets. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.

Operational Bank Accounts

The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than AAA- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances should be kept below £5m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

Risk Assessment and Credit Ratings

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- No new investments will be made
- Any existing investments that can be recalled or sold at no cost will be, and
- Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with

that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments

The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press and analysis and advice from the Council’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security.

The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

This is how we measure our performance.

Security

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	Target
Portfolio average credit rating	A

This is how we ensure that we have cash available to meet unexpected payments.

Liquidity:

The Council does not keep large amounts of cash in call accounts so that it reduces the cost of carrying excess cash. To mitigate the liquidity risk of not having cash available to meet unexpected payments the Council has access to borrow additional, same day, cash from other local authorities.

This is a technical measure to limit how much we can be affected by changing interest rates.

Interest Rate Exposures

This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

	2021/22	2022/23	2023/24	2024/25
Upper limit on fixed interest rate exposure	50%	60%	60%	60%
Upper limit on variable interest rate exposure	80%	80%	75%	70%

Fixed rate investments and borrowings are those where the rate of interest is fixed for more than 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Our loans fall due for repayment at various dates. We expect to have mainly fixed rate debt for longer loans. This avoids the risk of extra interest costs.

Maturity Structure of Borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
Under 12 months	50%	20%
12 months and within 24 months	25%	0%
24 months and within 5 years	25%	0%
5 years and within 10 years	25%	0%
10 years and above	80%	5%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal Sums Invested for Periods Longer than 365 days

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Non-Treasury Management Investments

Introduction

	2021/22	2022/23	2023/24
Limit on principal invested beyond one year	£10m	£10m	£10m

The non-treasury management investment strategy was a new report introduced in 2019/20, following the requirements of statutory guidance issued by the government (DLUHC) in January 2018, and focuses on the second and third of the following investment categories.

The Council invests its money for three broad purposes:

1. **Non-Treasury Management Investments** – to invest surplus cash from reserves and other funds that are not required for the day-to-day cash flow activities.
2. **Service Investments** - to support local public services by lending to or buying shares in other organisations; and
3. **Commercial Investments** - to regenerate areas within the City or immediate economic area to encourage private investment and to create or retain local jobs (known as commercial investments where these are the main purpose).

Non-Treasury Management Investments

The Council holds reserves that are not required for the day-to-day treasury management cash flow activities so can be invested in non-treasury management investments.

The surplus cash reserves can be invested in accordance with the CIPFA guidance. The balance reserve available for non-treasury investments is expected to fluctuate between £60m and £80m during the financial year.

Objectives

The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk receiving unsuitably low investment income.

Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

The Council defines "high credit quality" organisations and securities as those having a credit rating of [A-] or higher that are domiciled in the UK or a foreign country with a sovereign rating of [AA+] or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of [A-] or higher or if unrated an assessment will be made from the financial information available.

Contribution: The contribution that these investments make helps support the Council's budget to enable it to delivery its essential services.

Service Investments

Loans

The Council may lend money to its subsidiaries, its suppliers, local businesses, local charities or housing associations etc. to support local public services and stimulate local economic growth. For example the Council has given a loan to Plymouth Community Energy to support the construction of the solar energy farm at Ernesettle.

The Council wants to move away from these types of activities.

The council will ensure that a full due diligence exercise is undertaken and adequate security is in place. The business case will balance the benefits and risks. All loans are agreed by the Section 151 Officer. All loans will be subject to close, regular monitoring.

Loans are treated as capital expenditure for accounting treatment.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. Therefore the Council will take security against assets to mitigate the risk of default.

Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts will be shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding service loans by:

1. reviewing the financial statements of the organisation and reviewing the organisation's business plans and future projections and future cash flows;
2. assessing what security is available to secure the loan and if necessary carry out a professional valuation of any property;
3. using external advisors to provide professional information such as due diligence requirements;
4. the loan agreements are reviewed by our legal team to ensure that they are legally compliant and includes any safeguards for the Council;
5. if an organisation has a credit rating we will carry out a credit check to assist;
6. State Aid rules are taken into account before a loan can be considered.

Shares

The Council may invest in the shares of its subsidiaries, its suppliers, and local businesses to support local public services and stimulate local economic growth.

Security: One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered.

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding shares by reviewing the history of the organisation; its financial statements and its share values. The Council will also look at business plans, future cash flows and any other market information that may affect the organisation.

Liquidity: The Council covers its liquidity for working capital and cash flow by holding cash in its Money Market Fund and being able to borrow short term loans from other local authorities.

Property and Regeneration Fund

Commercial Investment Strategy: From 1 April 2021 the Council does not invest in commercial property if it is held primarily to generate income.

From the 1 April 2021 the Council will invest in the commercial property only where the main purposes are to regenerate areas of the City, encourage private investment and to create or retain local jobs.

The Property and Regeneration Fund

The Property and Regeneration Fund invests in commercial property for the purposes of regenerating areas of the city that the council wants to improve, encourage private investment and to create or retain local jobs.

The Council has historical commercial investment portfolio that it had built up over many years. The local and regional, commercial and residential property provides a return to the council, after paying the borrowing costs and this can be spent on local public services.

Property and Regeneration Fund

Property and Regeneration Fund	Actual 2020/21	Estimate 2021/22	Forecast 2022/23
Commercial Property Net Income	£2.556m	£2.534m	£2.494m
Net Return	1.3%	1.3%	1.3%

Security: In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its development cost including taxes and transaction costs.

A fair value assessment of the Council's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. The following table summarises the movement in the fair value of investment properties over the year 2020/21:

Analysis of Movement in Investment Properties	2019/20	2020/21
	£000	£000
Balance at 1 April	197,732	254,440
Additions	47,576	26,558
Disposals	(215)	(160)
Net gains/(losses) from fair value adjustments	5,526	(8,300)
Transfers:		
(to)/from Property, Plant and Equipment	3,821	2,904
Balance at 31 March	254,440	275,442

Where the fair value of the Council's investment property portfolio is no longer sufficient to provide security against loss, and the Council will take mitigating actions to protect the capital invested. These actions include enhancing or refurbishing the assets and reviewing the rents agreements.

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding property investments by carrying out the evaluation process described below. The risk of not achieving the desired profit or borrowing costs increasing or the having vacant premises is partially covered by a

void reserve. Annual payments are deducted from the rental income each year to add to the void reserve.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed; the Council makes an internal charge (service borrowing) to cover the capital repayments from the rental income.

The Council also makes alternative arrangement to cover their short term cash requirements.

Proportionality

The Council uses the profit generated by the commercial investment to provide services for the city and to achieve a balanced revenue budget. Table 4 below shows the extent to which the expenditure planned to meet the service delivery objectives and/or place making role of the Council is dependent on achieving the expected net profit from investments over the lifecycle of the Medium Term Financial Plan.

Table 4: Property Regeneration Fund

	2020/21 Actual
Gross expenditure on provision of services	£595.386m
Gross Investment income	£2.556m
Proportion	0.43%

Borrowing in Advance of Need

Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Council has chosen not to follow this guidance and has previously borrowed for this purpose because it wants to generate income to support its local economy and its statutory duties. This is a common practice by local authorities since the Localism Act of 2011.

Investment Evaluation Process for the Property and Regeneration Fund

The Council's due diligence assessment processes are consistent and robust evaluation process and is set out below:

1. Proposed development opportunities are reviewed by Land and Property in areas of the City which require redevelopment or regeneration of brown and green field sites or areas where the Council want to stimulate inward private investment and to create or retain local jobs. A report is prepared by suitably qualified and experienced in-house MRICS (Member of the Royal Institute of Chartered Surveyors) professionals.
2. This assessment provides analysis of a set of key criteria against which every prospective development is evaluated. The presentation of information highlights fundamental matters such as tenant covenant strength, lease length and location, in a transparent and consistent format, to support clear scrutiny and decisions.

3. The assessment provides a basis for scoring and weighting risk, to support the analysis of potential development and qualify overall suitability for inclusion in the portfolio.
4. The score threshold is not an absolute, but helps guide decisions.
5. To ensure arms-length objectivity, external agents provide professional market analysis, data and advice, in the context of the Capital Finance Strategy, to support the evaluation and internal reporting process.
6. Since tenant default is a significant threat to the performance of the property investment financial checks are made on the proposed tenants. This is augmented by additional internal assessment of tenants' covenant and likely future performance.
7. With all the additional information a detailed model is produced. The model is tailored for each prospective development, by including items such as future demand, yield, cash flows; rental movement, optimal holding periods for the property and data to support the regeneration and job creation to cover the cost modelling.
8. If a decision is made to proceed, in-house surveyors lead negotiations, via the introducing/retained external agents, who are professional property firms.
 - A valuation, in accordance with the RICS Red Book, Professional Valuation Standards, issued by RICS as part of their commitment to promoting and support high standards in valuation delivery worldwide. The publication details mandatory practices for RICS members undertaking valuation services.
 - A Building Survey report is produced, as part of the proposed development, including preparation of a Site Environmental Assessment and preparation of a Reinstatement Cost Assessment for insurance purposes.
9. The above is reviewed by the Asset Portfolio Manager as an experienced in-house MRICS (Member of the Royal Institute of Chartered Surveyors) professional, with support from the internal multi-disciplinary property teams, for final decision by the Head of Land and Property on whether to proceed.
10. Head of Land and Property Projects receives regular updates on market activity, trends, forecasts and occupier activity from RICS firms and in-house surveyors to support the decision process.

Property and Regeneration Governance

Clear, robust and transparent governance is critical to the Capital Finance Strategy and meeting the statutory guidance and ensuring an appropriate level of due diligence and scrutiny is applied, together with objective arms-length external advice where appropriate. It is also important to ensure any decision process retains fluidity, so officers are empowered to respond promptly to changes in the market. For example if there is a commercial company failure in the city the officers would be able to respond quickly to help retain local jobs and look for alternative purchasers.

The Council to acquire or dispose of land is vested in the Head of Land and Property and where the land is purchased through the Property and Regeneration Fund a proposal is presented to the Officers

and Members with a recommended for authorisation by the relevant Leader, Legal and the Section 151 Officer.

Capacity, Skills and Culture

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Service Director of Finance is a qualified accountant with over 20 years' experience.

The Council employs staff with professional qualifications including CIPFA, ACCA, CIMA, MRICS, CIPS etc. and pays for junior staff to study towards relevant qualifications.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

Head of Land and Property and the property team receives regular updates on market activity, trends, forecasts and occupier activity from RICS firms and in-house surveyors to support the decision process.

How investments are funded:

Property and Regeneration Fund commercial property developments are funded by borrowing and repaid by the service from rental income from the development. The borrowing is not directly taken out against each property but is managed through our Treasury Management function.

The rental income generated from the development of commercial property is used to repay the borrowing before any net income is used in the supporting of services.

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council.

Annual Minimum Revenue Provision Statement 2022/23

Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008.

The Local Government Act 2003 requires the Council to have regard to the Department for Levelling Up, Housing and Communities (DLUHC) Guidance on Minimum Revenue Provision (the DLUHC Guidance) updated in 2018.

The DLUHC Guidance requires the Council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP.

Minimum Revenue Position Policy

The Department of Levelling Up, Housing and Communities (DLUHC) Guidance requires the Council to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP.

For assets acquired after 31 March 2008 MRP will be determined by charging the expenditure over the expected useful life of the asset, to a maximum of 50 years, on an annuity basis, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years.

The MRP payment is funded from revenue with an option that part or all of the payment could be funded from capital receipts to repay debt.

MRP will commence in the financial year following the asset coming into use or after purchase.

Expenditure funded by borrowing where the project is being built and is not complete at 31st March 2018 (classified as under construction). MRP will be deferred until the construction is complete and operational with the charge to be made in the year following completion.

For capital expenditure incurred before 1st April 2008, for supported capital expenditure incurred on or before that date, MRP will be charged on an annuity basis over 50 years, incorporating an "Adjustment A" in accordance to the guidance.

Investment properties will be charged MRP for properties that have reduced in value at the year-end valuation. For investment properties that have increased in value at the year-end valuation these will have nil MRP charge in that year. The investment properties are required to have life cycle maintenance and therefore are assumed to increase in value over time. This will extend the life of the assets and therefore it would not be appropriate to charge MRP.

All investment properties that are sold by the Council will use the capital receipts to repay the outstanding loan finance for that property before any balance of capital receipts is available for other capital projects.

External Loans

For capital expenditure loans to third parties that are repaid in instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead.

Capitalisation Directions - For capitalisation directions on expenditure incurred after 1 April 2008 MRP will be made using the annuity method over 50 years.

PFI/Leases - For assets acquired by leases or the Private Finance Initiative, the Council has changed its policy with effect from 01/04/2021 that MRP is charged over the life of the assets on an annuity basis. This is in line with the Council's MRP policy for all other assets as described above.

Other Items

There are a number of additional items that the Council is obliged by CIPFA or DLUHC to include in its Treasury Management Strategy.

Policy on use of Financial Derivatives

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The Council has no plans to make use of derivative instruments at the present time but does not discount the possible use of these in the future dependent on the existence of appropriate operating conditions, the acquisition and analysis of specialist advice and thorough consultation with stakeholders.

This approach is in line with the CIPFA Code, which encourages the Council to seek external advice and to consider such advice before entering into financial derivatives to ensure that it fully understands the implications.

Investment Training

The needs of the Council's treasury management staff for training in investment management are assessed every twelve months as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.

Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staffs are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

Markets in Financial Instruments Directive

Markets in Financial Instruments Directive: The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Section 151 Officer believes this to be the most appropriate status.

Other options considered

The DLUHC Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Section 151 Officer, having consulted the Cabinet Member for Finance, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

The Treasury Management Practices, Principles and Schedules

The Treasury Management Practices, Principles and Schedules sets out the responsibilities and duties of members and officers, allowing a framework for reporting and decision making on all aspects of treasury management. The Audit Committee is required to approve the Treasury Management Practices, Principles and Schedules each year under delegated decision.

Investment of Money Borrowed in Advance of Need

The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit. The maximum period between borrowing and expenditure is expected to be less than one year, although the Council is not required to link particular loans with particular items of expenditure.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A – Arlingclose Economic and Interest Rate Forecast October 2021

Underlying assumptions:

- The global economy continues to recover from the pandemic but has entered a more challenging phase. The resurgence of demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. This is particularly apparent in the UK due to the impact of Brexit
- While Q2 UK GDP expanded more quickly than initially thought, the 'pingdemic' and more latterly supply disruption will leave Q3 GDP broadly stagnant. The outlook also appears weaker. Household spending, the driver of the recovery to date, is under pressure from a combination of retail energy price rises, the end of government support programmes and soon, tax rises. Government spending, the other driver of recovery, will slow considerably as the economy is taken off life support
- Inflation rose to 3.2% in August. A combination of factors will drive this to over 4% in the near term. While the transitory factors affecting inflation, including the low base effect of 2020, are expected to unwind over time, the MPC has recently communicated fears that these transitory factors will feed longer-term inflation expectations that require tighter monetary policy to control. This has driven interest rate expectations substantially higher
- The supply imbalances are apparent in the labour market. While wage growth is currently elevated due to compositional and base factors, stories abound of higher wages for certain sectors, driving inflation expectations. It is uncertain whether a broad-based increase in wages is possible given the pressures on businesses.
- Government bond yields increased sharply following the September FOMC and MPC minutes, in which both central banks communicated a lower tolerance for higher inflation than previously thought. The MPC in particular has doubled-down on these signals in spite of softer economic data. Bond investors expect higher near-term interest rates but are also clearly uncertain about central bank policy.
- The MPC appears to be playing both sides, but has made clear its intentions to tighten policy, possibly driven by a desire to move away from emergency levels. While the economic outlook will be challenging, the signals from policymakers suggest Bank Rate will rise unless data indicates a more severe slowdown.

Forecast:

- Arlingclose expects Bank Rate to rise in Q2 2022. We believe this is driven as much by the Bank's desire to move from emergency levels as by fears of inflationary pressure.
- Investors have priced in multiple rises in Bank Rate to 1% by 2024. While we believe Bank Rate will rise, it is by a lesser extent than expected by markets
- Gilt yields have risen sharply as investors' factor in higher interest rate and inflation expectations. From here, we believe that gilt yields will be broadly steady, before falling as inflation decreases and market expectations fall into line with our forecast
- The risk around our forecasts for Bank Rate is to the upside over the next few months, shifting to the downside in the medium term. The risks around the gilt yield forecasts are initially broadly balanced, shifting to the downside later

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.15	0.15	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Case	0.10	0.10	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	-0.15	-0.15	-0.15	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40
3-month money market rate													
Upside risk	0.10	0.15	0.20	0.20	0.30	0.30	0.30	0.30	0.35	0.35	0.35	0.35	0.35
Arlingclose Central Case	0.10	0.15	0.35	0.40	0.45	0.60	0.65	0.65	0.60	0.60	0.60	0.60	0.60
Downside risk	0.00	-0.05	-0.25	-0.25	-0.30	-0.45	-0.50	-0.50	-0.45	-0.45	-0.45	-0.45	-0.45
5yr gilt yield													
Upside risk	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.65	0.65	0.65	0.65	0.65	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Downside risk	-0.25	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40
10yr gilt yield													
Upside risk	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Arlingclose Central Case	1.05	1.05	1.05	1.05	1.05	1.05	1.00	0.95	0.95	0.95	0.90	0.90	0.90
Downside risk	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50
20yr gilt yield													
Upside risk	0.30	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Arlingclose Central Case	1.40	1.40	1.40	1.40	1.35	1.35	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Downside risk	-0.35	-0.40	-0.45	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
50yr gilt yield													
Upside risk	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Arlingclose Central Case	1.30	1.30	1.30	1.30	1.25	1.25	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Downside risk	-0.35	-0.35	-0.35	-0.40	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50

PWLB certainty rate = relevant gilt yield + 0.80%

Appendix B - Existing Investment and Debt Portfolio Position

	30 Sept 2021 Actual Portfolio £m	30 Sept 2021 Average Rate %
External Borrowing:		
PWLB – Fixed Rate	90.5	3.30%
Short Term Borrowing	370.0	0.16%
LOBO Loans	64.0	4.34%
Long Term Borrowing	18.0	4.37%
Total External Borrowing	542.5	1.51%
Other Long Term Liabilities:		
PFI, Finance Leases and other liabilities	100.6	n/a
Other loans	18.1	n/a
Total Gross External Debt	661.2	
Investments:		
<i>Managed in-house</i>		
Short-term Money Market Funds	34.4	0.01%
Other Short Term investments	3.7	0.01%
<i>Managed externally</i>		
CCLA Pooled Funds	31.7	2.50%
Other Pooled Funds	24.3	1.62%
Total Investments	94.1	1.24%
Net Debt	567.1	

Treasury Management Strategy 2022-23

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Plymouth PL1 3BJ

Section 5 - Appendices**Appendix I****Net additional cost pressures and adjustments 2022/23**

Additional Costs	£m
People Directorate	
Adult Social Care – Care Packages	1.944
National Living Wage, ASC providers	4.476
People Directorate inflation	0.449
Impact of 1.25% NI increase on ASC providers	0.700
Short term additional Leisure Management costs	0.250
Homelessness – net cost and volume additional allocation	0.250
Office of the Director of Public Health (ODPH)	
Capital Financing cost for Crematorium additional investment	0.191
Children's Directorate	
Children's social care - Additional volume	7.599
COVID Ongoing costs - Social Workers	0.385
Place Directorate	
Legacy Regeneration Investment Fund Income Target	0.500
Parking income shortfall	0.848
Waste tonnage and additional costs	0.490
Decisions of the Incoming Administration	0.300
Customer & Corporate Services	
Financing the Approved Capital Programme	1.648
ICT Inflation	0.400
Capital Financing cost – replacement for Mill Ford school	0.120
Capital Financing cost – Freeports	0.020
Capital Financing cost – Airport project	0.100
Capital Financing cost - Estate Maintenance	0.411
Corporate borrowing cost for capital (Central Park)	0.150
Additional Bad Debt provision - Housing Benefit	0.300
Corporate Items	
Staff pay and pensions	6.974
Capital Financing cost - Health and Safety	0.113
Climate Fund - minimum £2m investment	0.250
Provide general contingency for 2022/23	0.305
Provide for resources for Child Poverty report	0.025
Provide for Utility inflation	0.235
Provide for resources for Violence Against Women	0.050
Access Plymouth	0.023
Total Cost Pressures	29.506

Appendix 2**Additional Grant Resources / adjustments**

Proposal	Savings £m
Social Care Grant / Services Grant	(7.594)
COVID Grant	(4.890)
Additional Lower Tier Grant allocation	(0.021)
New Homes Bonus	(0.086)
Sub-total Additional Grant Resources	(12.591)
<i>Plus:</i>	
Disabled Facilities Grant Capital / Revenue Swap	(1.000)
Surplus – 2021/22 Outturn forecast	(2.845)
Remaining balance of set aside resources at Outturn 2020/21	(1.708)
Drawdown of set aside resources (Adult Social Care savings)	(0.570)
Sub-total In Year Adjustments	(6.123)
Total	(18.714)

Savings by Directorate

Proposal	Savings £m
Place Directorate	(0.734)
People Directorate	(2.937)
Children's Directorate	(1.111)
Office of the Director of Public Health	(0.117)
Customer & Corporate Services Directorate and Chief Executive's Office	(1.282)
Total	(6.181)

Savings Proposals	2022/23 Budget Saving
Customer & Corporate Services & Chief Executive	
Discretionary spending and management actions	(0.309)
Maximise benefits from Plymouth family of companies	(0.160)
Corporate Services Review	(0.813)
	(1.282)
People	
Care Package and Commissioned Contracts Reviews	(1.772)
Leisure Management Review	(0.065)
Maximise Grant Income and Management actions	(1.100)
	(2.937)
Children	
Contracts review and Management actions	(0.161)
In House Fostering	(0.450)
Step Up Adolescent Support	(0.500)
	(1.111)
Place	
Bus shelter advertising & concessionary fares	(0.258)
Highways	(0.105)
Review of Service Level Agreements (SLAs)	(0.233)
Fees & charges and management actions	(0.138)
	(0.734)
Office of the Director of Public Health	
Fees & Charges	(0.117)
	(0.117)
Total Savings Proposals	(6.181)

Appendix 3(a)**General Fund 2022/23 Net Revenue Budget**

Item	2021/22	2022/23
	£m	£m
Council Tax	(121.449)	(121.354)
Business Rates	(63.010)	(65.130)
Revenue Support Grant	(9.742)	(10.045)
Use of Reserves	(1.367)	-
Total Resources	(195.568)	(196.529)
2021/22 Budget Costs	195.568	195.568
Additional Costs (Appendix 1)	-	29.506
Adjustments to Grant Funding / In Year adjustments (Appendix 2)	-	(18.714)
Savings (Appendix 2)	-	(6.181)
Total Costs	195.568	200.179
Balance	0.000	3.650

Proposed 2022/23 General Fund Budget

Appendix 3(b)

Plymouth City Council General Fund Budget 2022/23		Budget 21/22			Budget 2022/23						
Directorate	Department	Expenditure	Income	Net Budget	Cost Increases	Savings	Income Generation	Grant Income	Total Expenditure	Total Income	Net Budget
Executive Office	Chief Executives Office	1.363	(0.176)	1.187	0.000	(0.147)	(0.003)	0.000	1.216	(0.179)	1.037
	Business Support	0.462	(0.016)	0.446	0.000	0.000	0.000	0.000	0.462	(0.016)	0.446
	Electoral Function	0.803	(0.015)	0.788	0.000	0.000	0.000	0.000	0.803	(0.015)	0.788
	Members	1.447	0.000	1.447	0.000	(0.100)	0.000	0.000	1.347	0.000	1.347
	Legal	1.927	(0.343)	1.584	0.000	0.000	0.000	0.000	1.927	(0.343)	1.584
Total Executive Office		6.002	(0.550)	5.452	0.000	(0.247)	(0.003)	0.000	5.755	(0.553)	5.202
People	Strategic Commissioning	121.845	(35.076)	86.769	7.819	(2.837)	0.000	0.000	126.827	(35.076)	91.751
	Community Connections	5.845	(3.394)	2.450	0.250	0.000	(0.005)	0.000	6.095	(3.399)	2.695
	Management and Support People	0.189	(0.047)	0.141	0.000	(0.100)	0.000	0.000	0.089	(0.047)	0.041
Total People		127.879	(38.518)	89.361	8.069	(2.937)	(0.005)	0.000	133.011	(38.523)	94.488
Children	Children,Young People,Families	47.365	(4.617)	42.749	7.984	(0.950)	0.000	0.000	54.399	(4.617)	49.783
	Education Participation Skills	95.910	(85.611)	10.299	0.000	(0.161)	(0.023)	0.000	95.749	(85.633)	10.116
	Management and Support People	0.070	0.000	0.070	0.000	0.000	0.000	0.000	0.070	0.000	0.070
Total Children		143.346	(90.228)	53.118	7.984	(1.111)	(0.023)	0.000	150.219	(90.250)	59.969
Place	Economic Development	21.586	(22.650)	(1.064)	0.500	(0.188)	(0.047)	0.000	21.898	(22.697)	(0.799)
	Strategic Planning	16.784	(6.984)	9.800	0.000	(0.263)	(0.133)	0.000	16.521	(7.117)	9.404
	Street Services	47.293	(29.564)	17.729	1.338	(0.105)	0.000	0.000	48.526	(29.564)	18.962
	Management and Support - Place	0.148	(1.649)	(1.501)	0.300	0.000	0.000	(0.086)	0.448	(1.735)	(1.287)
Total Place		85.810	(60.846)	24.964	2.138	(0.556)	(0.180)	(0.086)	87.392	(61.112)	26.280
Public Health	Public Health	15.742	(15.742)	0.000	0.000	0.000	0.000	0.000	15.742	(15.742)	0.000
	Operational and Development	0.162	(0.008)	0.155	0.000	(0.037)	0.000	0.000	0.125	(0.008)	0.118
	Trading Standards	0.358	0.000	0.358	0.000	0.000	0.000	0.000	0.358	0.000	0.358
	Environ Health (Food & Safety)	0.420	(0.040)	0.380	0.000	0.000	0.000	0.000	0.420	(0.040)	0.380
	Bereavement Services	1.545	(3.341)	(1.796)	0.191	0.000	0.000	0.000	1.736	(3.341)	(1.605)
	Licensing	0.324	(0.410)	(0.086)	0.000	0.000	(0.013)	0.000	0.324	(0.423)	(0.099)
	Environmental Protection	0.669	(0.384)	0.285	0.000	0.000	(0.020)	0.000	0.669	(0.404)	0.265
	Civil Protection Unit	0.215	(0.047)	0.168	0.000	0.000	(0.060)	0.000	0.215	(0.107)	0.108
Total Public Health		19.435	(19.973)	(0.537)	0.191	(0.037)	(0.093)	0.000	19.589	(20.066)	(0.476)
Customer and Corporate Services	Finance	18.344	(2.712)	15.632	2.449	0.000	(0.040)	0.000	20.793	(2.752)	18.041
	Customer Services	66.873	(65.523)	1.350	0.300	(0.030)	(0.008)	0.000	67.143	(65.531)	1.612
	Human Resources & OD	14.154	(2.461)	11.693	0.000	0.000	(0.124)	0.000	14.154	(2.585)	11.569
	Departmental Management	(0.682)	0.000	(0.682)	0.000	(0.758)	0.000	0.000	(1.440)	0.000	(1.440)
	ICT	8.714	(0.337)	8.377	0.400	0.000	0.000	0.000	9.114	(0.337)	8.777
	Transformation	1.965	0.000	1.965	0.000	(0.025)	0.000	0.000	1.940	0.000	1.940
	Business Support	6.335	(0.652)	5.683	0.000	0.000	(0.004)	0.000	6.335	(0.656)	5.679
Total Customer and Corporate		115.704	(71.685)	44.019	3.149	(0.813)	(0.177)	0.000	118.040	(71.862)	46.178
Corporate Finance	Corporate Items	17.920	(38.729)	(20.809)	7.975	0.000	0.000	(18.628)	25.895	(57.357)	(31.462)
Total Corporate Items		17.920	(38.729)	(20.809)	7.975	0.000	0.000	(18.628)	25.895	(57.357)	(31.462)
Total General Fund		516.097	(320.528)	195.568	29.506	(5.701)	(0.480)	(18.714)	539.902	(339.722)	200.179

New Homes Bonus (NHB)

	2011 / 12	2012 / 13	2013 / 14	2014 / 15	2015 / 16	2016 / 17	2017 / 18	2018 / 19	2019 / 20	2020 / 21	2021/22	2022/23
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Year 1	832	832	832	832	832	832						
Year 2		706	706	706	706	706						
Year 3			868	868	868	868	868					
Year 4				1,189	1,189	1,189	1,189					
Year 5					602	602	602	602				
Year 6						1,319	1,319	1,319	1,319			
Year 7							1,168	1,168	1,168	1,168		
Year 8								398	398	398	398	
Year 9									1,141	1,141	1,141	1,141
Year 10										716		
Year 11											82	
Year 12												566
NHB	£832	£1,538	£2,406	£3,595	£4,197	£5,516	£5,146	£3,487	£4,026	£3,423	£1,621	£1,707
Cumulative	£832	£2,370	£4,776	£8,371	£12,568	£18,084	£23,230	£26,717	£30,743	£34,166	£35,787	£37,494
Movement		£706	£868	£1,189	£602	£1,319	(£370)	(£1,659)	£539	(£603)	(£1,802)	£86

Budget Engagement

In summary, there was a lot of support for the presented proposals for continuously improving what we do to provide better value for money, particularly in respect of reducing the number of committee meetings and cutting down on the amount of paper being printed in support of these meetings. However, there was a note of caution coming through about ensuring that decision making was still open and transparent. There was also support for doing more council transactions online, although there was concern about those people unable to access services or information digitally.

A positive response was received about improving efficiency in the Council. Analysis showed that there was support for proposals that would reduce management, administration or building costs and for any changes that would make interactions with customers more efficient. However, in reviewing how the Council can be more efficient, there was some concern about services being reduced as a result.

There was a mixed response for saving proposals in relation to caring for the elderly and vulnerable adults in our community. There was some support for an increase in Council Tax to support these services, however others felt that the Council should focus on prevention and early intervention to help prevent residents having to receive care and support. There was also positive comments about more joining up of care services. Conversely, some were clearly opposed to any further Council Tax increases to support Adult Social Care and felt that Government should be providing more funding.

When asked about proposals that might reduce the costs associated with protecting vulnerable children and young people, many were in favour of a focus on prevention and early intervention. There were also several comments supporting bringing services in-house to reduce the cost of external provision. Several expressed the view that this area needed more investment rather than less. Others were concerned that reducing costs could lead to vulnerable children not being adequately supported.

There was a really positive response to proposals set out for investing in a clean and safe city and reducing our carbon footprint and nearly half agreed that they would be prepared to pay more for an improved environment and initiatives to tackle climate change.

There was a mixed response for proposals to raise income and the review of fees and charges. Many were keen to see fee increases for services such as boat moorings, but were less convinced about closing and charging for public conveniences. There was an overwhelming call not to close toilets, but a mixed response for charging. Many indicated that they would be happy to pay a fee to use a public toilet, but only if they were clean and accessible, where others felt that they should be free at the point of use and that charging may impact on vulnerable and disabled residents.

Finally, respondents were asked to provide comment on whether the Council should consider an increase in Council Tax to help cover the rising costs and avoid having to make substantial cuts to local services - just under half indicated that they would support the council considering an increase in Council Tax. For others, who clearly indicated that they would not be supportive of an increase in Council Tax, the top three reasons related to affordability, the Council needing to improve efficiencies in the first instance and a view that council staff structures and wages needed to be reviewed and/or reduced alongside the cost associated with councillors.

In total 5,228 comments have been themed and analysed as part of this budget engagement exercise. A full engagement report has been published alongside this budget report.

Budget Scrutiny Recommendations 2022/23

To Cabinet	
1.	That Cabinet Members and Officers should review the budget development process to ensure that options for closing expected budget gaps are identified during Cabinet's review of the draft budget ahead of its submission to the scrutiny function.
2.	That the ongoing costs and impact of Covid-19 continue to be reviewed through the finance monitoring process at Cabinet and regular reporting to the scrutiny function, to enable the development of an evidence base to support any requests to government for additional funding and / or flexibilities to enable us "to live with the virus".
3.	That cabinet should clarify, before council consideration of the budget <ul style="list-style-type: none"> • The status of the Disabled Facilities Grant • Contingency and mitigation measures in place to address external factors such as inflation, supply chain and workforce issues both on the Capital Programme and Revenue Budget. • Approach to cyber security and how this is / will be reflecting in the Strategic Risk Register.
4.	That climate outcomes are clearly identified within the capital programme.
5.	To note the progress which has been made against the delivery of "Fair Shares" health funding and recommend that Cabinet continue to lobby for further acceleration of the redistribution
6.	That Cabinet recommend to council to apply the Adult Social Care 1% precept, but that the council should lobby for funding in future years delivered through central government grants.
7.	That Cabinet make provision in the budget for the recommendations arising from the Violence Against Women and Girls Commission.
8.	That Cabinet consider within its invest to save programme, the development of further resources / facilities specifically within Children's Social Care to manage local demand locally.
9.	That through the Local Care Partnership, a Plymouth Workforce Plan for Children and Adults Health and Care Services is developed for review by the Health and Wellbeing Board.
10.	The council, through its HR teams identify Mental Health First Aiders within the work force and champion the approach with public and private sector partners
Government	
11.	To lobby for multiyear settlements in respect of the Public Health Grant and for earlier announcements of grant allocations which meets local government budget timelines.

12.	Recognise the investment and work which has been carried out locally in respect of homelessness but lobby government for multiyear funding for homelessness, extending beyond rough sleepers.
13.	To lobby for earlier, equitable distribution of the National Insurance Health and Social Care Levy to Social Care.
14.	To lobby government for a national health and social care workforce strategy.

BUDGET 2022/23 EQUALITIES IMPACT ASSESSMENT

Appendix 7

STAGE I: WHAT IS BEING ASSESSED AND BY WHOM?

<p>What is being assessed - including a brief description of aims and objectives?</p>	<p>BACKGROUND</p> <p>The Equality Act 2010 harmonised and replaced pre-existing equality legislation and extended statutory protection across nine ‘protected characteristics’. It recognised forms of discrimination that were previously beyond the scope of legislation and introduced the concept of the Public Sector Equality Duty (PSED).</p> <p>The protected characteristics include; age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.</p> <p>The PSED placed specific responsibilities on public sector organisations to consider equality in their decision making. It consists of a general equality duty, supported by specific duties, which are imposed by secondary legislation. In summary, those subject to the equality duty must, in the exercise of their functions, have due regard to the need to:</p> <ul style="list-style-type: none">▪ Eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct.▪ Advance equality of opportunity between people who share a protected characteristic, and those who do not.▪ Promote good relations between people who share a protected characteristic and those who do not. <p>CONTEXT</p> <p>This budget Equality Impact Assessment (EIA) was developed through identifying several budget proposals included within the savings proposals (see below) that have potential equality impacts. Information has been supplemented with desk-based research to help identify possible impacts on different communities. Where appropriate EIAs will be completed for individual policy changes as they are developed and in accordance with our normal criteria, this is key to ensuring that ‘due regard’ is given to equality considerations.</p> <p>The draft budget proposals for 2022/23 are set out in the table below.</p>
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		2022/23 Budget Saving
Customer & Corporate Services & Chief Executive		
Discretionary spending and management actions		(0.309)
Maximise benefits from Plymouth family of companies		(0.160)
Corporate Services Review		(0.813)
		(1.282)
People		
Care Package Reviews		(1.772)
Leisure Management Review		(0.065)
Maximise Grant Income and Management actions		(1.100)
		(2.937)
Children		
Contracts review and Management actions		(0.161)
In House Fostering		(0.450)
Step Up Adolescent Support		(0.500)
		(1.111)
Place		
Bus shelter advertising & concessionary fares		(0.258)
Highways		(0.105)
Review of Service Level Agreements (SLAs)		(0.233)
Fees & charges and management actions		(0.138)

	(0.734)
Office of the Director of Public Health	
Fees & Charges	(0.117)
	(0.117)
Total Savings Proposals	(6.181)

This EIA has been informed by the budget engagement survey which asked respondents to give their views on the savings proposals being put forward by the Administration to balance the Council's budget for the 2022-23 fiscal year. We received 1,196 responses to an online questionnaire which ran between 05 and 28 November. Where possible demographic trends have been identified and included within the evidence column.

A key theme running throughout the budget consultation responses was a concern amongst respondents about increasing living costs. Given recent announcements to increase National Insurance, increased energy costs and the ongoing impact of COVID-19, it is important that the budget EIA is viewed in this context.

COUNCIL TAX

As set out in the budget papers, following the Comprehensive Spending Review, it is understood from Government that the Council Tax Referendum Limit is to remain at 1.99 per cent (i.e. this is the highest level of increase permissible without a referendum) and an adult social care (ASC) precept of 1 per cent. These increases, if adopted, would provide an additional £2.429m in Council Tax and £1.221m of ASC Precept to an overall total of £3.650m. The Government has assumed that councils will maximise these items when referencing increases to councils' core spending power across the CSR. Any rise to Council Tax which is lower than 1.99 per cent will go some way to mitigating the financial impacts on residents.

The Council operates a means-tested scheme for people on low incomes to help them pay their Council Tax. Council tax support (CTS) data broken down by protected characteristic has been included within this EIA within the evidence column. There are no proposed changes to the CST.

	REDUNDANCIES Plymouth City Council has clear policies and procedures in place to ensure that staff sharing protected characteristics are not unfairly discriminated against. Where any changes to structures or service delivery arrangements lead to redundancies, we will ensure that staff are not unfairly selected for redundancy e.g. on basis of them having a particular protected characteristic under the Equality Act (2010).
Author	Laura Hill, Policy and Intelligence Advisor
Department and service	Policy and Intelligence Team
Date of assessment	Updated 03 February 2022

STAGE 2: EVIDENCE AND IMPACT

Protected characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact	Actions	Timescale and who is responsible
Age	<p>The average age in Plymouth (38.8 years) is lower than the rest of England (40.3 years) and the South West (44.1 years).</p> <p>Council Tax Support scheme claimants by age range:</p> <p>3.14 percent of claimants are aged between 18 and 24.</p> <p>14.63 percent of claimants are aged between 25 and 34.</p> <p>16.52 percent of claimants are aged between 35 and 44.</p> <p>15.96 percent of claimants are aged between 45 and 54.</p> <p>15.89 percent of claimants are aged between 55 and 64.</p>	<p>Care Package Review Programme</p> <p>The proposal to review care packages may disproportionately impact older people as by the nature of the service they are over-represented within adult social care services.</p> <p>Highways</p> <p>Reflecting the Council's commitment to reducing its environmental footprint, this includes a proposal to ensure enhanced efficiency of the city's street lighting. Increased</p>	<p>Care Package Review Programme</p> <p>This proposal will be equality impact assessed in line with the Council's usual EIA process as it develops. Any review of care packages will be carried out in a person-centred manner, ensuring that we meet our statutory responsibilities.</p> <p>Highways</p> <p>We will undertake clear communication and engagement to minimise any adverse impacts. This will include engagement with residents affected by any</p>	<p>Care Package Review Programme</p> <p>Adult Social Care</p> <p>Highways</p> <p>Place</p>

	<p>15.90 percent of claimants are aged between 65 and 74.</p> <p>17.93 percent of claimants are aged 75 and older.</p> <p>Compared to the overall population, children are more likely to be in low income households.</p> <p>There will be a major shift in the population structure of Plymouth over the next 20 years as the proportion of the population aged 65 and over increases and the population aged 0-4 year's decreases. ONS projects a rise in the percentage of the Plymouth 65+ population from 17.9 per cent in 2016 to 22.7 per cent by 2034. An ageing population suggests an increasing need for care and support services and an increasing burden placed on the working age population (Plymouth Plan, 2019).</p> <p>Working-age adults in working families are less likely to be in relative low income than those in families where no one is in work.</p> <p>Since 2011, adults over the age of 65 years have consistently made up the largest proportion of the adult</p>	<p>technology allows for lighting needs to be better controlled and directed to where it is needed most. Older people may be affected by this proposal due to the vulnerabilities that some older people may face after dark.</p> <p>Council Tax</p> <p>Any increase to Council Tax may disproportionately impact older people as this demographic (especially those over 85 years old) is more likely to be found experiencing financial hardship. Younger people may also be affected by any Council Tax rises due to their over representation of employment in sectors affected by the COVID-19 pandemic.</p>	<p>proposed changes, the police and wider public. Careful consideration will be given to balancing environmental, social and economic considerations. Ongoing feedback will be monitored. This proposal will be equality impact assessed in line with the Council's usual EIA process as it develops.</p> <p>Council Tax</p> <p>The Council operates a means-tested scheme for people on low incomes to help them pay their Council Tax.</p>	<p>Customer and Corporate Services</p> <p>Annual review of CTS and signposting to information, guidance and advice services where relevant.</p>
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	<p>internet non-users (ONS, 2021).</p> <p>Older people are statistically more likely to rely on cash. Findings from the Financial Lives 2020 Survey found that around 2.4 million people aged 65 and over in the UK relied on cash to a great extent in their day-to-day life around 21 per cent) of all older people (Age UK, 2021).</p> <p>Budget engagement</p> <p>The 55 - 64 age group (220) is the age group with the highest number of respondents to the budget engagement survey. This was closely followed by respondents in the 65 – 74 age group (218) and those aged between 35 and 44 (210). There was a lower level of response from respondents aged 75 and over and those aged 24 or under.</p> <p>Respondents up to the age of 54 primarily tended to identify support for mental health services as the highest priority, whereas those aged 55 and over indicated that support for older people to live independently as the higher priority.</p> <p>COVID-19</p>			
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	<p>Older people have been one of the groups most at risk of serious illness from COVID-19. Older people and in particular those who have shielded have faced extreme isolation at times (Age UK; 2020.)</p> <p>Young people have also felt the impacts of the COVID-19 pandemic and have experienced increased isolation. They too have faced additional challenges, especially during the height of the pandemic when schools were largely closed.</p>			
Disability	<p>A total of 31,164 people (from 28.5 per cent of households) declared themselves as having a long-term health problem or disability (national figure 25.7 per cent of households), compared with the total number of people with disabilities in UK (11.6m (2011 Census)).</p> <p>After housing costs, the proportion of working age people with disabilities living in poverty (26 per cent) is higher than the proportion of working age non-disabled people (20 per cent) (Scope, 2020). On average, tax and benefit changes on families with a disabled adult will</p>	<p>Care Package Review Programme</p> <p>The proposal to review care packages may impact people with disabilities as by the nature of the service they are overrepresented within adult social care services.</p> <p>Highways</p> <p>Reflecting the Council's commitment to reducing its environmental footprint, this includes a proposal to ensure enhanced efficiency of the city's street lighting. Increased</p>	<p>Care Package Review Programme</p> <p>This proposal will be equality impact assessed in line with the Council's usual EIA process as it develops. Any review of care packages will be carried out in a person-centred manner, ensuring that we meet our statutory responsibilities.</p> <p>Highways</p> <p>We will undertake clear communication and engagement to minimise any adverse impacts. This will include engagement with</p>	<p>Care Package Review Programme</p> <p>Adult Social Care</p> <p>Highways</p> <p>Place</p>

	<p>reduce their income by about £2,500 per year; if the family also includes a disabled child, the impact will be over £5,500 per year. This compares to a reduction of about £1,000 on non-disabled families (EHRC). People who have physical or mental health conditions or illnesses lasting or expected to last for 12 months or are more likely to be digitally excluded.</p> <p>34.84 per cent of CTS claimants have some form of disability premium indicator.</p> <p>Budget engagement</p> <p>Most respondents to the budget engagement survey indicated that they did not have any limitations due to a disability (801), 283 respondents did indicate that they were 'limited a little' (181) or 'limited a lot' (102). A further 62 respondents chose not to respond to the demographic monitoring question.</p> <p>COVID-19</p> <p>People with certain disabilities and underlying health</p>	<p>technology allows for lighting needs to be better controlled and directed to where it is needed most. This proposal may disproportionately affect people with disabilities due to the vulnerability and barriers that some people with disabilities may feel and experience after dark.</p> <p>Council Tax</p> <p>Council Tax increases may disproportionately impact people with disabilities as this demographic is more likely to be found experiencing financial hardship.</p>	<p>residents affected by any proposed changes, the police and wider public. Careful consideration will be given to balancing environmental, social and economic considerations. Ongoing feedback will be monitored. This proposal will be equality impact assessed in line with the Council's usual EIA process as it develops.</p> <p>Council Tax</p> <p>The Council operates a means-tested scheme for people on low incomes to help them pay their Council Tax. Discounts are available for people with disabilities in some circumstances.</p>	<p>Customer and Corporate Services</p> <p>Annual review of CTS and signposting to information, guidance and advice services where relevant.</p>
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	conditions have been one of the groups most at risk of serious illness from COVID-19. Those who have shielded have experienced isolation. Research has shown that anxiety and depression increased during the pandemic particularly within this demographic.			
Faith/religion or belief	<p>Christianity is the biggest faith in the city with more than 58 per cent of the population (148,917 people).</p> <p>32.9 per cent (84,326) of the Plymouth population stated they had no religion.</p> <p>Those with a Hindu, Buddhist, Jewish or Sikh religion combined totalled less than 1 per cent.</p> <p>Budget engagement</p> <p>Respondents were not asked about their faith, religion or belief as part of the demographic monitoring section within the budget engagement. It is not possible to identify any trends within responses.</p>	No adverse impact is anticipated.	Not applicable.	Not applicable.
Sex - including marriage, pregnancy and maternity	50.2 per cent of Plymouth's population are women and 49.8 per cent are men.	<p>Highways</p> <p>Reflecting the Council's commitment to reducing its environmental footprint, this</p>	<p>Highways</p> <p>We will undertake clear communication and engagement to minimise any</p>	<p>Highways</p> <p>Place</p>

	<p>Of those customers in receipt of CTS, 20.33 per cent have children in the household. Of single-parent households in receipt of CTS, 92.95 per cent of these are headed by a female.</p> <p>Budget engagement</p> <p>When respondents were asked to identify their priority area, in the area of Health and Adult Social Care, females were more likely to view support for mental health services as the highest priority, whereas males view the support to help older live independently as the highest priority. It is worth noting that support for mental health services was the second-highest priority for male respondents.</p> <p>COVID -19</p> <p>Evidence suggests that females have disproportionately felt the economic impacts of COVID-19. This is largely as a result of females being over-represented in some of the sectors worst effected by COVID (House of Commons, 2020).</p>	<p>includes a proposal to ensure enhanced efficiency of the city's street lighting. Increased technology allows for lighting needs to be better controlled and directed to where it is needed most. This proposal may impact males and females due to the vulnerability that some people may feel after dark.</p> <p>Council Tax</p> <p>Any increases to Council Tax may disproportionately affect female-headed single-parent households as they are more likely to live in poverty. Women more broadly may also be disproportionately affected as they are over represented in part-time employment and sectors affected by the COVID-19 pandemic.</p>	<p>adverse impacts. This will include engagement with residents affected by any proposed changes, the police and wider public. Careful consideration will be given to balancing environmental, social and economic considerations. Ongoing feedback will be monitored. Particular consideration will be given to women and girls given recent events in the city. This proposal will be equality impact assessed in line with the Council's usual EIA process as it develops.</p> <p>Council Tax</p> <p>The Council operates a means-tested scheme for people on low incomes to help them pay their Council Tax.</p>	<p>Customer and Corporate Services</p> <p>Annual review of CTS and signposting to information, guidance and advice services where relevant.</p>
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<p>Gender reassignment</p>	<p>There are no official estimates for gender reassignment at either the national or local level. However, in a study funded by the Home Office, the Gender Identity Research and Education Society (GIRES) estimate that between 300,000 and 500,000 people aged 16 or over in the UK are experiencing some degree of gender variance.</p> <p>Budget engagement</p> <p>The majority of respondents to the budget engagement survey indicated that their gender identity was the same as the sex that they registered with at birth. It is not possible to identify any trends within responses.</p> <p>COVID-19</p> <p>Research has shown that the physical and mental health of LGBT+ communities has been affected by COVID-19 (NatCen, 2021). This has exacerbated existing inequalities and social isolation. Research has shown that people who identify as LGBT+ are more likely to experience poor mental health</p>	<p>Highways</p> <p>Reflecting the Council's commitment to reducing its environmental footprint, this includes a proposal to ensure enhanced efficiency of the city's street lighting. Increased technology allows for lighting needs to be better controlled and directed to where it is needed most. Trans people may be impacted due to the vulnerability that some people may feel after dark.</p>	<p>Highways</p> <p>We will undertake clear communication and engagement to minimise any adverse impacts. This will include engagement with residents affected by any proposed changes, the police and wider public. Careful consideration will be given to balancing environmental, social and economic considerations. Ongoing feedback will be monitored. This proposal will be equality impact assessed in line with the Council's usual EIA process as it develops.</p>	<p>Highways</p> <p>Place</p>
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	in general (Intercom, 2020; NatCen, 2021).			
Race	<p>92.9 per cent of Plymouth's population identify themselves as White British.</p> <p>7.1 per cent identify themselves as Black, Asian or Minority Ethnic with White Other (2.7 per cent), Chinese (0.5 per cent) and Other Asian (0.5 per cent) the most common ethnic groups. Recent census data suggests we have at least 43 main languages spoken in the city, showing Polish, Chinese and Kurdish as the top three.</p> <p>Plymouth is a refugee dispersal location under the Vulnerable Persons Resettlement Scheme. Plymouth.</p> <p>Plymouth is becoming more diverse. The population identifying as Black, Asian and Minority Ethnic rose from 3 per cent in 2001 to 6.7 per cent in 2011 and therefore has more than doubled since the 2001 census.</p> <p>Plymouth City Council operates a CST scheme which limits the amount eligible recipients have to pay. In</p>	<p>Highways</p> <p>Reflecting the Council's commitment to reducing its environmental footprint, this includes a proposal to ensure enhanced efficiency of the city's street lighting. Increased technology allows for lighting needs to be better controlled and directed to where it is needed most. People who identify as Black, Asian and Minority ethnic may be impacted due to the vulnerability that some people may feel after dark.</p> <p>Council Tax</p> <p>Black, Asian and Minority Ethnic households are more likely to be living in poverty when compared to White households and so may be disproportionately affected by any Council Tax rises.</p>	<p>Highways</p> <p>We will undertake clear communication and engagement to minimise any adverse impacts. This will include engagement with residents affected by any proposed changes, the police and wider public. Careful consideration will be given to balancing environmental, social and economic considerations. Ongoing feedback will be monitored. This proposal will be equality impact assessed in line with the Council's usual EIA process as it develops.</p> <p>Council Tax</p> <p>The Council operates a means-tested scheme for people on low incomes to help them pay their Council Tax.</p>	<p>Highways</p> <p>Place</p> <p>Customer and Corporate Services</p> <p>Annual review of CTS and signposting to information, guidance and advice services where relevant.</p>

	<p>addition, an exceptional hardship policy exists to support those in financial need.</p> <p>We will continue to monitor CTS data to identify any under/over-representation amongst different ethnic groups where appropriate.</p> <p>Budget engagement</p> <p>The majority of respondents to the budget engagement identified their ethnicity as 'White.' Responses from people from other ethnic groups. It is not possible to identify any trends within responses.</p> <p>COIVID -19</p> <p>Evidence suggests that Black, Asian and Minority Ethnic communities have disproportionately felt the economic and health impacts of COVID-19 (House of Commons, 2020).</p>			
Sexual orientation - including civil partnership	<p>There is no precise local data on sexual orientation in Plymouth. The ONS Annual Population Survey 2017 estimates, approximately 1.7 per cent of the UK population is lesbian, gay or bisexual (LGB).</p>	<p>Highways</p> <p>Reflecting the Council's commitment to reducing its environmental footprint, this includes a proposal to ensure enhanced efficiency of the city's street lighting. Increased technology allows for lighting</p>	<p>Highways</p> <p>We will undertake clear communication and engagement to minimise any adverse impacts. This will include engagement with residents affected by any proposed changes, the police</p>	<p>Highways</p> <p>Place</p>

	<p>Budget engagement</p> <p>Respondents were not asked about their sexual orientation as part of the demographic monitoring section within the budget engagement. It is not possible to identify any trends within responses.</p> <p>COVID-19</p> <p>Research has shown that the physical and mental health of LGBT+ communities has been affected by COVID-19 (NatCen, 2021). This has exacerbated existing inequalities and social isolation. Research has shown that people who identify as LGBT+ are more likely to experience poor mental health in general (Intercom, 2020; NatCen, 2021).</p>	needs to be better controlled and directed to where it is needed most. This proposal may impact people from LGBT+ community due to vulnerability that some people may feel after dark.	and wider public. Careful consideration will be given to balancing environmental, social and economic considerations. Ongoing feedback will be monitored. This proposal will be equality impact assessed in line with the Council's usual EIA process as it develops.	
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STAGE 3: ARE THERE ANY IMPLICATIONS FOR THE FOLLOWING? IF SO, PLEASE RECORD ACTIONS TO BE TAKEN

Local priorities	Implications	Timescale and who is responsible
We have set one overarching objective to celebrate diversity and ensure that Plymouth is a welcoming city.	Plymouth City Council remains committed to celebrating the diversity of the city.	Not applicable.
Pay equality for women, and staff with disabilities in our workforce.	Plymouth City Council is committed to equal opportunities and the fair treatment of its workforce. As an employer, we have a clear policy of paying employees equally for the same or equivalent work regardless of gender or	Not applicable.

	disability. The Council operates a comprehensive job evaluation scheme to ensure that rates of pay are fair and are based wholly on the role being undertaken.	
Supporting our workforce through the implementation of Our People Strategy 2020 – 2024	Our People Strategy 2020 – 2024 sets out our approach towards ensuring that the Council’s workforce can adapt and meet the ever changing needs of the Council and our residents.	Not applicable.
Plymouth is a city where people from different backgrounds get along well.	Unify Plymouth, a cohesion project funded by the Department for Levelling Up, Housing and Communities has several initiatives which aim to promote cohesion in some of the city’s least cohesive wards.	Not applicable.
Supporting victims of hate crime so they feel confident to report incidents, and working with, and through our partner organisations to achieve positive outcomes.	The Council is committed to reducing and tackling hate crime and ensuring that victims are treated in a trauma informed manner to ensure that they get the outcome which is most appropriate for them. The Council works closely with the Safer Plymouth Partnership, the community safety partnership for the city. Hate crime data is monitored.	Not applicable.
Human Rights Please Refer To Guidance	Where relevant, budget savings proposals will be EIA assessed to ensure that they are compliant with the Human Rights Act.	Various.

STAGE 4: PUBLICATION AND SIGN OFF

Date

Cabinet



Date of meeting: 08 February 2022

Title of Report: **Procurement of the Contract for the Provision of Agency Workers**

Lead Member: Councillor John Riley (Cabinet Member for Governance, HR, IT & Community Safety)

Lead Strategic Director: Andy Ralphs (Strategic Director of Customer and Corporate Services)

Author: Polly Colville

Contact Email: Polly.colville@plymouth.gov.uk

Your Reference:

Key Decision: No

Confidentiality: Part I - Official

Purpose of Report

To seek the agreement of Plymouth City Council Cabinet to the recommendations in the Business Case for the Procurement of the Agency Worker Contract. The Business Case seeks approval to operate a mini-competition against the Yorkshire Purchasing Organisation's (YPO) framework for Temporary Agency Resourcing for Local Authorities, for a Vendor Neutral contract.

Recommendations and Reasons

It is recommended that Cabinet:

1. Approves the Business Case and in particular the procurement exercise being a mini-competition against the YPO framework for Temporary Agency Resources for Local Authorities to the value of £30 million over 4 years (3 + 1).
2. Approves the change in model from the incumbent Master Vendor contract to a Vendor Neutral contract
3. Approves the additions to the scope of the contract.
4. Delegates the award of the contract to the Strategic Director of Customer and Corporate Services.

Alternative options considered and rejected

4 options considered and rejected:

Option 1 – Do Nothing – Not an option due to the fact that the contract has been extended beyond its natural Framework term of 4 years. Contract expires 30th September 2022 and a new contract must be procured by then.

Option 2 – Procure another Master Vendor Contract – Whilst this is a viable option, it would not address the concerns and issues raised in the consultation process in that Specialist and Senior resource could potentially struggle as Master Vendor's limit the supply chain in order to try and fill roles in the first instance from their own group brands. It would also likely to come in at a similar or increased cost making it unattractive.

Option 3 – Procure with no specified model – This was a close second as it would open up bidding to more suppliers. It was discounted due to the fact that we would open PCC up to increased costs more than any other issue.

Option 4 – Bring the Provision of Agency Workers In-House – More managed service providers are now offering the licensing of their system for this purpose. There are varying packages available. Whilst this is a long term viable option to consider in the next few years, it would take too much resource and up-front cost to be a viable option in the short term. There are time limitations to the procurement of the next contract which made this option impossible.

Relevance to the Corporate Plan and/or the Plymouth Plan

The temporary labour contract supports the delivery of the entire Corporate Plan as well the Joint Local Plan/Plymouth Plan and ensures that the Council has a suitable workforce with the right skills as well as providing resilience and flexible service delivery. This contract enables the Council to ensure resources are in place where required to cover short term, statutory or specialist requirements and continue to deliver high quality services thereby meeting internal departmental needs and ultimately those of the Council's customers and residents.

Implications for the Medium Term Financial Plan and Resource Implications:

In the short term there would be an embedding period where there may be sustained costs in certain categories of staffing. However, after the contract is embedded there would be savings estimated at around £168K per year based on current hiring volumes however this is not factoring in additions to service which would create savings against areas like consultancy agreements and Executive Search. There are further potential savings after the contract embeds with new ways of working through a tightened policy around hiring agency workers due to be implemented at the same time as the contract. There is a proposal for an additional resource in HR to assist with the roll out and management of the contract and policy, to enhance demand management and tighten corporate control.

Financial Risks

Temporary staffing will continue to be covered by existing staff budgets and in some instances may exceed staff budgets due to market rate inflation, but will be governed and controlled by internal governance procedures.

Carbon Footprint (Environmental) Implications:

The Service Provider's vendor management system will be online which reduces the use of paper. Information technology will be further enhanced through the contract and in doing so will reduce the 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.*

There will need to be some internal change management to embed the contract affectively, to ensure robust demand and contract management. The roll out of a Hiring & Managing Agency Workers Policy will assist in the process along with a Contract Manager in HR who will act as an expert in this subject. There are further Social Value implications in that the contract will endeavour to engage with local agencies for the supply chain, as well as aspiring to hire from the local community.

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	Business Case for Agency Worker Contract							
B	Equalities Impact Assessment							

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) <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
Options Appraisal for the Procurement of Agency Workers Contract							

Sign off:

Fin	ba.21. 22.24 4	Leg	MS/3 7956	Mon Off		HR		Assets		Strat Proc	KK/PS/616 /CP/0122
Originating Senior Leadership Team member: Andy Ralphs (Strategic Director of Customer and Corporate Services)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 14/12/2021											
Cabinet Member approval: Councillor Nick Kelly – verbally agreed on 22 nd December 2021 and Councillor John Riley – verbally agreed on 13 th January 2022											
Date approved: 13/01/2022											

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REVENUE INVESTMENT BUSINESS CASE

Procurement of the Contract for the Provision of Agency Workers, Interims, Consultants and Executive Search



EXECUTIVE SUMMARY

The Executive Summary is a short summary of the Business Case and should be the last section you complete, this will enable you to extract or only the key facts from relevant sections i.e. 'project on a page'. The summary is a 'snapshot' of the business case which will need to tell the story and sell the proposal.

This report sets out the proposal for the re-procurement of the agency worker contract and seeks approval to procure a new contract prior to the end of the current contract delivered by Pertemps which expires on 30 September 2022.

The Council's current agency worker spend, both on and off contract, is estimated at around £7 million per year and is increasing due to a number of strategies concurrently in process, in support of our transformation programmes as well as the Council's response to the COVID-19 pandemic. The Council wishes to ensure that any new arrangement in place is of suitable quality and is a cost effective provision for contingent resourcing and executive search wherever needed.

The proposal is for a new contract for an initial period of three years with the option to extend for up to a further one year, with a total estimated maximum value of £30m approx.

The new contract is recommended to be a change to the current contract's model, moving from a Master Vendor contract to a Vendor Neutral contract to open up the supply base and access the widest possible skillset for the wide range of skills required at PCC.

Temporary agency workers are an important part of the Council's workforce and help to ensure resilient and flexible service delivery. This enables the Council to ensure resources are in place where required to cover short term, statutory or specialist requirements and continue to deliver high quality services thereby meeting internal departmental needs and ultimately those of the Council's customers and residents.

SECTION I: PROJECT DETAIL

Project Value (indicate capital or revenue)	Estimated £30,000,000 Revenue over 4 years	Contingency (show as £ and % of project value)	N/A
Directorate	Customer and Corporate Services	Department	HROD
Portfolio Holder	Cabinet Member John Riley	Strategic Director	Andy Ralphs
Senior Responsible Officer (client)	Kim Brown	Project Manager	Polly Colville

Current Situation:

Temporary agency workers are an important part of the Council's workforce. The use of temporary staff enables the Council to operate without interruption to service levels, ensuring resilience and service continuity. There always will be a corporate requirement to engage temporary workers for a number of reasons:

- to cover for vacancies pending recruitment
- to cover for planned or unplanned absence (e.g. sickness or maternity)
- to cover for filling a post pending a restructure/reorganisation

- to ensure statutory guidelines are met in certain social care roles
- to cover for peaks in demand
- to deliver time-limited projects where capacity and/or skills base does not exist internally

The Council engaged in a Master Vendor Contract with Pertemps in 2006 to supply temporary resource to the Council's workforce. Prior to this contract the Council had more than 50 suppliers of agency workers and no control or visibility of expenditure.

The contract was re-awarded to Pertemps in 2010 following a full tender process and extended until September 2017. A further contract was awarded under the Yorkshire Purchasing Organisation ("YPO") which commenced on 1 October 2017 for an initial period of one year, and with the option to automatically renew for a further three years. However a review was delayed by the COVID-19 pandemic and was further extended until 30th September 2022 in accordance with the provisions of the Public Contract Regulations 2015.

Current service provision

The Pertemps contract is used throughout the Council by managers engaging temporary workers. Information on hiring patterns for the last calendar year (October 2020 to September 2021) on contract) is shown below:

Directorate (Subtitled Division)	Head count
Children's Services TOTAL	173
Children, Young People and Families	73
Education, Participation and Skills	100
Customer and Corporate Services TOTAL	77
Customer Service and Service Centre	20
Digital and Customer Experience	25
Financial Planning and Reporting	1
Human Resources & Organisational Development	29
Human Resources and Organisational Development	2
Executive Office TOTAL	9
Legal Services	7
Policy and Intelligence	1
Public and Partner Relations	1
Finance TOTAL	1
Procurement Service	1
People TOTAL	23
Strategic Co-operative Commissioning	23
Place TOTAL	204
Economic Development	47
Street Services	157
Public Health TOTAL	59
Civil & Disease Protection and Environmental Health	1
MDT1	11
MDT2	2
MDT3	29
MDT4	2
Operations and Development	14
Grand Total	546

Proposal:

The proposed contract for services has a value in excess of the EU threshold for services and so the procurement process will need to comply with the Public Contracts Regulations 2015 and the Council's own governance processes on procurement and contracts.

It is proposed that the Council procures a Vendor Neutral Managed Service via entering into a mini competition through the YPO National Framework for Temporary Agency Managed Services. As the contract is governed by a framework, the next contract will be for a maximum term of four years (an initial period of three years with the option to extend up to one further year). The proposed contract term is in line with industry standards and provides enough time for the successful supplier to embed their service and gain a reasonable return on that investment, whilst allowing the Council the agility to react to market changes.

The service will be for the supply of agency workers across all categories of staffing (except Schools) and will include engaging contractors who are both deemed employed and self-employed for the purposes of tax and IR35. It is also proposed that the mini-competition process includes additions to the contract which currently do not exist in the Pertemps contract:

- The Council will look to include a 'Payroll Only' or 'Referral' service, where the MSP will either directly pay or nominate an agency to pay candidates that are known to officers of the Council and are therefore 'referred'. It is expected that the fee for this will be greatly reduced as the 'introduction' aspect of the hiring process is eliminated having been sourced by the Council.
- The Council will look to include a provision for Statement of Works contracts through the MSP, to deliver time-limited outcomes based contracts for PSCs and consultancy agreements.
- The Council will look to include an Executive Search category for Senior and Chief Officers (permanent and fixed term).

It is imperative that the services bought must give value for money against public spend but at supply chain rates (agency fees) the market can sustain.

Future service provision

Through discussion with key stakeholders across the Council, a set of principles has been developed for assessing any future service models:

Ability to source high quality resource across a wide range of council services –to ensure high quality provision across all Council services

Provides flexibility/experience to fill project/specialist/senior roles –to build on the benefits derived from an integrated approach to resourcing executive and project roles and be able to respond to changing needs

Supports greater transparency – a robust contract management model based on accurate and timely data that ensures accountability of supply chain and benchmarks against the wider market

Provides Value for Money and supports control over spend – to ensure controls are in place to manage spend and decision making

Customer-focused – dedicated support to hiring managers, adequate quality assurance processes and issue resolution

Supports local employment and growth – actively supports local employment and enables the Council to identify target groups to promote opportunity for local communities

Partnership approach to managing market and demand – to support active market management and act as a market disruptor where necessary

Continuously innovating/developing – best use of emerging technologies and industry best practice.

Why is this your preferred option:

After an internal review a number of common themes of feedback with the current service were raised. They are:

- The Pertemps contract continues to be an effective service for temporary general staffing roles
- The Pertemps team are helpful
- Roles of a more specialist nature are much more challenging to fill
- The contract is currently limited in scope and needs broadening to fill the wide base of skillsets needed in the Council

Throughout the consultation process it became apparent that in order to fill vacancy gaps in more specialist areas, departments were engaging consultancy agreements in order to obtain the skills needed.

By carrying out a market engagement exercise it became apparent that the model best placed to provide the most commercially adaptable service was the Vendor Neutral model, which unlike a Master Vendor model, simply operates a dynamic purchasing system of agencies negotiated to a lower mark-up than would be achieved directly with the agency. As this model service does not prefer any staffing from the awarded managed service provider, a wider base of suppliers in specialist areas are procured which accesses a wider candidate pool than a Master Vendor.

Description of models:

Service Model	Short Description	Ranking
Vendor Neutral Managed Service (VN)	Procurement service contracting with supply chain of agencies who bid CVs against roles with no preferential treatment of any agency	1 st (Recommended option)
Master Vendor Managed Service (MV)	Service pitching managing company's candidates (directly or via an affiliated group of agencies) either entirely or by way of time-lapse or category, before a 2 nd tier of contracted agencies pitch	2 nd (Incumbent model)

Key advantages and disadvantages of the two main models below:

Model	Advantages	Disadvantages
Master Vendor	<p>Works in partnership with the Council, often offering a more integrated service as they are incentivised to learn the organisation in order to have the best chance of filling orders by their own company brands.</p> <p>Account management often standardly involves sifting CVs taking the first sift burden off the hiring manager.</p> <p>If Pertemps are retained under a MV model, then there will be minimal investment in implementation, and the infrastructure is already in place.</p> <p>Master Vendors have been known to provide things like PPE in certain roles and accept filling 1-2 hour shifts (which is in the most part not commercially viable for them). Neutral vendors do not have the commercial model to be able to deliver this.</p>	<p>Off contract spend can increase if the MV is unable to meet demand/exacerbated by lack of visibility of second tier suppliers.</p> <p>Often MVs do not adhere to the contractual time limits of releasing an order to the supply chain, due to their own attempts to fill the role by in-house brands.</p> <p>Can limit talent if other agencies are not prepared to work with the MV/MV is not prepared to contract with supply chains</p> <p>MVs often try and keep the supply chain limited as their effort is to fill orders themselves. This can limit supply and cause frustration when there are</p>

		<p>specialist roles that aren't affectively filled by the traditionally smaller supply chain.</p> <p>Traditionally can be a more expensive model, as their service is high-touch in many cases employing multiple people dedicated to an account in order to fulfil the wide variety of orders a Council will place</p>
Vendor Neutral	<p>As a neutral vendor they act as a single point of contact with no affiliation or interest in any one supplier.</p> <p>Suppliers operate on an equal playing field and are performance managed so the best performing agencies get the first bid at orders that are released, as opposed to preferring affiliated supplier brands.</p> <p>There is more flexibility with a NV contract as the service provider will reach out to any agencies required by the council in order to fill the council's needs.</p> <p>Potentially wider scope of workers via a wider range of specialist agencies.</p> <p>Often a lower-cost model as by nature is lower touch.</p> <p>The main large NV companies own their own technology, this allows flexibility in how that system will work for any particular client. It also allows for consistent innovation and development that each client benefits from.</p> <p>The main large NV companies also have a consultancy provision allowing payment and in some cases management of statement of works contracts as a bolt on to their standard service, allowing a quick an easy procurement function for consultancy agreements.</p> <p>NVs often have a more flexible service giving more control to the Council as to which agencies they want on the supply chain, due to the fact there is no affiliation with any particular agency.</p>	<p>NV contracts usually take longer to embed from a client with an incumbent MV as it takes a few months for the wider supply chain to understand a client, and therefore be trained in the governance procedures.</p> <p>It also usually takes a few months to train the wider supply chain to not send through irrelevant CVs, and requires significant effort from the hiring community to engage with the supply chain (through the NV technology).</p> <p>No longer have one single point in the city recognised as the agency supplying temporary workers for PCC.</p> <p>NVs are by nature low-touch and geared towards a 'self-serve' culture of hiring. This will involve a sizeable cultural shift from the high-touch service Pertemps has provided the Council for 15 years.</p> <p>NVs are unable to provide PPE for certain roles and will struggle with filling short shifts as there is no bigger picture from the procured agencies to take a potential financial hit on providing these when they may only have lower graded general staffing workers to provide (and therefore lower margins).</p> <p>There is a risk that if a VN provider was awarded, Pertemps as an agency would choose to stop providing workers (as is their right) to the Council therefore leaving a notable risk in supply as a brand new supply chain learns the Council's needs.</p>
Additionally, because the Vendor Neutral model is more flexible and leans to be more of a 'self-serve' model, it makes room to be able to make savings on like-for-like spend.		
Option Analysis:		
Do Nothing Option	Do not re-procure the contract.	
List Benefits:	Would save considerable effort on officer time.	

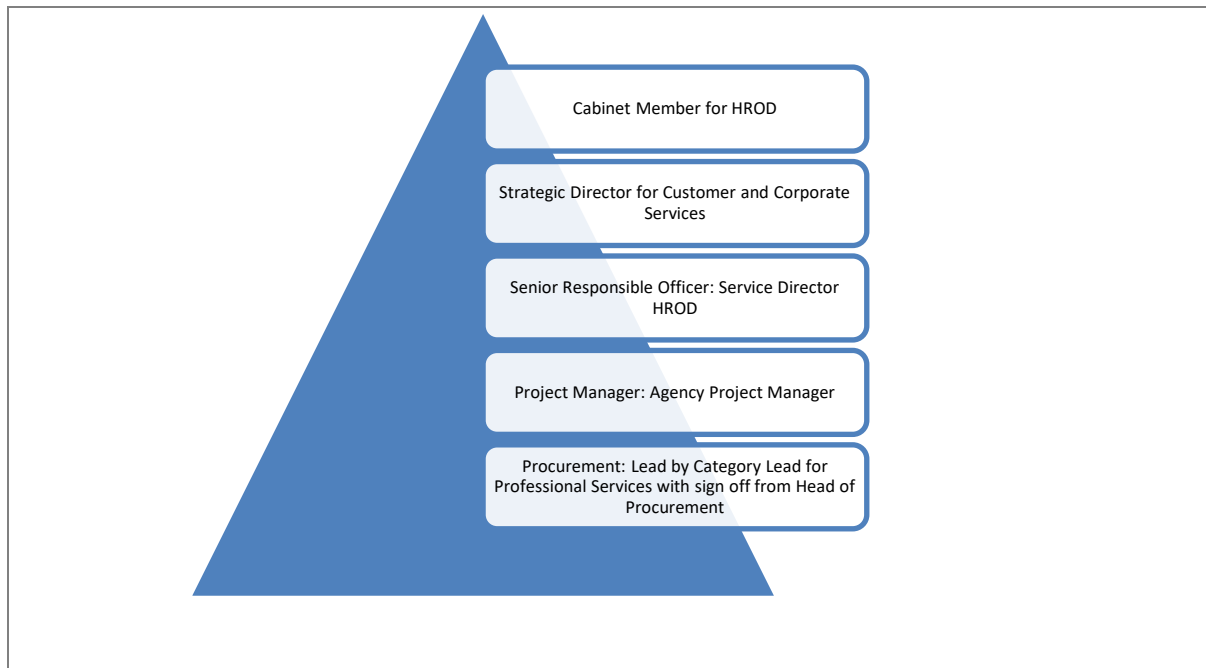
List Risk / Issues:	We would not be complying with the procurement regulations. As we are currently in a call of contract of a National Framework (YPO), this means that the contract term is limited to 4 years. We will have exceeded this at the point of expiry in September 2022. We also would not address the common issues expressed by multiple service users that the current contract is too limited in scope, particularly with specialist skillsets required for the diverse needs of the Council.
Cost:	From doing some financial analysis on what we currently spend to some market analysis, there is an opportunity to save money on our current contract of at least £150k per year
Why did you discount this option	Is not a legally viable option. There are also more significant and fundamental basics of the Council's approach to temporary labour that need improvement that a procurement exercise will address.
Do Minimum Option	Procure another Master Vendor Contract from a national framework such as YPO or MSTAR.
List Benefits:	The type of service is already familiar to the Council therefore minimum training would be needed into how the service works.
List Risk / Issues:	Whilst this option is still a viable one, it would not address the crux of the issues raised by the consultation process, in that a Master Vendor contract is less flexible than a Neutral Vendor contract therefore limiting PCC's ability to bring in different types of resourcing via alternative methods. The other major risk is that it is likely that no savings would be created from moving to another Master Vendor contract.
Cost:	Likely to be equivalent or higher than proposed option
Why did you discount this option	By adopting the same model that has been in place for the last 16 years, will not address the main issues with the current service.
Viable Alternative Option	To go out with no model in mind, was considered
List Benefits:	Investigation and scoping was done into looking to go to the market with no specific model identified. This was to counter the risk of changing model and to access the widest scope of managed service provider available.
List Risk / Issues:	However, from doing some market engagement, the suppliers that operate on a more hybrid model are often more expensive than a vendor neutral option as they add manpower to be able to fill a wide variety of roles. A change in model will require organisational behavioural change, and there are case studies from vendor neutrals that they will be able to supply in these areas – just by a multitude of agencies, as opposed to supply from one. There is a possibility that in these categories the agency fee might increase from what we are paying at the moment, however, the vast majority of the contract will mostly likely gain savings swallowing that increase up into an overall saving.
Cost:	Potentially a greater cost from bidding suppliers.
Why did you discount this option	If savings are to be created from the new contract, PCC needs to move to a low-touch self-serve model. There is a role that will be created in HR to assist hiring managers in the change of model.
Make or Buy Assessment	Bring the service in-house
List Benefits:	As a result of a 'Make or Buy' assessment it is considered whether an outsourced service provision would best deliver the intended outcomes and ensure a quality service in the short to medium term.

	The way current innovation is going in the industry, many MSP suppliers own their vendor management system which makes development of a user friendly self-sufficient system more attractive for them to sell either as part of the service, or as seen more recently as a self-contained 'technology only' offering. Several Local Authorities around the country have moved to bringing the service 'In-House' and therefore simply license an MSP's system. In order to develop a commercially sustainable internal model, it would be advisable to assess the viability of adopting this model and bringing the service in-house for the next opportunity of contract.
List Risk / Issues:	Resourcing costs would increase as would costs for licensing appropriate software. There is a risk that without the reputational standard that service providers in the market have in this area, the negotiated rates would not be as beneficial and would possibly take some time to gain such credibility
Cost:	Substantially increased resourcing costs and cost of licensing software
Why did you discount this option	Time limitations have prevented this from moving forward. It is anticipated that a good 18 months would be needed to properly investigate, procure, resource and implement such a new model. It would take 1-2 years to embed the contract credibly in the market place.

Strategic Case:	
Explain how the project delivers or supports delivery of Corporate Plan, Joint Local Plan/Plymouth Plan Policies	The temporary labour contract supports the delivery of the entire Corporate Plan as well the Joint Local Plan/Plymouth Plan Policies by ensuring the Council has a suitable workforce and helps to ensure resilient and flexible service delivery. This contract enables the Council to ensure resources are in place where required to cover short term, statutory or specialist requirements and continue to deliver high quality services thereby meeting internal departmental needs and ultimately those of the Council's customers and residents.

Project Scope: <i>(To avoid scope creep and cost escalation it is important to have an agreed scope of what the project will and will not deliver. List below what is included and not included in the project 'budget'. Projects should be delivered within scope and budget, but should project change happen then the business case requires revisiting, updating and re-approval)</i>	
In Scope	Out of Scope
All staffing across general and specialist staffing. Interims and consultants. PSCs out of scope of IR35. Executive search for permanent and fixed term senior and chief officers.	Schools staff, care packages, some leisure sole traders.

Project Governance : <i>How the project delivery is structured (amend example chart as appropriate)</i> <i>High Risk Projects will require a Project Board Chaired by Portfolio Holder</i> <i>Low Risk Projects will require a structured Project Team reporting to Portfolio Holder</i>
The temporary labour re-procurement is a low risk project, and we are proposing the following governance structure:


Milestones and Date:

Contract Award Date	Contract Commencement Date	Contract Completion Date
1 st April 2022	1 st October 2022	30 th September 2025 with option to extend for 1 year

Who are the key customers and Stakeholders	Hiring managers across the Council	Which Partners are you working with	N/A
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SECTION 2: PROJECT RISK, OUTCOMES AND BENEFITS

Risk Register: The Risk Register/Risk Log is a master document created during the early stages of a project. It includes information about each identified risk, level of risk, who owns it and what measures are in place to mitigate the risks (cut and paste more boxes if required).

Potential Risks Identified		Likelihood	Impact	Overall Rating
Risk	No bidders	Low	High	Low
Mitigation	By accessing a National Framework (YPO), there are already bidders successfully operating and able to bid. A market engagement exercise has been undertaken and there are bidders who have expressed interest.	High	High	High
Calculated risk value in £ (Extent of financial risk)	£N/A	Risk Owner	Polly Colville and Kim Kingdom	
Risk	Winning bidder is more expensive than incumbent.	Medium	High	Medium
Mitigation	By accessing a National Framework, there are caps to pricing in all categories of staffing. There are Neutral Vendors who are expected to bid who are already at a lower cost than what we are paying at the moment. Where there are higher prices, we can either cap in the specification or they will be swallowed up by the other categories where there is an expected reduction.	Medium	Medium	Medium

Calculated risk value in £ (Extent of financial risk)	£ N/A	Risk Owner	Kim Brown		
Risk	A change in model will cause operational disruption		High	Medium	Medium
Mitigation	There will be a full implementation plan including a communications plan and a training plan in to the suppliers system (if Pertemps are not awarded). There are also plans for an internal policy that will help navigate the new processes and a IFTE in HR to help managers.		High	Medium	Medium
Calculated risk value in £ (Extent of financial risk)	£ N/A	Risk Owner	Kim Brown		
Risk	Resourcing from internal teams. There are resourcing pressures in internal teams which may cause the project timelines to creep. Consultant engaged is only here for a few months.		High	High	High
Mitigation	Raised awareness at CMT and had internal discussions. Accessing increased support from YPO with the procurement exercise to assist at no extra cost. Using a framework which already has documents such as Ts & Cs and template Specification and SLA to assist.		High	High	High
Calculated risk value in £ (Extent of financial risk)	£N/A	Risk Owner	Kim Brown		

Outcomes and Benefits

List the outcomes and benefits expected from this project.

(An **outcome** is the result of the change derived from using the project's deliverables. This section should describe the anticipated outcome)

(A **benefit** is the measurable improvement resulting from an outcome that is perceived as an advantage. Benefits are the expected value to be delivered by the project, measurable whenever possible)

Financial outcomes and benefits:

Data financial analysis has indicated that savings are anticipated at approximately £150K per year on a Vendor Neutral contract based on current volumes. This is based on call-off contract rates for some of the suppliers available on the YPO framework and already anticipates areas of spend where the category rate may increase

Savings will be created from adding competition to a Statement of Works model, allowing the Council to accept bids for consultancy pieces of work outside of IR35.

Further savings are anticipated from specifying a 'Payroll Only' or 'Referral' service where Council officers know an interim/consultant capable of delivering a piece of work, and eliminates the 'introduction fee' element of the agency fee

Non-financial outcomes and benefits:

By adopting a Vendor Neutral contract it will give the opportunity to open up supply to a wider base of suppliers and therefore a wider base of candidates particularly in more specialist and hard-to-fill roles

Vendor Neutral contracts tend to be more flexible to a client and places more service control on how the contract should be run with the Council.

Vendor Neutral contracts have adapted their models to already include elements such as a Statement of Works provision and allowing bids for consultancy agreements

As the service is lower-touch the concentration of effort from a Vendor Neutral is often placed on developing technology, the Vendor Management System, that is easy to use and flexible to the needs of the client organisation

Savings should be created by bringing the Executive Search for Permanent and Fixed Term Senior and Chief officers by adding an element of bidding competition to this process.	Reporting from the Vendor Management System and a role created in HR will support more transparent management information and more robust demand and contract management.
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SECTION 3: CONSULTATION

Does this business case need to go to CMT	Yes	Date business case approved by CMT (if required)	25 th January 2022 (am)
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Have you engaged with Procurement Service?		Yes
Procurement route options considered for goods, services or works	<p>In accordance with The Public Contract Regulations 2015 and the Council's internal Contract Standing Orders the following Procurement route options have been considered:</p> <p><u>Formal Tender Procedure as defined under The Public Contracts Regulations 2015</u></p> <p>This opportunity would be nationally advertised and any interested supplier would be able to submit a response</p> <p>The benefits of this route include:</p> <ul style="list-style-type: none"> • ability to tailor the procurement to all the specifics required and wanted for in the future service • PCC would have ultimate control over the process • The opportunity would be widely advertised increasing the level of competition resulting in likelihood of more competitive tender • Alleviate framework fees that each of the national frameworks charge each client (in both national frameworks this is 1 pence per timesheet-hour). The Council would be paying around £2500-3000 per year to the framework. <p>However the drawbacks of this route are:</p> <ul style="list-style-type: none"> • Would be expensive to run for both PCC and the suppliers • would be considerably more time-consuming- procedures must meet strict minimum regulatory timescales • would require more substantial internal resource to develop and manage the full process; all documents must be created from scratch • High level of compliance required- legal challenge a significant risk • Suppliers can reject any/all elements of the procurement • Unknown quantity of responses to evaluate • Need to assess supplier suitability <p><u>Direct Award under a framework</u></p>	

	<p>Award a contract directly to a framework supplier</p> <p>The benefits of this route include:</p> <ul style="list-style-type: none"> • Compliant with regulations • Supplier suitability already assessed • Lowest cost activity • Enjoy economies of scale inherent in using a national framework • Fastest process • Set rates • Framework templates available • Some documents already agreed e.g. Terms and Conditions • Framework provider support • Known quantity to evaluate <p>However the drawbacks of this route are:</p> <ul style="list-style-type: none"> • Specification restricted by framework scope • Unable to amend set documents e.g. Terms and Conditions • Set processes limited/no flexibility • Direct award supplier(s) often prescribed • Often unable to meaningfully assess direct award supplier • No further competition or ability to negotiate price-set rates only • Some frameworks charge customers for usage • Supplier framework fee will be built into tender price • Risk of supplier challenge- e.g. buy local agenda • Potential value restrictions <p><u>Run a further competition under a framework</u></p> <p>Run a competitive process under a framework</p> <p>The benefits of this route include:</p> <ul style="list-style-type: none"> • Compliant with regulations • Supplier suitability already assessed • Low cost activity • Enjoy economies of scale inherent in using a national framework • Fast process • Maximum capped rates set • Drive rates down further through competition • Framework templates available • Some documents already agreed • Framework provider support • Known quantity to evaluate <p>However the drawbacks of this route are:</p> <ul style="list-style-type: none"> • Specification restricted by framework scope
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	<ul style="list-style-type: none"> • Unable to amend set documents e.g. Terms and Conditions • Set processes- limited/no flexibility • Competition limited to suppliers on framework • Some frameworks charge customers for usage • Supplier framework fee will be built into tender price • Risk of supplier challenge- e.g. buy local agenda • Potential value restrictions
Procurements Recommended route.	<p>The recommended route is to run a mini-competition against the Yorkshire Purchasing Organisation 'YPO's "Temporary Resourcing for Local Authorities" National Framework.</p> <p>The benefits of running a procurement via a framework far outweigh the drawbacks and running a further competition rather than a direct award enables the Council to introduce an element of competition to the process which should deliver best value for money.</p> <p>There are two main national Frameworks available:</p> <ul style="list-style-type: none"> • Yorkshire Purchasing Organisation 'YPO's "Temporary Resourcing for Local Authorities" National Framework; and Eastern Shires Purchasing Organisation 'ESPO's' Managed Services for Temporary Agency Resources 'MSTAR' National Framework. <p>Both Framework options are very similar and either are a viable option, however YPO are already incumbent at Plymouth therefore familiar and they also provide a more extensive support service during the further-competition that the council could benefit from when resources are stretched.</p>
Who is your Procurement Lead.	Kim Kingdom
Which Members have you engaged with and how have they been consulted <i>(including the Leader, Portfolio Holders and Ward Members)</i>	<p>Nick Kelly. Meeting with presentation attended by Nick Kelly, Andy Ralphs and Polly Colville</p> <p>John Riley. Briefing meeting attended by John Riley, Andy Ralphs and Polly Colville. Presentation emailed.</p>
Confirm you have taken necessary Legal advice, is this proposal State Aid compliant, if yes please explain why.	Yes- The proposed contract is being competitively procured in line with the Public Contract Regulations 2015.
Who is your Legal advisor you have consulted with.	Mohammed Sajjad

Equalities Impact Assessment completed *(This is a working document which should inform the project throughout its development. The final version will need to be submitted with your Executive Decision)*

Yes

SECTION 4: FINANCIAL ASSESSMENT

FINANCIAL ASSESSMENT: *In this section the robustness of the proposals should be set out in financial terms. The Project Manager will need to work closely with the capital and revenue finance teams to ensure that these sections demonstrate the affordability of the proposals to the Council as a whole.*

The last five financial years of spend through the Pertemps Contract are:

Year	Annual Agency Spend	Average Number of Active Placements per month
2016/17	£7,404,081.77	794
2017/18	£5,553,675.68	345
2018/19	£4,817,345.76	308
2019/20	£3,826,121.16	232
2020/21	£3,555,780.09	237
2021/22	£5,941,644.76*	375**

* Projected data for full year spend as at September 2021 (includes estimated £100-120K on COVID response roles)

** Number of placements as at end September 2021

Based on analysis of the market rates, it is anticipated that the equivalent spend of the last calendar year could have been around £150k less in a re-procured contract. However it must be acknowledged that the rates are already low in the current contract and the bulk of the £150k saving is based on challenging some higher costed categories and bringing off contract resource into the next contract. There is little more wiggle-room to get out of the market without affecting quality, therefore a Vendor Neutral contract would open a risk of supply in certain areas of staffing.

In addition the Council has spent around £1.3m on temporary workers outside of the Pertemps Contract (which would have been at a better value for money on contract).

It has come to light that there are departments in the Council that are engaging consultancy agreements to cover vacancy gaps in the department. It appears this has come about through both permanent recruitment difficulty and agency worker recruitment difficulty. This approach whilst will deliver what is needed, is the most expensive way to plug the vacancy gap.

There has also been a number of Senior and Executive Recruitment campaigns led by agencies. Approximately four senior appointments have been made in this financial year so far and the council has ultimately spent around £60-80K for this service. Adding this provision to the agency worker contract would challenge companies that have the market share and open up healthy competition to harness the best value for money within this area.

FUTURE FUNDS – Temporary staffing will continue to be covered by existing staff budgets, but will be governed and controlled by internal governance procedures.

SECTION 5: MONITORING PERFORMANCE & POST PROJECT REVIEW

To conclude, the purpose of a business case is to outline the business rationale for undertaking a project and to provide a means to continually assess and evaluate project progress throughout delivery. It is the responsibility of the project manager to ensure the project remains on time and within budget during delivery and to monitor the project throughout and provide a Post Project Review on completion.

Project Team Monitoring:

Project monitoring will be led by the Project Manager up to and including contract mobilisation at which point contract management will be handed over to the HROD department and transition to a business as usual activity.

During the procurement process the Project Manager in collaboration with the Procurement Service will regularly provide updates to the Senior Responsible Officer and briefings will be provided to the Strategic Director as and when requested.

Finance Monitoring :

There are no revenue finance costs (other than Officer time) to be monitored during the re-procurement however once the contract commences, contract spend will be closely monitored by the HROD department in collaboration with Finance.

Version Control: *(The version control table must be updated and signed off each time a change is made to the document to provide an audit trail for the revision and update of draft and final versions)*

Author of Business Case	Date	Document Version	Reviewed By	Date
	00/00/2020	v 1.0		00/00/2020
	00/00/2020	v 2.0		00/00/2020
	00/00/2020	v 3.0		00/00/2020
	00/00/2020	v 4.0		00/00/2020
	00/00/2020	v 5.0		00/00/2020

SECTION 6: RECOMMENDATION AND ENDORSEMENT**Recommended Decision**

It is recommended that the Leader of the Council:

- Approves the Business Case

[Name, Portfolio]		Service Director	
Either email dated:	<i>date</i>	Either email dated:	<i>date</i>
Or signed:		Signed:	
Date:		Date:	
		Service Director	
		<i>[Name, department]</i>	
		Either email dated:	<i>date</i>
		Signed:	
		Date:	

EQUALITY IMPACT ASSESSMENT

Human Resources & Organisational Development



STAGE 1: WHAT IS BEING ASSESSED AND BY WHOM?

<p>What is being assessed - including a brief description of aims and objectives?</p>	<p>Procurement of the provision of agency workers, interims, consultants and executive search contract.</p> <p>Background</p> <p>The Council's current agency worker spend, both on and off contract, is estimated at around £7 million per year and is increasing. The Council wishes to ensure that any new arrangement in place is of a suitable quality and is cost effective. Temporary agency workers are an important part of the Council's workforce and help to ensure resilient and flexible service delivery. This enables the Council to ensure resources are in place where required to cover short term, statutory or specialist requirements and allows the Council to continue to deliver high quality services to meet the needs of residents.</p> <p>This equality impact assessment sets out the proposal for the re-procurement of the agency worker contract. A paper is going to Cabinet on Tuesday 8 February which sets out the proposal for the re-procurement of the agency worker contract and seeks approval to procure a new contract prior to the end of the current contract which expires on 30 September 2022.</p> <p>The proposal is for a new contract for an initial period of three years with the option to extend for up to a further one year, with a total estimated maximum value of £30m approx. The paper recommends that the new contract moves from a master vendor contract to a vendor neutral contract to enable the Council to access the widest possible skillset for the range of roles required at the Council.</p> <p>Where possible, the evidence section of the EIA has been from the Council's Workforce Report 2020.</p>
<p>Author</p>	<p>Polly Colville, Agency Project Manager</p>
<p>Department and service</p>	<p>Human Resources & Organisational Development</p>
<p>Date of assessment</p>	<p>19th January 2022</p>

STAGE 2: EVIDENCE AND IMPACT

Protected characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact See guidance on how to make judgement	Actions	Timescale and who is responsible
Age	<p>Our workforce demographics are as follows;</p> <ul style="list-style-type: none"> 16 – 19 years 0.48 per cent 20 – 24 years 3.49 per cent 15 – 29 years 7.21 per cent 30 – 34 years 7.54 per cent 35 – 39 years 9.26 per cent 40 – 44 years 11.2 per cent 45 – 49 years 13.03 per cent 50 – 54 17.1 years 55 – 59 years 16.3 years 60 – 64 years 10.7 per cent <p>The highest percentage of employees (15.31 per cent) fall within the 50-54 age bracket, while 38.76 per cent of all employees are aged 50 or over.</p> <p>The lowest percentage of employees (1.28 per cent) fall in the 16-19 age bracket.</p>	<p>No adverse impacts are anticipated. However, it is not known at this point if unconscious bias of individual hiring managers will affect recruitment.</p> <p>Sensitive information about agency workers is held by the agencies. Management information (MI) setting out the demographics of those employed by the agency will be provided and analysed on a quarterly basis.</p> <p>This information will support in assessing the demographics of agency workers coming in to the authority and allow the Council to take remedial action if required.</p> <p>Suppliers will be incentivised (through tiering) to provide accurate diversity data.</p>	<p>Human Resources & Organisational Development to monitor data and put in place remedial action if required.</p> <p>All those involved in recruitment panels will receive fair recruitment training.</p>	Human Resources & Organisational Development Duration of contract
Disability	A total of 113, or 4 per cent, of Council employees have	No adverse impacts are anticipated. However, it is not known at this point if	Human Resources & Organisational Development to monitor data and put in	Human Resources & Organisational Development Duration of contract

	<p>declared themselves as disabled.</p> <p>A large proportion, 42.73 per cent, have not declared their disability status.</p>	<p>unconscious bias of individual hiring managers will affect recruitment.</p> <p>Sensitive information about agency workers is held by the agencies. Management information (MI) setting out the demographics of those employed by the agency will be provided and analysed on a quarterly basis.</p> <p>This information will support in assessing the demographics of agency workers coming in to the authority and allow the Council to take remedial action if required.</p> <p>Suppliers will be incentivised (through tiering) to provide accurate diversity data.</p>	<p>place remedial action if required.</p> <p>All those involved in recruitment panels will receive fair recruitment training.</p>	
Religion or belief	<p>31.50 per cent of employees state they have no religion.</p> <p>29.62 per cent of employees are Christian (including Church of Scotland/Roman Catholic).</p> <p>33.91 per cent of employees have not declared their religious status.</p> <p>2.36 per cent of employees do not wish to declare this information.</p>	<p>No adverse impacts are anticipated. However, it is not known at this point if unconscious bias of individual hiring managers will affect recruitment.</p> <p>Sensitive information about agency workers is held by the agencies. Management information (MI) setting out the demographics of those employed by the agency will be provided and analysed on a quarterly basis.</p> <p>This information will support in assessing the demographics of agency workers coming in to the</p>	As above.	Human Resources & Organisational Development Duration of contract

		<p>authority and allow the Council to take remedial action if required.</p> <p>Suppliers will be incentivised (through tiering) to provide accurate diversity data.</p>		
Sex - including marriage, pregnancy and maternity	<p>The Council has a largely female workforce, with 63.53 per cent recorded as female and 36.47 per cent as male.</p> <p>The directorate with the biggest gender split is Children's Services, with 85.06 per cent female employees compared to 14.94 per cent male employees.</p>	<p>No adverse impacts are anticipated. However, it is not known at this point if societal norms or unconscious bias of individual hiring managers will affect recruitment.</p> <p>Sensitive information about agency workers is held by the agencies. Management information (MI) setting out the demographics of those employed by the agency will be provided and analysed on a quarterly basis.</p> <p>This information will support in assessing the demographics of agency workers coming in to the authority and allow the Council to take remedial action if required.</p> <p>Suppliers will be incentivised (through tiering) to provide accurate diversity data.</p>	<p>Where a day rate of pay will be used market research is required to ascertain what the market rate is to ensure that applicants are remunerated appropriately.</p> <p>Human Resources & Organisational Development to monitor data and put in place remedial action if required.</p> <p>All those involved in recruitment panels will receive fair recruitment training.</p>	Human Resources & Organisational Development Duration of contract
Gender reassignment	<p>Our Workforce Profile for 2020 does not currently include this information. Work is ongoing to ensure that the data we collect about our employees is appropriate.</p>	<p>No adverse impacts are anticipated. However, it is not known at this point if unconscious bias of individual hiring managers will affect recruitment.</p> <p>Sensitive information about agency workers is held by the agencies. Management information</p>	<p>Human Resources & Organisational Development to monitor data and put in place remedial action if required.</p> <p>All those involved in recruitment panels will receive fair recruitment training.</p>	Human Resources & Organisational Development Duration of contract

		<p>(MI) setting out the demographics of those employed by the agency will be provided and analysed on a quarterly basis.</p> <p>This information will support in assessing the demographics of agency workers coming in to the authority and allow the Council to take remedial action if required.</p> <p>Suppliers will be incentivised (through tiering) to provide accurate diversity data.</p>		
Race	<p>83.57 per cent of the Council's workforce have declared themselves to be White British.</p> <p>7.17 per cent of the Council's workforce have not declared their ethnic status.</p>	<p>No adverse impacts are anticipated. However, it is not known at this point if unconscious bias of individual hiring managers will affect recruitment.</p> <p>Sensitive information about agency workers is held by the agencies. Management information (MI) setting out the demographics of those employed by the agency will be provided and analysed on a quarterly basis.</p> <p>This information will support in assessing the demographics of agency workers coming in to the authority and allow the Council to take remedial action if required.</p> <p>Suppliers will be incentivised (through tiering) to provide accurate diversity data.</p>	<p>Human Resources & Organisational Development to monitor data and put in place remedial action if required.</p> <p>All those involved in recruitment panels will receive fair recruitment training.</p>	<p>Human Resources & Organisational Development</p> <p>Duration of contract</p>

Sexual orientation - including civil partnership	<p>56.06 per cent of employees have declared that they identified as heterosexual, with a total of 2.65 per cent declaring they identify as homosexual, bisexual, or have another sexual orientation.</p> <p>37.47 per cent of employees have not declared their sexual orientation, while 3.77 per cent have refused to provide the information.</p>	<p>No adverse impacts are anticipated. However, it is not known at this point if unconscious bias of individual hiring managers will affect recruitment.</p> <p>Sensitive information about agency workers is held by the agencies. Management information (MI) setting out the demographics of those employed by the agency will be provided and analysed on a quarterly basis.</p> <p>This information will support in assessing the demographics of agency workers coming in to the authority and allow the Council to take remedial action if required.</p> <p>Suppliers will be incentivised (through tiering) to provide accurate diversity data.</p>	<p>Human Resources & Organisational Development to monitor data and put in place remedial action if required.</p> <p>All those involved in recruitment panels will receive fair recruitment training.</p>	<p>Human Resources & Organisational Development Duration of contract</p>
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STAGE 3: ARE THERE ANY IMPLICATIONS FOR THE FOLLOWING? IF SO, PLEASE RECORD ACTIONS TO BE TAKEN

Local priorities	Implications	Timescale and who is responsible
Celebrate diversity and ensure that Plymouth is a welcoming city.	<p>Not applicable.</p>	<p>Not applicable.</p>
Pay equality for women, and staff with disabilities in our workforce.	<p>Sensitive information about agency workers is held by the agencies. Management information (MI) setting out the demographics of those employed by the agency will be provided and analysed on a quarterly basis. This information will support in assessing the demographics of agency workers coming in to the authority and allow the Council to take remedial action if required. Suppliers will be incentivised (through tiering) to provide accurate diversity data.</p>	<p>Human Resources & Organisational Development Duration of contract</p>

Supporting our workforce through the implementation of Our People Strategy 2020 – 2024	<p>The use of agency workers within the Council contributes to meeting the aims of the People Strategy by helping to ensure that the Council has a resilient workforce in place to meet the needs of residents.</p> <p>Human Resources & Organisational Development have developed mandatory equality and diversity training for new joiners to help them understand their equality and diversity responsibilities. The contract may be able to assist by sending relevant training information and links to workers on their start date to assist with their induction. Welcome packs/sheets will be provided agency workers induction which sets out the Council values and code of conduct.</p>	Human Resources & Organisational Development Duration of contract
Supporting victims of hate crime so they feel confident to report incidents, and working with, and through our partner organisations to achieve positive outcomes.	<p>The Council continues to work with its partners to reduce hate crime within the city. Where a victims of our hiring community has become aware of an incident of a victim themselves they will be appropriately supported.</p> <p>The contract provides procedural mechanisms for reporting such issues. There will be an internal policy providing guidance to hiring managers on the appropriate procedure for agency workers raising such issues. This will be supported by the contract terms which will also flow through to the supply chain of agencies.</p>	Human Resources & Organisational Development Duration of contract
Plymouth is a city where people from different backgrounds get along well.	Not applicable.	Not applicable.
Human rights Please refer to guidance	There are relevant clauses in the Yorkshire Purchasing Organisation framework contract to support this which states that suppliers must work in accordance with UK law.	HR and Procurement. The procurement activity and the implementation of the new contract.

STAGE 4: PUBLICATION

Responsible Officer – Kim Brown, Director of Human Resources & Organisational Development

Date 19th January 2022

Strategic Director, Service Director or Head of Service

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Cabinet



Date of meeting: 08 February 2022

Title of Report: **Compulsory Purchase Order Resolution at Bath Street West**

Lead Member: Councillor Patrick Nicholson

Lead Strategic Director: Anthony Payne (Strategic Director for Place)

Author: David Parkes

Contact Email: david.parkes@plymouth.gov.uk

Your Reference: Bath Street

Key Decision: No

Confidentiality: Part I - Official

1. Purpose of Report

This report seeks approval to make a Compulsory Purchase Order (CPO) to complete the land assembly at Bath Street which will enable the development of the site to progress

2. Recommendations

It is recommended that Cabinet agrees to:

1. implement a Compulsory Purchase Order, if required, pursuant to Section 226(1)(a) of the Town and Country Planning Act 1990 in respect of the Land to the West of Bath Street identified as PL30 in the Joint Local Plan (JLP) and shaded on Figure 1 below ("the Order Land")
2. delegate to the Service Director for Economic Development and Head of Legal Services the power to effect the making, confirmation and implementation of such a CPO and to take all necessary steps to give effect to the CPO in respect of the Order Land including, but not limited to, the following:
 - a) finalise a Statement of Reasons to properly reflect the Council's position regarding the proposed CPO so as to properly present the Council's case;
 - b) In making the CPO, the publication and service of any press, site and individual notices and other correspondence for such making;
 - c) acquire for planning purposes all interests in land and new rights within the Order Land as may be necessary to facilitate the Scheme, either by agreement or compulsorily, including entering into negotiations with any third parties for the acquisition of their land interests and/or for new rights over their land (as appropriate), the payment of compensation and dealing with any blight notices served in connection with the CPO;
 - d) approve agreements with land owners or statutory undertakers as applicable
 - e) make any additions, deletions or amendments to the plan at Appendix 1 and to seek any requisite modifications to the CPO and maps;
 - f) seek confirmation of the CPO by the Secretary of State (or, if permitted, by the Council pursuant to Section 14A of the Acquisition of Land Act 1981) (the 1981

- Act), including the preparation and presentation of the Council's case at any public inquiry which may be necessary;
- g) publication and service of notices of confirmation of the CPO and thereafter to execute and serve any general vesting declarations and/or notices to treat and notices of entry, and any other notices or correspondence to acquire those interests within the area;
 - h) referral and conduct of disputes, relating to compulsory purchase compensation, at the Upper Tribunal (Lands Chamber).
3. Delegates authority to the Service Director for Economic Development and the Service Director for Finance to approve the financial terms of the compensation arising.
 4. Authorises in accordance with section 122 of the Local Government Act 1972, the appropriation of land owned by the Council within the Order Land, to planning purposes pursuant to section 203 of the Housing and Planning Act 2016, so development may proceed without obstruction in respect of any claimed third-party rights.

Reasons : The purpose of the CPO is to secure the acquisition of all relevant interests in the Order Land.

Alternative options considered and rejected

A comprehensive development of this site as envisaged under policy PL30 of the Joint Local Plan could not proceed without securing the subject sites. Although every effort will be made to achieve a negotiated outcome it is appropriate that CPO action is considered at this stage as a fallback to such negotiations.

Relevance to the Corporate Plan and/or the Plymouth Plan

The scheme contributes to the Council's corporate policies of creating a vibrant economy, delivering jobs and will provide new homes in a sustainable setting with easy access to the City Centre and transport links.

HEA8 Meeting Local Housing Needs

The area between Bath Street and Martin Street is identified as an area suitable for comprehensive mixed use redevelopment encompassing residential, offices, small scale retail and cultural and community uses. Whilst the delivery of up to 300 new homes is envisaged under JLP policy PLY30 the more likely scale of development would be 100-150 affordable homes

INT3: Positioning Plymouth as a Major UK Destination

Bath Street provides an attractive pedestrian link from the waterfront and deep water docks at Millbay to the West End of the City Centre and provides the main access for visitors from cruise liners to the City. The development will establish a new street vernacular and, along with the new Moxy Marriot hotel, currently under construction, create a new identity for this area of the City Centre.

PLY6: Improving Plymouth's City Centre

Plymouth City Centre will be renewed and enhanced through a combination of major new developments, proactive management of change and support for community and trader led initiatives. This will deliver a modern, high quality, vibrant, accessible and adaptable centre that reflects its status alongside the waterfront as the showcase of Plymouth.

The West End of the City Centre is itself a key regeneration area that will be supported by development plans for a new combined health hub of 65,000 sq ft at Colin Campbell Court bringing 200 new jobs and over 2,500 visitors a day to the City. This is part of wider plans to significantly improve and regenerate the City Centre.

PLY30: Bath Street West

Land at Bath Street West is allocated for a comprehensive residential led mixed-use redevelopment. Uses which will be supported include residential, offices, small scale retail, cultural and community uses.

Implications for the Medium Term Financial Plan and Resource Implications:

Resources are already identified, allocated and in place and set out in Part II of this report.

Carbon Footprint (Environmental) Implications:

This is a highly sustainable location with access to alternative transport options, services and facilities within the City Centre. The developer will be encouraged to follow a sustainable development strategy subject to viability.

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

Seeking CPO action at this point is part of the project's risk mitigation strategy.

3. Appendices

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	8	9	10	11
1	Part II (Exempt-Commercially sensitive)											
2	Equalities Impact Assessment											

Background papers:

Title of any background paper(s)	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

Sign off:

Fin	pl.21.2 2.242	Leg	LS/38 021/A C/3/2 /22	Mon Off	Click here to enter text.	HR	Click here to enter text.	Asset s	Click here to enter text.	Strat Proc	Click here to enter text.
Originating Senior Leadership Team member: Anthony Payne											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 25/01/2022											
Cabinet Member approval: Approved verbally by Cllr Patrick Nicholson Date approved: 25/01/2022											

1. Purpose of Report

- 1.1. This report seeks approval to make a Compulsory Purchase Order (CPO) to complete the land assembly at Bath Street which will enable the development of the site to progress

2. Background

- 2.1. The Council recently invested £6m in public realm improvement works to transform Bath Street (Millbay Boulevard) in support of the regeneration of this area and improve links between Millbay and the City Centre. The Council's ambitions for regeneration of the area around Bath Street are captured in policies PLY30 (comprising the subject sites) and PLY31 (Plymouth Pavilions) of the Joint Local Plan (JLP)
- 2.2. Supporting this regeneration plan, the Council has already acquired the land to the north west of Bath Street outlined in red on Figure 1 comprising around 2 acres and is now seeking to complete the site assembly by acquiring the green and blue parcels.
- 2.3. The aspiration is to deliver between 100 to 150 new affordable homes along with associated infrastructure ("the Scheme"). The Council have selected their preferred development partner (PCH) who are now ready to move forward to deliver this.

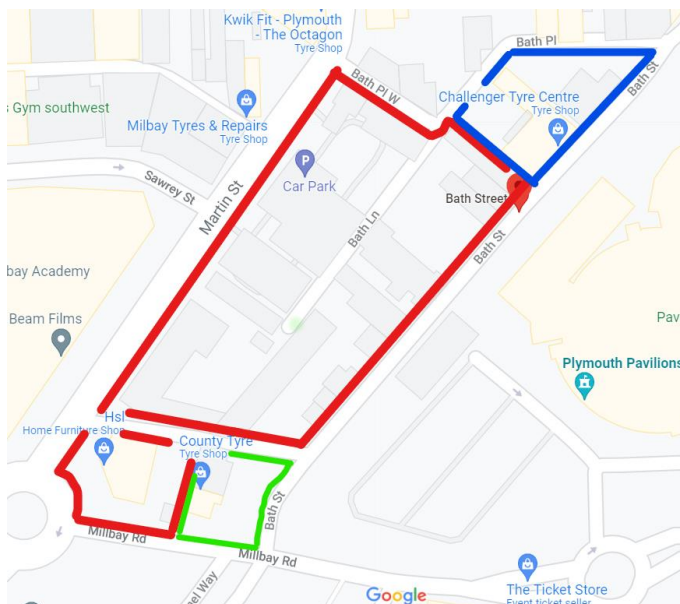


Figure 2

- 2.4. Site acquisitions have been supported by a loan from Homes England (previously Homes and Communities Agency) and some of this loan remains available to complete the site assembly. This will include:-

- the County Tyres depot, outlined in green on Fig 2,
- the area outlined in blue that includes the Challenger Tyres depot along with Shekinah and other minor interests,
- highways such as Martin Lane and Bath Lane along with any other residual interests.

- 2.5. Whilst negotiations continue and it is hoped that agreement can be reached directly with the respective parties, the Council needs to have confidence in being able to deliver vacant possession at the appropriate time to deliver the Scheme.

3. Reasons for this decision

- 3.1. The purpose of the CPO is to secure the acquisition of all relevant interests in the Order Land.

4. Statutory requirements

Practical negotiation

- 4.1. The Government's "Guidance on Compulsory purchase process and The Crichel Down Rules" (Ministry for Housing Communities and Local Government CPO Guidance July 2019) (the "CPO Guidance") at paragraph 17 states that acquiring authorities should provide evidence that meaningful attempts at negotiation have been pursued.
- 4.2. Compulsory purchase is a last resort and may not be necessary in this case if a settlement can be reached by negotiation. It is commonly acknowledged that a negotiated settlement usually produces the best results for both parties.
- 4.3. In this case the Council has made significant efforts to acquire all interests by voluntary agreement. The Guidance expects that the Council will be required to continue those efforts and detailed evidence of those further efforts should be available during the making of a CPO.

Funding

- 4.4. Funding for the scheme would need to be identified to demonstrate capacity to progress the scheme. In this case the funding for the initial feasibility and planning application phases of the project will be provided jointly by the Council and developer and this was sanctioned by the PCH board in November 2021. The developer will hold responsibility for the capital funding of the Scheme and will be applying for Affordable Housing Grant through Homes England.
- 4.5. It is anticipated that the cost of the land acquisitions would be funded through the residue of the Homes England loan that was provided for that purpose.

Legal

- 4.6. The compulsory purchase process is governed by law, principally the Acquisition of Land Act 1981. There is a public and lawful process which must be followed by the Council to secure the Secretary of State's confirmation of the CPO.
- 4.7. Under section 226(1)(a) of the Town and Country Planning Act 1990 the Council has the power, on being authorised to do so by the Secretary of State, to acquire compulsorily any land in their area if it thinks the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land. The Council must not exercise the power under section 226(1)(a) unless it thinks the development, re-development or improvement is likely to contribute to the achievement of any one or more of the following objects: (a) the promotion or improvement of the economic well-being of their area; (b) the

promotion or improvement of the social well-being of their area; (c) the promotion or improvement of the environmental well-being of their area.

- 4.8. The Guidance states that the Council must demonstrate a compelling case in the public interest and that the public benefits that will arise from the purpose for which the land is to be acquired i.e the Scheme outweighs the impact on those affected. On the basis of legal advice and the Guidance officers are of the view that such a compelling case can be demonstrated from the desirability of implementing the Scheme.
- 4.9. As outlined in this report The Scheme forms part of the wider regeneration plan for this area as outlined in policies PLY 30 and 31 of the adopted Joint Local Plan to provide a new gateway into the City Centre from Millbay Docks. Without the acquisition of the subject sites these regeneration plans would be significantly compromised and the adopted policy objectives would not be fulfilled.
- 4.10. The Council has been in contact and initiated discussions with those whose land and interests are required for the Scheme, and the preference remains to acquire the land and interests by agreement. However, without the use of compulsory purchase powers it may not be possible to acquire all of the required land and interests within a reasonable timeframe.
- 4.11. Those who wish to object to a CPO may do so and are entitled to request a public inquiry be held to consider the case for, and the objections to, the Order. Those whose land and interests are acquired will be entitled to compensation calculated on the basis of legislation and related case law.
- 4.12. The preparation of a CPO and related documents is a technical and complex area carrying a risk of challenge. The Council would retain experienced legal advice throughout the process.

Human Rights

- 4.13. Consideration must also be given to the interference of rights protected by the Human Rights Act 1998, including Article 8 (respect for private and family life and home) and Article 1 (the right to peaceful enjoyment of property) of the European Convention on Human Rights. A decision to make a CPO must strike a fair balance between the public interest associated with the regeneration of the land and interference with private rights.
- 4.14. Officers consider that there is a compelling case in the public interest for the exercise of the Council's CPO powers and that, as a result, any interference with the private rights of those affected as a result of the CPO is lawful, justified and proportionate.

5. Equalities and Diversity

- 5.1. The public sector equality duty under section 149 of the Equality Act 2010 requires the Council to have due regard to: (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; and (ii) the need to advance equality of opportunity between persons who share a protected characteristic and persons who do not share it.
- 5.2. Officers have taken this into account in the assessment of the CPO and Cabinet must be mindful of this duty when considering the recommendations in this Report.
- 5.3. The CPO by assisting with implementation of the Scheme will have a positive impact on equalities in general. To ensure that this is the case an Equalities Impact Assessment has been

prepared specifically with regards to making the CPO. The assessment has been appended to this report at Appendix 5. No potential equalities impacts have been identified at this stage, but monitoring will be required.

6. Alternative options considered and rejected

- 6.1. A comprehensive development of this site as envisaged under policy PL30 of the Joint Local Plan could not proceed without securing the subject sites. Although every effort will be made to achieve a negotiated outcome it is appropriate that CPO action is considered at this stage as a fallback to such negotiations.

7. Relevance to the Corporate Plan and/or the Plymouth Plan

- 7.1. The scheme contributes to the Council's corporate policies of creating a vibrant economy, delivering jobs and will provide new homes in a sustainable setting with easy access to the City Centre and transport links.

HEA8 Meeting Local Housing Needs

- 7.2. The area between Bath Street and Martin Street is identified as an area suitable for comprehensive mixed use redevelopment encompassing residential, offices, small scale retail and cultural and community uses. Whilst the delivery of up to 300 new homes is envisaged under JLP policy PLY30 the more likely scale of development would be 100-150 affordable homes

INT3: Positioning Plymouth as a Major UK Destination

- 7.3. Bath Street provides an attractive pedestrian link from the waterfront and deep water docks at Millbay to the West End of the City Centre and provides the main access for visitors from cruise liners to the City. The development will establish a new street vernacular and, along with the new Moxy Marriot hotel, currently under construction, create a new identity for this area of the City Centre.

PLY6: Improving Plymouth's City Centre

- 7.4. *Plymouth City Centre will be renewed and enhanced through a combination of major new developments, proactive management of change and support for community and trader led initiatives. This will deliver a modern, high quality, vibrant, accessible and adaptable centre that reflects its status alongside the waterfront as the showcase of Plymouth.*
- 7.5. The West End of the City Centre is itself a key regeneration area that will be supported by development plans for a new combined health hub of 65,000 sq ft at Colin Campbell Court bringing 200 new jobs and over 2,500 visitors a day to the City. This is part of wider plans to significantly improve and regenerate the City Centre.

PLY30: Bath Street West

- 7.6. *Land at Bath Street West is allocated for a comprehensive residential led mixed-use redevelopment. Uses which will be supported include residential, offices, small scale retail, cultural and community uses.*

8. Recommendations

It is recommended that Cabinet agrees to:

1. implement a Compulsory Purchase Order, if required, pursuant to Section 226(1)(a) of the Town and Country Planning Act 1990 in respect of the Land to the West of Bath Street identified as PL30 in the Joint Local Plan (JLP) and shaded on Figure 1 below ("the Order Land")

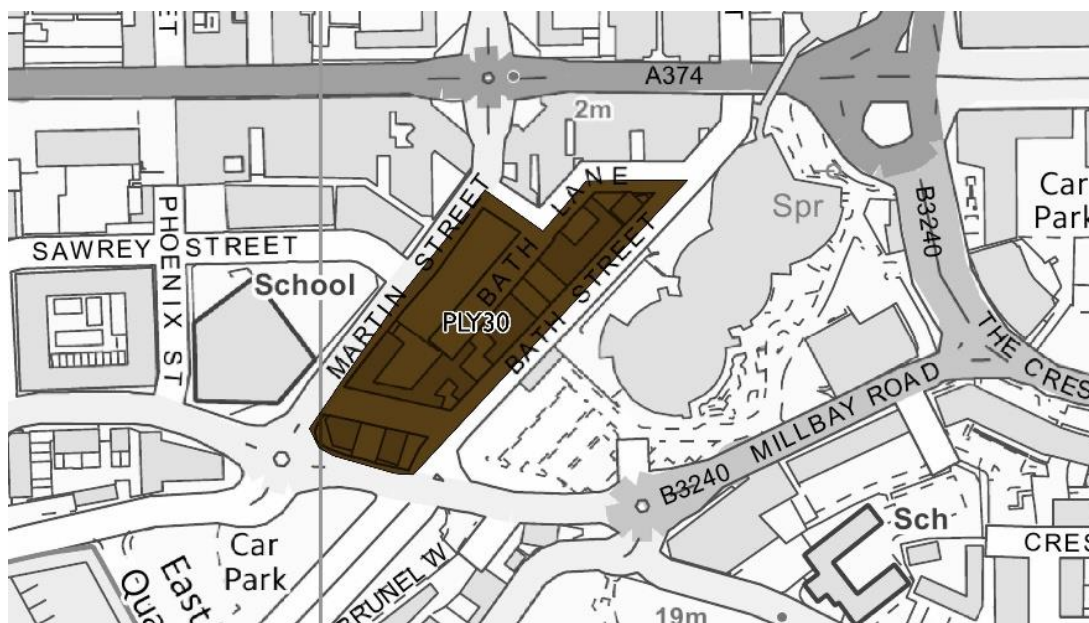
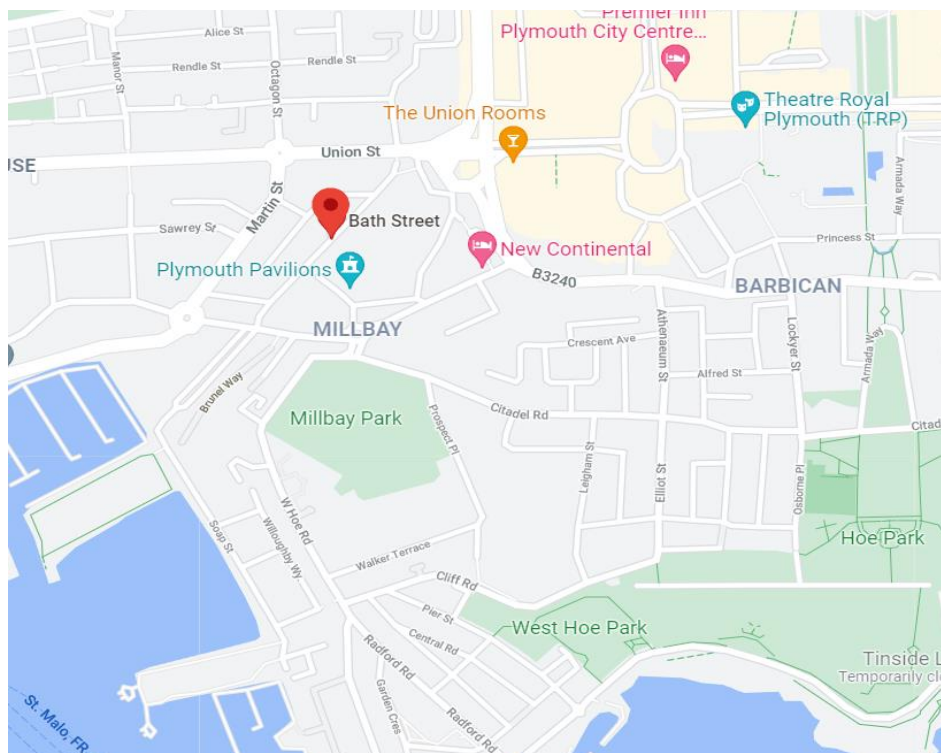


Figure 1

2. Delegate to the Service Director for Economic Development and Head of Legal Services the power to effect the making, confirmation and implementation of such a CPO and to take all necessary steps to give effect to the CPO in respect of the Order Land including, but not limited to, the following:
- finalise a Statement of Reasons to properly reflect the Council's position regarding the proposed CPO so as to properly present the Council's case;
 - In making the CPO, the publication and service of any press, site and individual notices and other correspondence for such making;

- c) acquire for planning purposes all interests in land and new rights within the Order Land as may be necessary to facilitate the Scheme, either by agreement or compulsorily, including entering into negotiations with any third parties for the acquisition of their land interests and/or for new rights over their land (as appropriate), the payment of compensation and dealing with any blight notices served in connection with the CPO;
 - d) approve agreements with land owners or statutory undertakers as applicable
 - e) make any additions, deletions or amendments to the plan at Appendix I and to seek any requisite modifications to the CPO and maps;
 - f) seek confirmation of the CPO by the Secretary of State (or, if permitted, by the Council pursuant to Section 14A of the Acquisition of Land Act 1981) (the 1981 Act), including the preparation and presentation of the Council's case at any public inquiry which may be necessary;
 - g) publication and service of notices of confirmation of the CPO and thereafter to execute and serve any general vesting declarations and/or notices to treat and notices of entry, and any other notices or correspondence to acquire those interests within the area;
 - h) referral and conduct of disputes, relating to compulsory purchase compensation, at the Upper Tribunal (Lands Chamber).
3. Delegate authority to the Service Director for Economic Development and the Service Director for Finance to approve the financial terms of the compensation arising
4. Authorise in accordance with section 122 of the Local Government Act 1972, the appropriation of land owned by the Council within the Order Land, to planning purposes pursuant to section 203 of the Housing and Planning Act 2016, so development may proceed without obstruction in respect of any claimed third-party rights.

EQUALITY IMPACT ASSESSMENT

Strategic Development Projects, Economic Development



STAGE 1: WHAT IS BEING ASSESSED AND BY WHOM?

What is being assessed - including a brief description of aims and objectives?	Proposal to use Compulsory Purchase Orders to progress the redevelopment of Bath Street West
Author	David Parkes
Department and service	Strategic Development Projects, Economic Development
Date of assessment	18.01.2022

STAGE 2: EVIDENCE AND IMPACT

Protected characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact See guidance on how to make judgement	Actions	Timescale and who is responsible
Age	None			
Disability	None			
Religion or belief	None			
Sex - including marriage, pregnancy and maternity	None			
Gender reassignment	None			
Race	None			
Sexual orientation - including civil partnership	None			

STAGE 3: ARE THERE ANY IMPLICATIONS FOR THE FOLLOWING? IF SO, PLEASE RECORD ACTIONS TO BE TAKEN

Local priorities	Implications	Timescale and who is responsible
Celebrate diversity and ensure that Plymouth is a welcoming city.	Regeneration will promote improvements to the built environment around the City Centre and increase access to affordable housing	PCH will lead the development
Pay equality for women, and staff with disabilities in our workforce.	No direct impact from the CPO process but PCH have a strong Equalities and Diversity background as partners to PCC in the delivery of this regeneration project.	
Supporting our workforce through the implementation of Our People Strategy 2020 – 2024	N/A	
Supporting victims of hate crime so they feel confident to report incidents, and working with, and through our partner organisations to achieve positive outcomes.	Improvements to the environment leading to better social and safety outcomes	PCH will lead the development
Plymouth is a city where people from different backgrounds get along well.	As above	
Human rights Please refer to guidance	As part of the process of using a Compulsory Purchase Order the Council has given consideration to human rights and the rights which tenants have associated with the use of the properties which they occupy. Notwithstanding these rights, it is considered that the benefits associated with the CPO justify the action proposed.	N/A

STAGE 4: PUBLICATION

Matt Ward

Date: 2 August 2021

Head of Service

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The following relates to exempt or confidential matters (Para(s) 3 of Part 1, Schedule 12A of the Local Govt Act 1972). Any breach of confidentiality could prejudice the Council/person/body concerned & might amount to a breach of the councillors /employees codes of conduct.

Document is Restricted

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