

# Public Document Pack

**BEST ACHIEVING**  
COUNCIL OF THE YEAR



**Barry Keel**  
Chief Executive

Plymouth City Council  
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Plymouth PL1 2AA

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Date: 5 December 2011

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## **CABINET**

**Date:** Tuesday 13 December 2011

**Time:** 2 pm

**Venue:** COUNCIL HOUSE, PLYMOUTH

**Members:**

Councillor Mrs Pengelly, Chair

Councillor Fry, Vice Chair

Councillors Ball, Bowyer, Brookshaw, Jordan, Michael Leaves, Sam Leaves, Monahan, Ricketts and Wigans.

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

Members and officers are requested to sign the attendance list at the meeting.

Please note that unless the chair of the meeting agrees, mobile phones should be switched off and speech, video and photographic equipment should not be used in meetings.

Barry Keel  
Chief Executive

# **CABINET**

## **AGENDA**

### **PART I – PUBLIC MEETING**

#### **1. APOLOGIES**

To receive apologies for non-attendance submitted by Cabinet Members.

#### **2. DECLARATIONS OF INTEREST**

Cabinet Members will be asked to make any declarations of interest in respect of items on this agenda.

#### **3. MINUTES**

**(Pages 1 - 12)**

To sign and confirm as a correct record the minutes of the meetings held on 15 and 29 November 2011.

#### **4. QUESTIONS FROM THE PUBLIC**

To receive questions from the public in accordance with the Constitution.

Questions, of no longer than 50 words, can be submitted to the Democratic Support Unit, Corporate Support Department, Plymouth City Council, Civic Centre, Plymouth, PL1 2AA, or email to [democraticsupport@plymouth.gov.uk](mailto:democraticsupport@plymouth.gov.uk). Any questions must be received at least five clear working days before the date of the meeting.

#### **5. CHAIR'S URGENT BUSINESS**

To receive reports on business which, in the opinion of the Chair, should be brought forward for urgent consideration.

### **CABINET MEMBERS: THE DEPUTY LEADER AND COUNCILLOR BOWYER**

#### **6. SITES PROPOSAL TO SUPPORT DELIVERY OF NEW AND AFFORDABLE HOUSING (Pages 13 - 20)**

The Director for Development and Regeneration submitted a written report on a proposal to dispose of sites following a fully compliant EU procurement process to support the delivery of new and affordable housing.

#### **7. HOUSING PLAN 2012 - 2017**

**(Pages 21 - 54)**

The Director for Development and Regeneration will submit a written report together with the draft Housing Plan 2012-2017 for approval as a consultation document.

## **CABINET MEMBER: COUNCILLOR BOWYER**

### **8. COUNCIL TAX BASE SETTING (Pages 55 - 60)**

The Director for Corporate Support submitted a written report on the Council tax-base for tax setting purposes in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 as amended by SI 2003/3181.

### **9. 2012/13 INDICATIVE BUDGET (REVENUE AND CAPITAL) ALLOCATED TO CORPORATE PRIORITIES (Pages 61 - 144)**

The Director for Corporate Support will submit a written report setting out Plymouth City Council's 2012/13 indicative revenue and capital budget. It builds on the income assumptions set out in the latest published Medium Term Financial Strategy and its impact on the Council Tax. The budget brings together the elements of the Council's income and expenditure strategy, summarised by each department, together with its capital strategy. It also reviews the impact on future revenue and capital plans for 2013/14 and 2014/15

### **10. 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(s) of business on the grounds that it (they) involve the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

## **PART II (PRIVATE MEETING)**

### **AGENDA**

#### **MEMBERS OF THE PUBLIC TO NOTE**

that under the law, members are entitled to consider certain items in private. Members of the public will be asked to leave the meeting when such items are discussed.

NIL.

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## Cabinet

**Tuesday 15 November 2011**

### PRESENT:

Councillor Mrs Pengelly, in the Chair.

Councillor Fry, Vice Chair.

Councillors Ball, Bowyer, Jordan, Michael Leaves, Sam Leaves, Ricketts and Wigans.

Also in attendance: Barry Keel (Chief Executive), Adam Broome (Director for Corporate Support), Carole Burgoyne (Director for Community Services), Anthony Payne (Director for Development and Regeneration), Peter Aley (Assistant Director for Safer Communities), David Draffan (Assistant Director for Economic Development), Patrick Hartop (Senior Policy Performance and Partnerships Adviser), Jo Hambly (Financial and Social Inclusion Officer), Patrick Knight (Business Improvement District Manager) and David Northey (Head of Finance).

Apology for absence: Councillor Monahan.

The meeting started at 2 pm and finished at 2.47 pm.

*Note: At a future meeting, the Cabinet 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.*

### 75. DECLARATIONS OF INTEREST

In accordance with the Code of Conduct, the following declarations of interest were made by Cabinet Members in relation to items under consideration at this meeting –

Name	Minute	Reason	Interest
Councillor Jordan	Minute 79 - Strategic Framework for Information and Advice Services (2012-15)	Director of Routeways	Personal
Councillor Mrs Pengelly	Minute 81 - Visitor Plan for Plymouth	Member of Destination Plymouth	Personal

### 76. MINUTES

Agreed that the minutes of the meeting held on 18 October 2011 are confirmed as a correct record.

77. **QUESTIONS FROM THE PUBLIC**

One question was submitted by the public, for this meeting in accordance with paragraph 10 of the Constitution, as set out below.

In the absence of Mr Sharpe, the question and the response was circulated and the written response would be provided to him.

<b>Question No</b>	<b>Question By</b>	<b>Cabinet Member</b>	<b>Subject</b>
12 (11/12)	Mr Sharpe	Cabinet Member for Community Services (Safer and Stronger Communities and Leisure, Culture and Sport)	Date of availability of Section 106 funding from the proposed Plymstock Quarry Development for a swimming pool at Sherford.
<p>Recently in the press it was announced that 106 funding from the proposed Plymstock Quarry Development would go towards a swimming pool connected to the Sherford Development on a site Plymstock Residents have not been consulted about.</p> <p>From what date will these funds be available from please?</p>			
<p><b>Response:</b>            Contributions from the Plymstock Quarry development will be made for the provision of off-site sports, recreation and open space and this will include contributions that will go towards the new swimming pool for Plymstock.</p> <p>As with the current nature of major developments it is not easy to give an accurate answer on calendar dates or timescales.</p> <p>However, the contributions will trigger on completion and/or occupation of new dwellings. The balance of all off site sport / recreation open space contribution will be paid by completion of 1390 dwellings. These triggers for payments are set in the Section 106 agreement.</p> <p>It is important to note that the swimming pool will be built by the end of the Sherford development Phase One with or without any of the triggers being reached at Plymstock Quarry.</p>			

78. **CHAIR'S URGENT BUSINESS**

There were no items of Chair's urgent business.

79. **STRATEGIC FRAMEWORK FOR INFORMATION AND ADVICE SERVICES**

The Director for Community Services submitted a written report indicating that -

- (a) the Council delivered a range of information and advice services relating to financial inclusion and adult social care, many of which were commissioned separately and related to different strategies;
- (b) following a review of the provision of services, and to update the Financial Inclusion Strategy 2009-12, it was proposed that an Information and Advice Services Strategic Framework was adopted;
- (c) the proposed framework would guide future commissioning and better align financial information and advice with adult social care advice giving services.

The Chair introduced the report and indicated that the proposals were supported by the Customer and Communities Overview and Scrutiny Panel.

Agreed that the Strategic Framework for Information and Advice Services (2012-15) is adopted, as submitted.

(Councillor Jordan, having declared an interest in the item, withdrew from the meeting.)

80. **PERFORMANCE AND FINANCE REPORT (INCLUDING CAPITAL PROGRAMME UPDATE) - CABINET DECISIONS**

The Corporate Management Team submitted the second monitoring report for 2011/12, outlining the performance and finance monitoring position of the Council as at the end of September 2011.

The report stated that -

- (a) the overall performance position continued to have no highly critical issues with 45 per cent of the performance indicators monitored in year on track, with a further 31 per cent just off track;
- (b) the areas requiring closer scrutiny were –
  - serious acquisitive crime;
  - increasing numbers of 16-18 year old young people who were not in education, employment or training (NEET);
  - numbers of children in the residential and independent sector foster care;
  - the cumulative average time to process new housing and Council tax benefit claims;
- (c) the Council was forecasting a revenue overspend at year end of £0.569m (previous report £1.294m) against a net revenue budget of £208.237m;
- (d) the main variations related to community services;

- (e) good progress had been made against the £15.742m revenue delivery plans set for 2011/12;
- (f) the Corporate Management Team had undertaken a full review of all Council reserves and recommendations were submitted to Cabinet;
- (g) the capital programme had been amended following approvals at the last meeting of the City Council on 10 October 2011 and further variations were being proposed for approval by the City Council on 5 December 2011.

Councillor Ricketts (Cabinet Member for Transformation, Performance and Governance) reported on the performance position and Councillor Bowyer (Cabinet Member for Finance, Property and People) reported on the current position of the revenue budget and capital programme.

Cabinet Members were advised that –

- (h) further monies were expected as a result of court proceedings in the Icelandic courts relating to investments in Icelandic Banks and that details of the settlement were awaited;
- (i) this report would be submitted to the Overview and Scrutiny Management Board for consideration;
- (j) following approval of the allocation of £1.3m for road repairs (see minute 80a below), a programme of proposed repairs would be drawn up and submitted to Cabinet for approval.

Agreed –

- (1) the variations to capital spend and re-profiling as detailed in Table 5 (and Appendix B);
- (2) the consolidation of the Capital Receipt Reserve balance of £19.056m into the regular capital receipts programme;
- (3) the budget virements as detailed in Table 8 of the report;
- (4) the consolidation of unrequired reserves, value £0.462m into the Invest-to-Save reserve.

**80a Performance and Finance Report (including Capital Programme update) - Recommendations to the City Council**

Further to minute 80 above,

the City Council is Recommended to –



- (5) approve the new capital schemes for investment as detailed in Table 6 below, amounting to £0.128m additional capital spend for 2011/12 and £1.795 for future years -

£000	£000	£000	£000	Schemes to be approved at December Council
11/12	12/13	13/14	14/15	
-	1,571	-	-	Academies – additional funding from Central Government
74	-	-	-	Prospect Row Play Area
30	-	-	-	Environmental Survey Works
-	50	-	-	St Budeaux Multi Use Games Area
24	-	-	-	Bretonside and Notte Street Improvement Works
-	174	-	-	Traffic Improvements
<b>128</b>	<b>1,795</b>	<b>0</b>	<b>0</b>	<b>Total on New Schemes to be approved at December Council</b>

- (6) allocate £1.3m from the revised Revenue Invest-to-Save reserve for the provision of an ICT Data Centre at Windsor and £1.3m to road repairs in the City.

## 81. VISITOR PLAN FOR PLYMOUTH

The Director for Development and Regeneration submitted a written report indicating that

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- (a) in April 2010, the City Council approved the Place Management Strategy which gave Destination Plymouth responsibility for driving the City's visitor economy;
- (b) Destination Plymouth had decided that the City needed a Visitor Plan to determine Plymouth's potential as a visitor destination and set out aspirations and the direction of travel to 2026;
- (c) the Visitor Plan was prepared using Blue Sail, specialist destination consultants, who had consulted widely with visitor economy businesses and other stakeholders;
- (d) the City Council was asked to approve the Visitor Plan to ensure that its resources were effectively aligned and that there was a coherent framework for Destination Plymouth's detailed delivery plans, which included a business plan, marketing plan and an events plan.

Councillor Fry (Cabinet Member for Planning, Strategic Housing and Economic Development) introduced the report which aimed to increase visitors and visitor spend.

The Assistant Director for Economic Development also reported on the proposals indicating that the plans were fully funded, with a third of the resources being funded by the City Council, from within existing resources. It was also confirmed that the Council's partners had been fully engaged in the proposals and process.

Cabinet Members were also advised that the decision was a key decision to be taken by Cabinet and did not require approval by the City Council.

Agreed -

- (1) the Visitor Plan to be led and coordinated by Destination Plymouth and delivered in partnership with Plymouth City Council and other city stakeholders;
- (2) the development of European, Heritage Lottery Fund and other required bids to deliver the Visitor Plan.

(Councillor Mrs Pengelly declared an interest in the above item and did not vote on the decision.)

82. **A BUSINESS IMPROVEMENT DISTRICT FOR THE PLYMOUTH WATERFRONT**

The Director for Development and Regeneration submitted a written report -

- (a) setting out the emerging private sector Business Improvement District (BID) proposal for Plymouth's waterfront, currently being developed by the Plymouth Waterfront Partnership with the support of the City Council;
- (b) detailing the Council's financial support for the BID and commitment to establish baseline agreements for the City Council's existing services within the BID area;
- (c) indicating that any business contributions through the BID would be effectively additional investment over and above the support made by the City Council;
- (d) stating that the Board of the Plymouth Waterfront Partnership had recently taken the decision to proceed to a BID ballot following extensive consultation with businesses and independent market research;
- (e) advising that the Plymouth Waterfront Partnership would provide leadership and management and be directly accountable to waterfront businesses for the delivery of the BID business plan, working in partnership with the City Council, Destination Plymouth, the Police Authority, Plymouth University and other public agencies to benefit businesses located within the waterfront area;

- (f) indicating that the Plymouth Waterfront Partnership had yet to decide on the precise BID boundary area.

Councillor Fry (Cabinet Member for Planning, Strategic Housing and Economic Development) introduced the report and Cabinet Members were advised that –

- (g) the City Council would commit match funding of £3m comprising £2m of existing services and £1m of income;
- (h) the BID was not a bid made by the Council;
- (i) following a press report relating to the public relations' value of the America's cup to the city, the Assistant Director for Economic Development would report the final figure to Cabinet prior to Christmas.

Agreed –

- (1) that the principles and overall approach of the draft Waterfront BID Business Plan 2012-2017 are endorsed;
- (2) the City Council's existing and new financial, match and in kind contributions (totalling £3,157,000) and continued commitment to support the waterfront BID at existing levels through the proposed BID contract for the provision of services within the Waterfront BID area;
- (3) that the Chief Executive is authorised to instruct a Ballot Holder to undertake a ballot of appropriate businesses with the Waterfront BID area;
- (4) that authority is delegated to the Chief Executive to vote on behalf of the City Council in the Waterfront BID ballot;
- (5) that authority is delegated to the Chief Executive to approve the Waterfront BID contract provided that it accords with the general principles set out in the report submitted;
- (6) that Plymouth Waterfront Partnership will be made responsible for managing street trading activity within the Waterfront Business Improvement District area, with any surpluses generated from street trading, café licenses, events, fairs, festivals being transferred from Plymouth City Council to the Plymouth Waterfront Partnership following the end of each financial year;
- (7) that the City Council may assist the Plymouth Waterfront Partnership with cash flow over the initial six months of its new BID;

- (8) that the Overview and Scrutiny Management Board is requested to insert into their scrutiny work programme, a review of the BID proposals with a view to making a recommendation to the City Council regarding exercising its power of veto.

## **Cabinet**

**Tuesday 29 November 2011**

### **PRESENT:**

Councillor Mrs Pengelly, in the Chair.

Councillor Fry, Vice Chair.

Councillors Ball, Bowyer, Jordan, Michael Leaves, Sam Leaves, Monahan, Ricketts and Wigans.

Also in attendance: Barry Keel (Chief Executive), Adam Broome (Director for Corporate Support), Carole Burgoyne (Director for Community Services) and Anthony Payne (Director for Development and Regeneration).

The meeting started at 2.00 pm and finished at 2.15 pm.

*Note: At a future meeting, the Cabinet 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.*

### 83. **DECLARATIONS OF INTEREST**

There were no declarations of interest in accordance with the code of conduct from councillors in relation to items under consideration at this meeting.

### 84. **CHAIR'S URGENT BUSINESS**

There were no items of Chair's urgent business.

### 85. **TREASURY MANAGEMENT STRATEGY UPDATE**

The Director for Corporate Support submitted a report setting out proposed amendments to the Council's current treasury management strategy, incorporating an update on current economic influences on world banking institutions, together with the most recent advice from the Council's independent treasury management advisors, Arlingclose.

The report stated that a fully revised treasury management strategy, incorporating the proposed changes, would be submitted for approval by the Audit Committee in January 2012.

Councillor Bowyer (Cabinet Member for Finance, Property and People) introduced the proposals and the Director for Corporate Support reported on the measures taken to reduce the financial risk.

Agreed –

- (1) the reduction in the minimum long term rating to be used for investments from A+ or equivalent to A- or equivalent;

- (2) the continued use of Co-op bank as the Council's bankers for the short term liquidity and business continuity arrangements.

86. **HISTORY CENTRE AND UNIVERSITY TECHNICAL COLLEGE - Cabinet decision**

The Director for Corporate Support submitted a written report indicating that –

- (a) the second phase of the Accommodation Strategy reflected the anticipated relocation of the history centre to the vacant Parkside Community College;
- (b) following the transfer of the Royal William Yard estate to the City Council and given the historical context of the yard and the heritage value associated with the buildings, there was an opportunity to relocate the history centre to the Factory Cooperage at the yard;
- (c) to make better use of Council resources, the Schools' Library Service and library could be relocated to the Skills Centre at Camels Head;
- (d) the former Parkside Community College site could be used for a University Technical College.

Councillor Jordan (Cabinet member for Community Services (Safer and Stronger Communities and Leisure, Culture and Sport) introduced the proposals.

Agreed that subject to the amendment of the Accommodation Strategy Phase 2, approval is given to -

- (1) the development of proposals to locate the history centre at the Factory Cooperage building within the Royal William Yard. This requires that the £2m funding presently allocated to the History Centre scheme remains allocated to the scheme and in its new location;
- (2) the use of Parkside Community College as a University Technical College.

(See also minute 86a below)

**86a History Centre and University Technical College - Recommendation to the City Council**

Further to minute 86 above,

the City Council is Recommended to amend the second phase of the Accommodation Strategy to reflect the proposals in minute 86 (1) and (2) above.

87. **EXEMPT BUSINESS**

Agreed that under Section 100(A)(4) of the Local Government Act, 1972, the press and public be excluded 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.

88. **SALE OF PICKLECOMBE COTTAGE - MOUNT EDGCUMBE (E3)**

Cabinet received the written report of the Director for Community Services on a proposal for the sale of Picklecombe Cottage at Mount Edgcumbe Country Park.

Councillor Jordan (Cabinet Member for Community Services (Safer and Stronger Communities and Leisure, Sport and Culture)) reported that the offer had been subsequently withdrawn and the Chair withdrew the item.

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**PLYMOUTH CITY COUNCIL**

**Subject:** Sites proposal to support delivery of new and affordable housing

**Committee:** Cabinet

**Date:** 13 December 2011

**Cabinet Member:** Councillors Fry and Bowyer

**CMT Member:** Director for Development and Regeneration

**Author:** Stuart Palmer Assistant Director Strategic Housing

**Contact:** Tel: 01752 306716  
Email: [stuart.palmer@plymouth.gov.uk](mailto:stuart.palmer@plymouth.gov.uk)

**Ref:**

**Key Decision:** Yes

**Part:** Part I

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**Executive Summary:**

As part of the Plymouth Growth Fund report to Cabinet on 29<sup>th</sup> March 2011, Cabinet agreed the use of all of the Local Housing Company allocated sites in support of Registered Provider's bids for the new affordable housing funding framework, to be delegated to the Assistant Director Strategic Housing in consultation with the Portfolio Holders for Planning, Strategic Housing and Economic Development, and Finance, Property, People and Governance.

The rationale to allocate these site assets to our Housing Association / Registered Provider partners was to ensure they made competitive bids to the Homes and Communities Agency Affordable Homes Programme 2011 – 2015, and deliver greater inward investment for Plymouth from a smaller national pot. It will also maximize the New Homes Bonus for the city over the six years the scheme applies.

The use of sites to deliver housing has been used previously with land at nil value. The proposal was to realise a capital receipt and deliver new homes. However, the Head of Legal Services has identified a legal risk with this process. The risk has arisen following recent EU court decisions. The main risks surround the issues of the Council 'specifying works' over and above our normal planning policy requirements and the opportunities for building housing for sale not going to the wider market, therefore creating a risk of challenge from other housing providers and developers. The law regards this as the Council "procuring" works and the normal procurement rules therefore apply.

As a result we are required to go down an EU compliant tender process for these sites, offering the development opportunities to the wider open market, whilst importantly still specifying our new and affordable housing requirements to ensure an improved range and mix of homes to meet our housing needs.

The funding environment and delivery mechanisms set out in the new Government's Affordable Housing Framework requires a more responsive and flexible approach from the City Council if we are to secure investment specifically in Plymouth for new homes as funding for new affordable housing is not area specific.

We therefore need to use our housing sites strategically to kick start a sluggish housing market. Reduced public expenditure will require a greater reliance on private sector funding and the use of Council land assets to attract funding and enable the delivery of new homes we need to support housing and economic growth.

This use of City Council land assets will lever in much needed external funding and investment from a much smaller pot to support new homes delivery in the current slow housing market. This will in turn generate and maximise the New Homes Bonus to support the Growth Fund and our priority of delivering growth.

Overall we expect the sites to deliver upwards of 470 new homes. This will maintain housing delivery to current targets, and the accumulation of New Homes Bonus to support the Council's growth aspirations. It will realise a capital receipt in excess of £3.0m to support the Council's Capital Programme priorities. These are currently shown as part of the capital receipts schedule estimates and have been taken account of in the current monitoring reports.

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### **Corporate Plan 2011– 2014:**

This report focuses on the delivery of growth in the city which is one of the four key priorities adopted by the Council and its partners.

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

The disposal of earmarked Local Housing Company sites and former school and community centre sites will provide the city with a capital receipt to support the Council's capital programme over the next year, lever in significant external funding and investment, and support new homes delivery, which will in turn generate and maximise the New Homes Bonus to support the Growth Fund. The capital receipts are currently shown as part of the capital receipts schedule estimates and have been taken account of in the current monitoring reports.

It is proposed that the costs of providing the new playing pitches at Bond Street, and the associated changing facilities and car parking, will be met from the capital receipts received over and above those already budgeted for, from the whole school site disposals and any associated S106 contributions from enabling development.

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### **Other Implications: e.g. Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:**

The housing specifications for these sites will ensure a wide mix of housing type and size will be delivered to meet the housing needs of a range of households including: larger families; older people; households with disabilities; promoting quality housing in successful, cohesive communities.

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### **Recommendations & Reasons for recommended action:**

Cabinet is recommended to:

Delegate authority to the Assistant Director Strategic Housing, in consultation with the Portfolio Holder for Planning, Strategic Housing and Economic Development and Portfolio Holder for Finance, Property, People and Governance to dispose of the sites following a fully compliant EU Procurement process to support the delivery of new and affordable housing.

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

Failure to use Council land assets in this way would reduce our ability to deliver new and affordable housing . A standard sale with no control on the delivery of homes could mean that sites remain mothballed until the market improves. This would have an immediate negative effect on the new homes bonus the Council could achieve. Sitting on the sites would mean a much lower number of homes delivered, and the loss of New Homes Bonus. There are also potential costs in managing homelessness and housing need, which is increasing, and the impact of families living in poor and overcrowded housing on other services.

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**Background papers:**

Plymouth Growth Fund Cabinet Report –29<sup>th</sup> March 2011

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**Sign off:**

Fin	DevF111 20038a	Leg	13337/ ALT	HR		Corp Prop	CJT / 086 / 181111	IT		Strat Proc	
Originating SMT Member: Stuart Palmer											

## **1.0 Background**

1.1 As part of the Plymouth Growth Fund report to Cabinet on 29<sup>th</sup> March 2011, Cabinet agreed the use of all of the Local Housing Company allocated sites in support of Registered Provider's bids for the new Affordable Housing funding framework, to be delegated to the assistant Director Strategic Housing in consultation with the Portfolio Holders for Planning, Strategic Housing and Economic Development, and Finance, Property, People and Governance.

1.2 Those un-specified sites being former housing and school sites earmarked for Local Housing Company purposes to support new and higher levels of affordable housing delivery, new homes for sale and support estate regeneration. The value of these sites was intended to be recycled to create more homes.

1.3 A key driver in March 2011 was to allocate these site assets to our Housing Association/ Registered Provider partners in support of them achieving competitive bids to the Homes and Communities Agency Affordable Homes Programme 2011 – 2015; maximizing our share of the national funding pot over the next four years and help continue our housing development pipeline. We are still awaiting the outcome of the bid round.

1.4 The sites were packaged up with detailed specifications and we invited expressions of interest from our Housing Association partners through the Plymouth Housing Development Partnership. The sites were then allocated based upon each Housing Association's ability to meet our housing requirements and specification, and their ability to pay the capital receipt expected by the Council.

1.5 This is the process the Council had previously used to dispose of council owned sites to our Housing Association partners - albeit normally for 100% affordable housing schemes with land disposed at nil value.

## **2.0 EU procurement compliance**

2.1 The Head of Legal Services has identified a legal risk with this process. The risk has arisen following recent EU court decisions. The main risks surround the issues of the Council 'specifying works' over and above our normal planning policy requirements and the opportunities for building housing for sale not going to the wider market - therefore a risk of challenge from other housing providers and developers. The law regards this as the Council "procuring" works and the normal procurement rules therefore apply.

2.2 As a result we would need to go down an EU compliant tender process for these sites, offering the development opportunities to the wider open market but importantly still specifying our new and affordable housing requirements which will include: ensuring delivery of policy or above levels of affordable housing; improved housing mix to increase numbers of larger family homes; Extra Care housing for older people; increased levels of Lifetime Homes and disability units; opportunities to encourage downsizing to help tackle under occupation.

2.3 Evaluation of the tenders will follow scoring criteria that will consider how far the bid meets delivery of our housing specification, and also the capital receipt expectations.

2.4 Underpinning the process will be the requirement for the successful bidders to effect a start on site within a reasonable period to ensure the sites deliver new homes in the current inert housing market and are not land banked and stalled; thus ensuring the achievement of more New Homes Bonus to support Plymouth Growth Fund.

### 3.0 Site Packages

3.1 The sites included in this proposal are;

Site	Number of homes approx	Status
<b>Package 1</b>		
Former Ernesettle Community Centre	40	Cleared site
Maidstone Place Garage site	4	Cleared site
<b>Package 2</b>		
Former West Park Primary School	44	Cleared site
Former Southway Primary School	120	Cleared site Requires S77 consent to release playing fields
<b>Package 3</b>		
Former Woodlands and Hillside School	80	Cleared site
Former Whitleigh Youth Centre	4	Cleared site
Former Whitleigh Care Home	12	Building remains
<b>Package 4</b>		
Former Tamerton Vale School	120	Cleared site Requires S77 consent to release playing fields
Former Astor Centre	16	Cleared site
<b>Package 5</b>		
PLUSS	30	Building remains
<b>Estimated Totals</b>		
	<b>470 homes</b>	

3.2 There are ten sites across five packages and we have parcelled them up so that the more difficult low value sites get delivered too. No value is currently anticipated on three of the sites as they were originally earmarked for the Local Housing Company model at nil cost.

3.3 Each site will have a detailed specification of our housing and other requirements, including expected timescales for a start on site, supported by Site Planning Statements on the larger opportunities, to be delivered by the successful bidder. This process ensures we have an increased control over what development takes place and when, ensuring a range of new and affordable housing to meet our identified housing needs.

3.4 At the former Ernesettle Community Centre site we are proposing 40 units of Extra Care Housing for older people in line with our Older Person's Strategy /Adult Social Care plans. As part of our financial contribution to support this development we would need to dispose of the site at nil cost.

#### **4.0 Reprovision of Playing Pitches**

4.1 At the former Southway Primary School and the former Tamerton Vale School sites we will be seeking Section 77 consent from the Secretary of State to allow development on the associated playing pitches. When a school site becomes surplus to requirements either as a result of closure, amalgamation or consolidation, consideration must be given to the disposal, or change of use, of the playing fields that had been provided for it.

4.2 The Plymouth Playing Pitch Strategy forms a key evidence base for the Local Development Framework in relation to all policies and proposals relating to playing pitches. Plymouth City Council's Core Strategy Objective 15 (Delivering Community Well-being) – Policy CS30 aims to protect and improve the city's sport and leisure facilities through supporting the implementation of the city's Sports Plan 2020, the Sports Facility Strategy and the Playing Pitch Strategy so as to promote healthy and active lifestyles.

4.4 The policy makes clear the need to safeguard and improve the provision of playing fields in light of the fact that Plymouth as a whole was underprovided for. As a consequence any further erosion in provision was considered likely to be unacceptable. However, proposals to reconfigure provision through development could be acceptable provided always that such development led to substantial enhancement in the quality and distribution of playing pitches and sports facilities and improvements in accessibility for users

3.5 After consultation with Park Services and Culture, Sport and Leisure we have an internal consensus agreement that mitigation for the loss of school playing fields could be met with new facilities at Bond Street in Southway. Bond Street is a large area of open space, currently maintained by Park Services, that has accommodated football in the past. However, ground conditions and lack of changing facilities has left the site redundant.

3.6 We propose, subject to the feasibility report commissioned with the Sports Turf Research Institute (STRI) to enhance this site with drainage, levelling, car parking and changing rooms and to include a football pitch that was previously on the Southway Primary School site. This would then lend the whole site as a football community hub which had playing pitches of various dimension and would be suitable for a range of age groups from mini soccer through to adult football.

3.7 The Plymouth and West Devon Senior Football Combination League, the Devon Junior and Minor Football League, the Devon Football Association have all been consulted and each has given support. Sport England have also given their provisional support.

## **4.0 Financial Implications**

4.1 The disposal of earmarked Local Housing Company sites and former school and community centre sites will provide the city with a capital receipt, and also utilises more difficult development sites which have a low or nil land value; in consultation with Head of Capital and Assets with reference to the Capital receipt schedule expectations. There is also a potential additional receipt on three sites which are not currently budgeted for within the capital programme.

4.2 The funding environment and delivery mechanisms set out in the new Affordable Housing Framework require a more responsive and flexible approach if we are to secure investment to deliver much needed new homes. Reduced public expenditure will require a greater reliance on private sector funding and the use of Council land assets to enable delivery of homes we need to support housing and economic growth.

4.3 This use of city council land assets will lever in external funding and investment, and support new homes delivery in the current slow housing market. This will, in turn, generate and maximise New Homes Bonus to support the Growth Fund. It will also ensure the productive use and sale of our land, which currently is unlikely to progress within current housing market conditions.

4.4 It is proposed that the costs of providing the new playing pitches at Bond Street, as identified by the STRI report, and the associated changing facilities and car parking will be met from the additional capital receipts, over and above the amounts currently on the capital receipts schedule, from the whole school site disposals at Southway Primary School and Tamerton Vale Primary School, and any associated S106 contributions from enabling development.

## **5.0 Timetable**

Cabinet consider recommendation to sign off procurement process for named sites: 13<sup>th</sup> December  
Contract notice (advert of site packages): 16<sup>th</sup> January 2012 (subject to no call in)

Evaluation of tenders: 11<sup>th</sup> April 2012

Paper to Capital Delivery Board for consideration of tender offers: 20<sup>th</sup> April 2012

## **6.0 Decision required**

Cabinet is asked to;

Delegate authority to the Assistant Director Strategic Housing, in consultation with Portfolio Holder for Planning, Strategic Housing and Economic Development and Portfolio Holder for Finance, Property, People and Governance to dispose of the sites following a fully compliant EU Procurement process to support the delivery of new and affordable housing.

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**PLYMOUTH CITY COUNCIL**

**Subject:** Housing Plan 2012-17  
**Committee:** Cabinet  
**Date:** 13 December 2011  
**Cabinet Member:** Councillor Fry  
**CMT Member:** Director for Development and Regeneration  
**Author:** Stuart Palmer, Asst. Director Strategic Housing  
**Contact:** Tel: 01752 306716  
e-mail: stuart.palmer@plymouth.gov.uk  
**Ref:**  
**Key Decision:** Yes  
**Part:** I

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**Executive Summary:**

Our current Housing Strategy 2008-11 has driven real improvements across the city, delivering £250M investment to improve the homes of 15,500 former council tenants, and over £100m to deliver record numbers of new affordable homes.

Our plan is now out of date and now needs replacing with refreshed and renewed priorities and objectives to meet the changes in policy, funding and the current economic climate. The Government have recently published a new national housing strategy, 'Laying the Foundations', and this is an ideal time to evaluate which initiatives within this plan will be beneficial for the city to respond to.

During the year we have worked with our partner agencies across all sectors to ensure that we capture ideas on how we can tackle the challenges of the next five years in delivering growth, tackling inequalities, lifting aspirations and developing successful communities.

Rather than replicate the existing format of a suite of five separate strategies and plans, we are proposing one Housing Plan with four themes, each with four priority objectives to align with the city priorities.

For each theme we aim to develop action focused delivery plans, which are measurable, flexible and responsive to changes over the five years of the plan, to hold to account all agencies in the delivery of priority objectives. This should meet our statutory requirements for specific strategies e.g. Homelessness Strategy.

The attached proposed consultative draft plan has been formed through multi-agency, cross sector task and finish groups, to ensure that they link with other plans and priorities in the city.

The government has published a national housing strategy, and the timing is ideal to enable consideration of any proposals relevant to Plymouth, together with a review of available resources before any revisions are made following consultation.

The aim is to bring the final plan before the council in the new year, following consultation, for adoption.

The challenges for the council and its partners are significant in the current economic climate, and we cannot do everything. The plan focuses on key areas where collectively we can make significant progress towards our city vision.

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**Corporate Plan 2011-2014:**

The plan directly supports the vision for the city and our agreed priorities around growth including new homes and jobs, tackling health inequalities especially in areas of deprivation, supporting aspirations, and developing successful communities.

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

The plan will be a key focus for supporting investment bids, and guiding spending plans when substantial reductions in public sector funding for housing are now challenging our services.

Homeless Prevention Grant needs a focus for spend to reduce the incidence of people losing their homes, and our capital investment equally needs to target those projects which make a transformational change to the city.

The Plan proposes the strategic use of assets and land, to lever in additional extended and private investment, deliver new homes, and maximise New Homes Bonus to fund growth and regeneration.

Some resources and funding are not yet clear, and the action plans need to be flexible and responsive to opportunities as they arise.

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**Other Implications: e.g. Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:**

Delivery Plans will go through a risk evaluation and Equality Impact Assessment prior to their adoption.

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**Recommendations & Reasons for recommended action:**

It is recommended that cabinet

1. Approve the draft Housing Plan for consultation until 13<sup>th</sup> February 2012.

Reason – to ensure that we capture a wide range of views and consensus on our strategic housing policy direction, and consider proposals in the National Housing Strategy.

2. Instruct officers together with the Portfolio Holder for Planning, Strategic Housing and Economic Development to make appropriate amendments and responses to consultation findings, prior to bringing the revised Plan to the Cabinet and Council for adoption in March 2012.

Reason – to ensure that we take account of the wide range of views and responses to our draft plan

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

We have a statutory requirement to develop a number of separate housing related strategies and plans and could still do so. It is proposed that we develop one master plan and delivery plans action specific as an alternative, streamlined and more focused approach.

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**Background papers:**

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**Sign off:**

Fin	DevF11 120037	Leg	13363/ NJ	HR		Corp Prop		IT		Strat Proc	
Originating SMT Member											

## 1.0 Introduction

- 1.1 Good quality housing in thriving communities is essential to achieving Plymouth's Vision, 'To be one of Europe's finest, most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone.'
- 1.2 This consultation draft Housing Plan sets out how partners across the city can work towards this city vision for its homes and communities over the next five years. It replaces five current separate strategies which are now out of date or at the end of their intended scope. Together with clear action focused delivery plans, this approach will also meet the City Council's statutory strategy requirements.
- 1.3 Plymouth offers a good quality of life for the majority that live and work here. But it is also a place where some residents are disadvantaged and don't have equal access to a home that they can afford in an attractive environment. It experiences symptoms of higher than average UK rates of homelessness, and vulnerable people with wide health inequalities and worklessness. The city includes a number of areas within the nation's highest locations of deprivation, often combined with poor housing conditions.
- 1.4 In comparison with the UK and much of the South West Plymouth has relatively:
- Lower levels of owner occupation and higher levels of private rented and social rented homes
  - Marked differences in house prices to buy or rent from one part of Plymouth to another
  - Less affordable homes than much of the UK because of the low wage base
  - More older privately owned or rented properties in poor standard or failings basic tests
  - Higher concentrations of poorly maintained and fuel inefficient private housing occupied by older and vulnerable, low income people
  - More poor standard social rented homes needing renewal and regeneration in mono tenure estates
  - Higher numbers of larger families with complex needs, impacting negatively on their communities
  - High social and financial exclusion in a low waged economy, with significant worklessness and child poverty.
  - Significant demand for privately rented homes, and those in multiple occupation from both students and local people
- 1.5 Plymouth is feeling the effects of the economic downturn, with public resources reduced and with constrained development and limited access to mortgage finance. Household budgets are being squeezed with fuel, food and housing costs are rising. Our challenges ahead are significant. Our responses need to be equally innovative, robust and focused.
- 1.6 This Plan has four key housing themes each containing four priority objectives with suggested actions through which we aim to address the wider housing needs of the City. Each theme reflects on the evidence base on the issues we need to tackle and the actions were developed with partners. Clearly we will need to evaluate all realistic options to meet our objectives but they must be deliverable.

- 1.7 The council has delivered significant achievements and investment in both new and existing homes for local people. The Plan briefly itemises some of the outcomes driven by the current Housing Strategy 2008 – 11. It also shows the pressing housing challenges which now face the city and its residents. The final document will include a glossary of special and technical phrases to aid a wider understanding

### 2.0 Our Key Housing Themes – and priority objectives

- 2.1 The Housing Plan has four key themes which set out the strategic housing objectives that work towards the shared City and Council vision and priorities:
- **Growing the City** - Contributing to the economic prosperity, physical regeneration and growth of the city our objectives will be to -
    - Ensure new homes support Plymouth's growth, economic competitiveness and future prosperity
    - Increase the supply, mix and quality of new and affordable homes
    - Deliver the physical regeneration of priority neighbourhoods
    - Bring empty homes back into use
  - **Better Homes, Healthy Lives** - Making homes safer, healthier and accessible our objectives will be to -
    - Target interventions to improve the standard of private sector housing
    - Improve the management of private sector housing
    - Adapt housing, so that older and disabled people can live independently in their own homes
    - Improve the energy efficiency of homes
  - **Housing Choice, Smarter Solutions** - Increasing choice, tackling inequalities and preventing homelessness our objectives will be to -
    - Prevent homelessness.
    - End rough sleeping.
    - Promote access to a range of accommodation options.
    - Address the wider causes and impacts of homelessness.
  - **Successful Communities** - Making neighbourhoods safer, healthier, cleaner, cohesive and more prosperous our objectives will be to -
    - Effectively engage residents in priority neighbourhoods
    - Tackle inequality in priority neighbourhoods
    - Support our local communities through major regeneration
    - Tackle anti-social behaviour, targeted harassment, and reduce significant harm from ASB.
- 2.2 Progress against our objectives will be measured through detailed Delivery Plans, one for each theme, to cover specific, measured and agreed actions to realise the delivery of our priority objectives. They will include an analysis of risk and investment required, and equality impact assessments for each theme.
- 2.3 All agencies need to work together on these cross cutting actions to make a material difference to people's lives in the city. To ensure accountability we will agree a series of regular reports on progress through the Council and Plymouth 2020, including the

Plymouth Growth Board, Health and Well Being Board, Children's Trust, Safer and Stronger etc.

- 2.4 We will need to be even more innovative and committed to our housing objectives if we are to realise the transformation we seek in the current challenging economic environment. The governments housing strategy 'Laying the Foundations' sets out new initiatives which we will need to consider as part of the delivery elements of our plan.

### 3.0 Consultation

- 3.1 The changes we need are significantly delivered through partnerships, so we have taken time to develop this plan through multi agency and cross sector task and finish groups. Therefore the key priority objectives and aims should be familiar to a significant number of agencies who will be responsible for their success.
- 3.2 However, before the work on the detailed Delivery Plans is completed we will consult more widely on this consultation draft document. We will be seeking feedback from residents and partners on a number of key questions before it is finalised.
- Do you recognise the description of the issues, problems and challenges that we face, and if not what is missing or what do we need to clarify?
  - Do you agree with the key priority objectives set out in the four themes - if not, what is missing to tackle the problems identified?
  - What you, or your agency, commit to working with us to tackle these – if so are there any particular themes or objectives that you can help with?
- 3.3 The consultation will run until 13 February 2012 and we bring the final plan before the council in March, following consultation, for adoption.

Plymouth Housing Plan 2012 - 2017  
Consultation draft



## HOUSING PLAN 2012 – 2017

### Introduction

Good quality housing in thriving communities is essential to achieving Plymouth's Vision.

'To be one of Europe's finest, most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone'

This consultation draft Housing Plan sets out how partners across the city can work towards this city vision for its homes and communities over the next five years. It replaces five current separate strategies, and together with clear action focused delivery plans, will also meet the City Council's statutory strategy requirements.

Our current Housing Strategy 2008-11 has delivered real improvements for Plymouth's residents, achieving funding to improve 15,500 existing former council homes through stock transfer, and delivering record numbers of affordable homes attracting over £100M of inward investment to the city. It is now out of date and we need to focus on what we can achieve in a very different environment.

Plymouth is a city of ambition and opportunity with a proven track record of delivery. As the economic and cultural centre for the far South West, it offers a good quality of life for the majority that live and work here. But it is also a place where some residents are disadvantaged and don't have equal access to a home that they can afford in an attractive environment. Good housing is necessary to help people and their families thrive and contribute to the city's economy. Our current housing 'offer' to both current and prospective residents is varied in quality, location and value.

While the city sits in one of the most attractive and affluent parts of the UK, its economic and social make up are distinctly different to its neighbours and most of the South West. It experiences symptoms of higher than average UK rates of homelessness, and vulnerable people with wide health inequalities and worklessness. There appear to be rooted in the particular local economy and its housing market, and the city includes a number of areas within the nation's highest locations of deprivation, often combined with poor housing conditions.

### In Summary

In comparison with the UK and much of the South West Plymouth has relatively:

- Lower levels of owner occupation and higher levels of private rented and social rented homes
- More older privately owned or rented properties in poor standard or failings basic tests
- Higher concentrations of poorly maintained and fuel inefficient private housing occupied by older and vulnerable, low income households

- More poor standard social rented homes needing renewal and regeneration in mono tenure estates
- Higher numbers of larger families with complex needs, impacting negatively on their communities
- High social and financial exclusion in a low wage economy, with significant worklessness.
- Less affordable homes than much of the UK because of the low wage base
- Significant demand for privately rented homes, and those in multiple occupation from both students and local people
- Marked differences in house prices to buy or rent from one part of Plymouth to another

But some issues are similarly experienced by most across the rest of the country; people in Plymouth are feeling the effects of the economic downturn, with public resources reduced and with constrained development and limited access to mortgage finance. Household budgets are being squeezed with fuel, food and housing costs rising.

Our challenges ahead are significant. Our responses need to be equally innovative, robust and focused.

The council and its partners need to harness solutions and investment that will address these issues, supporting those who miss out on opportunities, and equally driving transformational change to deliver our growth plans for the City. We do not have the option of an either/or approach. Addressing the causes of market imbalances by delivering growth and regeneration, and simultaneously equipping people with information, skills and services to help them secure better homes and environments should be our twin track ambitions.

National housing policy is radically changing with the Localism Act introducing new and changed duties for councils, and new flexible tenancies with different and higher rental levels. This is coupled with proposals of Welfare Reform which we estimate may impact adversely on the options and incomes of around 6000 residents.

The government's first National Housing Strategy 'Laying the Foundations' was published recently and we need to evaluate which initiatives are relevant for Plymouth. Consequently this plan is being developed to be flexible enough to respond to new housing policy drivers, and we would value your input into our responses to the challenges the city faces.

This Plan has four key housing themes each containing four priority objectives through which we aim to address the wider housing needs of the City. Each theme reflects on the evidence base on the issues we need to tackle.

It has been developed by multi agency, cross sector engagement, task and finish groups, to ensure it is complementary to other strategies and plans for the city. Each group considered a range of options and opportunities before narrowing down to 4 key objectives. Should the Council adopt a single 'Plymouth Plan', the key priorities and focus of this plan can be easily assimilated in its development.

There is no point in developing objectives without a clear focus on delivery. Therefore we propose a Delivery Plan for each theme setting out the actions required for focused partnership work to ensure success. They are designed to be flexible, to respond to changing circumstances with measurable milestones and actions.



## Themed Priorities

At the core of the plan we have four key themes which set out strategic objectives that work towards the shared City and Council vision and priorities:

City Priorities	Housing Plan Themes
Deliver Growth	Growing the city
Raise Aspirations	Housing Choices – Smarter Solutions
Reduce Inequality	Better homes – Healthy Lives
Provide Value for Communities	Successful Communities

### Our Key Housing Plan themes are:

- **Growing the City** - Contributing to the economic prosperity, physical regeneration and growth of the city
- **Better Homes, Healthy Lives** - Making homes safer, healthier and accessible
- **Housing Choice, Smarter Solutions** - Increasing choice, tackling inequalities and preventing homelessness.
- **Successful Communities** - Making neighbourhoods safer, healthier, cleaner, cohesive and more prosperous

**The Housing Plan captures the City's housing ambition and sets out priority objectives for developing, improving and investing in people's homes, neighbourhoods and communities up to 2017.**

### It demonstrates that:

- Without new and improved housing supply of the right type and tenure, the economic and physical regeneration of our city will be constrained.
- Different solutions are needed in the current housing market, and we need to explore how each part of the city's housing market can 'up its game' to improve the city's housing offer for all, with support for the most vulnerable
- Improving housing standards to provide safe, secure, well designed, accessible and energy efficient homes can improve the health and wellbeing of all residents, and will, over time reduce health inequalities.
- Access to good quality housing, at a price people can afford, will reduce inequality and provide the right environment in which children can thrive, get the best out of their education, and help adults get back into work
- Successful communities are achieved by working with residents to create a strong sense of place, where people feel safe, and have increased engagement and satisfaction in where they live.

## **Delivery and Accountability**

Our Plan has four themes each with four priority objectives. We are now developing detailed Delivery Plans, one for each theme, to cover specific, measured and agreed actions to realise the delivery of each objective within this plan, and examples are included within the themed objectives – to show how we will work towards the overarching ambitions set out here. They include an analysis of risk and investment required, and equality impact assessments. All agencies need to work together on these cross cutting actions to make a material difference to people's lives in the city.

If we are to be successful, this plan needs the commitment of all public, private and voluntary agencies across a wide range of interests. They are not the Council's sole responsibility, but the City Council recognises its role in community leadership, and will champion and challenge agencies to deliver the transformational change we need. To ensure accountability we will agree a series of regular reports on progress through the Council and Plymouth 2020, including the Plymouth Growth Board, Health and Well Being Board, Children's Trust, Safer and Stronger etc.

While the plan covers a five year span, some elements will be achieved earlier than this, while others, like North Prospect regeneration, will take a ten or more years. It will therefore need continuous review to ensure that the Plan stays relevant, appropriate, and responsive to policy changes and opportunities.

Together, our track record of delivery working across all sectors and with local, regional and national partners should give everyone confidence that we achieve what we set out to do. Our sincere thanks go out to all agencies that work within Plymouth to deliver these significant outcomes.

We will need to be even more innovative and committed to our housing objectives if we are to realise the transformation we seek in the current challenging economic environment.

## **Consultation**

This is a consultation draft document and we would like you to reflect back to us on a number of key questions before it is finalised.

Because the changes we need are significantly delivered through partnerships, we have taken time to develop this plan through multi agency and cross sector task and finish groups. Therefore the key priority objectives and aims should be familiar to a significant number of agencies who will be responsible for their success.

However, before the work on detailed Delivery Plans is completed we would be grateful if you could feed back on the following:

- Do you recognise the description of the issues, problems and challenges that we face, and if not what is missing or what do we need to clarify?
- Do you agree with the key priority objectives set out in the four themes - if not, what is missing to tackle the problems identified?
- Will you or your agency commit to working with us to tackle these – if so are there any particular themes or objectives that you can help with?

The consultation will run until February 2012 and we look forward to your input before we look to finalise the Plan in March.

## Housing Strategy 2008-11 Delivery Outcomes

Our 2008-11 housing strategy has driven many outcomes and improvements both in existing homes and new provision. Together with our partners the City Council has co-ordinated interventions to prevent homelessness, and to give older and disabled people the opportunity to remain in their own home if they wish. It has tackled poor housing standards and management, reduced Anti-Social behaviour, and supported troubled families with complex needs. Many more homes are fuel efficient, and we have a far wider range of supported housing projects than ever before.

In a difficult housing market we have driven record numbers of new affordable homes and achieved a much better balance of tenures in key regeneration areas, together with significantly more local engagement and pride in neighbourhoods through targeted capacity building work.

The following is a list of some of our joint achievements. All our local partnerships can feel duly proud of the difference these interventions have made in people's homes and communities.

### Achievements through the Housing Strategy 2008 - 11

- Solving the housing problems of 15,500 households through housing stock transfer with £253m of government investment in decent homes and major regeneration through and with Plymouth Community Homes
- Improving housing choices and improving the housing offer through the delivery of 993 new affordable homes.
- Increasing the supply of new affordable homes by a further 1,000 homes through accessing inward investment of over £100m from the Homes and Communities Agency and match funding from our housing provider partners.
- Replacing 383 obsolete homes demolished through Devonport regeneration activity replacing them with high quality homes where people want to live.
- Safe housing and support for vulnerable households with the completion of George House in 2011, a new purpose built single homeless hostel, and the development of a new refuge for those suffering domestic violence
- Meeting the housing and support needs of more frail older people with the opening of Devonport Heights extra care scheme, adding to a total of 140 units of extra care housing across five city wide schemes.
- Making homes safer and healthier through the removal of 433 Category 1 hazards.
- Helping people to live independently in their own homes through adapting 466 homes through Disabled Facilities Grants.
- Improving the condition of 168 private sector homes to the Decent Homes Standard.
- Improving both standards and management of private rented housing through statutory licensing of 267 Houses in Multiple Occupation.
- Providing warmer homes and reduced fuel bills for 470 vulnerable households through the delivery of 4,600 energy efficiency measures, helping to tackle fuel poverty and climate change, and reducing carbon emissions.
- Providing good quality homes from previously wasted housing resources by bringing 247 empty homes back into use.
- Improving access to quality private rented accommodation through our HouseLet and EasyLet schemes, saving £120k in potential Bed & Breakfast costs each year.

- Making neighbourhoods safer, healthier, cleaner, cohesive and more prosperous through exemplary and award winning practice in neighbourhood and locality working in priority neighbourhoods. Secured the Local Government Chronicle National Award for Regeneration for the East End Community Village in March 2008.
- Residents in North Prospect, Stonehouse and Efford now feel more satisfied with their neighbourhood and more able to influence decisions compared to the city average through our intervention and support.
- Reduced estate based problems for communities by supporting 98 large families with complex problems to stabilise their lives, avoid homelessness and the potential of their children going into care.
- Made neighbourhoods safer places to live in through sustained reductions in anti-social behaviour year by year (9%, 14% and 8% consecutively since 2009).
- Increasing housing choice and meeting the housing needs of 1333 households last year through Devon Home Choice.
- Solved emergency housing crises for residents by preventing over 500 families from becoming homeless last year and reducing the number of children in temporary accommodation despite more people asking for help.
- Sustained year on year reductions in the levels of statutory homelessness from their 2002/03 level of 1391 to 286 in 2010/11.
- Accommodated 525 single homeless people and rough sleepers in The SHIP and The Gates – the first level hostels that rough sleepers and single homeless people access before moving on to other supported accommodation. 56% of these residents achieved positive move-on.
- Helped young people (including 16/17 year olds) to access supported housing projects through a single access point 'HUB'.
- Made a positive and practical start in the biggest regeneration project in the South West on the North Prospect estate.
- Transformational change in Devonport has been achieved through the completion of 350 new and affordable homes, complementing the exemplary refurbishment of some of Plymouth's most important historic buildings, helping to create a high quality place



## Key Housing Challenges for Plymouth

We have set out how Plymouth is distinct and different from much of the region, and this poses particular problems for the city and its residents. It is also fair to say that the city has an enviable location, with real opportunities and scope for improvement. While some of these issues are not unique, the combination of factors presents us with significant challenges, which require great resolve and commitment to tackle.

Our actions need to tackle underlying causes rather than the symptoms.

### Plymouth's 10 key Housing Issues

#### 1. The demand for housing that is affordable far outstrips supply:

The Plymouth Strategic Housing Needs Assessment update 2010 estimates the annual need for affordable housing is an additional 1,663 homes, whilst the waiting list for social housing currently stands at over 12,000. Over 3000 households are in priority need, on average there are only 23 lets available every month. This is likely to reduce due to rehousing requirements from our regeneration activity. There are particular difficulties in tackling overcrowding and accommodating larger families who need 4 bedroom or larger homes, as these properties are extremely scarce.

#### 2. The challenge of improving the city's housing offer to support economic growth and the regeneration of key areas in Plymouth:

Plymouth is feeling the effects of the economic downturn, the housing market remains flat and development and mortgage funding is restricted. New development to meet local housing needs and demand will be a challenge with capital grant funding for housing reduced, and the move to a new 'affordable rent' funding model. In the private sector, over 30% of existing stock is 'non-decent' and approximately 707 private sector dwellings have stood empty for over 6 months. There are significant issues in the Devonport, North Prospect and Millbay areas in particular.

#### 3. Tackling the significant housing related issues that contribute to child poverty:

Plymouth has high numbers of poor quality, and excessively cold housing of all tenures, together with rising levels of overcrowding and homelessness experienced by families with dependent children— these are all acknowledged risk factors in relation to child poverty. The Department of Health's 'Plymouth Health Profile 2011' indicates that there are 11,100 children living in poverty

#### 4. Enabling Plymouth's older population to remain independent, with minimal social care, for longer:

We have an ageing population with a dramatic 27% increase in the elderly population expected by 2026, and a similar number of households identified with some kind of disability. High demand for extra care housing and other suitable accommodation and the demand for major adaptations vastly outstrips the funding available to carry them out, with resultant impacts on NHS and care costs. There is a significant challenge in relation to poor quality and hazardous housing that increases the likelihood of individuals requiring health and social care, with high numbers of homes identified as being non-decent, excessively cold, having trip and fall hazards, and being in a state of disrepair.

#### 5. The poor condition and management of private sector housing that affects the health of residents, and results in higher health and care costs:

Around 30,000(33%) private sector homes are non-decent with 25,500 occupied by vulnerable residents (in receipt of qualifying benefits). Approximately 19,000 have Category 1

health and safety hazards, costing the NHS an estimated £3 million per annum, and with the hazard of 'excess cold' alone claiming 140 Excess Winter Deaths in Plymouth in 2009/10. Our ability to tackle poor housing conditions in the private sector has been dramatically reduced by the ending of the Private Sector Renewal Grant.

**6. Reducing the impact of the recession and welfare reforms on poverty and levels of homelessness:**

The downturn in the economic climate combined with a radical package of welfare reforms from 2011 will impact on low income households and vulnerable social groups. It is estimated that 6370 people will receive reduced levels of local housing allowance (housing benefit) as a result of the welfare reforms, but many more will have reductions in income as a result of the overall benefit cap following the migration to Universal Credit. Many of these households will be in circumstances that trigger the homelessness duty. Many others face the stark choice of moving to cheaper, more affordable accommodation, or using a greater proportion of their household budget to pay their rent.

**7. Reducing re-offending and helping people to feel safe in their communities:**

Demand for action on anti-social behaviour in many neighbourhoods remains high and there are an estimated 400 larger families with multiple problems and complex needs who also generate significant issues for their communities. Last year, a rising number of disabled adults were targets for anti-social behaviour and targeted harassment in communities. In addition, approximately 700 offenders return to Plymouth following their release from prison every year – with accommodation provision for this group having been established as a critical factor in reducing re-offending.

**8. Tackling fuel poverty and the energy efficiency of homes:**

It is estimated that nearly 14,000 Plymouth households are living in fuel poverty, with significant challenges in treating the number of homes that can be made energy efficient (12,000 homes require loft insulation and 35,000 cavity wall insulation). Many older homes cannot be treated and householders face a long-term fuel poor future with a high probability of poor health unless they move elsewhere.

**9. A growing number of households do not qualify for social housing, but are unable to afford market housing:**

The housing market is failing many households – housing affordability problems, rigid lending criteria and higher deposits are making it harder for first time buyers to get onto the housing ladder, whilst private rents are too high for those on low incomes. In Plymouth an income of at least £28,000 is required to either purchase a house or afford the average rent for a two bed property. Many of Plymouth's residents simply don't earn enough (the median earnings in Plymouth are currently £23,600). The affordability of housing for those with lower incomes who don't qualify for benefits is also in doubt – with the Government's proposed 'affordable rent' model meaning that social rents will be higher at up to 80% of market rents.

**10. There are marked inequalities for those living in poor quality housing in deprived neighbourhoods:**

A number of the most deprived areas of the city are characterised by health inequalities, social exclusion, worklessness, and financial exclusion as well as a poorer environment. These include the major housing regeneration areas of Stonehouse, North Prospect and Devonport. Tackling worklessness is at the top of the government's policy agenda with a range of new policy initiatives aiming to get more people off benefits and into work or training. This is a significant challenge in these more marginalised, deprived communities, as is dealing with other factors of multiple deprivation.

## **FOUR KEY HOUSING THEMES**

**Growing the City**

**Better Homes - Healthy Lives**

**Housing Choice - Smarter Solutions**

**Successful Communities**

**DRAFT**

## **Growing the city**

Our Growing the City housing theme has four priority objectives;

- 1. Ensure new homes support Plymouth's growth, economic competitiveness and future prosperity**
- 2. Increase the supply, mix and quality of new and affordable homes**
- 3. Deliver the physical regeneration of priority neighbourhoods**
- 4. Bring empty homes back into use**

In this theme we focus on the contribution that new and affordable housing can make to the economic and physical regeneration and growth of the city, creating places that people find attractive and enjoyable to live and work in, increasing both homes and jobs and attracting more people to the city.

### **What are the problems?**

The city's commitment to growth and need for regeneration and renewal is what makes Plymouth distinct in the region. New and affordable housing and the regeneration of key areas of the city will contribute to the achievement of Plymouth's prosperity and growth in a cohesive and sustainable fashion. Improving the city's housing offer is important to our desire to help create a balanced housing market that meets the needs and aspirations of all Plymouth's current and future residents; providing for increased economic and population growth.

Plymouth is feeling the effects of the economic downturn, inertia in the housing market and reduced development viability, but we are responsive to the challenges. With the threat of some planned developments not starting, and some stalling, the city's successful Market Recovery Action Plan has supported development momentum in the city. In addition we attracted extra funding to the city through the government's Kickstart Programme to keep providing homes through the recession.

The housing market is failing many households. Housing affordability problems, rigid lending criteria and higher deposits are making it harder for first time buyers to get onto the housing ladder. Waiting lists are growing as our identified housing needs far exceeds the supply of housing options. We are working with our partners and exploring new partnerships and investment ideas to find a range of solutions to continue supply and meet the demand for new homes.

The coalition government has announced significant funding and policy changes. The budget for new affordable homes is reduced from £8.4 billion to £4.5 billion for 2011 to 2014, with a new housing product at 80% of market rent levels. This will have an impact on potential housing delivery, and our future plans will need to be shaped accordingly.

Our Local Investment Plan helps shape investment priorities across a comprehensive and wide ranging appraisal of infrastructure and regeneration needs. In the light of the restructure of funding streams we will need to refresh and review this to ensure it aligns our priority project delivery to support growth and regeneration.

We have a good track record in Plymouth as a result of our strong delivery framework and collaborative partnerships. We will be in the strongest possible position to make the most of the recovery in the housing market as it kicks in, but it may need our encouragement and strategic direction.

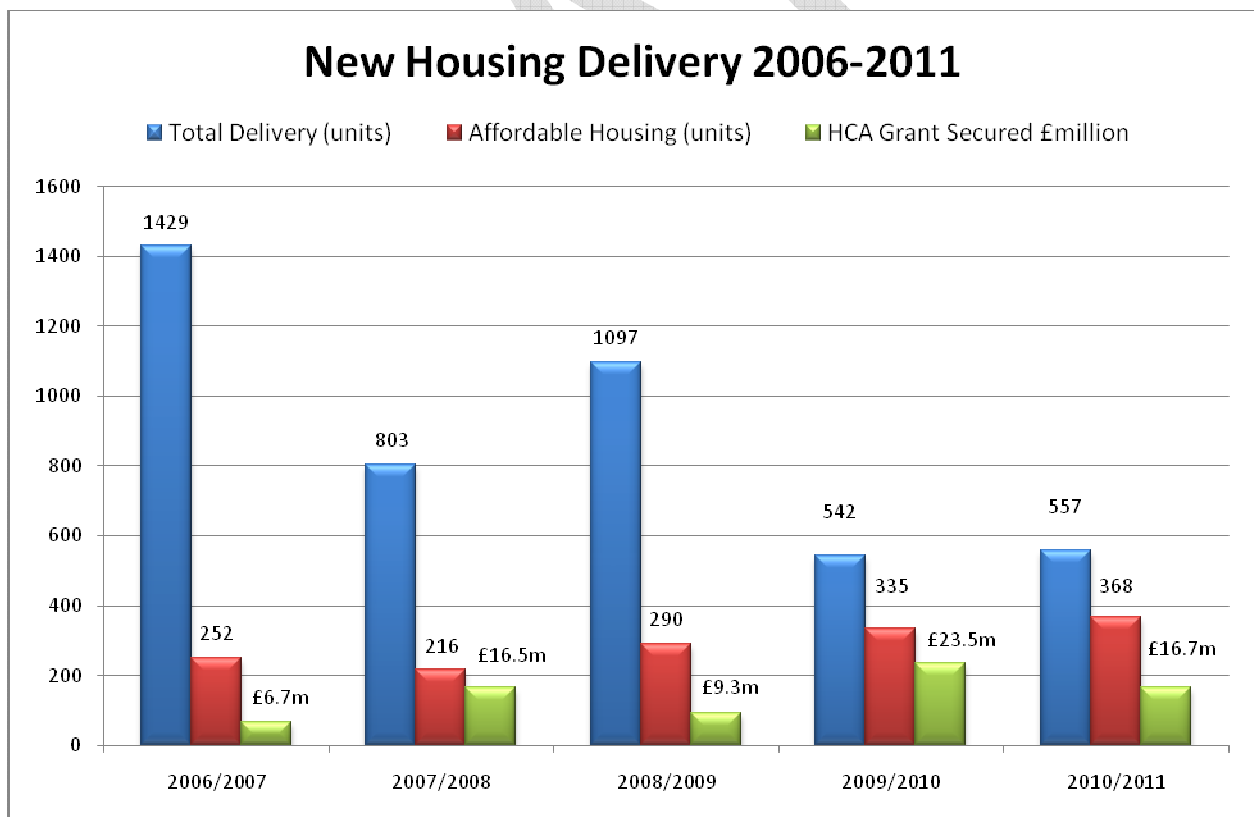


Despite Plymouth having relatively cheaper house prices (compared to the rest of the housing market area and most of the South West), many households are unable to afford their own home. In 2010 full time median annual earnings for Plymouth residents were £23,600, with 20% of employees earning less than £15,933; housing affordability remains a key issue. An income of over £28,000 is required to be able to either purchase a lower quartile house or afford the average market rent for a two bed property in Plymouth. Indeed the government's new proposed 'affordable rent' tenure at up to 80% of market rents may also challenge those on low incomes.

The city has a growing, ageing and increasingly single population; with 27% identified with some sort of disability and a dramatic 27% projected increase in the elderly population by 2026. The provision of extra care housing, supported housing and lifetime homes will remain a priority to meet identified needs and support independent living.

The Strategic Housing Market Assessment update 2010 estimates the annual need for affordable housing in the city is 1,663, whilst the number of households on the housing register has increased to over 12,000; with over 3,000 identified as in high priority need for housing. Levels of homelessness and households living in temporary accommodation are also increasing at higher rates than most of the South West.

In 2008 the city's construction sector contributed around £256m to the city's GVA (6.2%); however the sector has been hit relatively harder by the recession. House construction rates are falling from a peak of 1429 in 2006/07 to 557 in 2010/11 reflecting the economic downturn, and lack of development and mortgage finance, and reduced confidence in developers. Lower rates of house building will constrain our economic growth.



Local economic indicators show that; in 2009, almost 22% of households were defined as workless, above the UK rate of 19%, with the unemployment claimant rate of 3.9% in August 2011, showing an overall downward trend. The number of FTEs jobs increased by 1.1% per annum (total net growth 11,000) between 1999 and 2009, in line with the UK average growth rate, but Plymouth's productivity has been relatively weak over past ten years, falling substantially against national average.

Public subsidy through housing grant has significantly taken a larger share of new homes delivered in recent years, supporting our track record of improved affordable housing delivery. However the financial landscape has changed. Government funding through the Homes and Communities to invest in the delivery of new affordable homes and regeneration will be significantly less over the coming years.

### Potential solutions

We have an investment focus in our defined spatial priority areas, balanced with the ‘strategic opportunism’ of delivery on smaller infill sites across the city. We cannot afford to do everything so we will need to prioritise to make the biggest housing and economic impact.

New models of investment will be required, and we will need to maximise funding from other sources including use of public assets and land to kick start and maintain delivery with significantly less grant or with no grant at all. We will need to work differently with housing providers to ensure greater value for money, whilst maintaining good quality and design.

Despite the slowdown in the housing market, physical regeneration activity in Devonport, Millbay and North Prospect needs to continue ensuring new homes to rent and buy to create a better balanced housing market. This complements wider regeneration activity in the most disadvantaged communities which has led to a cleaner, safer, greener environment, creating places where people want to live, and businesses want to stay or invest.

There remains a shortage of affordable housing to rent and buy to meet our increasing housing needs and support economic growth. The market remains sluggish. There is a need for infrastructure investment to facilitate the agreed growth areas.

We will engage with the HOTSWE LEP to ensure new and improved housing helps underpin the success and prosperity of our businesses and communities.

We have a strong track record in bringing existing empty homes back into use, and we will need to redouble our efforts maximising the new funding pot announced by the government recently.

An update of the housing needs assessment is planned for 2012, to ensure we have a robust and contemporary understanding of the city’s current housing markets, to ensure that we focus and guide investment decisions appropriately in new and improved housing to increase the supply, mix and quality required to meet our housing needs.

We need to take a wider consideration of different forms of tenure, including a serious attempt to develop further expansion of good quality, well managed private rented homes by larger developers and providers to maximise economies of scale in management. In the absence of confidence to build properties to buy this will stimulate delivery and retain flexibility for future tenure changes.

### Priority Objectives

The Plymouth Housing Plan 2012-17 Growing the city	
<b>Contributes to City priorities</b>	<b>Deliver growth</b> - Develop Plymouth as a thriving growth centre by creating the conditions for investment in quality new homes, jobs and infrastructure <b>Raise aspirations</b> - Promote Plymouth and encourage people to aim higher and take a pride in the city

<b>Housing focus</b>	We will focus on the contribution that new and re-used housing can make to the economic and physical regeneration and growth of the city, creating places that people find attractive and enjoyable to live and work in, increasing both homes and jobs and attracting more people to the city
<b>Priority Objective 1</b>	<b>Ensure new homes support Plymouth's growth, economic competitiveness and future prosperity</b>
	<ul style="list-style-type: none"> <li>■ Ensure new and affordable housing supports economic growth</li> </ul>
	<ul style="list-style-type: none"> <li>■ Help to improve development viability and delivery</li> </ul>
	<ul style="list-style-type: none"> <li>■ Use the Growth Fund to support new housing delivery</li> </ul>
	<ul style="list-style-type: none"> <li>■ Support growth marketing and attract investment for housing</li> </ul>
<b>Priority Objective 2</b>	<b>Increase the supply, mix and quality of new and affordable homes</b>
	<ul style="list-style-type: none"> <li>■ Work with partnersexploring different forms of affordable tenures and the new affordable rent model to maximise investment into the city</li> </ul>
	<ul style="list-style-type: none"> <li>■ Use the council's and other publically owned assets to support housing delivery</li> </ul>
	<ul style="list-style-type: none"> <li>■ Ensure new homes meet high quality design standards and achieve Lifetime Homes standards</li> </ul>
	<ul style="list-style-type: none"> <li>■ Improve our understanding of the city's housing markets to target investment and meet needs</li> </ul>
<b>Priority Objective 3</b>	<b>Deliver the regeneration of priority neighbourhoods</b>
	<ul style="list-style-type: none"> <li>■ Support delivery for the first and future phases of the regeneration of North Prospect</li> </ul>
	<ul style="list-style-type: none"> <li>■ Continue the regeneration of Devonport, supporting the delivery of the Area Action Plan</li> </ul>
	<ul style="list-style-type: none"> <li>■ Support progress for the regeneration of Millbay</li> </ul>
<b>Priority Objective 4</b>	<b>Bring empty homes back into use</b>
	<ul style="list-style-type: none"> <li>■ Provide a range of support packages to prevent properties remaining empty in the long term</li> </ul>
	<ul style="list-style-type: none"> <li>■ Develop and deliver a full range of enforcement packages</li> </ul>

## Better Homes, Healthy Lives

Our Better Homes, Healthy Lives theme has four priority objectives;

1. **Target interventions to improve the standard of private sector housing**
2. **Improve the management of private sector housing**
3. **Adapt housing, so that older and disabled people can live independently in their own homes**
4. **Improve the energy efficiency of homes**

We will focus on improving health, reducing health inequalities and supporting independent living, by tackling poor quality, energy inefficient and poorly managed homes in our existing housing stock across the city

### What are the problems?

Most of the city's housing stock is in the private sector. We have significantly lower than average levels of home ownership but greater amounts of private rented housing. As at 2010, the balance of Plymouth's housing mix was as follows:

Tenure	Dwellings	Plymouth %	England %
Owner Occupied	67,793	60.3	67.4
Privately Rented	22,065	19.6	15.6
Social Housing	22,619	20.1	17.0
Total	112,477	100.0	100.0

Plymouth's private sector stock is older than the national average with a far higher proportion of medium / large terraced houses (31% compared with 19% nationally). Around 50% of private rented stock is pre 1919 (compared with 40% nationally) and predominates in inner-central neighbourhoods with older, terraced housing.

### Housing Conditions

The age, condition and tenure of our housing stock presents a number of challenges we need to address, particularly recognising the impact of poor housing on health and child poverty.

Our successful stock transfer has secured the investment required to ensure that the majority of all social rented housing will achieve the Decent Homes standard by 2015, with the exception of the North Prospect regeneration project which runs over 10 years. The Council will be monitoring the delivery of this as one of the key promises to tenants. However, our poor standard private sector housing stock has no resource solution identified currently, and while the overall standards are not significantly different to the national average, Plymouth has different factors within the sector as set out below. .

- There are 25,500 private sector dwellings occupied by vulnerable residents (in receipt of qualifying benefits)
- There are 29,930 'non decent' private sector dwellings (33.3%), of which 9,500 dwellings are occupied by vulnerable residents.
- 18,800 private sector dwellings have Category I health and safety hazards (20.9%), failings are 'excess cold', poor 'thermal comfort', trips and falls and disrepair.
- Of the 29,930 private sector dwellings, the estimated investment repair cost to achieve decent homes is £170 million

- There are an estimated 6,000 private Houses in Multiple Occupation (HMO) across the city, of which around 750 are licensable.
- The Department of Health’s ‘Plymouth Health Profile 2011’ indicates that there are 11,100 children living in poverty in the city.

Housing conditions in Plymouth are worst in the private rented sector, as illustrated below:

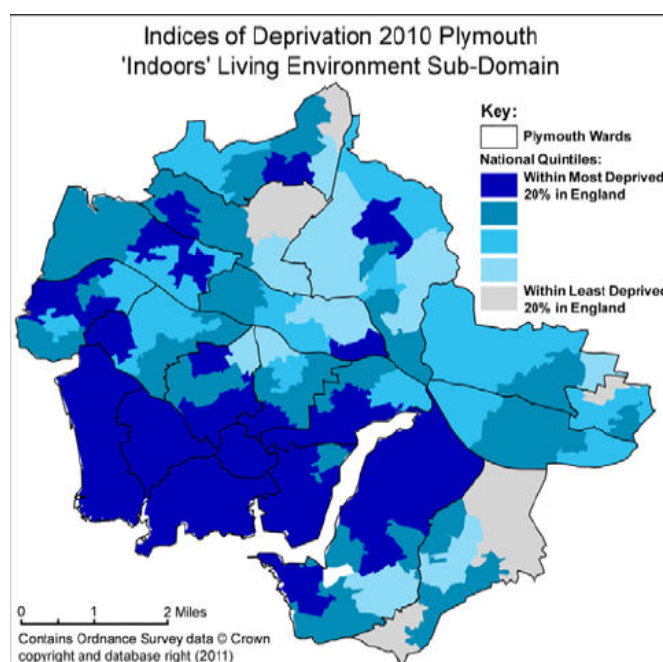
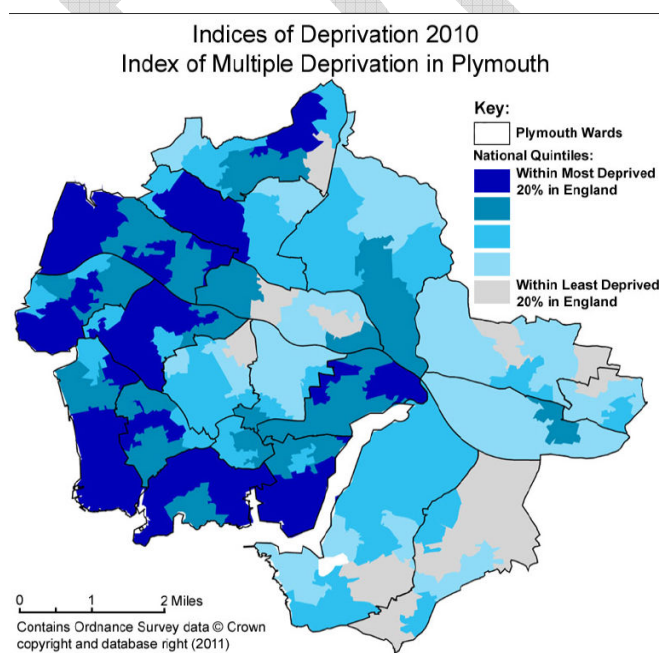
Tenure	Non Decent %	Category I Hazard %	Disrepair %	Thermal Comfort %	SAP	Fuel Poverty %
Owner Occupied	32	19.3	8.5	13	52	12.9
Privately Rented	37.2	26.1	19	20.1	50	18.4
Social Housing	24.8	11.5	4.4	10.2	53	13.5

The most common Category I Hazard failure across the private sector is excess cold followed by falls on stairs and falls on the level, contributing to the poor health and well-being of residents and generating significant NHS and care costs.

There is an urgent need to improve housing conditions across the private sector, but notably private rented housing, which has the worst conditions across all sectors, as illustrated below:

- 8,208 non decent private rented dwellings
- 5,758 private rented dwellings with Category I Hazards
- 4,192 private rented dwellings with disrepair (Decent Homes Standard)
- 4,435 private rented dwellings failing thermal comfort (Decent Homes Standard)
- 4,060 private rented dwellings (households) in fuel poverty

There is a clear link in Plymouth between the areas of worst housing condition, deprivation and greatest health inequalities, as illustrated by the following maps taken from the *Index of Multiple Deprivation 2010*. At its extreme, there is around a 14 year gap in life expectancy between neighbourhoods at the bottom (Devonport) and top of the spectrum (Widewell). Poor housing and environments contribute to these health inequalities.



(‘Indoors’ living environment relates to housing in poor condition, and without central heating)

The quality and condition of the city’s homes has a material effect on people’s health. It has been estimated that Category I health and safety ‘hazards’ in homes in England are costing the NHS in excess of £600m a year. For Plymouth this is estimated at around £3m p.a. with potentially 140 excess winter deaths in 2009 attributed to poor housing conditions, mostly poor or inadequate heating. (Based on the BRE’s ‘Real Cost of Housing’ 2010 analysis). In addition, high levels of overcrowding of families in poor housing in the city means that children in these homes have no or limited safe, warm or quiet spaces to do their homework, thus potentially limiting their ability to thrive or to attain the standards they might otherwise have reached.

The role of the private sector in meeting housing demand is increasing as access to owner occupation for first time buyers is reduced. This will be more acute with government proposals to discharge council’s homeless duties through use of the private rented sector.

### **Adaptations**

With persistently high demand for major adaptations for people with disabilities, it is clear that much of our housing is inflexible and not accessible for many elderly or disabled people. There are long waiting times for adaptations though limited resources. Under these circumstances, people will have less choice to live independently in their own home. In 2010/11, the Council achieved 187 major adaptations to private homes but this is not sustainable in the future due to reduced funding. This issue will be heightened by an aging population, potentially increasing pressure on social care, and at worst will mean people will not be able to remain living independently in their homes.

### **Energy Efficiency**

Plymouth is committed to reducing emissions of Carbon Dioxide (CO<sup>2</sup>) whilst making the city more resilient to climate change. Our home energy activity will focus upon targeted assistance to the most vulnerable households and the least energy efficient homes. The challenges are significant as there are around 12,000 homes that require loft insulation and 35,000 that require cavity wall insulation. In addition there are some 39,000 ‘hard to treat’ properties that are either of solid wall construction or do not have mains gas. All of these homes are energy inefficient and are wasting heat, energy, carbon and money.

It is estimated that there are nearly 14,000 households living in fuel poverty in 2010, many of these people live in older homes and face a long-term fuel-poor future with a high probability of poor health unless we can either improve hard-to-treat homes or enable fuel poor householders to move into more energy efficient housing.

### **Housing management standards and HMO’s**

Standards of management are variable across the city In 2010/11 the Council dealt with over 500 complaints about disrepair or poor conditions in the private rented sector. Most were resolved quickly by advice and support to landlords, but nearly 230 needed an inspection and a request to remedy defects. Only three incidents required formal notices, and the Council achieved two successful prosecutions during the year.

Our partnership with The Private Sector Forum supports private landlords and their representatives to improve housing management standards, and is leading to a commitment to work towards voluntary accreditation. We must focus and target interventions to support landlords to meet the increased demands and challenges that the sector will experience through the housing market changes now underway.

Students occupy significant numbers of Houses in Multiple Occupation; meanwhile, the University has a strategy to provide alternative accommodation through purpose built halls of residence. In

the interim, competition for this resource is acute, and will increase with planned government benefit changes for people under 35 years of age who are unable to fund their own housing costs in this sector. This could potentially affect 800 people.

**Possible Solutions**

We must invest in making existing homes decent and energy efficient. Our plans for improving private sector housing will reduce health inequalities, and the causes of child poverty. We also need to help people to live independently in their own homes, reduce fuel poverty, and develop a robust and well managed rented sector to meet housing demand. Our priority focus will be on this sector.

Our top performing landlords set the standard for others to follow. It is essential to build upon the achievements we have made if we are to ensure we can direct resources into the sector to assist people in housing need. Voluntary accreditation and training provide one approach. Where landlords fall below an acceptable standard, the Council will use its regulatory powers robustly to ensure the reputation of this sector is maintained.

The ending of Private Sector Renewal Grant funding from April 2011 has placed extreme pressures on the Council’s programme of private sector housing improvement work. We need to make the best use of resources available, target what we have to those in most acute need, and where possible develop alternative means of delivering improvements.

We need to press ahead with our project to tackle hard to treat properties in the west of the city, utilising European funding and energy company resources. We will clearly focus on maximising input from the Green deal, when it is clear what is on offer, and work should start now to explore how this can be of use.

**Priority objectives**

The Plymouth Housing Plan 2011-16 Better Homes, Healthy Lives	
<b>Contributes to City priorities</b>	<p><b>Reduce inequality</b> – Reduce the inequality gap, particularly in health, between communities</p> <p><b>Raise aspirations</b> - Promote Plymouth and encourage people to aim higher and take a pride in the city</p>
<b>Housing focus</b>	We will focus on improving health, reducing health inequalities and supporting independent living, by tackling poor quality, energy inefficient and poorly managed homes in our existing housing stock across the city
<b>Priority Objective 1</b>	<p><b>Target intervention and resources to improve the standard of private sector housing</b></p> <ul style="list-style-type: none"> <li>■ Improve the health and safety of residents by removing Category I Health &amp; Safety Hazards</li> <li>■ Monitoring the delivery on Registered Providers’ stock, to meet the decent homes standard by 2015</li> <li>■ Increase our understanding of specific housing conditions in Plymouth to target investment and our actions to best effect.</li> </ul>
<b>Priority Objective 2</b>	<p><b>Improve the management of private sector housing</b></p> <ul style="list-style-type: none"> <li>■ Encourage and support the development of high standards of management in both the private and social rented sector</li> <li>■ Support private landlords to secure improvements in meeting their statutory responsibilities and in achieving a thriving and responsive</li> </ul>

	private rented sector
	<ul style="list-style-type: none"> <li>Support the development of voluntary accreditation to achieve the standards of the best across all providers</li> </ul>
<b>Priority Objective 3</b>	<b>Adapt housing so that older and disabled people can live independently in their own homes</b>
	<ul style="list-style-type: none"> <li>Target major adaptations to those in most need and capture outcomes for customers and service improvement</li> </ul>
	<ul style="list-style-type: none"> <li>Improve the timely access to major adaptations, removing duplication and ensuring consistency in assessment of need</li> </ul>
	<ul style="list-style-type: none"> <li>Develop the means of funding and purchasing major adaptations to achieve best value</li> </ul>
<b>Priority Objective 4</b>	<b>Improve the energy efficiency of homes</b>
	<ul style="list-style-type: none"> <li>Target energy efficiency measures to the most vulnerable in the least energy efficient homes</li> </ul>
	<ul style="list-style-type: none"> <li>Drive the projects on tackling hard to treat properties to successful outcomes</li> </ul>
	<ul style="list-style-type: none"> <li>Develop and deliver the 'Green Deal' offer for Plymouth</li> </ul>

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## Housing Choice, Smarter Solutions

Our Housing Choices, Better Solutions theme has 4 priority objectives;

1. **Prevent homelessness.**
2. **End rough sleeping.**
3. **Promote access to a range of accommodation options.**
4. **Address the wider causes and impacts of homelessness.**

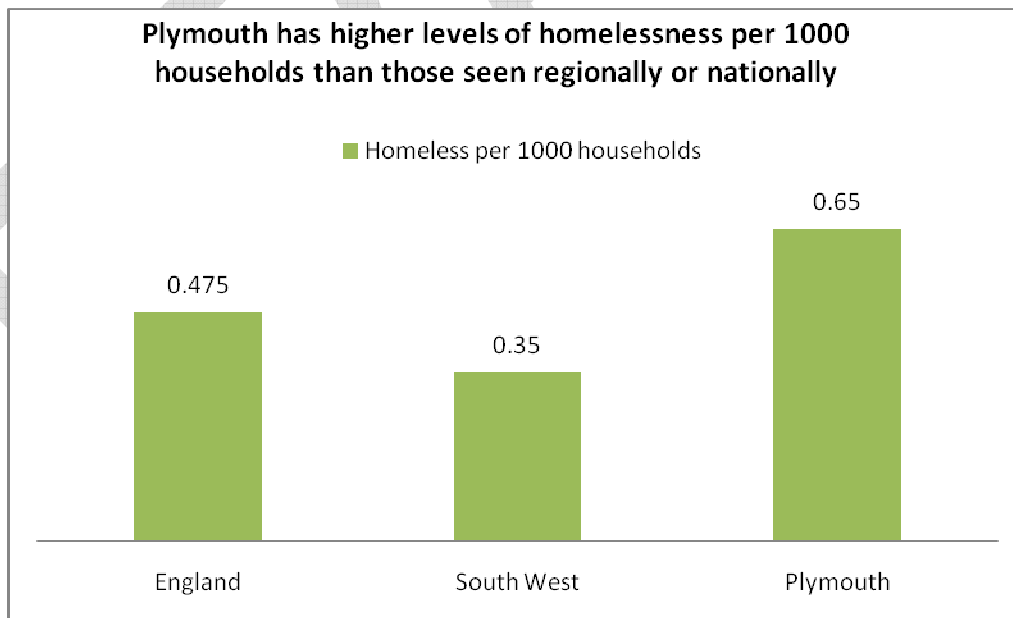
We will focus on reducing the incidence of homelessness and rough sleeping, and increasing access to good quality, supported and independent housing choices for all of Plymouth's residents that need them, including advice and support to the most vulnerable.

### What are the problems?

There are a number of worrying national trends in homelessness/rough sleeping and helping people to access accommodation, many of which are amplified in Plymouth:

- Latest household projections suggest that demand for housing will continue to grow strongly.
- The level of housing supply is currently insufficient to meet the projected demand.
- Homelessness is rising, after a long period of declining numbers, with the single clearest reason for this rise being the growing numbers accepted as homeless following loss of private tenancies.

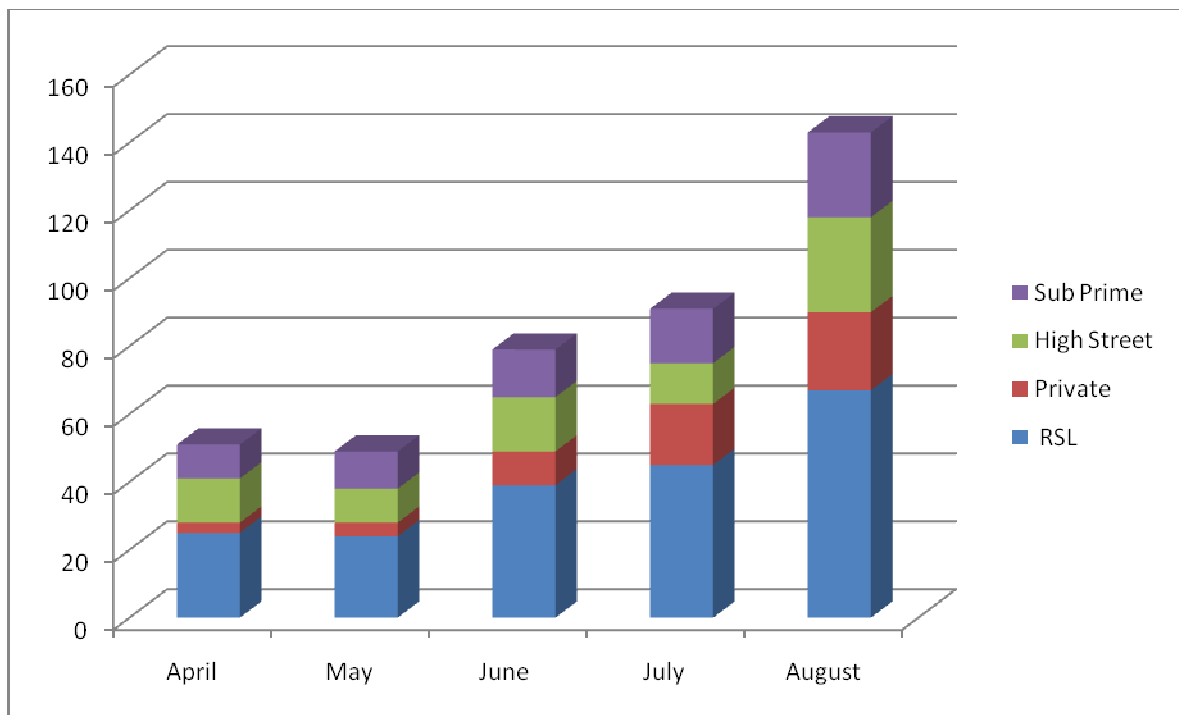
These trends are more acute in Plymouth with higher levels of homelessness than both the regional or national average during the period 2010/11.



In addition, many more people are homeless than those reflected in the official statistics – and there are particular concerns in Plymouth with regard to ‘single non-priority’ homeless who are at risk of rough sleeping or sofa surfing, and who access the city's supported housing provision.

Though the city has successfully targeted homelessness and levels of rough sleeping (achieving year on year reductions since 2002) the upturn in Plymouth is caused by a number of factors:

- Demand far exceeds the available supply of social housing with house-building not keeping pace with demand. In August, 2011, the total number of households applying for social housing numbered 12,163 with 3,222 (26%) of these being in priority bands A, B or C.
- Sustained and targeted homelessness prevention initiatives resulted in a sharp decline in statutory homelessness from 2003 – 2009, but homelessness has recently begun to rise. In 2010/11 more homelessness decisions were made (up 7% from the previous year), and more people accepted as a result (up 5% since 09/10).
- The number of households accommodated in temporary accommodation has increased, with the figure rocketing to 97 in November 2011 - constituting an increase of 35% on the previous year's average.
- Levels of homeless families with dependent children have risen 28% since 2009/10 (from 146 to 187 in 2010/11). This has resulted in more families living in temporary accommodation including an average of 82 children at any one time.
- There have been significant increases in levels of statutory homeless of single people, particularly in relation to mental illness/disability (acceptances rose from 17 in 2009/10 to 27 in 2010/11 – an increase of 58%), and physical disability (rising from 24 in 2009/10 to 30 in 2010/11 – an increase of 25%).
- There is an upward trend in numbers of people sleeping rough, reversing trends observed to 2010/11. In the June – August quarter of 2011 the average numbers of rough sleepers seen was 20, compared to 5 in 2010/11 (an increase of 300%).
- Many applicants to social housing are currently overcrowded to some degree (1931 households in total), some seriously. Overcrowding is a well-established risk factor for child poverty and ill health.
- The housing register has highlighted a significant number of large families in poverty (i.e. on a household income of £20k or less) who are overcrowded (255 families with a 4 or more bed-need seeking properties through Devon Home Choice in September, 2011), but due to the limited availability of larger properties, are unlikely to be housed through the register.
- Levels of repossession actions are rising across the board (home owners, social tenants and private rented tenants) – there are currently an average of 92 repossession actions heard in Court every month, and of particular concern (given the increasing reliance on the private rented sector as a viable housing options) are the increasing levels of private sector landlords taking repossession action.



### **Increases in repossession actions between April and August 2011.**

- Plymouth has one defined Gypsy and Traveller site (13 pitches) and planning permission for a 10-pitch site. There is a defined need for an additional 40 permanent Gypsy and Traveller pitches, 15 transit and four show guild pitches. We are experiencing a significant increase in unauthorised encampments, which cause problems for both Gypsies and the resident community, underlining the need for authorised sites.

Despite the success of homelessness prevention initiatives, patterns and causes of homelessness in Plymouth stubbornly persist. Homelessness disproportionately impacts on children and young people (over half of all those who approach in housing need). Most often, these young people and families have been evicted by their parents or family or have suffered from relationships breaking down.

Plymouth now faces a number of critical challenges to enabling some of Plymouth's most vulnerable people to access and sustain affordable housing:

- The lagged impacts of the post-2007 economic recession and rising unemployment that can affect homelessness both directly (via higher levels of mortgage or rent arrears) and indirectly (through pressures on family and household relationships).
- Challenging housing market conditions that make home ownership and private rents less affordable, resulting in a demand for social housing that cannot be met with current supply.
- Welfare, housing and other social policy reforms including: welfare and housing benefit reforms; the localism agenda that affects allocation policies, security of tenure and rent levels in social housing, and the removal of the ring-fence on Supporting People grant funded projects that feature so heavily in homelessness prevention activity.

### **Potential Solutions**

In shaping the City's response to these challenges, there is an opportunity to increase effectiveness by addressing a number of fundamental and cross-cutting issues in a more cohesive way by:

- Developing a more integrated approach to homelessness, with commissioners from health, adult social care, children and young people’s services involved in resolving the causes of homelessness.
- Working with social landlords to ensure that rents remain affordable whilst accepting that they need to maximise rental income to fund building to increase the supply of new social housing.
- Ensuring that we work in partnership with Housing Associations to consider and implement changes proposed in the Localism Bill, to ensure that social housing is able to respond to local needs such as overcrowding and under occupation, as well as being available for those on very low incomes.
- Exploring how the provision described in the Localism Bill - to utilise private rented housing to house those that are owed a homelessness duty – can impact positively on Plymouth, with potential to relieve pressure on valuable social housing resources.
- Developing sound partnership with the City’s private rented sector landlords to ensure that the most vulnerable people have access to good quality, well managed private rented accommodation.
- Focusing our activity on preventing homelessness from occurring, working closely with our voluntary sector partners to sustain people in their accommodation by delivering advice and support at the earliest opportunity.

Tackling housing need, homelessness and support issues lie at the heart of addressing inequality and this plan represents an integrated, partnership approach to the complex issues that cause homelessness, and to secure new solutions to ensuring the availability of affordable housing options for some of the city’s most vulnerable residents.

### Priority Objectives

The Plymouth Housing Plan 2011-16 Housing Choices, Smarter Solutions	
<b>Contributes to City priorities</b>	<b>Reduce inequality</b> – Reduce the inequality gap, particularly in health, between communities <b>Provide value for communities</b> – Work together to maximise resources to benefit customers and make internal efficiencies
<b>Housing focus</b>	We will, through better choices and smarter solutions, focus on reducing the incidence of homelessness and rough sleeping, while increasing access to good quality, supported and independent housing choices for all Plymouth residents needing them, with advice and support for the most vulnerable
<b>Priority Objective 1</b>	<b>Prevent homelessness</b>
	<ul style="list-style-type: none"> <li>■ Work to mitigate any negative impacts of welfare reforms on Plymouths residents</li> </ul>
	<ul style="list-style-type: none"> <li>■ Improve the quality of advice provision across the city with partners</li> </ul>
	<ul style="list-style-type: none"> <li>■ Implement and maintain initiatives aimed at preventing homelessness caused by the recession</li> </ul>
	<ul style="list-style-type: none"> <li>■ Provide targeted early intervention services</li> </ul>

<b>Priority Objective 2</b>	<b>End rough sleeping</b>
	<ul style="list-style-type: none"> <li>■ Work with the most entrenched rough sleepers to find suitable housing solutions</li> </ul>
	<ul style="list-style-type: none"> <li>■ Develop new ways of working to tackle the causes and consequences of rough sleeping and monitor their effectiveness</li> </ul>
<b>Priority Objective 3</b>	<b>Promote access to a range of accommodation options</b>
	<ul style="list-style-type: none"> <li>■ Ensure provision of supported housing to meet the needs of the most vulnerable.</li> </ul>
	<ul style="list-style-type: none"> <li>■ Develop a Tenancy Strategy to make best use of social/affordable housing reducing overcrowding and under-occupation.</li> </ul>
	<ul style="list-style-type: none"> <li>■ Make best use of the current housing stock, including private rented housing options</li> </ul>
	<ul style="list-style-type: none"> <li>■ Work with partners to ensure adequate pitch provision is made for Gypsy's and travellers</li> </ul>
<b>Priority Objective 4</b>	<b>Address the wider causes and impact of homelessness</b>
	<ul style="list-style-type: none"> <li>■ Tackle access barriers to employment, training and education initiatives for homeless people</li> </ul>
	<ul style="list-style-type: none"> <li>■ Tackle barriers to accessing health care for homeless people.</li> </ul>
	<ul style="list-style-type: none"> <li>■ Support people through life transitions e.g. leaving care or discharge from hospital, prison and the armed services</li> </ul>
	<ul style="list-style-type: none"> <li>■ Support projects tackling financial exclusion and building financial confidence</li> </ul>

## Successful Communities

Our Successful Communities theme has 4 priority objectives;

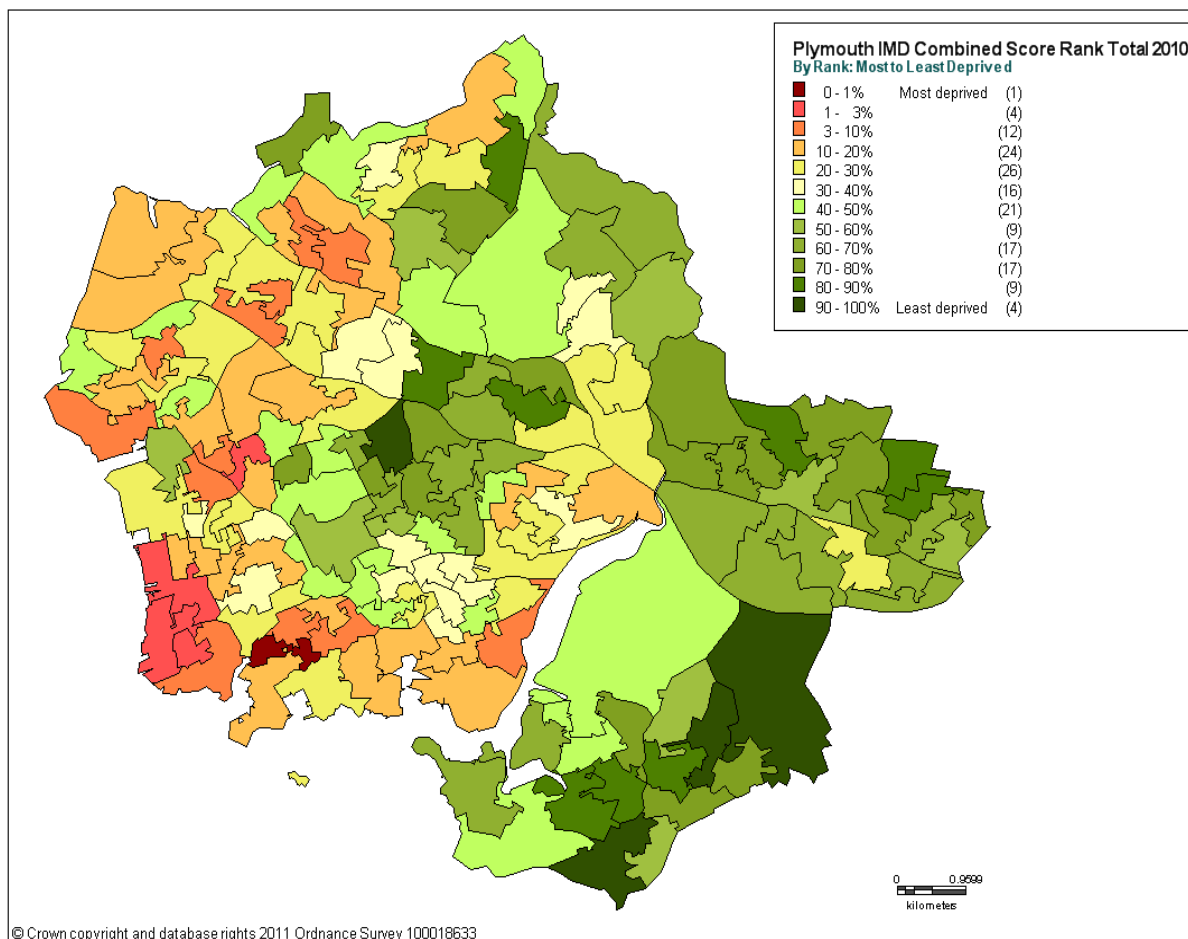
1. **Effectively engage residents in priority neighbourhoods**
2. **Tackle inequality in priority neighbourhoods**
3. **Support our local communities through major regeneration**
4. **Tackle anti-social behaviour, targeted harassment, and reduce significant harm from ASB.**

To create successful communities we will focus on maintaining effective partnerships and building capacity within our neighbourhoods to achieve community cohesion, strong engagement and increased satisfaction, tackle anti-social behaviour and support families with complex needs.

### What are the problems?

While much of the City provides a good quality of life for all residents, there are areas where the Council and its partners have invested energy in physical and social regeneration, and this need is still clearly necessary in key locations in order to address community issues and raise personal aspirations.

Plymouth has a greater number of disadvantaged neighbourhoods than much of the south west, as defined by the national Index of Multiple Deprivation (IMD 2010). There are clearly identified inequalities between neighbourhoods in the city, with the most deprived mainly found in the North West and South West, as can be seen from the map below. Some of these areas correlate to major physical regeneration work in the city.



There are 160 Lower Super Output Areas (LSOA) with a combined population of 255,564. 41 LSOA's in Plymouth fall within the top 20% most deprived in England. There are 5 LSOA's in the most deprived 3%, home to 7,458 residents. Devonport and North Prospect have LSOA's in the 1-3% most deprived, and Stonehouse includes the city's most deprived LSOA, falling within the 0-1% most deprived nationally. The domains used in the Index of Multiple Deprivation 2010 are income, employment, health deprivation and disability, education, skills and training, barriers to housing and services, crime and living environment.

Measurement of quality of life indicators through the Place Survey 2008/9 showed a strong correlation between lower quality of life and localities which included the most deprived neighbourhoods. In comparison with its family group of 27 unitary authorities, Plymouth as a city was in the bottom quartile for people from different backgrounds getting on well together (69.9%), people influencing decisions (22%), fair treatment by local services (68.2%), and the third quartile for general satisfaction with local area (79.1%).

Plymouth has a well-established and effective focus on multi-agency problem solving in relation to tackling anti-social behaviour. Over the last three years ASB has reduced by 9%, 14% and 8% respectively. However, demand for action remains constant.

There are also an estimated 400 larger families with multiple and complex needs in Plymouth. The Government estimates the cost of such families to be £81,000-£350,000 per year, each, to the public purse.

iQuanta (a Home Office tool for monitoring a wide range of top-level indicators of policing performance against other areas and national and local targets) indicators show that there are relatively low levels of harassment and targeted harassment, with a rate of 0.765 per 1,000 population compared to an average of 0.937/1,000 population. However, for racially and religiously aggravated offences we compare unfavourably, with a rate of 1.020/1,000 population compared to a family average of 0.791/1,000.

Plymouth therefore has a number of neighbourhoods in the city where residents face multiple factors of deprivation, and may have complex needs. They may feel neighbourhood facilities and services are inadequate, community infrastructure is low, and that currently they have little influence.

The 5 neighbourhoods the City Council has supported through neighbourhood regeneration are all within the top 7 most deprived, as defined by the IMD 2010. Multi-agency ASB and family intervention work is focused on hot spots in neighbourhoods determined by statistical data, partners reports or referrals, and often correlates with areas of multiple deprivation also.

## **Possible Solutions**

It is clear that if we are to realise our aim of developing strong, cohesive communities in clean and safe areas, where people choose, and are satisfied to live, we must continue our efforts with partners focused on our priority neighbourhoods, including those with major regeneration schemes. The Localism Bill may offer further potential to local people who wish to engage in controlling and resolving local issues.

Local people identify most closely with their own neighbourhood, and local conditions have a large influence on people's feeling of well-being, quality of life and aspirations. Attractive neighbourhoods that are well designed and managed, and support integrated communities, offer opportunities both for individuals and the wider economic and social prosperity of Plymouth.

Therefore our regeneration priorities are critical in achieving transformational change of the whole city. Some areas of work to address this are set out below:

- We need to make sure partners are linking objectives, intelligence and resources to be effective in place shaping, creating a strong and successful community. To do this we need to ensure there is a shared vision between stakeholders, including residents, and effective joined up partnership work.
- We need collectively to support partners involved in employment projects, enterprise initiatives and financial inclusion to engage those not readily accessing existing services and help provide a progression route to economic activity.
- We need to work with an increasing number of partners to address health inequalities. Working intensively with families with complex needs will ensure whole families can be supported in making changes to address any physical, mental/emotional or sexual health concerns.
- It is essential that both existing and newly created neighbourhoods have a well-developed and well maintained infrastructure, including physical, social and green factors, where facilities are appropriate to meet the needs of the neighbourhood, communities are cohesive, and residents are empowered to influence local decision making and to develop and deliver their own neighbourhood activities and projects.
- We need to continue to drive down incidences of ASB across all tenures whilst partners adapt to current financial constraints, changes in structures, practices, and new tools and powers.
- Our BME community currently stands at about 6%, consisting of relatively small numbers of a variety of different ethnic groups. However over the next few years we expect this to increase and there is potential for increased levels of ASB and racist incidents, compounded by the economic climate. There are also an estimated 6,000 migrant workers in Plymouth, predominantly Eastern Europeans. Reports of ASB suggest work is necessary to increase awareness of social norms, and promote cohesion within communities.
- The Plymouth Family Intervention Project for families with multiple and complex needs, has achieved high levels of savings for the city through targeted interventions, contributing to reducing Anti-Social behaviour, reducing the threat of homelessness, worklessness, child poverty and reoffending, but it currently it does not have a sustainable funding base for the future. There is an opportunity to explore pooling budgets with partner agencies and ensuring linkages with locality working as a means of providing a long term sustainable funding solution.
- Vulnerable single adults often fall through the net of local services, with needs that do not meet eligibility criteria for mental health or social work intervention, but who cause a great deal of anti-social behaviour in communities or are most vulnerable to being targeted and made victims. We need to identify and support repeat and/or vulnerable victims.

There are complex issues impacting on communities, families and individuals which present many challenges, including getting access to and retaining a home in an area people want to live. Tackling bricks and mortar regeneration alone will not resolve the problems set out above. Therefore our approach should be to co-ordinate our efforts in priority neighbourhoods and major regeneration projects, so that neighbourhood issues are dealt with, and families and individuals can contribute positively to their communities, neighbourhoods and the city of Plymouth.



## Priority Objectives

<b>The Plymouth Housing Plan 2011-16 Successful Communities</b>	
<b>Contributes to City priorities</b>	<b>Reduce inequality</b> – Reduce the inequality gap, particularly in health, between communities <b>Raise aspirations</b> - Promote Plymouth and encourage people to aim higher and take a pride in the city
<b>Housing focus</b>	To create successful communities we will focus on maintaining effective partnerships and building capacity within our neighbourhoods to achieve community cohesion, strong engagement and increased satisfaction, tackle anti-social behaviour, targeted harassment and support families with complex needs.
<b>Priority Objective 1</b>	<b>Effectively engage with residents and partners in priority neighbourhoods</b>
	<ul style="list-style-type: none"> <li>■ Strengthen the ability of communities to improve their own neighbourhoods</li> <li>■ Proactively promote tolerance within communities, whilst building resilience to ASB and harassment</li> <li>■ Engage partners and residents in working together effectively to address local issues</li> </ul>
<b>Priority Objective 2</b>	<b>Tackling inequality in priority neighbourhoods</b>
	<ul style="list-style-type: none"> <li>■ Work with communities and partners to remove barriers to economic activity</li> <li>■ Encourage healthier lifestyles</li> </ul>
<b>Priority Objective 3</b>	<b>Support our local communities through major regeneration.</b>
	<ul style="list-style-type: none"> <li>■ Assist communities and partners to participate in the development and co-ordination of clear delivery structures</li> <li>■ Support communities through step-changes associated with major regeneration</li> <li>■ Support both existing and new resident communities that emerge through regeneration</li> </ul>
<b>Priority Objective 4</b>	<b>Tackle anti-social behaviour, targeted harassment and reduce significant harm from ASB.</b>
	<ul style="list-style-type: none"> <li>■ To drive down incidences of ASB and targeted harassment through improved partnership work</li> <li>■ Develop an integrated approach for dealing with families with multiple and complex needs, and secure sustainable funding sources</li> <li>■ Develop a process for identifying and supporting vulnerable or repeat victims</li> </ul>

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**CITY OF PLYMOUTH**

**Subject:** Council Tax Base Setting  
**Committee:** Cabinet  
**Date:** 13 December 2011  
**Cabinet Member:** Councillor Bowyer  
**CMT Member:** Director for Corporate Support  
**Author:** Martine Collins – Strategic Manager Revenues and Benefits  
**Contact:** Tel: 01752 304118  
Email: martine.collins@plymouth.gov.uk

**Ref:** REV/MC  
**Part:** I

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**Executive Summary:**

The report provides Members with a Council Tax-base for Tax Setting purposes in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 as amended by SI 2003/3181.

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**Corporate Plan 2011-2014:**

The correct calculation of the council tax base will ensure the Council maximises its financial resources to meet its corporate priorities.

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

A collection rate of 98.5% has been used in calculating the Council Tax-base.

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**Other Implications: e.g. Community Safety, Health and Safety, Risk Management and  
Equality, Diversity and Community Cohesion:**

None

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**Recommendations & Reasons for recommended action:**

It is recommended that Cabinet make a recommendation to Full Council to approve the Council Tax Base for 2012/13 Tax Setting as 77,271 Band D equivalents, which is the tax base after allowing for an estimated collection rate of 98.5%.

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

Not applicable – calculation of the tax base is a statutory function

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**Background papers:**

Calculation of Council Tax Base Return to CLG (CTBI)

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**Sign off:**

Fin	Djn 1112. 020	Leg		HR		Corp Prop		IT		Strat Proc	
Originating SMT Member Malcolm Coe											

1. **INTRODUCTION**

- 1.1 The Local Government Finance Act 1992 (amended 2003) establishes arrangements for the setting of Council Taxes. The arrangements include the valuation of the Council Tax-base for tax setting for which a Council resolution is necessary. Regulations require that this calculation be made annually between 1 December and 31 January prior to the financial year within which it will be effective. The result must be notified to Devon County Council, the Police Authority and the combined Fire Authority by the 31 January. Although Devon no longer precepts upon Plymouth, the cost of certain joint services are shared on the Council Tax Base and the County will need to be informed of the figures.

2. **PURPOSE OF THE REPORT**

- 2.1 The purpose of this report is to present the Committee with the calculation of the Council Tax-base of 77,271 for tax setting for the financial year 2012/13. For purposes of comparison, the Council Tax-base for tax setting in the financial year 2011/12 was 77,066.

3. **TAX-BASE CALCULATIONS**

- 3.1 Tax-base figures are calculated by the billing authority as the aggregate of the "relevant amounts" calculated for each property valuation band multiplied by the estimated "collection rate" for the year.
- 3.2 Relevant amounts are:
- (a) the number of chargeable dwellings in that band shown in the valuation list as it stands on the relevant day;
  - (b) the number of discounts, disabled reductions and exemptions which apply to those dwellings on the relevant day;
  - (c) estimated changes in (a) and (b) above between the relevant day and the last day of the charging period to which the estimate applies;
  - (d) the number of band D equivalents within each different band. The relevant day is 30 November in the financial year preceding that for which the relevant amounts are calculated.
- 3.3 The collection rate for the year is the Billing Authority's estimate of the total amounts of Council Tax, which will ultimately be paid or transferred.
- 3.4 A summary of the actual calculation of the 2012/13 Council Tax-base for Plymouth is contained in Appendices to this report. Appendix A shows the tax base calculation, Appendix B shows the tax base used for the previous three years for comparison.
- 3.5 This report assumes a collection rate for Council Tax of 98.5%. Whilst there is a risk in the current economic climate that in-year collection may be affected, it is assumed that in the longer term the level of 98.5% remains achievable.

4. **RECOMMENDATION**

- 4.1 It is recommended that Cabinet make a recommendation to Full Council to approve the Council Tax Base for Tax Setting for 2012/13 as 77,271 Band D equivalents, which is the tax base after allowing for an estimated collection rate of 98.5%.

**APPENDIX A**

**Tax Base allowing for a 98.5% collection rate – 2012/13**

<b>BAND</b>	<b>NO. OF PROPERTIES BEFORE DISCOUNT</b>	<b>NO. OF PROPERTIES AFTER DISCOUNT and EXEMPTIONS</b>	<b>BAND D EQUIVALENTS</b>	<b>ESTIMATED COLLECTION RATE</b>	<b>ADJUSTED BAND D EQUIVALENTS</b>
A	46,363	37,236	24,815	98.5%	24,443
B	30,914	25,977	20,204	98.5%	19,901
C	21,734	18,937	16,833	98.5%	16,580
D	8,903	7,800	7,800	98.5%	7,683
E	4,493	4,017	4,910	98.5%	4,836
F	1,675	1,541	2,225	98.5%	2,192
G	567	464	773	98.5%	761
H	58	16	33	98.5%	32
	<hr/> 114,707	<hr/> 95,988	<hr/> 77,593		<hr/> 76,428
Plus adjustment for MOD Contribution			<hr/> 843		<hr/> 843
<b>TAX BASE TOTALS</b>			<hr/> <b>78,436</b>		<hr/> <b>77,271</b>

**APPENDIX B**

**Tax Base and collection rates used for previous three years.**

Year	2011/2012			2010/2011			2009/10		
Band	No. of properties	Estimated collection rate	Adjusted Band D equivalents	No. of properties	Estimated collection rate	Adjusted Band D equivalents	No. of properties	Estimated collection rate	Adjusted Band D equivalents
A	46,395	98.5%	24,500	46,215	98.5%	24,553	45,909	98.5%	24,527
B	30,600	98.5%	19,766	30,477	98.5%	19,666	30,243	98.5%	19,667
C	21,631	98.5%	16,553	21,520	98.5%	16,444	21,348	98.5%	16,390
D	8,823	98.5%	7,626	8,758	98.5%	7,585	8,642	98.5%	7,539
E	4,476	98.5%	4,838	4,467	98.5%	4,863	4,453	98.5%	4,845
F	1,665	98.5%	2,160	1,662	98.5%	2,168	1,661	98.5%	2,163
G	560	98.5%	759	560	98.5%	744	561	98.5%	752
H	58	98.5%	31	59	98.5%	35	59	98.5%	37
Totals	114,208		76,233	113,718		76,058	112,876		75,920
Plus adjustment for MOD Contribution			833			841			830
<b>TAX BASE TOTALS</b>			<u>77,066</u>			<u>76,899</u>			<u>76,750</u>



**CITY OF PLYMOUTH**

<b>Subject:</b>	2012/13 Indicative Budget (Revenue and Capital) allocated to corporate priorities
<b>Committee:</b>	Cabinet
<b>Date:</b>	13 December 2011
<b>Cabinet Member:</b>	Councillor Bowyer
<b>CMT Member:</b>	Director for Corporate Support
<b>Author:</b>	David Northey, Head of Finance
<b>Contact:</b>	Tel: 01752 304566 email: david.northey@plymouth.gov.uk
<b>Ref:</b>	djn131211
<b>Key Decision:</b>	Yes
<b>Part:</b>	1

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**Executive Summary:**

This report sets out Plymouth City Council's 2012/13 Indicative Revenue and Capital Budget. It builds on the income assumptions set out in the latest published Medium Term Financial Strategy and its impact on the Council Tax. The budget brings together the elements of the Council's income and expenditure strategy, summarised by each department, together with its Capital strategy. It also reviews the impact on future Revenue and Capital Plans for 2013/14 and 2014/15.

At the time of preparing this budget, the Council has announced its intention to move from a five to a three directorate model progressively from 1 January 2012. The current directorates are: (Assistant) Chief Executive; Children & Young People; Community Services; Development & Regeneration; Corporate Support. The new model's three directorates will be Place; People; and Corporate Services. For this Indicative Budget for comparative purposes, we have continued to report on the existing directorate and department structures.

We knew that the end of the three year Comprehensive Spending Review (CSR) in 2010/11 would present further pressure on future funding arrangements. All indications were that Government funding would substantially reduce in the period 2011/12 to 2014/15. Although the CSR covered a four year period, the settlement announcement gave funding allocations for a two year period only. Following publication of this report, we are expecting a statement to the House from the Chancellor to be delivered at the end of November; we are then expecting further refinements to the funding for 2012/13. The local Settlement should be published in the first two weeks of December 2011. Any impacts on our budget resource assumptions will be analysed and presented in a supplementary report to Cabinet.

We are currently working to guidelines only for Government funding for 2013/14 and 2014/15 but remain only too well aware that future funding will continue to reduce. Indeed, future Local Government funding is expected to move away from a needs based formula towards a greater emphasis on incentivised funding. The published White Paper on Growth outlines plans for a review of business rates with the intention that in future local government will be able to keep what they collect; the introduction of a new homes bonus (consultation currently on-going); and plans to change the law so that Councils will be able to borrow against the proceeds of future business rates (known as Tax Increment Funding) in order to invest. In addition, the Government has instigated a full review of Public Sector pension provision, and we await full details of the impact on our budget.

In setting the 2012/13 budget, we have rolled forward the revenue budgets from 2011/12 as our base budget. In order to meet our reduced funding, and to maintain our delivery of frontline services, we have had to refine our assumptions on inflation and growth; challenged down future years spending profiles; stopped some activity linked directly to withdrawn grants and set new, reduced targets linked to the four top level priorities. These priorities are to Deliver growth; Raise aspirations; Reduce inequality; and Provide value for communities.

In setting the 2011/12 budget, three year "Budget Delivery Plans" were developed to address the requirement to reduce spend whilst maintaining and improving priority services over the next three years. Where delivered, the 2011/12 budget delivery plans have been rolled into "business as usual" and amalgamated into the departmental budgets. Where these plans have increased targets together with new plans, the additional savings are now shown as the 2012/13 and 2013/14 Budget Delivery Plans.

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### **Corporate Plan 2011-2014 as amended by the four new priorities for the City and Council:**

The budget is central to the successful delivery of the Corporate Plan 2012-15.

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

Once approved the 2012/13 budget will become the base year for the Medium Term Financial Strategy (MTFS) 2012-15. The MTFS will be revised and updated soon after the adoption of the 2012/13 budget and will reflect the final settlement announcement. Human resources, ICT and asset implications have been fully considered and referred to throughout the report.

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

All Departmental Delivery Plans are covered by Equalities Impact Assessments, signed off by the relevant Director. Each delivery action has considered the impact on: council priorities, legal obligations, customers and other services and partners. Each separate action has been

risk assessed in terms of potential barriers to implementation with corresponding mitigation stated where relevant.

**Recommendations & Reasons for recommended action:**

This report contains a high level summary of the Corporate Plan. The draft Corporate Plan will be published on 4 January and the Leader will refer the document straight to Scrutiny on January 11, January 16 and January 18 to inform Scrutiny's deliberations on the Council's proposed priorities and budget.

It is recommended that:

1. the Cabinet authorise the Leader to agree the draft Corporate Plan, for the purposes of consultation and scrutiny, in accordance with the budget and policy framework procedure rules;
2. the proposed revenue target budget requirement of £201.1m for 2012/13 and four year Capital Programme of £160.6 is recommended for consultation;
3. Cabinet consider findings from consultation, feedback from budget scrutiny and any material changes announced in the final settlement for Plymouth City Council in early February '12 and recommend the final revenue budget for 2012/13 to Full Council on 27 February 2012

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

It is a statutory requirement under Section 33 Local Government Finance Act 1992 for the Council to produce and deliver a balanced budget and to set a Council Tax.

**Background papers:**

- Finance Settlement Papers Department of Communities and Local Government
- The Prudential Code for Capital Finance in Local Authorities
- Equality Impact Assessments
- The Local Government Act 2003 and The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003
- Medium Term Financial Strategy
- Capital Financing Regulations
- Workforce development Strategy
- ICT Strategy
- Accommodation Strategy

**Sign off**

Fin	MC111 2.019	Leg	TH003 4	HR	MG	Asset Man.	CJT/0 87/05 1211	IT	-	Strat. Proc.	PWC 1112. 008
Originating SMT Member Malcolm Coe											

**I. Introduction and Contents**

- I.1. This report details how the Council has allocated its revenue and capital resources across departments and priority areas for 2012/13 to improve outcomes for local people. It is fully linked and underpins the Council’s Corporate Plan 2012-15.
- I.2. The proposed 2012/13 budget needs to be considered in the context of the national environment with regards funding assumptions for the Authority. We have a degree of certainty around the income for 2012/13, which builds on the settlement confirmed in December 2010. However, we await confirmation, expected progressively from December 2011, of any changes to specific grant funding for the budget year. Assumptions have been used to formulate the anticipated income for 2013/14 and the following year.
- I.3. Any amendments required to this indicative budget, as a result of the December settlement and after consideration of our consultation process and the proposals from the January Scrutiny, will be presented to Council for approval in February 2012.
- I.4. Funding allocations are made within the framework of the Council’s Medium Term Financial Strategy, (MTFS), which sets targets and principles for setting three year revenue budgets and four year rolling capital budgets. The MTFS will be revised, updated, and published, following the approval of the 2012/13 budget and formal approval of the Council Tax.
- I.5. Appendices to this report provide the main detail and delivery plans that underpin the 2012/13 budgets:

Appendix A	Departmental Indicative Budgets
Appendix B	Local Government Act 2003, Section 25 Section 1: Analysis of Budget Robustness Section 2: Adequacy of Reserves
Appendix C	Capital Investment Programme 2011/12 to 2014/15
Appendix D	Directorate Revenue Budget Delivery Plans

- I.6. This report is a commentary on where the Council finds itself in terms of the national context and challenges. Each department describes its departmental context, progress and investment against challenges and pressures faced and lays out a summary of what the department intends to do to deliver a balanced revenue budget in 2012/13, and the plans for 2013-2015.

**2. The Medium Term Financial Outlook**

- 2.1 The City Council, like everyone else, finds itself operating in the midst of a serious, unprecedented economic downturn, and is facing a series of very challenging issues into the medium term.
- 2.2 The current economy continues to cause budget pressures, such as the impact of reduced income from our car parks and falling income from commercial rents. The downturn has also brought reduced interest rates and therefore reduced income for our treasury investments.
- 2.3 Our ability for future capital investment in the city to stimulate growth and regeneration will also be restricted. The capital programme will continue to require robust management to ensure that outcomes are maximised and the impact on the Council's revenue budget is kept to a minimum.
- 2.4 Against this, the Council face increasing spending pressures moving forward; for example, the increase in the number of children in care and impact of the growing elderly population on adult social care budgets.
- 2.5 Demand for Housing Benefits, with an 18% increase over the last twelve months, and personal finance advice has also significantly increased; this is directly linked to the economic situation.
- 2.6 The council has, for some time, been modelling a year on year real term reduction in its formula Grant.
- 2.7 The Council is not unusual in facing these issues and is prepared for the challenge. The Council will need to take some difficult decisions in the future about what services it does and what services it doesn't provide. The Council will need to continue to radically change shape over the coming years. The Senior Management Restructure needs to be embedded and become the start point for future changes. The new Directorate structure is due to be implemented with effect from 1 January 2012, with the Senior Management Team structure going live March 2012.
- 2.8 The Council needs to continue to work more closely with other partners in the public and private sector to provide the best solution for the city
- 2.9 Despite reducing resources and increasing spending pressures, Plymouth City Council continues to remain ambitious with our future plans. For example, the build of The Plymouth Life Centre and new Academy Schools will generate significant benefits to the residents of Plymouth. Such projects demonstrate our determination to press on with the regeneration and economic growth of the City in order to achieve our long term vision, meeting long term growth aspirations of 50,000 increased population and more than 40,000 new jobs by 2026.

### **3. Executive Summary**

- 3.1 This is a combined Revenue and Capital budget report setting out the City Council's 2012/13 income and expenditure.
- 3.2 Plymouth City Council has continued to make tangible improvements to client facing services whilst driving efficiencies throughout 2011/12. This principle underlies the strategy for the budget for 2012/13. The Authority has to direct scarce resources away from the support functions and towards the frontline services, but maintain the ability to provide the necessary level of support, not just for 2012/13 but the coming years.
- 3.3 This report needs to be read in conjunction with the Council's Corporate Plan 2012-15. A complete revision of the Corporate Plan will be published on 4 January 2012 and will include chapters providing overviews on the council's ICT Strategy, and Workforce Development Plan. This document will be made available for the January '12 budget scrutiny.
- 3.4 The 2010 evidence based 'Plymouth Report' led to the adoption of four city and council priorities, which are set out in detail in the Corporate Plan. Building on the strategies adopted in 2011/12, the 2012/13 budget continues to have a sharper focus on a fewer number of priorities and continues to drive improvement.
- 3.5 In setting the 11/12 budget, we deliberately targeted resources in to spending areas that contribute most to the city's four top level priorities. This strategy has been rolled forward into the 2012/13 budget. For 2011/12, the council developed robust, risk assessed delivery plans to underpin the achievement of the 11/12 budget as well as striving to achieve a balanced revenue position for the '12/13 and '13/14 financial years. These plans underpin the new 2012/13 budget, with increased targets together with plans new to 2012/13 coming into play. Our performance against these plans during 2011/12 and their robustness going forward, will now be subject to a thorough consultation and scrutiny process throughout December '11 and January '12 prior to finalising the budget in February 2012.
- 3.6 This year's budget setting process has again seen much closer working across Plymouth 2020, (the Local Strategic Partnership), with partners aligning priorities and key decision dates.
- 3.7 Each directorate's budget plans have been subject to a cross-directorate challenge at both CMT and Cabinet level. Also, for the first time, we have invited our Strategic Partners to join CMT for a city-wide budget challenge session.
- 3.8 The outcomes from these challenges will be considered to influence our resource allocation within the 2012/13 budget.

- 3.9 The Delivery Plan savings which have been achieved in 2011/12 have been rolled forward into the base budget for 2012/13 and future years. Where these Plans showed an additional savings target for 2012/13 and 2013/14, and where these additional savings have been confirmed, again these savings have been built into the base budget and no longer feature as Delivery Plans.
- 3.10 The Delivery Plans, detailed for each Directorate in Appendix D, now show the additional Plans for 2012/13 and 2013/14 as set out in the budget plans approved by Full Council February 2011, as part of the three year budget. Also shown are Plans developed to supplement and/or replace shortfalls against the original savings targets.

#### **4. Priority focus**

- 4.1 Following our analysis of the Plymouth Report we have reduced our priorities for the city, the council and our key partners to four: deliver growth, raise aspirations, reduce inequalities and provide value for communities.
- 4.2 We have recommitted to our growth agenda and recognised that we need to focus on it much more strongly if we are to achieve the step change required to achieve our vision for the city. This is the agenda that makes Plymouth distinct.
- 4.3 Closely tied to that is the need to raise aspirations. We not only want our children and young people to set their sights higher, but for those in contact with them to have higher expectations; for people to want to come to Plymouth as a place where they can develop and prosper. We do not want the local population to be held back by deprivation and inequalities, but to contribute to and share in the city's growth.
- 4.4 At the same time, we recognise that we are operating in tight financial circumstances and need to be innovative, resourceful; more customer focused; and provide greater value for money. These priorities are all interlinked.
- 4.5 Together with partners we have agreed a set of Level 1 outcome measures for which we share collective responsibility. The priority descriptors and outcome measures for these are listed in *figure 1*.
- 4.6 Our aim is to match our resources to our priorities, moving away from those areas which are "less important" and where we can stop doing things. In 2012/13 we are again focusing on value for communities and the efficiency agenda. We are also protecting budgets around growth.
- 4.7 We must have a sustained focus to deliver improved outcomes.

Figure 1: City and Council top level priorities

Plymouth 2020 priority descriptors			
Deliver growth	Raise aspiration	Reduce inequality	Provide value for communities
Develop Plymouth as a thriving growth centre by creating the conditions for investment in quality homes, jobs and infrastructure	Promote Plymouth and encourage people to aim higher and take pride in the city	Reduce the inequality gap, particularly in health, between communities	Work together to maximise resources to benefit customers and make internal efficiencies

Level 1 Outcome Measures			
Increase the number of jobs in Plymouth	Raise Plymouth's level 4 attainment	Reduce the gap in life expectancy by at least 10% between the fifth of areas with the lowest life expectancy and the population as a whole by 2020	Increase the value of commissioned goods and services by the third sector
An increase in the headline gross value added per head index at current basic prices	Increase in the number of visitors coming to the city.	Reduce the rates of premature mortality (<75 years) in men from all causes by 40% by 2020	Increase the % 'age of customer satisfaction of all public service offering VFM
Offering a good range of housing in safe, inclusive and sustainable communities	Overall / general satisfaction with local area	Reduce Child Poverty	Increase the % of people who feel they can influence decisions in their locality.
Deliver connectivity with key regional, national and international markets	Rate of small business growth with turnover greater than £100k		Per Capita CO2 emission in the LA area
			Increase % of people who believe people from different backgrounds get on well together

## 5. Revenue Resources

- 5.1 Our resources for 2012/13 are based on confirmed assumptions and allocations. For 2013/14 we have reflected expected further formula grant reductions, as shown in figure 2. This is unprecedented in terms of local authority funding to date. We are used to seeing a year on year increase to cover the cost of likely cost rises
- 5.2 Central Government has now confirmed (mid-November 2011) the offer of a one-off Council Tax Grant allowance in 2012/13 equivalent to 2.5% of the Council tax base. For Plymouth City Council, this equates to £2.4m
- 5.3 Although this Grant offer is welcomed, it does mean the Authority would have a year on year shortfall in future funding, as this money is removed from the budget from 2013/14 onwards.



- 5.4 CMT and Cabinet have been made aware of our modelling assumptions over the past months and our Medium Term Financial Strategy, (MTFS), showing the impact of funding reductions has been published on our website.
- 5.5 The National context highlighted a 28% reduction (7% per year) in funding over the Comprehensive Spending Review period, 2011/12 – 2014/15. Our model assumes a 5% reduction in formula grant funding for 2013/14, accumulating to just over 16% when added to the actual funding reductions for 2011/12 and 2012/13. This is on net revenue budget only, and does not include the reductions and deletions of specific grant funding, held elsewhere in the budgets.
- 5.6 We are confident that our overall assumptions are robust and have therefore continued to model our spend allocations on the figures below. However, we continue to carefully monitor, and report on, the impact of changes to numerous specific grants (both revenue and capital) which could have a material impact in certain service areas. The detail of such grants will not become clear until late December '11 / early January '12. When known, the specific grant analysis will be fed into the budget scrutiny process in January 2012.
- 5.7 In Figure 2, 2011/12 shows actual funding; 2012/13 shows funding based on the Settlement as known at the time of preparing the Indicative Budget. Years 2013/14 and 2014/15 are shaded to indicate these are based on our assumptions only at this stage. These will need to be reviewed once Government funding is further clarified.

**Figure 2: Revenue resource assumptions**

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
<b>Total Resources available</b>	<b>208.2</b>	<b>201.1</b>	<b>198.2</b>	<b>200.7</b>
<b>Increase / (decrease) over previous year</b>	<b>(2.6%)</b>	<b>(3.4%)</b>	<b>(1.5%)</b>	<b>1.3%</b>

*Note: Council Tax level for '12/13 will be finalised at Full Council in February 2012.*

- 5.8 We are used to getting in the region of a £5 to £6m year on year increase in revenue funding, to fund pay increases, general inflation costs, and the ever increasing demands on our services.
- 5.9 Every 1% Council Tax rise generally adds revenue of approx. £950k, and a 1% drop in Formula Grant represents a reduction of £1.06m. For 2012/13, we have a net of £7.13m compared to our 2011/12 budget base.
- 5.10 Our last Council Tax increase, in 2010/11, was by 2.89%, and was followed by a freeze in 2011/12 and a possible freeze again in 2012/13. This means the Authority still has the lowest average Council Tax in the region. For purposes of comparison, a similar Council Tax increase for 2011/12 and 2012/13 would have generated an extra £2.8m and a further £2.9m of income, a total of £5.7m over the two years

## 6. Expenditure Assumptions:

- 6.1 The approach to the budget setting process was changed for 2011/12.
- 6.2 In response to the significant reduction in funding, the Council set up eleven “Theme” budget delivery programmes, which cut across the departments of the council. Each theme was sponsored by a Director, supported by a team drawn from all areas of the council.
- 6.3 Percentage reductions were then applied on a priority basis, to the 11 Budget Delivery Groups in order to set overall budget targets within the projected revenue resources available. These savings targets amounted to £8.2m for 2011/12; this increased to £15.7m in 2012/13; and £25.9m in 2013/14 as detailed in figure 3.
- 6.4 Saving targets range from year one 1.5% for areas such as Adult Social Care and Children’s Services to 40% in year three for Business Support & Corporate Support areas. The targets also clearly demonstrate that we continue the drive to reduce spend in back office support functions and allocate resources to improving front line service delivery.

**Figure 3: Three year revenue reduction targets by delivery group**

	Budget for Reduction £000	Reduction 2011/12		Reduction 2012/13		Reduction 2013/14	
		% 'age	£000	% 'age	£000	% 'age	£000
1 Policy, Performance & Partnerships	2,201	-15.0%	-330	-25.0%	-550	-40.0%	-880
2 Business Support & Corporate Coms	6,051	-15.0%	-908	-25.0%	-1,513	-40.0%	-2,420
3 Corporate Support Services	18,823	-15.0%	-2,823	-25.0%	-4,706	-40.0%	-7,529
- ICT - Direct Costs to Departments	3,484	-3.0%	-105	-5.0%	-174	-8.0%	-279
4 Adult Social Care & Health	70,999	-1.5%	-1,065	-3.0%	-2,130	-6.0%	-4,260
5 Children & Young People Social Care	25,762	-1.5%	-386	-3.0%	-773	-6.0%	-1,546
6 Children & YP (exc Social Care)	22,502	-1.5%	-338	-3.0%	-675	-6.0%	-1,350
7 Customer Services (inc Revs & Bens)	4,171	-1.5%	-63	-3.0%	-125	-6.0%	-250
8 Growth & the Economy	15,229	-1.5%	-228	-3.0%	-457	-6.0%	-914
9 Culture, Sport & Leisure	10,680	-5.0%	-534	-9.0%	-961	-13.0%	-1,388
10 Blue collar services / client side	14,596	-5.0%	-730	-15.0%	-2,189	-25.0%	-3,649
11 Accommodation costs	5,862		-750		-1,500		-1,500
Miscellaneous small budgets	1,464						
<b>Reduction Applied</b>	<b>201,825</b>		<b>-8,260</b>		<b>-15,753</b>		<b>-25,966</b>

- 6.5 The extent of the savings needed to balance the revenue budget meant we had to undertake a programme of transformation across the whole of the council. We need to do things differently. Therefore, target savings were applied to all departments

and services. However, we must continue to balance the target reductions to ensure that the reduced funding does not lead to a drop in the level of service provided in core priority areas. We cannot continue to operate in the same way; we have to do things differently

- 6.6 The advantage of the 'Budget Delivery Group' approach was that it enabled the council to look at entire spend for a specific function, (such as Policy & Performance), across all departments and the corporate centre, identify duplication and overlaps, and make recommendations for what structures and processes are required in the future. However, to maintain departmental 'ownership' of budgets and corresponding delivery plans, the spend reductions applied to the 11 delivery groups were translated back to existing departmental structures to provide clear revenue targets for Directors and their management team.
- 6.7 Further to these reductions, the Final Settlement, confirmed late in December 2010, required us to apply additional target savings in order to match the extra funding reductions. These savings amounted to £5.0m for 2011/12 and £4.7m for 2012/13 and 2013/14.
- 6.8 These savings were allocated firstly to the department directly affected by the funding reduction; for example the reduction in Early Intervention Grant (EIG) was applied 100% to Children and Young People. Secondly, the remaining savings were applied across the directorates following a robust cross-departmental challenge.
- 6.9 Adding these new challenges to those identified in Figure 3 above gives overall revised three year targets of:
- 2011/12        £13.341m
  - 2012/13        £20.453m        an increase of £7.1m
  - 2013/14        £30.666m        an increase of £10.2m
- 6.10 2012/13 indicative revenue budgets, by directorate showing the impact of these base budget target reductions are detailed in *figure 4*.
- 6.11 A more detailed analysis of budgets at Service level within each department is shown as Appendix A to this report.

**Figure 4: PCC indicative revenue budget 2012/13**

DIRECTORATE	10/11 £000s RESTATED BUDGET	11/12 £000s Delivery Plans	11/12 £000s REVISED BUDGET	12/13 £000s Delivery Plans	12/13 £000s "TARGET" BUDGET
Children & Young People	51,570	(3,341)	48,229	(1,018)	47,211
Community Services	111,241	(3,223)	108,018	(3,900)	104,118
Development & Regeneration	17,705	(745)	16,960	(223)	16,737
Chief Executive	2,371	(211)	2,160	(141)	2,019
Corporate Support	31,908	(5,221)	26,687	(2,432)	24,255
Corporate Items	6,783	(600)	6,183	600	6,783
<b>TOTAL REVENUE BUDGET</b>	<b>221,578</b>	<b>(13,341)</b>	<b>208,237</b>	<b>(7,114)</b>	<b>201,123</b>

## 7. Review of Reserves & Risk Management

- 7.1 We have reported the council's intention to support capital 'invest to save' initiatives, part funded through generated capital receipts. The first of these initiatives approved through Cabinet, and subsequently Full Council, was the Accommodation Strategy Phase 1. This entailed a one off capital investment of £6.4m and one off revenue investment of up to £0.8m to rationalise our office premises, generating year on year revenue savings of £1.5m and fundamentally changing how we work both in terms of office layout as well as customer interaction.
- 7.2 Corporate Management Team and Cabinet have considered, and will continue to consider, further invest to save proposals. Other key initiatives for which funding have been allocated include:
- developing the Care First system to improve our management of client information;
  - ICT investment to enable flexible working environments in all of our core office buildings (as part of Accommodation Strategy Phase 1). This will also provide greater opportunity for co-location working with key partners such as Health.
  - Parent and Child Assessments
  - Intensive Support for Young People with Multiple and Complex Needs.
- 7.3 In terms of Reserves, the council retains a prudent approach to risk management. Our core working balance, as at 31 March 2011, at £11.5m is 5.7% of our indicative net 2012/13 revenue budget. Our plans are to retain this Working Balance level throughout 2012/13 (compliant with the objectives set within our MTFS)
- 7.4 In addition to the Working Balance, specific earmarked reserves are forecasted at £23.0m at the end of March 2012 and forecasted to reduce to £20.0m by 31 March 2013. The balances are higher than estimated at this time last year as we now have to include, under IFRS requirements, Schools Balance (currently £5.5m) and unused year end Grants carry forwards (currently £3.0m)
- 7.5 Specific reserves are set to cover known or estimated future costs for specific activities and / or liabilities. For example, Waste Management Reserve (£1.5m) to meet the short term revenue costs of waste disposal and an Education PFI reserve (£1.5m) to meet the scheduled future PFI costs etc.
- 7.6 A detailed analysis of the robustness of the budget, considering relevant risks, is detailed in **Appendix B** along with an analysis of actual, and planned, movement across all key Council Reserves.

## **8 ICT Strategy & Investment**

- 8.1 Plymouth City Council's ICT service benchmarks nationally as a cost effective service. As ICT strives to reduce the number of applications used by the Council and seeks to consolidate around enterprise wide applications, savings proposed, within the 2012/13 budget, will require the full cooperation of all departments. We will also need to improve our ability to manage physical assets such as PCs, laptops and mobile phones.
- 8.2 Investment in ICT is fundamental to the successful transformation of the council. Having one consistent, joined up, reliable source of information on the customer, enabling flexible working across all of our buildings, increasing the use of e-learning facilities, and implementing a new greater functionality interactive website all form part of the overall ICT strategy moving forward.
- 8.3 However, investment, both in terms of finance and capacity, needs to be prioritised to ensure that smooth implementation is achieved in the areas of greatest need. To date, the elements of the ICT strategy that have been approved and are actively progressing relate to the Accommodation Strategy and CareFirst. Further ICT 'invest to save' proposals will be developed and presented for approval over the coming months. A £1.3m data centre fit out goes to full Council for consideration in December 2011.
- 8.4 The new corporate ICT architecture has been designed and delivered with the help of key partners bringing both expertise and capacity to ICT at a critical time. Approximately 600 staff have been successfully migrated to this new way of working and a comprehensive rollout programme for the rest of the organization is in place.

## **9. Human Resources and Workforce**

- 9.1 The Council directly employs approximately 4,300 staff (3,376 FTE) and a further 3,000 staff within maintained schools. The impact of the Council's budget proposals affect only those employed directly as schools have delegated budgets for staffing.
- 9.2 Our total wage bill (excluding on-costs) is around £84.5million. Each year the Council's budget includes a savings target of 3% for 'vacancy savings' which is naturally achieved from vacant positions and natural wastage/turnover.
- 9.3 We aim to reduce the direct and in-direct costs of the workforce through:
- Natural wastage / turnover
  - Planned retirements / use of temporary contracts
  - Recruitment controls and improving redeployment opportunities
  - Negotiated workforce reductions
  - Modernisation and workforce re-modelling
  - Maintaining capacity and improving productivity (which will also require some investment from the Council in skills, training and support)
  - Reducing the overall size of the workforce
- 9.4 The on-going Senior Management Restructure will achieve savings of at least £0.600m in 2012/13.

- 9.5 National pay negotiations are currently under way for the 2012/13 pay award.
- 9.6 Revised Terms & Conditions are now agreed and will achieve the necessary savings in 2012/13. We will need to keep under review the Council's reward, benefits and the pay and grading policies to ensure we reward performance and productivity link to competencies and outcomes to attract and retain the best talent and skills.
- 9.7 Budget Delivery Plans provide estimates in terms of staffing reductions. We continue to seek to reduce the workforce by around 500 posts by 2012/13. To date, we have delivered a reduction of around 250 posts, ahead of expectations. We will also need to review service delivery structures and methods to ensure we organise to continue to deliver more efficient services.
- 9.8 2011/12 will see the introduction of a new management development programme to invest in management and supervisor levels, as well as identify managers of the future to retain our talent. The Council's development programme is being targeted at change management, behavioural competencies, talent management, performance and modern working practices and basic skills. We continue to invest in the development and expansion of the Council's support for apprenticeships following a successful launch in 2010/11 and further work with the University of Plymouth to provide internships, work placements and graduate roles for students will be undertaken.
- 9.9 As part of our on-going plans set out in the 3-year Corporate Plan, we will continue to explore opportunities for greater efficiencies through shared services with other partners within the public sector across the city and region.

## **10. Capital Resources and Prioritisation**

- 10.1 Our financial strategy for capital has been aligned with our Medium Term Financial Strategy for Revenue. It now covers the current year plus three future years, making a four year Programme.
- 10.2 We maintain the principle that capital schemes are only approved into the programme where specific funding has been clearly identified and supported by business cases. Thereby, the capital investment programme, at any set point in time, will evidence 100% funding allocation against approved schemes. The Capital Delivery Board reviews all new proposed projects and ensures Capital Investment is prioritised to maximise outcomes against the council's Priorities.
- 10.3 As a consequence of the CSR 2010, Supported Borrowing for Local Authorities was withdrawn on any future funding requirements. This has added an additional pressure to our revenue requirements. It also explains why the funding for the programme now only shows £0.324m of supported borrowing. This will reduce to zero in the near future.
- 10.4 The council continues to challenge the affordability of its four year Capital Programme for the period 2011/12 to 2014/15. There remains significant volatility around future capital grant funding and income generation through capital receipts.

The four year programme shown in figure 5 below includes new projects to be approved by Full Council in December 2011, and also further monitoring re-profiling. The programme is based on known projects and funding streams. Officers will remain proactive at optimising external grant funding wherever possible in order to continue to deliver significant, ambitious capital investment in the city. The indicative programme for 2011/12 onwards will be updated once further details of funding are made available.

**Figure 5: Four year Departmental Capital Programme**

	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000s	Total £000s
Children's Services	18,906	22,756	12,937	1,629	<b>56,238</b>
Community Services	27,703	4,556	183	337	<b>32,779</b>
Development & Regeneration	28,567	12,569	6,523	7,371	<b>55,030</b>
Corporate Support/items	11,996	3,996	500	-	<b>16,492</b>
	<b>87,172</b>	<b>43,887</b>	<b>20,143</b>	<b>9,337</b>	<b>160,539</b>

This expenditure will be funded by:	£000
* Capital Grants/Contributions	92,481
* Supported Borrowing	324
* Unsupported Borrowing	24,774
* Capital Receipts	34,518
* Section 106 / Revenue / Funds	8,442

**Total Funding** **160,539**

- 10.5 At the 15 November Cabinet, in order to fund our ambitious Medium Term Capital Programme, it was agreed to consolidate the balance held in the capital receipt reserve into the main capital receipts programme. This amalgamation allowed a reduction in unsupported borrowing for the current and future programme.
- 10.6 The current programme for years 2013/14 and 2014/15 will increase as new grant allocations are confirmed for the City.
- 10.7 We remain committed to a significant capital investment programme despite the current economic climate. The Council, engaging with partners in major regeneration of the City, will not only contribute towards delivering improvement priorities, but will also help to sustain much needed work opportunities in the local area (for example, the construction industry).

Significant schemes include:

- The Plymouth Life Centre;
- A state of the art new college, Tor Bridge;
- Improving transportation Plymouth (Local Transport Plan);
- A further two new Academies
- A University Technical College (UTC)

10.8 We will continue to regularly review the assets that we own to ensure that they are fit for purpose and optimise the use of capital receipts, where deemed beneficial, in order to support our overall capital investment programme. However, our ability to generate capital receipts has been severely impacted in the last couple of years due to significantly falling land and property prices.

10.9 In reviewing the capital programme as part of 2012/13 budget setting we have built in a risk based capital receipt funding, now £34.5m over the four year period. This funding is based on a schedule of specific assets, with current estimated valuations and proposed timing for disposals. Our view is that we will dispose of very few assets over the next three years, with disposals increasing towards the end of the four year programme on the assumption that market conditions will improve.

10.10 The council has built in the requirement for **additional temporary borrowing** to cover the shortfall in capital receipt income for the 2012/13 and 2013/14 financial years. It is planned that this borrowing will be repaid in future years to coincide with our forecasted capital receipt income. Capital receipt generation will be kept under constant review by the Capital Delivery Board as part of regular monitoring. Any variations to the forecasted position will be reported to Corporate Management Team and Cabinet at the earliest possible opportunity.

## 11 **Asset Management Plan**

11.1 The Council's Asset Management Plan will provide an update on the previous year's plan together with more detailed information on the Corporate Operational Portfolio around key metrics i.e number, size, value and condition & performance of the assets.

11.2 It will also review the shape and opportunities of the estate building on the Property Performance model and service asset strategies. There will be an update on the Accommodation Strategy including further potential for co-location with partners, together with information on the latest round of benchmarking of the estate against other local authorities.

11.3 The document will also include detail on the corporate landlord initiative where all council land is held by one service area.

11.4 We will update on the management of assets including the provision of a new corporate property database, the on-going maintenance strategy, statutory compliance and the corporate property forum.



- 11.5 There will also be an update on Carbon Management including the Carbon Management Plan and the council's performance under the Carbon Reduction Commitment.

## **12 Value for Money & Efficiencies**

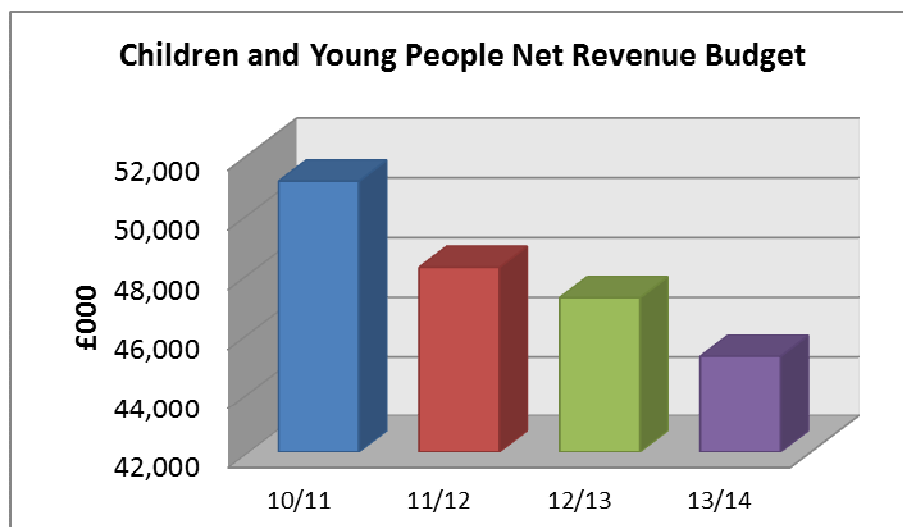
- 12.1 The Authority continues to encourage initiatives for identifying VFM efficiency gains with good success
- 12.2 Many of the Departmental 2012/13 budget delivery plans will continue to generate the efficiencies that are required to achieve our cumulative target. Each department will adopt a Budget Delivery Plan which will be supported by staff from the corporate centre and form part of regular quarterly performance and finance reporting.
- 12.3 The internal challenge and reporting of efficiencies has continued to improve substantially across the Council through the introduction of cross departmental Improvement Boards which focus on the implementation of budget delivery plans for each Directorate (all cashable efficiency savings are being reported against plans to achieve budget targets as well as general efficiencies to improve services to customers).
- 12.4 The Council continues its commitment to undertaking annual robust benchmarking against our council 'family group' as well as top performing councils. Such information is used to inform Budget Delivery Plans to ensure that greater savings are driven out from areas of high spend where possible.

## **13 Departmental Prioritisation and Budget Delivery Plans**

- 13.1 The Council has adopted a strategic approach to allocating its limited revenue and capital resources across departments based on clear prioritisation and a need to deliver against the City and Council's four Corporate Priorities.
- 13.2 Within this corporate framework, each department continues to focus on improving front line service delivery and drive efficiencies whilst tackling challenges and funding pressures through additional service demand. This section summarises the strategic direction that each department is adopting and plans that it will put in place to deliver improved services within the available budget.
- 13.3 Revenue Budget Delivery Plans that specify planned action to achieve two year reduction targets are detailed in **Appendix D**. Progress against these plans will be incorporated within regular quarterly performance and budget reporting.

## 14 Children and Young People

	<u>Net Revenue</u> <u>Budget £000</u>
10/11	51,111
11/12	48,229
12/13	47,211
13/14	45,246



### Departmental context

- 14.1 The Chancellor's Autumn Statement put education at the top of the agenda, with measures to invest in the infrastructure and ensure resources are placed in areas of most urgent need. The Government continues to push schools and the LA to drive up education standards. Measures include open procurement of education support services by schools, which presents challenge and opportunity for existing LA services. A school improvement role remains for the Local Authority, but swifter improvements are required, with failing schools expected to make structural reforms where necessary. A significant number of the city's schools have now transferred to academy status, with a further number actively exploring academy status in the near future.
- 14.2 The recent increase in the birth rate has bucked the historic trend of declining schoolchildren numbers and will place ongoing pressure on school accommodation capacity. The demand for primary school places is now reaching the point where it will outstrip supply and in certain localities this has already been reached. In addition, there is a significant issue of a backlog maintenance liability and suitability of an ageing asset stock remains.
- 14.3 The number of children in care has increased, with additional pressures including legislative changes such as the Southwark judgement and increases in the number of homeless young people presenting to Children's Social Care, as well as continued requirements around adoption and placement for children in Care. The cost of caring for an individual child varies in relation to their specific needs, and the service continues to balance the safeguarding risk and caseload management.
- 14.4 Strong changes in policy direction towards prevention and early intervention are coming from both the Department of Health and Department for Education. While a

strong prevention element exists within Services for Children and Young People, the requirement for more intensive and targeted services for the most vulnerable is outlined in both the education and public health White Papers. This includes marginalised young people, families experiencing difficulties, Children in Care, special educational needs, disability, and a focus on mental health, sexual health, alcohol and drug use.

- 14.5 A significant number of staff are employed via grant spend. We are continually tracking changes in grant determinations to assess and plan for the impact on Services for Children and Young People.

**Current year**

- 14.6 2011/12 has again presented some significant challenges as we adapt to the reduced funding and new ways of working. Despite this, the current year end forecast, based on the second quarter's published report, shows a slight underspend of £0.160m.
- 14.7 Social care reports a nil variation in the second quarter of the year. The number of residential placements has increased from 17 to 19 (against a target of 13) and the number of Independent Sector Foster placements from 65 to 66. This has resulted in an increased forecast expenditure, offset by savings within 16+ Service placement budget and the In- House Fostering provision.
- 14.8 The Commissioning and Finance Board continues to look at the range of options to improve efficiency and also to make choices about services. This includes looking at new ways of preventing children from needing to come into care, where the risk could be managed differently so that we could focus on the most vulnerable children. The Commissioning and Finance Board continues to look at options to deliver a balanced budget by year end.

**Delivery Plans 2011/12 – 2013/14**

	2011/12	2012/13	2013/14
DIRECTORATE	Total Delivery Plans	Additional Delivery Plans	Additional Delivery Plans
<b>CHILDREN AND YOUNG PEOPLE</b>	<b>3,890</b>	<b>1,018</b>	<b>1,965</b>

- 14.9 A very stretching target in 2011/12 of £3.9m included the reduction of specific grants EIG (Early Intervention Grant) £1.7m and ABG (Area Based Grant) £0.4m. The September 2011 monitoring shows all of the £3.9m is on track to be delivered within the year.
- 14.10 Where the 2011/12 Delivery Plans have been confirmed and verified by Finance as achieved, these savings have been absorbed as business as usual and netted off the relevant department budgets.

- 14.11 The target savings increase for 2012/13 by a further £1.018m, made up of
- Learning & Family Support £0.290m;
  - Children’s Social Care £0.520m;
  - Cross-cutting targets £0.208m.

**Full details behind these plans are shown in Appendix D.**

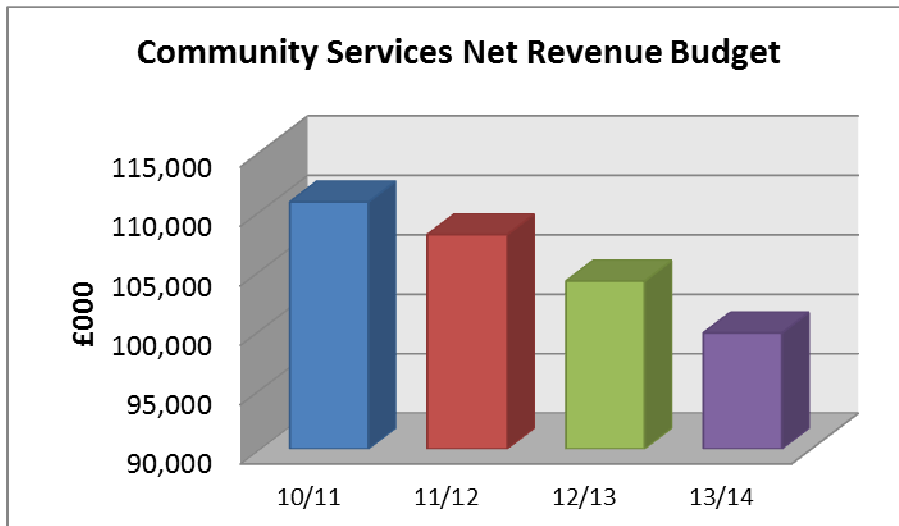
14.12 The departments Commissioning and Finance Programme board will continue to oversee the delivery of an ambitious programme of change designed to ensure services are provided efficiently within resources.

14.13 In Children’s Social Care the focus will be the continuation of wrap around services and risk managed diversion strategies to ensure that Children are able to stay with families in a safe environment wherever possible. Policy reviews such as the Transport review and the work regarding Special Educational Need will address underlying pressures whilst ensuring the most vulnerable are supported.

14.14 The back office, as with all departments, will also be reviewed to deliver efficiencies. The programme will inevitably lead to significant changes and the partnership with schools will also be a key feature in shaping the size and transformation of the department in future.

**15 Community Services**

	<u>Net Revenue Budget £000</u>
10/11	110,777
11/12	108,018
12/13	104,118
13/14	99,756



**Departmental context**

15.1 Community Services covers four customer facing departments:

- Adult Social Care
- Environmental Services
- Culture, Sport and Leisure
- Safer Communities

All of these services face a range of challenges in the current economic situation and all face significant policy changes and demands.

## **Adult Social Care**

- 15.2 Major government changes are now reforming the system of social care. It is moving to a service that is more personalised, more preventative and more focused on delivering the best outcomes for those who use them.
- 15.3 We have jointly established a Health and Wellbeing Development Group, reflecting the anticipated role of the Council in ensuring better integration of health and social care as proposed in the Health and Social Care Bill, improving health and wellbeing outcomes for the people of Plymouth.
- 15.4 Nationally, Adult Social Care is facing increasing pressures due to the growth in relevant demographics and increasing levels of long term care needs for high dependency service users. We are projecting a 17% (6,800) increase of over 65s and 12% (700) increase of over 85s by 2015.
- 15.5 The Personalisation Agenda has again been given extra pace this year with targets around direct payments and personal budgets. This has changed both our commissioning activity and service delivery going forward.

## **Environmental Services**

- 15.6 Environmental Services is a highly visible front line service with enormous challenges especially in the areas of waste disposal, waste collection and recycling. Managing public expectations of enhanced levels of service against a very tight budget is difficult.
- 15.7 The amount of waste going to landfill per household remains ahead of target at 51.65kg (target 54kg). However, landfill tax is set to increase by £8 per tonne each year until 2014. The Council also faces fines of up to £150 per tonne if we landfill more biodegradable waste than our landfill allowance (LATS).

## **Culture, Sport & Leisure**

- 15.8 The city is currently investing a significant amount in providing the new Plymouth Life Centre, which will be of international quality and will provide top class sport and leisure facilities in the city.
- 15.9 Negotiations continue around the future of the Plymouth Pavillions, and the continued provision of an ice rink in the city whilst a long-term solution is sourced.

## **Safer Communities**

- 15.10 From next year there will be changes to the way police forces are governed, with elected Police and Crime Commissioners to replace police authorities, and the introduction of Police and Crime Panels to scrutinise them. Although Community

Safety Partnerships are set to continue, Commissioners and Panels will bring a new dimension to the council's partnership role in delivering crime reduction. Plymouth City Council is leading work amongst councils in Devon and Cornwall to develop our Police and Crime Panel.

- 15.11 Both policing legislation and the government's place-shaping agenda is likely to see increased focus on councils and other public services engaging with communities at neighbourhood level. Our approach to neighbourhood working has been reviewed and is in a positive position to respond.
- 15.12 Economic pressures are likely to see increased demands for services such as personal financial advice and will also present challenges in terms of crime reduction eg rising acquisitive crime. We have adopted a new framework for advice services and are undertaking intensive work with partners to address a recent rise in acquisitive crime.
- 15.13 Changes to the licensing regime as a result of the Police and Social Responsibility Act may provide opportunities with regard to tackling alcohol-related violence. Closer working with the NHS also provides more opportunities to work in partnership and jointly commissioning services eg domestic abuse and Sexual Assault Referral Centre. Although there are grant reductions for the statutory sector for some of this work, new opportunities for grants directed at communities, are emerging.
- 15.14 Despite changes in national requirements to provide Gypsy sites, the government has said councils should consider need in their area and take this into account in reaching decisions locally. We are seeing increases in unauthorised encampments and have responded with a strategic way forward to identify Gypsy sites locally, in line with the national context.
- 15.15 The city's growth agenda means our population will increase and diversify further. Our services need to be able to respond to the changing demands this will bring. Ensuring good community cohesion between different communities will be a vital part of successfully managing the change.
- 15.16 New equality legislation brings a refocused requirement for us to ensure that our statutory duties are achieving real outcomes for different groups within our local and visiting population as well as our workforce. This will need to be evidenced against our core internal work like budgets and policies as well as in mainstream external delivery. However, there is less emphasis on national standards and targets which means our equality, diversity and community cohesion work can focus even more on locally agreed priorities e.g. differences in life expectancy and diverse community priorities.

### **Current year**

- 15.17 The current year has again been challenging in order to deal with the continued pressure within Adult Social Care and also the rising costs of providing front line services within Environmental Services. Services are continually reviewed to deliver within budget whilst maintaining the level of service expected by our customers.

- 15.18 As a result of continuing cost pressure in Adult Social Care, a cross departmental Programme Board has been in place since 2009/10. The department is rolling out significant change in a managed and phased way which will result in a total transformation of the service by the end of the current financial year.
- 15.19 Safer Communities remain off target to achieve the reduction in serious acquisitive crime, mainly due to a poor start to the year. However, we are ranked third in our family group of fifteen. The department is on target to reduce levels of violence with injury, and to achieve the proportion of priorities at neighbourhood meetings that get resolved.
- 15.20 The forecasted annual overspend within Environmental Services is around £0.084m. We have now addressed the cost pressures attributed to increasing vehicle and maintenance costs due to an ageing refuse fleet and the high cost of specialist repairs with the authorisation to purchase a dedicated fleet of vehicles.
- 15.21 Culture, Sport and Leisure budget pressures are largely as a result of costs of delivering the Leisure Management project; early mobilisation costs; the naming rights consultancy costs; and supporting the operating deficit for the Mayflower Centre. The Plymouth Life Centre construction programme is on target for an early 2012 opening.

#### Delivery Plans 2011/12 – 2013/14

	2011/12	2012/13	2013/14
DIRECTORATE	Total Delivery Plans	Additional Delivery Plans	Additional Delivery Plans
COMMUNITY SERVICES	4,686	3,900	4,362

- 15.22 The target in 2011/12 of £4.7m included the stretching challenge to Adult Social Care to reduce costs by £2.3m, with the directorate challenge increasing by a further £3.9m in 2012/13, and another £4.4m in 2013/14.
- 15.23 Community Services is largely on track to deliver the £4.6m delivery plans for the 2011/12 budget. The main challenge has been to deliver a wide programme of modernisation within Adult Social Care which has been very resource intensive; some notable successes around decommissioning, re-provision of services and our contributions policy have come about due to some excellent consultation with service users
- 15.24 The September monitoring shows £0.730m of Delivery Plans with a status of not achieved. Although the department will continue to work hard to offset these plans, there is still a risk of non-delivery. The plans concern the proposed transfer of assets to the community, public toilets for example, and savings associated with the Leisure Management contract.

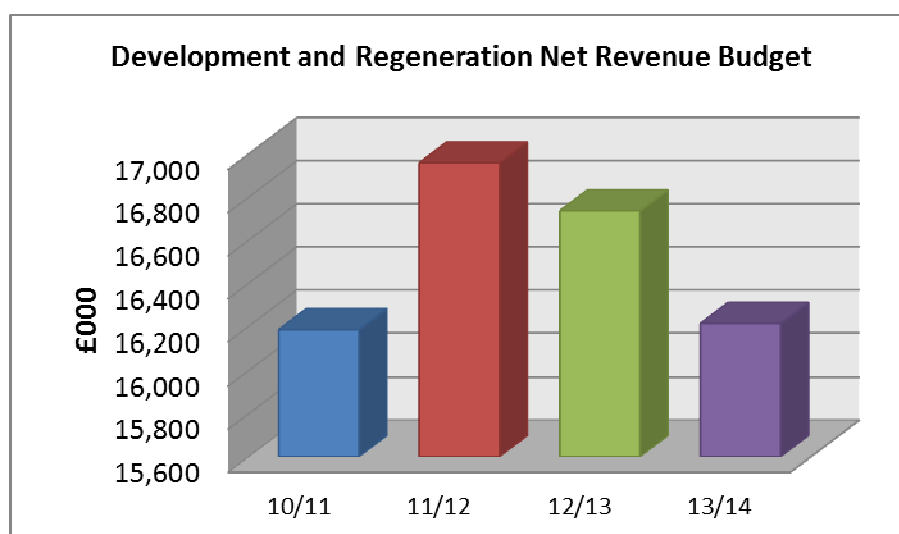
- 15.25 The target savings increase for 2012/13 by a further £3.900m. This is made up of
- Adult Social Care £2.500m;
  - Culture Sport & Leisure £0.230m;
  - Cross-cutting targets £1.170m.

**Full details behind these plans are shown in Appendix D.**

- 15.26 Adult Social Care plans going forward are around better commissioning and procurement, and ensuring value for money and a more targeted approach through the use of category management. We also want to look at integrating commissioning activity within the Council and rebalancing spend across all user groups through personal budgets. We are developing much leaner business processes.
- 15.27 Environmental Services is in year two of the three year action plan for savings/transformation of the service to achieve target budget. The plans are ensuring that front line services are still protected during 2012/13.
- 15.28 The main focus of Culture, Sport and Leisure services during 2011/12 was to award the leisure management contract and open the Plymouth Life Centre; both will be achieved within the current year. Other areas which will form part of the delivery plan will be modernisation of the library service, reduced support for the Theatre Royal and Pavilions, with a raft of smaller initiatives in order to balance the budget.
- 15.29 There are also a number of plans linked to reducing back office support within the department and ensuring a more consistent and standardised approach is in place in support areas.

## 16 Development & Regeneration

	<u>Net Revenue Budget £000</u>
10/11	16,184
11/12	16,959
12/13	16,736
13/14	16,213





## Departmental Context

- 16.1 Development & Regeneration covers four customer facing departments:
- Planning
  - Strategic Housing
  - Economic Development
  - Transport & Highways
- 16.2 The key objective of the directorate is to support and enable the delivery of the growth and regeneration agenda across the city. The current year saw the renewal of the new growth point funding and the planned closure of the Regional Development Agency. The establishment and development of a 'ring fenced' growth fund provides a new mechanism to support growth and regeneration which, alongside income for other assets (RDA asset transfers) and potential match through ERDF urban programmes and government funding streams such as Growing Places will help us deliver the growth the city aspires to.
- 16.3 As the economy and economic growth remain sluggish it becomes more important than ever to invest in initiatives which protect or deliver new growth and helps shift the city's economy away from a public sector led and focuses on the opportunities in the city's private sector.
- 16.4 The measures taken by the directorate in setting the budget for 2011/ 2012 and the following three year period remain on course. This is despite increasing challenges and pressures for each service as detailed below.
- Planning Services**
- 16.5 There are uncertainties relating to the Government's proposals to decentralise planning application fee setting powers and major reforms of the planning system and new neighbourhood planning arrangements with significant cost and resource implications and opportunities.
- 16.6 The Community Infrastructure Levy will replace Section 106 agreements and has major resourcing implications for future infrastructure planning and coordination of resources to support growth.
- 16.7 The fragile economy has necessitated a radical and innovative approach to overcome development viability through Market Recovery Scheme. Planning application fee income is still weak as a consequence although applications are rising raising workload implications if not managed carefully.
- 16.8 The above all create the potential to increase demand for planning services resulting in additional planning applications and policy framework requirements that will need to be resourced. Income generation within Planning Services has been benchmarked and shows that the range of charges is wider than most comparable authorities.
- 16.9 The potential for further increased income generation is assessed as limited, unless the Coalition Government decentralise planning application fees although that in itself will come with restrictions (e.g. income would be ring fenced to the

Development Management function making opportunities for other planning service savings more limited).

### **Economic Development**

- 16.10 This year 5 “Star Projects” were identified which will help deliver growth: Inward Investment, Waterfront Business Improvement District, Growth Acceleration Investment Network (GAIN), LEP and City Centre Regeneration. The challenge is to deliver on these projects against limited resources. The ED service is funded from income generated from the commercial property estate, with a circa £1.2 million surplus contributing to the general fund. It is a further significant challenge to maintain the service income target in a falling market.
- 16.11 Notwithstanding the present difficult state of the economy the commercial estate is currently 93% let. Given the size of the estate there will always be a natural turnover of tenants – a higher occupancy rate than that currently existing will therefore be unrealistic to achieve. There is a downward pressure on rentals and on occasions rent reductions are being granted in order to retain tenants.
- 16.12 It is essential that the ED service retains capacity to deliver on the Council’s growth agenda; unrealistic commercial income targets should not place service delivery at risk. In terms of policy, the recently launched Growing Places Fund of which £14.2 million has been allocated to the Heart of the West LEP, places an onus on councils to provide the ‘technical and financial expertise’ to deliver projects which unlock growth.
- 16.13 The Economic Development service, working across the department and with a range of partners will make an essential contribution to this policy and challenge for Plymouth as an authority
- 16.14 With our decreasing levels of Grant funding, and availability of private sector finance limited, the need to better align and join up varied funding streams is both a challenge and an opportunity when supporting the city’s growth agenda.

### **Transport & Highways**

- 16.15 The key challenge for the service has to be the management of the c.£2bn of assets it is responsible for. A draft Highway Asset Management plan is being prepared to better understand the issues and establish what additional funding or change in procedures may be required to ensure the network is maintained to an acceptable level.
- 16.16 Another area of challenge is ensuring that income revenue through car parks is maintained.
- 16.17 The service is also responding to ‘regional’ connectivity issues to ensure we benefit from the likely decentralised budgets for major highway schemes as well as potential decentralised local train services. This may generate greater demands for revenue work in preparation as well as direct support of services.

16.18 At the same time, there is a continued stream of work prioritising the need for the city to have better, quicker and more regular connections to London.

**Strategic Housing**

16.19 There is increasing demand for Housing services brought about by the housing market, welfare benefit reforms and the recession.

16.20 There is a significantly increasing demand for homelessness and housing need, with the first upturn in the number of people in temporary accommodation since 2005/6 and 28% increase in homeless applications from previous years

16.21 There is also a disproportionate increase in the numbers of vulnerable single people seeking housing support.

16.22 There is also evidence in private rented housing of greater demand due to increasing numbers of people who cannot afford to buy. This restricts the supply and our ability to respond to temporary accommodation needs.

16.23 Welfare benefit reforms will mean people will have to move or access alternative income to pay for their home. This could mean more pressure and demand on affordable housing and housing needs / homelessness.

16.24 North Prospect and Devonport continue to demand significant attention from the council and a variety of partners, and will continue to do so, emphasising this is more than a bricks and mortar regeneration project.

16.25 Future years will see a reduced number of household adaptations for those with disabilities, which will increase the risk of larger numbers needing to move into care homes.

16.26 New house building of affordable homes is likely to reduce as the level of grant for each new build has been reduced. The city council is working to bring forward sites, and with partners to support new models for housing delivery.

16.27 The mix of increasing demand (11,000 on DHC waiting list) , limited supply (750 pa) and the demands of decanting 940 households over the next few years from regeneration projects, will test resources, and if not managed could increase costs of temporary accommodation.

**Delivery Plans 2011/12 – 2013/14**

	2011/12	2012/13	2013/14
<b>DIRECTORATE</b>	<b>Total Delivery Plans</b>	<b>Additional Delivery Plans</b>	<b>Additional Delivery Plans</b>
<b>DEVELOPMENT &amp; REGENERATION</b>	<b>790</b>	<b>223</b>	<b>523</b>

*Full details behind these plans are shown in Appendix D*

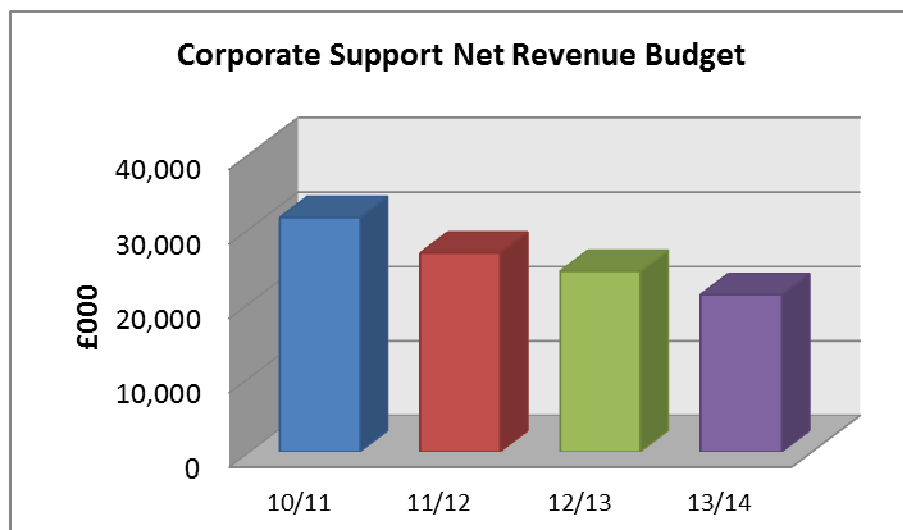
16.28 To meet a balanced budget for 11/12, the department has undertaken a series of actions to reduce overall costs and raise income to meet the £0.790m Delivery plan

target. The department has gone through a comprehensive exercise which has examined what we can stop doing, where we can look to increase or generate new forms of income, review budgets on a line by line basis, amalgamate budgets and make savings.

- 16.29 The September monitoring report shows the department is dependent on other department's plans to achieve their share of the cross-cutting savings. There is also pressure to increase fees and charges to generate the planned £0.100m increase.
- 16.30 However, the department remain confident that they will end the year within the tolerance levels, as other compensating savings are achieved.
- 16.31 The additional target for 2012/13 £0.223m relates to Growth Fund projects
- 16.32 In setting the budgets for 12/13 and beyond, the department had to grapple with the planned percentage reductions for the funding period, the continuing pressure to ensure income levels are maintained and increased wherever possible but also overcome the withdrawal of some specific grant funding, including New Growth Point and Family Intervention Service Grants.
- 16.33 The department will continue to ensure that services are provided and that capacity and support remains in place to support the delivery of the growth agenda, working collaboratively with public, private and voluntary partners to support job and housing growth.
- 16.34 This needs to be seen within the context of steps already taken across the department over the 2009/10 and 2010/11 periods which saw 21 % reductions in planning and 15% reductions in transport and housing staff numbers. It is therefore vital that as far as possible, the capacity is retained within the department to support the delivery of the growth priority. This is essential to ensure the Council and the city has the ability to respond to and maximise any new opportunities for funding, such as the Regional Growth Fund, the Homes Bonus scheme, and the Sustainable Transport Fund.

**17 Corporate Support**

	<u>Net Revenue Budget £000</u>
10/11	31,479
11/12	26,687
12/13	24,255
13/14	21,104



## Departmental Context

- 17.1 Nationally, the Government is continuing its delivery of both a radical new legislative programme and a phased reduction in public sector expenditure. These initiatives significantly impact on Plymouth City Council. Given the services that Corporate Support provide we will be involved either directly or indirectly in working through the implications of all proposals.
- 17.2 Linked to the above, the current economic uncertainty has a significant effect on the Council and the department. For example we are managing an increasing demand from people applying for benefits. The Government is proposing a radical overhaul of the benefits system which we will need to ensure is delivered.
- 17.3 To comply with the national agenda for increased openness from the public sector we already publish senior salaries and also, each month, details of our expenditure over £500. We have built on last year's first ever web based consultation on the budget and the results will be fed into the scrutiny process in January.
- 17.4 Examples of delivering 'more with less' in legal services include a 50% increase in judicial review claims with a 90% success rate and a 43% increase in childcare cases. The re-tendering of insurance saved the authority £408,000.
- 17.5 We have also delivered restructuring in the Registration Service and Democratic and Member Support.
- 17.6 We have already undertaken work with some of our partners to share services and nationally this continues to be actively encouraged. We set up the Devon Audit Partnership with Devon County Council and Torbay Council from April 2009 and this is already bringing benefits to the three partners and is looking to expand its business. .
- 17.7 In legal services, Devon authorities have undertaken shared procurement of e-libraries in addition Plymouth City Council has led on shared legal training and the authority undertakes legal work for other authorities
- 17.8 We are in discussions with other partners in the City to establish the scope for further sharing of services looking to maximise employment opportunities in the City. In the context of significant financial reductions for all partners there is currently a real spirit of co-operation.
- 17.9 In addition to shared services, initiatives for joint working this year have included the 'tell us once' project and the nationality checking process in the Registration Service. Other initiatives include developing a mutual insurance scheme with 24 other unitary authorities and providing an insurance advisory and claims service for Academies

**Current year**

- 17.10 The Department has again faced significant challenges to achieve the current year budget. We have faced managing the increasing demand against reducing resources. However, we have significantly reduced our costs across the department whilst still achieving our key performance targets.
- 17.11 The Finance service has been further refined with the reduction of managers from four to two. Although this will generate on-going revenue savings, it will also allow the service to provide a more strategic response to Directorate and Finance requirements.
- 17.12 Revenues and Benefits, Debtors & Creditors, Customer Services and also Cashiers have been radically reformed, both in terms of structures but also the way in which they work, integrating all processes for housing benefit assessment and council tax around the needs of the customer. Work patterns have been changed resulting in greater efficiencies and reduced overtime.
- 17.13 The focus on the customer has been evidenced by the maintenance of the ISO9001 quality certification in the legal and insurance team and the 100% delivery against nationally set targets for appointments in the Registration service. The Registration service also achieved a 'good' score in the GRO assessment of the Registration Service. In other areas, the electoral team exceeded the electoral commission standards for elections in 5 of the 7 categories.
- 17.14 Throughout the directorate, we have promoted, and been focused on, creating a dynamic environment, cutting waste, optimising the use of our systems and data, joining up work, where practical, across the directorate and across the council and improving our customer focus in all areas.

**Delivery Plans 2011/12 – 2013/14**

	2011/12	2012/13	2013/14
<b>DIRECTORATE</b>	<b>Total Delivery Plans</b>	<b>Additional Delivery Plans</b>	<b>Additional Delivery Plans</b>
<b>CORPORATE SUPPORT</b>	<b>5,376</b>	<b>2,432</b>	<b>3,151</b>

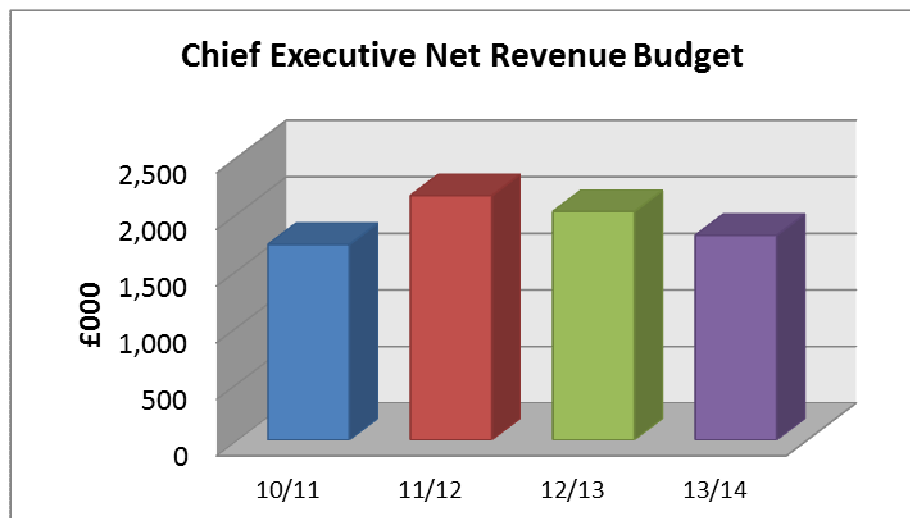
**Full details behind these plans are shown in Appendix D**

- 17.15 To achieve the ambitious savings targets, we will require further radical transformation for Corporate Support, building on the work we have done already.
- 17.16 £3m of the 2011/12 £5.4m savings plans are cross-cutting projects. In particular, we are delivering the ambitious Accommodation Strategy and Procure -2-Pay projects which together amount to over £2m.

- 17.17 The Accommodation Strategy investment has started to deliver benefits from 2011/12 both financial, and cultural in terms of changing the way in which people work and interact with the public.
- 17.18 A key delivery action for us is to radically revise the way in which we procure items from outside of the council. Better category management, effective challenge and co-ordinated ordering from pre-negotiated contracts will generate significant financial savings across the council for many supplies and front line services.
- 17.19 A further £0.700m target was assigned to a major review of the Council’s Terms and Conditions. The collective agreement was agreed and signed by the trade unions on 14 September 2011. Although this was delayed from the original implementation date of 1 April 2011 it went live from 1 November 2011 and will still deliver the required savings. We are also evaluating alternative options for the delivery of staff training in the future.
- 17.20 The ambitious target savings for Procurement, Accommodation and Terms & Conditions all increase further in 2012/13.
- 17.21 Other major areas of work over the coming year will be the implementation of the new Localism Act (general power of competence, new standards regime, directly elected mayors, local referenda, planning reforms, duty to cooperate etc).
- 17.22 The critical remaining piece of the jigsaw is the further transformation of ICT. We will need to invest further in our ICT during the next three years over and above already planned investments. We will need to be clear about how we deliver new ICT projects and how we can work with partners across the City to maximise outcomes.

**18 Chief Executive**

	<u>Net Revenue Budget £000</u>
10/11	1,728
11/12	2,160
12/13	2,019
13/14	1,809



### **Departmental Context**

- 18.1 The operating context for both the Council and the City is changing. Whilst budgetary constraints are putting greater pressure on managing resources more efficiently internally and engaging in more collaborative working across partnerships, other changes impact in this area too. These include the move away from top down target setting and overall inspection with the abolition of the Comprehensive Area Assessment, ending of Local Area Agreements, downgrading of the national indicator set.
- 18.2 At the same time, there is likely to be an enhanced role for Ofsted and the move towards greater local autonomy can also be seen in the removal of Regional Development Agencies and Government Offices for the Regions, along with less stress placed on nationally prescriptive partnership approaches.
- 18.3 The future change in responsibility for public health, from Primary Care Trusts to councils, is a further important aspect of this changing context; while the growing move from provider to enabling councils, with an enhanced role for commissioning, is another crucial ingredient in the mix. Although regulation is being eased considerably, the tight financial context in which the council and partnership will be operating in means it is even more important that they both know their business and how they are performing.
- 18.4 In terms of communications, there will be a greater need to achieve efficiencies in driving out duplication in the function across the Council, and improving the focus and clarity of both internal and external communications.
- 18.5 The above factors form the scope for the realigned Chief Executive's function. There will be greater emphasis on having a sharper strategic focus, meaningful and qualitative performance measures, self and peer assessments and more efficient and effective means of working together, with strong programme and project management to ensure delivery. Similarly, in order to achieve a step change in performance, the realigned function will need to demonstrate how it positively impacts on the performance management and communications functions of the Council.

### **Current Year**

- 18.6 We have set out our vision to remain ambitious for our city and its residents, together with our staff and Elected Members. This year we have remained focused on our customers and worked with our partners to provide easy points of contact and streamlined service delivery. We are moving towards being more of an enabling organisation rather than a simple provider. We will continue to help others to deliver services where possible, and move closer to sharing our support services with other agencies to get maximum efficiencies and benefits.



**Delivery Plans 2011/12 – 2014/15**

DIRECTORATE	2011/12	2012/13	2013/14
	Total Delivery Plans	Additional Delivery Plans	Additional Delivery Plans
<b>CHIEF EXECUTIVE</b>	<b>400</b>	<b>141</b>	<b>210</b>

*Full details behind these plans are shown in Appendix D*

- 18.7 The Chief Executive's delivery plans for 2011/12 focused on integrating current arrangements for supporting the performance management, policy and communications functions across the authority, reviewing governance arrangements for the Council and its partners and providing a stronger, single focus for communication activity.
- 18.8 A major restructure has resulted in the amalgamation and streamlining of teams and management structures to provide a performance management, policy, partnership and communication function that serves the requirements of the whole organisation.
- 18.9 The additional targets for 2012/13 and 2013/14 require further rationalisation, to include for example consultation.

**19. Equality Impact Assessments (EIA's)**

- 19.1 We have taken steps to ensure our budget plans are as fair as possible. To help achieve this, we have again completed Equality Impact Assessments (EIA's) on the budget delivery plans. Given recent legislative changes we have revamped, simplified and streamlined our EIA format and adjusted it to align more closely to our local priorities.
- 19.2 This year's EIA's build on those published in December 2010 and while they still cover the nine "protected characteristics" within the Equality Act greater emphasis is now placed on our local priorities to narrow inequality gaps especially in relation to health and to improve community cohesion.
- 19.3 The Equality and Human Rights Commission issued guidelines on how EIA's assist in relation to spending decisions which make it clear that the equality duties within legislation: .... "do not prevent you from making decisions such as reorganisations and relocations, redundancies and service reductions nor do they stop you making decisions which may affect one group more than another. What the equality duties do is enable you to demonstrate that you are making financial decisions in a fair, transparent and accountable way, considering the needs and rights of different members of your community. This is achieved through analysing the impact changes to policies, procedures and practices might have on people within and across different protected characteristics."

- 19.4. Last year, in addition to the five departmental wide budget equality impact assessments we also completed specific EIA's at the implementation stage of key decisions if relevant. Where the EIA's have shown mitigation for differential impact is required we have agreed specific actions. We will do the same this financial year.
- 19.5. "Differential impact" means that the decision might unfairly have more affect one protected characteristic group or local priority action more than another. Where there is a possibility that this could be the case action to mitigate the impact is included within the specific EIA. Key considerations highlighted within the five departmental EIA's are noted below.

### **Chief Executive's Department**

- 19.6. As noted last year, there is minimal differential impact in relation to changes now implemented in the Chief Executive's department. Managers are actively managing any limited risks in relation to the new structures that we have set up for data analysis, performance management and arrangements for consultation. We continue to ensure that we align our equality and diversity work to city wide priorities and current action plans, while also retaining the ability to effectively and specifically engage with diverse communities across the nine protected characteristics.
- 19.7. Possible changes to our print and document arrangements continue to have the potential for some differential impact for those whose first language is not spoken English, older people and those with disabilities who require information in a range of accessible formats. While reducing costs in relation to printing, publicity and advertising we will continue to be mindful about the provision of accessible information through a range of accessible mediums and formats.

### **Children and Young People**

- 19.8 There is potential for both positive and negative impacts across all nine of the protected characteristics except in relation to the proposed locality restructure and the changes to schools catering. We are committed to undertaking further EIAs during the implementation stages of these budget actions to mitigate against any unintended differential impact.
- 19.9 Last year we identified that changes to transport arrangements, disability service restructure and changes to Special Educational Needs (SEN) may have more impact on older children, those with disabilities and boys (and their parents/carers). While the concessionary fares scheme ceased with effect from 31 July 2011 we continue to prioritise those with the greatest need and have made children and parents aware of alternative options. There is ongoing potential for some children and their carers to now use healthier ways of getting to school e.g. walking, which in the longer term may assist with our reducing health inequalities ambitions.
- 19.10 Life long learning structures have been reconfigured and services are being sold to schools. The previously identified potential for equality and diversity advice to schools to be reduced has been mitigated by schools ongoing use of the Ethnic Minority Achievement Service. Where further action is required in relation to primary advisory support and early years EIA's will be conducted as relevant.

- 19.11 Within our Social Care Services for children, young people and their families our intention is still to divert children from care into alternative community support interventions. The budget plans have a potential for limited differential impact on older children, those with attention deficit and hyper activity disorder (ADHD), young people with emotional and behavioural disorders and those with disabilities. We continue to monitor the take up of our services by these children/young people and address negative trends. We will also use of our mediation and family group conferencing processes to ensure maximum impact.
- 19.12 In addition, we are focusing on wrap around services and risk managed diversion strategies to keep children with their families where possible. We are using our performance score card tracking of the 'Diversion of Children from Care Strategy' (which is reviewed monthly) to take remedial action as soon as may be necessary. Those most in need of protection and safeguarding are our top priority.
- 19.13 With regard to the protected characteristics of faith, religion, belief; gender; gender reassignment; race and sexual orientation impact has been assessed as none or minimal. However, we will ensure that we continue to give relevant attention to the needs of those where religious considerations are significant (e.g. Muslims). Admissions into care are monitored to ensure disproportionate representation does not develop. We will continue to target care towards those most in need of protection and safeguarding. We remain committed to undertaking further EIAs on certain decisions as well as closely monitoring the changes during the implementation phase of budget delivery actions still pending.

### **Community Services**

- 19.14 As part of our plans to modernise and personalise our adult health and social care services several bespoke EIA's have already been conducted and where relevant mitigating action is in hand. Our 'putting people first and personalisation – fairer contribution policy' EIA showed an overall positive impact for people eligible for adult social care as fewer people have to pay a contribution towards their care and there is also a further reduction for those previously giving small contributions.
- 19.15. Most care recipients are over 65 so changes automatically affect older rather than younger people. Greater proportions of adult social care service users also have disabilities meaning that changes could also affect them. This is the same in relation to gender as 62% of service users are women. Any budget impact within adult social care will affect these groups but is not a differential impact as it affects all users regardless of their protected characteristic(s) or where they live.
- 19.16 Our Black Minority and Ethnic (BME) service user profile within adult social care is low (2%) so we do not anticipate a disproportionate impact. We recognise that we need to develop and embed race and also faith, religion and belief needs into individual care assessments in line with statutory requirements. We also need to encourage wider take up of our services within BME groups to reflect our wider older population. We are mindful of the requirements of our customers based on their gender assignment and sexual orientation and how this relates to their civil partnership status.

- 19.17 We anticipate that front line adult social care services will be unaffected as individual care needs, identified through the care management process, will continue to be met in line with our statutory duties. However, we will monitor services and individual packages to ensure that there is no additional age or disability-related impact and our assessed lack of impact in relation to faith, religion, belief; and sexual orientation remains the same.
- 19.18 Our plans in relation to culture, sports and leisure services have the potential to have some differential impact on children under the age of five and their parents/carers, older people, people with disabilities and women. We will monitor the use of relevant services against the protected characteristics and if any groups are under-represented we will target information to encourage take-up. We will also continue to make reasonable, adjustments to improve access, where practicable and ensure the same is expected of our contracted service providers.
- 19.19 Our Translate Plymouth is now self-financing and the new arrangements have had a positive impact on end-users (people with disabilities and those who do not speak or read English as their first language) as quality standards and access to linguists and translation is more accessible. This has also put the service on a sustainable footing in the medium-term.
- 19.20 Bulky waste proposals have been implemented with no differential impact. Proposals to upgrade public toilets should mitigate against any potential impact on older people, people with disabilities (including changing room facilities for adults with learning difficulties and dementia), carers and families with younger children.
- 19.21 Transferring some playgrounds to community ownership will have minimal impact on young people, their families/carers and people of all ages with disabilities. This is because we have more play spaces than required under the maximum “walking/accessibility distance” and current play spaces are under used. Charges and changed arrangements in relation to bowling greens should have had a limited differential impact on older people and those with disabilities because they tend to be the service users using these facilities rather than they are being unfairly treated differently to others within protected characteristic groups as the same fees would apply to faith groups or individuals for the same service.
- 19.22 Fees for cemeteries and crematoria were raised on 1<sup>st</sup> April 2011. We continue to consult with diverse communities and relevant stakeholders to mitigate against any potential differential impact in relation to race and faith, belief and religion (e.g. for our Chinese and Muslim communities). We will use this information as we move towards further service improvements and changes.

### **Corporate Support Services**

- 19.23 Our actions to move to cashless payment systems, integrating our customer services and revenues and benefits, and increasing the use of our self- service/website arrangements may affect older people, some people with disabilities and those who do not speak/use English as their first language. We have already closed cashiers and

improved our processes to maximise Housing Benefit subsidy claims with minimal impact.

- 19.24. As part of our financial inclusion and health inequality work, we will ensure that older people and those with disabilities take up the benefits to which they are entitled and that this is not made more difficult. We are already planning to meet the impact of proposed national changes to welfare benefits. We have established a new financial inclusion framework and a bespoke EIA is being drafted to mitigate against any differential impact,
- 19.25. With information technology changes, there will be no impact in relation to gender, faith, religion, belief or sexual orientation and some positive benefit for younger people and those that rely on technology due to their disability. In the longer term, backed by other support mechanisms like computers in public places and promotional activities about alternative ways to do business with us, these moves should have positive impacts across all the protected characteristics, reducing costs and increasing accessibility.
- 19.26 We are making progress in streamlining our debt collection which will allow us to ensure that debt is controlled and repayment arrangements affordable. We are giving specific consideration to vulnerable groups and utilising our contracts with financial advice service providers to minimise differential impact within each of the protected characteristics such as learning disability and mental health.
- 19.27 Changes to our training arrangements, human resources, business support, information technology (ICT) and legal services have the potential for differential impact on some staff groups within the protected characteristics. Reasonable adjustments such as specific ICT equipment for staff with disabilities will be provided to mitigate this. There is also a potential for front line services delivered by other service areas to be affected e.g. prioritisation of legal advice to front line services which will need careful planning given the proposed reductions. Robust contracting arrangements will help ensure that this differential impact is minimised.

## **Development and Regeneration**

- 19.28 The key thread running through the budget actions for Development and Regeneration is to have a clear corporate direction minimising the effect on front line services and maximising shared and self funding services.
- 19.29 The work of our Family Intervention Project and Anti-Social Behavior Team impacts most in relation to young people, parents and their families but especially lone parents who tend to be women. Their work has an indirect correlation to fear of crime and sense of wellbeing for older peoples, women, BME and lesbian, gay, bisexual and trans communities. Reductions have been made to the service to achieve savings and given this the services continues to target those most in need. We will continue to monitor anti-social behaviour and where relevant take action in priority situations as we become aware of any adverse effect on community cohesion.

19.30 Savings in relation to concessionary fares have been identified through new repayment mechanisms and refocusing the number of Ring and Ride services provided within Access Plymouth. We have used a smaller vehicle with fewer services as suggested by our service users during consultation.

19.31 Car Parks are being upgraded and charges have been raised equally across all protected characteristics in regards to those who own and drive cars. Within any public transport change there is a potential for differential impact on older people, younger people who do not have or drive cars, people with disabilities, women and those from the more deprived areas. We will undertake a full EIA on the implementation stages of transport budget plans as relevant.

### **Cross-cutting Budget Actions**

19.32 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 the basis of them having a particular protected characteristic within the Equality Act 2010. We will also seek to avoid any indirect impact on staff within these groups that we cannot objectively justify. Where changes lead to commissioning services in different ways, we will use our strategic procurement procedures, which include specific reference to inequality and local priorities are used in order to deal with any potential differential impact. While reducing costs in relation to printing, publicity and advertising we will continue to be mindful about the provision of accessible information through a range of mediums

## **20 Budget Consultation**

20.1 The Council has continued to improve how it communicates with partners and the public in relation to its budget setting and spending plans. Throughout 2011/12 summary accounts have been made available within locations such as local libraries and Schools, articles published in the local newspaper and budget details issued in Plymouth People (the Council's newsletter) which is delivered to every household within the City.

20.2 Last year, we launched a new on-line consultation tool "You Choose". Members of the public, staff and business partners were given the opportunity to suggest increases or decreases for each Council service and provide suggestions about additional areas of income and reductions in expenditure.

20.3 This year, as part of our 2012/13 consultation we gave staff and the public the opportunity to help us refine our budget assumptions.

20.4 The public consultation for the 2012-13 budget setting process took place between Tuesday 11 October and Tuesday 8 November 2012. In total 1,115 people responded to the consultation.

20.5 To build on and validate the information gathered through the 2010-11 consultation, which assisted in the development of a three year medium term financial plan, the aim of this year's consultation was to determine the public's view on services that

were important to them including spending priorities around health and community safety.

- 20.6 The Council continues to keep its partners fully informed of its corporate priorities and financial position through comprehensive quarterly performance and finance reports. As per previous years, presentations and discussions will be held with all key stakeholders such as political groups, Chamber of Commerce, local MPs, Unions and the LSP and Civil Society representatives, throughout December 2011 and January 2012
- 20.7 From the survey, the top three service priorities are:
- Creating and protecting jobs across the city
  - Support for vulnerable children, children in care or in need of protection
  - Tackling criminal damage and anti-social behaviour.
- 20.8 Further analysis will be undertaken and submitted within the final report for Scrutiny Management Board in January; this will include an analysis of the comments provided by respondents as part of this consultation
- 20.9 The full results from the consultation and outputs from the stakeholder discussions will culminate in a thorough three day scrutiny of the corporate planning and budget documents along with those of our partners on the 11th, 16th and 18th January 2012 where the views of the public will be presented for the panel's consideration..
- 20.10 The recommended budget presented within this report is draft and subject to any necessary changes and amendments made through the consultation and scrutiny process (as approved through Cabinet and Full Council). It is also subject to any necessary changes as a result of the final settlement for Plymouth City Council that is expected to be announced early December 2011.

## **21 Scrutiny**

- 21.1 In order to scrutinise the budget an agreed set of evidence is to be heard by the Overview & Scrutiny Management Board on 11 January 2012 (with Partners); 16 and 18 January 2012 (public meetings).
- 21.2 The Overview & Scrutiny Management Board will consider this as part of the scrutiny process and form a set of recommendations. These recommendations will be submitted to:
- Plymouth City Council Cabinet 7 February 2012
  - Full Council 27 February 2012
  - PCT Cluster Board dates to be scheduled
  - Clinical Commissioning Executive Group dates to be scheduled
  - Police Authority 2 or 17 February 2012
- 21.3 Evidence was pulled together following a series of budget challenge sessions held by CMT in November 2011, which included a session with key Public Sector Partners.

## **22 Adjustments**

- 22.1 The overall revenue and capital budget allocations stated in this report are accurate based on the information known to us at the time of writing. However, there will be a number of adjustments that will be required within the overall revenue total.
- 22.2 This Indicative Budget, for comparative purposes and also due to the timing of final consultation around departmental structures, has been prepared under the existing reporting model of five Directorates.
- 22.3 The Corporate Items budget and individual departmental budgets will need to be updated and adjusted to account for:
- a) Virements undertaken during the period October to 31 December 2011;
  - b) Final allocations re Revenue Settlement;
  - c) Final consideration and allocations for a pay award and fees and charges
- 22.4 Details of all such corporate adjustments will be incorporated within the papers for the January 2012 scrutiny of the budget and corporate plan. Corporate adjustments will not materially affect the departmental revenue reduction targets or corresponding budget delivery plans as detailed within this report.

## **23 Summary**

- 23.1 2011/12 was the first full year of significant public sector funding reductions under the 2010 Comprehensive Spending Review.
- 23.2 This budget has been set under very challenging conditions, building on the unprecedented income reductions. The Government continues to initiate significant policy changes with the full impact on the Council still needing to be understood.
- 23.3 We are already planning for reductions in future funding, and are continually receiving details of new initiatives from Central Government. Officers are compiling appropriate responses to consultation documents for areas such as National Non Domestic Rates (NNDR) reform; Council tax benefit reform.
- 23.4 Despite this operating environment, we are continuing our aims of transforming, modernising and increasing efficiency across the whole council. This has been demonstrated by the revised Senior Management structure to ensure we have a fit for purpose leadership team in place to delivery our objectives.
- 23.5 This budget continues to protect frontline services whilst rationalising and reducing the back office running costs.
- 23.6 As the Council undertakes transformation, there will be a need to reduce staff numbers, but this will continue to be managed in such a way as to reduce the need for redundancies.



- 23.7 The Council remains very ambitious with an extensive Capital Programme. The Plymouth Life Centre will open early 2012, marking a major investment in the future of our city. We have confirmed funding for two new Academies, plus a successful bid for a University Technical College (UTC).
- 23.8 This is a draft budget report for consultation. Cabinet will consider all consultation responses, along with the output from the January 2012 budget scrutiny and any material changes from the CSR settlement in early February 2012 prior to recommending a final budget for adoption by Full Council on 27 February 2012.

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## APPENDIX A

DIRECTORATE	11/12 £000s REVISED BASE BUDGET	12/13 £000s Additional Savings	12/13 £000s Additional Savings Reallocated	12/13 £000s TARGET BUDGET
Schools	0	0	0	0
Funded Programmes	0	0	0	0
Performance and Policy	355	0	(80)	275
Learner and Family Support	9,387	0	(332)	9,055
Lifelong Learning	10,794	0	0	10,794
Social Care	28,013	0	(520)	27,493
Childrens YP Budget Savings	(320)	(1,018)	932	(406)
<b>Children &amp; Young People</b>	<b>48,229</b>	<b>(1,018)</b>	<b>0</b>	<b>47,211</b>
Adult Health and Social Care	71,867	0	(1,600)	70,267
Culture Sport and Leisure	9,447	0	(230)	9,217
Environmental Services	24,267	0	(1,280)	22,987
Safer Communities	2,024	0	0	2,024
Service, Strategy & Regulation	413	0	0	413
Community Services Budget Savings	0	(3,900)	3,110	(790)
<b>Community Services</b>	<b>108,018</b>	<b>(3,900)</b>	<b>0</b>	<b>104,118</b>
Planning Services	1,504	0	2	1,506
Strategic Housing	2,839	0	127	2,966
Business Support	24	0	(363)	(339)
Transport and Highways	13,511	0	125	13,636
Waste Management Project Team	420	0	(114)	306
Economic Development	(1,339)	0	0	(1,339)
Development Budget Savings	0	(223)	223	0
<b>Development &amp; Regeneration</b>	<b>16,959</b>	<b>(223)</b>	<b>0</b>	<b>16,736</b>
Departmental Management	482	0	0	482
Policy Performance & Partners	1,137	0	(7)	1,130
Corporate Communications	572	0	0	572
Chief Executive Budget Savings	(30)	(141)	7	(164)
<b>Chief Executive</b>	<b>2,160</b>	<b>(141)</b>	<b>0</b>	<b>2,019</b>
Departmental Management	181	0	0	181
Finance, Assets & Efficiencies	12,952	0	(180)	12,772
HR Organisational Development	2,951	0	(150)	2,801
ICT Information Systems	5,797	0	(100)	5,697
Customer Services	2,155	0	(100)	2,055
Democracy and Governance	5,063	0	0	5,063
Corporate Support Budget Savings	(2,412)	(2,432)	530	(4,314)
<b>Corporate Support</b>	<b>26,687</b>	<b>(2,432)</b>	<b>0</b>	<b>24,255</b>
Other Corporate Items	(3,653)	0	0	(3,653)
Capital Financing	9,635	0	600	10,235
Major Projects	203	0	0	203
Corporate Items Budget Savings	0	600	(600)	0
<b>Corporate Items</b>	<b>6,185</b>	<b>600</b>	<b>0</b>	<b>6,784</b>
<b>TOTAL REVENUE BUDGET</b>	<b>208,237</b>	<b>(7,114)</b>	<b>0</b>	<b>201,123</b>

*Budget Savings shown at Directorate level are the Cross-Cutting Plans*

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Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
* Risk Status : Red=High; Amber=Medium; Green=Low		

**SECTION I - DELIVERY OF BUDGET**

<p><b>I. Delivery of a Balanced Revenue Budget</b></p>		
<p><b>(a) Comprehensive Spending Review and Settlement</b>                  The Local Government Settlement in December 2010 covered 2011/12 and 2012/13 only. The scale of the reductions has required the Council to implement budget savings.</p> <p>The Government is undertaking a Government resource review which is expected to see a move away from a fully needs based formula to a more incentivised approach to funding Local Government services.</p> <p>This, together with the lack of clarity around funding beyond 2012/13 increases the uncertainty in terms of planning for the medium term.</p>	<p>The latest budget proposals indicate a balanced budget can be achieved.</p> <p>Departmental allocations will continue to be reviewed in the period leading up to the Council Tax setting meeting on 27 February 2012.</p> <p>Building on the 2010/11 budget format, the target reductions have been allocated in a higher percentage to back office functions, protecting front line services wherever possible</p> <p>Budget variation targets remain at 1% overspend and 2% under spend.</p>	<p><b>AMBER</b></p>
<p><b>(b) Risk of non-delivery of budget plans</b>                  Underpinning the 2012/13 budget are the departmental Budget Delivery Plans. If we are unable to deliver against these plans, we risk non-delivery of the budget.</p>	<p>Delivery Plans have been subject to a robust challenge at CMT and Cabinet</p> <p>Detailed project plans have been developed to support the high level budget delivery plans.</p> <p>Detailed quarterly reports are presented to Cabinet and subject to Scrutiny</p> <p>A monthly combined performance and finance scorecard is reviewed by CMT and Cabinet Planning.</p>	<p><b>AMBER</b></p>

## Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
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<p>Directors have produced and signed up to high level plans to deliver a balanced budget. Resources required to deliver plans may lead to plans being phased resulting in planned savings being deferred</p> <p>2011/12 forecasted revenue budget overspend as reported in September quarterly monitoring report will add pressure if CMT are not able to return a balanced situation by year end.</p> <p><b>(c) Transfers of Responsibilities and Funding</b></p> <p><u>Public Health</u> The Public Health Service will transfer from Health to Local government during 2012/13 as a shadow year with the Council taking full responsibility in 2013/14. Funding will also move as part of this transfer of responsibility from 2013/14 based on government returns completed in 2011/12. There is a risk that the level of funding transferring will not cover the responsibilities given potential flaws in the government returns.</p> <p><u>Police Commissioner</u> A new Police Commissioner will be elected in November 2012 and take full responsibility for the Forcwide Police Budget with a small transfer of some Formula Grant (formerly part of the Safe and Strong Area Based Grant subsumed into Formula Grant). This may change the use of the funds subject to priorities set by the newly elected Police Commissioner</p>	<p>Budget delivery plans have been subject to Scrutiny.</p> <p>The Council continues to include a contingency provision in the budget of £0.5m in line with previous years.</p> <p>All departments are seeking to return a breakeven budget for 2011/12. In the 2<sup>nd</sup> quarter report, to September 2011, we were reporting an overspend of £0.569m, being 0.3% of the net budget.</p> <p>The Council and regional Public Health Directors will continue to lobby through the appropriate channels to ensure Public Health is fully funded.</p> <p>A team will be drawn together from relevant services and partners to manage the transfer into the Council's services and structures and look at the delivery options and Public Health priorities</p>	
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## Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
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**2. Service Specific Issues****(a) Children and Young People**

The number of Children in the care of the local authority has increased due to the increasing break down of families arising from the local and national financial climate and also due to increasing trends in childbirth.

The cost of caring for an individual child varies depending on their particular needs

Continued focus on preventative and early intervention strategies will help prevent cases escalating unnecessarily and in many cases help to keep children in their extended family environment

Continued rigour with the decision making process of the placement review panel.

A continued focus on the recruitment, training and retention of in house foster carers will enable more placements to be made appropriately within Plymouth. Higher quality factors increase the council's capacity to care for children with more complex needs.

Early intervention strategies to safely reduce the number of children needing social care. Regular reviews of caseloads.

Successful implementation of a fully functioning Care First system will help to mitigate the requirement for additional social workers.

The transfer of some children in need cases to other agencies through the Common Assessment Framework will ensure that the needs of the children are met by the body best placed to support them and help to contain the pressure on the Council.

**AMBER**

## Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
* Risk Status : Red=High; Amber=Medium; Green=Low		

<p>Court ordered assessments may add financial costs where the court determines that a parent and child assessment is required in deciding if and how a child is safeguarded. Currently, the court determine who and how the assessment is undertaken</p> <p>A potential transfer of responsibility from the Home Office to Local Government relating for children and young people remanded to custody would add significant financial pressure on local services</p> <p>A significant number of schools have converted to Academy status and more are likely to convert over time. Funds will transfer from the DSG and general fund to the Academies reducing the economic viability of the authority to deliver statutory core education and supporting services.</p> <p>Increasing competition in the market to sell services to Academies and maintained schools</p> <p>School funding reform could result in a change to the methodology by which resources are transferred from LA's to the DFE for Academies. This would align reductions local funding to match the local Academy take up.</p> <p>Early intervention strategies are more difficult to implement as key partners withdraw financial support (because their core funding is reduced).</p>	<p>The Council is working with the courts to agree an 'in house' approach to parent and child assessments which would reduce the risk of the family being sent away for an assessment</p> <p>Continue to Lobby via the Local Government Association to ensure any transfer of responsibility is funded appropriately</p> <p>The department continues to plan for grant reductions and also design and deliver income generating services to ensure costs are contained within resources. Commissioned services continue to be designed around more flexible contracts. We will continue to maintain a dialogue with Academies, existing and proposed.</p> <p>Continue to Lobby via the Local Government Association to ensure deductions from Local Government Formula Grant is in line with the funding of transfer of responsibilities</p> <p>Continue to liaise with local partners to fund activity that will improve the life changes of young people and also reduce costs to the public sector over the mid to longer term.</p>	
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## Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
* Risk Status : Red=High; Amber=Medium; Green=Low		

<p><b>(b) Adult Social Care</b></p> <p>Within Adult Social Care there are nationally recognised demographic changes which impact the budget, due to both an ageing population and increased complex needs.</p> <p>The services are volatile and small changes in service user numbers of those with high care needs can impact significantly on the budget.</p> <p>The personalisation, modernisation agendas will present challenges and lead to the transformation of the service. The transition from traditional to modern methods of care and associated restructuring and cultural changes present risks to service delivery in the interim.</p> <p>Service priorities and funding decisions made by Health Partners can impact on the costs incurred by the Council.</p> <p>Local Authorities are now reviewing a number of legal cases challenging the approach taken by Social Care Services.</p> <p>These test cases, primarily into charging and eligibility criteria could result in significant increases in the cost of providing social care.</p>	<p>Accurate and timely monitoring information provided to lead officers for Adult Social Care.</p> <p>Better integrated forecasting and working with Health.</p> <p>Review of data quality, linked to Carefirst project and other systems.</p> <p>The Director of Community Services established a Programme Board 2 years ago and this continues to govern and scrutinise the delivery of action plans and the transformation of adult social care services and commissioning intentions.</p> <p>Maintaining effective and influential working relationships with GP Commissioning via the Sentinel Commissioning Executive will help ensure integration and joint commissioning maximise resources, minimise impact and improve care pathways within the local health and social care community</p> <p>Plans to co-locate Health commissioning staff alongside Social Services staff at Windsor House.</p> <p>The Legal outcomes are being reviewed by our Legal Service against our own budget setting decisions to determine any potential risk of adverse financial impact on the cost of the service.</p>	<b>AMBER</b>
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## Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
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<p><b>(c) Stock Transfer</b></p> <p>As part of the transfer the Council has been required to provide a number of warranties. There may yet be residual costs and claims that will fall to the Council, eg public liability claims.</p> <p>The Council faces financial issues into the future relating to the stock transfer; in the coming year this will include the loss of significant levels of income associated with Service Level Agreements ending or diminishing</p>	<p>The Council has negotiated monies, as part of stock transfer, via VAT shelter and Right to Buy receipts, whilst these monies are a capital resource they have not been allocated to the capital programme. These monies are to assist in tackling issues relating to stock transfer.</p> <p>Quarterly joint liaison meetings take place with PCH. Where Income losses arise associated with Service Level Agreements ending the option of TUPE will be explored</p> <p>The Corporate Items budget for 2012/13 has made a small allowance for residual HRA payments.</p>	<b>AMBER</b>
<p><b>(d) Environmental Services</b></p> <p>Landfill tax is set to increase by £8 per tonne each year until 2014. This will add a budget pressure in the region of £650k per year. In addition, the costs of transporting waste are rising.</p>	<p>Targets to reduce the percentage of waste going to landfill have been set.</p> <p>We will continue to review the changes to the LAT's scheme to consider the impact of any alternative target/penalty driven replacement</p> <p>Entering into a Private Finance Initiative, (PFI), with Devon County and Torbay Councils to build a new 'waste into energy' plant.</p> <p>Set aside a Waste Reserve to help address the rising costs of the waste operations until the new solution is built and fully operational.</p>	<b>AMBER</b>

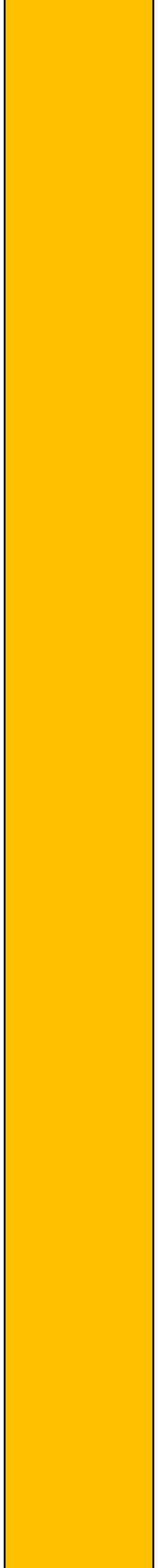
## Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
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	<p>Reviewing the cost of waste operations to identify cost reduction and other solutions with the most recent being the replacement of expensive fleet hire with cheaper purchase options</p> <p>The council will explore proposed Government funding to encourage Councils to <u>maintain</u> or introduce weekly collections</p>	
<p><b>Development &amp; Regeneration</b></p> <p><b>(a) Planning Services</b></p> <p><b>Planning System Reforms:</b> major reforms of the planning system and new neighbourhood planning arrangements with cost and resource implications and opportunities.</p> <p><b>Community Infrastructure Levy:</b> will replace Section 106 agreements and has major resourcing implications for future infrastructure planning and coordination of resources to support growth.</p> <p><b>Economic Climate:</b> fragile economy has necessitated radical and innovative approach to overcome development viability through Market Recovery Scheme. Planning application fee income is still weak as a consequence although applications are rising raising workload implications if not managed carefully.</p> <p>Above all create potential to increase demand for planning services resulting in additional planning applications and policy framework requirements that will need to be resourced.</p>	<p>Planning Services 2012/2013 and 2013/2014 Budget Delivery Plans largely as planned. Some minor adjustments are necessary but the overall target savings are still expected to be achieved.</p> <p>There are limited opportunities to reduce costs further in light of the 28% service reductions implemented over the last 2 years without impacting on the proactive approach of the service to the growth agenda.</p> <p>However ,the key budget opportunities facing the service are:</p> <p>Rolling out additional services such as viability appraisals and developing new income streams together with detailed reviews of existing revenue streams.</p> <p>Developing a Community Infrastructure Levy Charging Scheme</p> <p>Investigating opportunities for new models of delivery and reducing costs</p> <p>Income generation within Planning</p>	<b>AMBER</b>

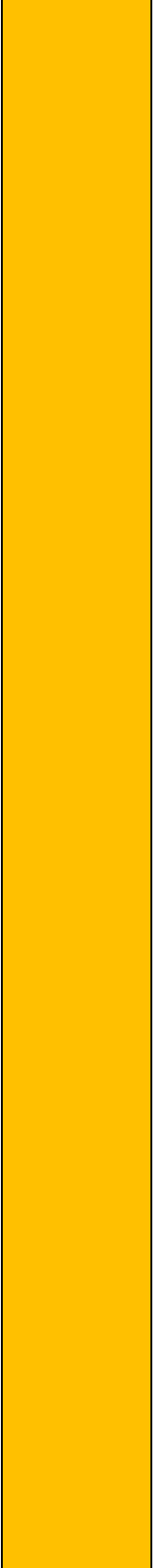
Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
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<p><b>(b) Economic Development</b></p> <p>This year 5 “Star Projects” were identified which will help deliver growth: Inward Investment, Waterfront Business Improvement District, Growth Acceleration Investment Network (GAIN), LEP and City Centre Regeneration. The challenge is to deliver on these projects within limited resources. The ED service is funded from income generated from the commercial property estate ,with a circa £1.2 million surplus contributing to the general fund. It is a further significant challenge to maintain the service income target in a falling market.</p> <p>Notwithstanding the present difficult state of the economy the commercial estate is currently 93% let. Given the size of the estate there will always be a natural turnover of tenants – a higher occupancy rate than that currently existing will therefore be unrealistic to achieve. There is a downward pressure on rentals and on</p>	<p>Services has been benchmarked and shows that the range of charges is wider than most comparable authorities. Elasticity of income generation increasingly restricted due to customer resistance. Potential for further increased income assessed as limited, unless the Coalition Government decentralise planning application fees although that in itself will come with restrictions (e.g. income would be ring fenced to the Development Management function making opportunities for other planning service savings more limited). Planning Services has identified various areas it has stopped doing to ensure focus on departmental priorities.</p> <p>It is essential that the ED service retains capacity to deliver on the Council’s growth agenda; unrealistic commercial income targets should not place service delivery at risk. In terms of policy the recently launched Growing Places Fund of which £14.2 million has been allocated to the Heart of the West LEP, places an onus on councils to provide the ‘technical and financial expertise’ to deliver projects which unlock growth and the ED service will make an essential contribution to this policy and challenge for Plymouth as an authority</p> <p>The key focus must be flexibility in managing the commercial portfolio, as well as looking at how best to use recyclable monies within the Growth Fund . We must look at</p>	
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Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
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<p>occasions rent reductions are being granted in order to retain tenants. Further income growth through increased occupancy and rental levels is unlikely and indeed to maintain current occupancy and income levels will be a major challenge in the current economic environment.</p> <p><b>(c)Transport &amp; Highways</b></p> <p>The Highway Asset Management plan early draft has been completed and this shows a requirement to increase annual revenue spend by £1.5m and capital spend by £7m to maintain the network on a like for like basis over the next 20 years.</p> <p>Further work is being undertaken to refine this Plan.</p> <p>There also needs to be greater emphasis on 'regional' inputs to ensure we benefit from the likely decentralised budgets for major schemes as well as decentralised local train services.</p> <p>The uncertain economic climate has a significant impact on the service as a whole, being reliant upon car parking income to fund a high proportion of the service.</p>	<p>retaining and growing tenancies in balance with lease renewals and respond to the downward pressure in the market. If we seek further rental growth then this is likely to be at the expense of occupancy which would be to the detriment of the overall budget.</p> <p>The Department will continue to lobby Central Government and take a pro-active stance towards securing maximum grant funding.</p> <p>Responsibilities for Surface Water and Flood management continue with the need for on-going funding through the centralised pot</p>	
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## Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
* Risk Status : Red=High; Amber=Medium; Green=Low		

**( d )Strategic Housing**

There is increasing demand for Housing services brought about by the housing market, welfare benefit reforms and the recession.

There is a significantly increasing demand for homelessness and housing need -with the first upturn in nos of people in temporary accommodation since 2005/6 , and 28% increase in homeless applications from previous years

There is a disproportionate increase in the numbers of vulnerable single people presenting to the council and doubled rough sleeping

There is evidence of squeezing of private rented housing with greater demand due to increasing nos of people who cannot afford to buy. This restricts the supply and our ability to respond to temporary accommodation needs.

Welfare benefit reforms will mean people will have to move or access alternative income to pay for their home. This could mean more pressure and demand on affordable housing and housing needs / homelessness.

North Prospect and Devonport are now demanding more resources and attention from the council and others, and will continue to do so , emphasising this is not just bricks and mortar.

There is now clear evidence of poor housing in Plymouth with its distinct housing market, impacting on people's health and wellbeing. We are only able to respond to this from past capital funding underspends, which will end after next year.

Future years will see a reduced number of adaptations delivered with more people at

The increasing demand on the Homelessness budget, if it continues to rise unchecked, will present pressures to the housing budget for temporary housing. We are expanding easy-let (a private rented sector leasing scheme) and managing our access to other accommodation as best we can. We need to look at more incentives for private landlords to accept our customers, which will be challenging with the welfare benefit changes.

We have Homelessness prevention fund (govt grant continued from last government) for this year and next financial year, but it will be a challenge thereafter unless we have found ways to manage demand and supply.

Private sector housing capital funding diminishes incrementally to grant only after 2013/ 14 at about a third of last year's programme, therefore schemes to help the above will be limited

## Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
* Risk Status : Red=High; Amber=Medium; Green=Low		

<p>risk of going into expensive care homes New house building is at a low; our proportion of affordable housing has been growing due to previous government funding.</p> <p>This has ended being less grant per home, so higher rents 80% of market</p> <p>The mix of increasing demand (11,000 on DHC waiting list) , limited supply (750 pa) and the demands of decanting 940 households over the next few years from regeneration projects, will test resources severely, and if not managed could increase costs of temporary accommodation / bed and breakfast for homeless families</p>		
<p><b>3. Corporate Issues</b></p> <p><b>(a) Maintenance Liabilities</b></p> <p><b>Inadequate budget provision to meet maintenance liabilities</b></p> <p>Provision has been made in the revenue budget to meet the costs of the routine maintenance of the Council's operational buildings. Improvement works are charged to the capital budget.</p> <p>The asset management strategy identifies that there is a significant backlog in maintenance obligations.</p> <p>Risks include health and safety issues that may arise during the year and the uncertainties over the future of the Civic Centre.</p>	<p>Asset management keep under review all the Council's assets including identifying and considering assets for disposal.</p> <p>Accommodation reserve set up to meet one off repairs to Civic Centre (and other Council Offices) pending outcome of negotiations on the future of Civic Centre.</p> <p>The Accommodation strategy will reduce the number of offices and thus the ongoing maintenance liability</p> <p>The insurance reserve can be used to meet the costs of urgent health and safety repairs.</p>	<b>AMBER</b>

## Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
* Risk Status : Red=High; Amber=Medium; Green=Low		

<p><b>(b) Redundancies</b> <b>Impact of redundancies on revenue budget</b></p> <p>The budget delivery plans will result in a reduction of staffing across the Council.</p> <p>Redundancies result in one-off costs, including a contribution to the pension fund.</p> <p>International Financial Reporting Standards (IFRS) require the cost of redundancies to be accounted for in the year they are declared not when they are paid.</p>	<p>A redundancy reserve has been set up and a top up will be considered as part of the year end corporate health adjustments.</p> <p>The reserve can be carried forward to future years to enable resources to match accounting requirements</p> <p>We will continue to minimise the number of redundancies through vacancy management, effective redeployment practices and close working with the unions.</p>	<b>AMBER</b>
<p><b>(c) Equal Pay</b></p> <p>The Council has received a number of equal pay claims and grievances. These will be dealt with by way of grievance hearings and through the Employment Tribunal system. Formal dates for the hearings have yet to be set.</p>	<p>The Council secured a Capitalisation Direction to cover equal pay claims in 2007/08. This can be used for any claims submitted prior to 31 March 2008.</p> <p>Equal pay reserve set up 31 March 2009 for claims submitted after March 2008.</p> <p>Regulations allow impact of equal pay claims to be deferred until actual payment.</p> <p>The Council can apply for a capitalisation direction in 12/13 if costs exceed threshold.</p>	<b>AMBER</b>



## Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
* Risk Status : Red=High; Amber=Medium; Green=Low		

<b>SECTION II – IMPACT OF MAJOR PROJECTS / CORPORATE ITEMS</b>		
<p><b>4. Major Projects</b></p> <p><b>Delivery of Major Projects- timing and resources</b> The Council currently has a number of cross cutting major projects either in progress or planned for the medium term. The key risk is delivering the projects on time and to budget.</p> <p>The requirement to reduce staffing to balance budgets may impact on the ability to adequately resource projects.</p> <p>Many projects require services to be delivered in an innovative way. There may need to be a requirement for external advisors which puts pressure on budgets.</p>	<p>Clear project plans in place for key areas.</p> <p>Revenue and Capital Funding allocated to Corporate priorities under budget process.</p> <p>Progress on Major Projects overseen by a Project Delivery Boards with finance input.</p>	<b>AMBER</b>
<p><b><u>The main projects are:</u></b></p> <p><b>(a) Waste PFI</b> The cost of disposing the City's waste is due to rise sharply over the coming years. Since closing the Council's landfill site, Chelson Meadow, we have entered into a contractual arrangement to dispose our waste in Cornwall for the immediate future.</p> <p>The Council has jointly signed a contract with German Company MVV Umwelt to deliver an Energy from Waste PFI solution in partnership with Torbay and Devon County Councils. The project is subject to the statutory planning process which is due to be determined by the end of 2011</p>	<p>A waste management reserve has been created with the balance of this reserve currently at £1.5m. Consideration to top up this reserve will be given as part of the year end corporate health adjustments.</p> <p>The contract provides future certainty to the amount the Council will be paying for waste disposal linked to disposal volumes</p> <p>MVV have been consulting all stakeholders including statutory agencies to ensure all areas have been considered within their planning application</p> <p>PFI credits to support the scheme when operational have been confirmed</p>	<b>AMBER</b>

## Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
* Risk Status : Red=High; Amber=Medium; Green=Low		

<p><b>(b) HR / Payroll replacement</b></p> <p>The Council is replacing its HR and Payroll systems and has entered into contracts for the implementation of these new systems. The proposed 'go live' date is July 2012.</p>	<p>A project delivery board has been set up which reports to the Corporate Support Programme board chaired by the Director of Corporate Services.</p> <p>All stakeholders have been actively involved in the project including HR, Finance, ICT and service users</p> <p>It is proposed to have parallel running of the old and new systems prior to 'go live' to allow robust testing and validation checks</p>	<p><b>AMBER</b></p>
<p><b>(e) Pavilions (Arena / Ice )</b></p> <p>The Council in conjunction with the Life Centre project had always intended to pursue options around the reprovision of Ice Skating facilities within the City and the potential remodelling of the Pavilions complex following the closure of the pool area.</p> <p>The Council has commenced an OJEU procurement exercise in early 2012/12 using a 'commercial dialogue' process to select a provider of Ice and Arena facilities</p>	<p>A project delivery team has been set up including officers from legal, finance and corporate property to oversee the procurement exercise</p> <p>The intention is to select a preferred bidder in early 2012/13 and subject to Cabinet approval sign a services contract in the summer of 2012.</p> <p>There is a robust service delivery contract proposed for the delivery of these services, the exact solution will depend on the provider that is selected.</p>	<p><b>AMBER</b></p>

## Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
* Risk Status : Red=High; Amber=Medium; Green=Low		

SECTION III - IMPACT OF ECONOMY		
<p><b>5. <u>Economic Impact on Income</u></b></p> <p><b>(a) Reduced income from fees and charges</b> The economic climate continues to see a reduction in income such as car parking and commercial rent income</p> <p><b>(b) Reduced collection rates – NNDR &amp; Council Tax</b> National economic climate having impact on local authority. This may result in reduced collection rates for the Authority</p>	<p>Departments have reviewed underlying income assumptions.</p> <p>Increases to fees and charges are under review as part of the budget setting process.</p> <p>Key Pls in relation to collection rates reported/monitored in bi-monthly monitoring report.</p> <p>Current monitoring (September 2011) suggests we are holding our very stretching collection targets. Risk is, as economy continues to falter, that this trend doesn't continue</p>	<b>AMBER</b>
<p><b>6. <u>Treasury Management</u></b></p> <p><b>(a) Borrowing risk – portfolio imbalance PWLB/LOBO</b></p> <p>Increase in PWLB interest rate as part of 2010 Comprehensive Spending Review has made new borrowing more expensive.</p> <p>Average interest payable on loans exceeds rate of interest receivable on investments increasing pressure on budget.</p>	<p>New long term borrowing to be considered from PWLB to address the imbalance.</p> <p>Devon Debt brought in house during 2010/11 which has given greater flexibility over debt repayment.</p> <p>Continue strategy to make greater use of variable rate debt and maximise short term temporary borrowing options.</p> <p>Use balances and reserves to meet cash flow and borrowing requirements.</p>	<b>GREEN</b>

## Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
* Risk Status : Red=High; Amber=Medium; Green=Low		

<p><b>(b) Investment losses – Iceland Banks</b></p> <p>Recovery of Investment monies in Landsbanki and Glitnir, and Heritable.</p> <p>Court proceedings now concluded and Test Cases have been granted Preferential Creditor status.</p>	<p>Plymouth City Council representation on the Local Authority Iceland Bank Steering Committee.</p> <p>Dividend payments being received.</p> <p>Plans in place to receive monies as quickly as possible once confirmed.</p> <p>Capitalisation Direction maximised in 2009/10 enabling any potential losses to be spread over a 20 year period.</p>	<b>AMBER</b>
<p><b>7. Capital Programme</b></p> <p>Current housing market makes it difficult to generate sufficient capital receipts to fund capital programme at assumed level.</p> <p>Impact of Credit Crunch on Treasury Management with knock on effect on Capital Programme.</p> <p>Any shortfall may require additional temporary borrowing which will impact on revenue budget.</p> <p>The settlement has clarified the position in respect of the immediate impact on resources, although longer term capital resources still remain uncertain.</p>	<p>Constant review of capital receipts position and other financing options as part of monitoring.</p> <p>Review of capital programme to reduce dependency on capital receipts undertaken as part of budget setting.</p> <p>Capital Financing reserve set up which can be used to fund temporary borrowing costs to plug timing differences in receipt of capital receipts.</p> <p>The level of grants will be constantly monitored, with projects being delivered over several years not being commenced until there is certainty over linked grant funding.</p> <p>The programme has been reviewed and a revised programme is being submitted to cabinet for approval as part of this budget report.</p> <p>Continuing dialogue with the relevant Government departments</p>	<b>AMBER</b>

## Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
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SECTION IV – FURTHER BUDGET ASSUMPTIONS		
<p><b>8. Inflation assumptions</b>  <b>Difficult to identify impact of inflation / deflation as economic uncertainty continues.</b></p> <p>RPI remains high. PCC budget is a no-growth budget with no allowance for general inflation</p>	<p>Each department is planning to absorb inflation costs.</p>	<b>RED</b>
<p><b>(a) Pay award</b>  The budget for 2012/13 assumes a pay award freeze.</p>	<p>Budget provision is held corporately for any potential increase.</p> <p>MTFS will address future increases.</p>	<b>AMBER</b>
<p><b>(b) Energy costs</b>  <u>Gas and Electricity</u>  The Council procures general energy directly from the wholesale markets and is therefore subject to changing market conditions. The Council's Corporate contract will fix British Gas' administrative charges and margin but does not fix the cost of energy and the network charges.</p>	<p>The price of the transmission network is regulated by Ofgem and is subject to five yearly reviews.</p> <p>Currently, the consortium is buying forward for next financial year (April 2012 - to March 2013)</p> <p>The accommodation strategy and the move to reduce carbon tax emissions should lead to a reduction in energy consumption.</p>	<b>AMBER</b>
<p><b>(c) Other</b></p> <p>This is a no-growth budget to balance our spending to our available resources.</p> <p>Inflationary increases have been contained for social care commissioning (private and independent sector), with exceptions relating to previously agreed medium term contracts. Irrespectively, these contracts will all need careful management to contain costs and drive service improvements.</p>	<p>Departments will have to balance any increases from other budget saving initiatives.</p> <p>This is consistent with guidance from commissioning colleagues.</p> <p>Contracts will need to be closely monitored.</p>	<b>AMBER</b>

## Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
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SECTION V - OTHER		
<p><b>9. Partners</b></p> <p>(a)</p> <p>There is a close relationship between the costs incurred by adult social care and Health Partners</p> <p>Both organisations face future budget pressures and challenging transformation agenda's</p>	<p>The Council has strengthened its relationship with Health Partners through Memorandum of Understanding.</p> <p>The Council is a key and influential partner and meets regularly with Health and is also represented at Executive and in Commissioning Group level. The Council is working with Health to co-locate, integrate and strengthen joint commissioning.</p> <p>Plans are in place to co-locate</p>	<b>AMBER</b>
<p><b>10. Insurance Cover</b></p> <p><b>The adequacy of the authority's insurance arrangements to cover major unforeseen risks</b></p> <p>Monitoring during 2011/12 indicates the provision should be sufficient to meet all known liabilities.</p> <p>Any shortfall in the provision at year end would be met from the earmarked insurance reserve and/or general balances.</p>	<p>The Council continues to keep the adequacy of its insurance fund under review.</p> <p>A number of pro-active risk management measures are being implemented in response to the identification of problem areas.</p> <p>The Bellwin Scheme is available for emergency expenditure – this provides 85% funding of costs that exceed the Council's threshold of approximately £0.700m.</p>	<b>AMBER</b>

## Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
* Risk Status : Red=High; Amber=Medium; Green=Low		

<p><b>11. Outstanding Liabilities-Risk Management</b></p> <p><b>Contingent Liabilities</b> The Council is aware of the following contingent liabilities:</p> <p>Municipal Mutual Insurance Ltd- Scheme of Arrangement PLUSS Organisation Ltd Section 117 refunds Single Status Equal Pay claims Civic Centre Connexions (Careers South West). Contaminated land Warranties under Housing Stock Transfer agreement, including environmental and asbestos warranties. Local Land Charge income Eastern Corridor Integrated Transport Scheme Spoil heaps at Central Park</p>	<p>The Council operates a system of internal control to identify and manage risk.</p> <p>Contingent liabilities are added to the risk register but specific budget provision is not normally made in the accounts.</p> <p>The Council keeps under review all its outstanding financial liabilities.</p> <p>Contingent liabilities identified and reported as part of Statement of Accounts.</p> <p>Provision accounts set up as appropriate once certainty of liability known, but not expected to be settled by year end.</p>	<b>AMBER</b>
<p><b>12. Pension Fund Deficit</b></p> <p>The Council's balance sheet shows a pensions fund deficit of £219m at 31 March 2011.</p> <p>A triennial pensions review was undertaken as at 31/3/2010. This confirmed that the pension contribution rates for the following 3 years to March 2013 will remain at the rate of 19.4%.</p> <p>However, the Council is expected to make a 3 year contribution to the fund of £59m. Should our contributions fall short of this amount, for example as a result of a reduction in staffing levels, the Council will be required to make a one off top up to the fund.</p> <p>Outsourcing/transferred services- Legislation requires pensions liabilities to be fully funded for all staff transferring under TUPE arrangements.</p>	<p>The deficit is reported as part of the Council's Annual Statement of Accounts and is therefore subject to Member scrutiny. The IAS19 deficit in the Statement of Accounts is not calculated on the same basis as the triennial review which takes a much longer term view.</p> <p>The Council makes a 'top-up' to the fund when staff are made redundant.</p>	<b>AMBER</b>

## Risk to Budget Proposals

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
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<p><b>Public Sector Pensions Review</b></p> <p>Following the publication of Lord Hutton's initial report reviewing all Public Sector Pensions, the Chancellor is seeking an increase in employee contributions of 3.2% across all public sector schemes being phased in over three years commencing on 1 April 2012.</p> <p>There is a significant risk that during the current difficult economic period an increase in employee contributions could result in scheme members opting out of the Pension scheme. This would have an adverse impact on the Pension Fund as it would reduce the cash inflow from contributions.</p>	<p>Following representations from Local Government, the Treasury has recognised that there are significant differences between different public sector pension schemes, and has agreed that the LGPS can achieve the required savings by a combination of increased employee contribution rates and other scheme changes.</p> <p>The Secretary of State for Communities and Local Government (CLG) has issued a consultation document with proposals on how the savings should be achieved, with a deadline for responses of 6th January 2012.</p>	
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## Conclusion

This Appendix represents the risks associated with the budget and the actions required to mitigate the risks. These have been taken into account in the budget setting process.

It should be noted that the Council also operates a system of internal control to identify and manage risk, with a key element the maintenance of strategic and operational risk registers.

The departmental delivery plans are also subject to a vigorous risk assessment process and have been risk rated. Details are shown on the delivery plans themselves

The departmental plans have been subjected to cross-departmental challenge at both CMT and Cabinet level.



## Section 2

**LOCAL GOVERNMENT ACT 2003, SECTION 25 STATEMENT****SECTION 2 - ADEQUACY OF RESERVES**

The requirement for financial reserves is acknowledged in Statute. Sections 32 and 43 of the Local Government Finance Act 1992 requires billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. However, there is no set guidance on the minimum level of reserves that should be held.

The recommendation for the minimum prudent level and optimal level of reserves has therefore been based on the robustness of estimate information and an assessment of the strategic, operational and financial risks facing the authority over the next three years and Section 1 of this Appendix. Plymouth has significantly improved the approach to risk management over recent years. Our strategic and operational risk registers are comprehensive and are regularly reported to, discussed and challenged by senior officers and members.

In order to assess the adequacy of unallocated reserves the following factors have been taken into account:

- The level of earmarked reserves, which are shown in Annex 1 to this Appendix.
- There is always some degree of uncertainty over the timing and the full effects of any economy measures and/or service reductions that will be achieved. Directors have been requested to be prudent in their assumptions and that those assumptions, particularly about demand led budgets, will hold true in changing circumstances.
- The Bellwin Scheme Emergency Financial Assistance to Local Authorities provides assistance in the event of an emergency. The local authority is able to claim assistance with the cost of dealing with an emergency over and above a threshold set by the Government (Plymouth City Council's threshold for 2011/12 has yet to be confirmed but will be set at 2% of net revenue budget, and is currently estimated as around £0.700m). The assistance is usually 85% of any eligible costs over the threshold. Any incident for which assistance is sought must involve conditions, which are clearly exceptional by local standards and the damage to local authority infrastructure or communities must be exceptional in relation to normal experience. In the first instance these initial costs will have to be met from reserves.
- The continuing economic climate which is having an impact on income levels.
- The continuing financial climate which has seen a reduction in interest rates and Government support to prop up the UK banking industry.
- The risk of major litigation, both currently and in the future.
- Risks in the inter-relation between the NHS and Social Service authorities .
- Unplanned volume increases in major demand led budgets.

- The need to retain a general contingency to provide for any unforeseen circumstances, which may arise.
- The continuing uncertainties surrounding the recovery of monies in Iceland banks.
- The need to retain reserves for general day to day cash flow needs.
- An Increasing deficit on the pension fund.
- Potential redundancies in the light of Government grant reductions.

The effect of base budget changes, the full year effect of previous decisions, corporate priorities, demographic growth and legislative change have been identified and will continue to be identified during the budget and medium term planning process.

The Council has a good track record of delivering the budget. Variations from approved budget since becoming a Unitary authority have been within the range +0.3% to -1.7%. In 2010/11 a favourable variation of £0.150m was achieved.

The Council continues to set Directors a budget variance tolerance of no more than +1% overspend and -2% under spend of their budget allocation for any financial year, and performance against this target is reported to Cabinet as part of the performance and budget monitoring reports.

The achievement of delivery plan actions has been closely monitored during 2011/12 with regular reporting on a risk rated basis (RAG) to CMT. CMT and cabinet members also receive monthly scorecards highlighting performance and finance issues and whilst budget pressures have continued to be experienced across all Directorates in 2011/12, the reporting and implementation of timely corrective or alternative actions has seen the overall forecast deficit reported at September 2011 of £(0.569)m which is a reduction from the previous quarter's deficit forecast of £(1,294)m. **The Council is still aiming to achieve a breakeven position at the end of the year.**

The medium term financial strategy outlines in more detail the Council's policy on reserves for the period 2012/13 to 2014/15. The Council regularly reviews the appropriateness and use of reserves throughout each financial year. Where relevant, recommendations for changes are reported to Cabinet on an on-going basis. As a minimum, **all** specific reserves will be reviewed on an annual basis in March as part of the end of year accounting closedown arrangements.

The Council's 'Working Balance' is the revenue reserve that is put aside to cover any significant business risks that might arise outside of the set budget. This reserve stood at £11.518m at 31 March 2011, representing just under 6% of net revenue budget. It is forecast that the balance will remain at this level at the end of March 2012.

Taking all the above into account, it is recommended that the Working Balance for 2012/13 should equate to at least 5% of net revenue spend. This is in line with the Council's medium term strategy objective.

This Working Balance will continue to be kept under review in the light of the other factors the Council needs to consider in delivering its priorities and in the light of benchmarking.

**RESERVES**

1. As part of the 2012/13 budget process, a review has been undertaken of the Council's earmarked reserves to identify the purpose of each reserve, and the estimated movement on these balances in 2011/12. A summary of the estimated movement is shown in Table I to this Annex.
2. In total, current balances are considered to be sufficient to meet existing commitments.
3. Whilst, historically, it has been the Council's policy to maintain separate reserves for those services which operated as trading services, (the major ones are On Street Parking, Off Street Parking, Pannier Market), there is no requirement to keep separate reserves for many of these activities. Transfers from these balances to supplement the general Working Balance or support the overall budget have become commonplace and although most of the balances on these reserves have become exhausted, annual transfers to reserves will continue to be made from trading surpluses allowing, an albeit reduced, continued level of support to the general fund.
4. Reserves may also be established at the end of the financial year to carry forward certain unspent balances from the budget to finance the cost of specific commitments which may have slipped over into the following year or for one-off projects. The existing policy is that up to 50% of revenue under spends may be carried forward at year end providing they were declared in the mid year report and that all overspends should be carried forward unless Cabinet determines otherwise.
5. In November 2010, Cabinet approved the transfer of £2.333m to a new Invest to Save Reserve to be utilised to support the set up costs of delivery plan projects. A sum of £0.071m has subsequently been transferred back to the cemetery reserve to meet essential improvement works. Following a further review in September 2011, Cabinet have subsequently approved the transfer of a further £0.462m into this reserve. In November 2011, Cabinet recommended to Full Council that the revised Revenue Invest-to-Save reserve be allocated £1.3m to the provision of an ICT Data Centre at Windsor; £1.3m to fund road repairs in the city.
6. Other reserves held by the Council in the current year include:
  - Capital Financing Reserve
  - Waste Management Reserve
  - Staff reserves - Equal Pay / Redundancy
  - Accommodation Reserve / Commuted Maintenance Reserves
  - Insurance Reserve

Further detail of the reserves and their purpose is given in the Annex. Movements to and from reserves are kept under review during the year and an update is included in the mid-year budget monitoring report.

**7. Schools Balances**

In addition to the reserves detailed in the table, the Council also holds significant balances for schools. Schools are expected to manage within the delegated budgets which are allocated to them and at the end of each financial year schools are required to carry forward any budget variations to the following year. At 1st April 2011, school balances totalled £5.540m (net).

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**APPENDIX B**

<b>RESERVES SUMMARY</b>	<b>Balance as at</b>	<b>Transfers to</b>	<b>Transfers from</b>	<b>Balance as at</b>	<b>Transfers to</b>	<b>Transfers from</b>	<b>Balance as at</b>	<b>Purpose of reserve</b>
	<b>31/03/11</b>	<b>Reserves</b>	<b>Reserves</b>	<b>31/03/12</b>	<b>Reserves</b>	<b>Reserves</b>	<b>31/03/13</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Off Street Parking</b>	<b>0</b>	(1,482)	1,482	<b>0</b>	(1,500)	1,500	<b>0</b>	Represents Accumulated trading position. Used to support spending priorities in department.
<b>On Street Parking</b>	0	(1,539)	1,539	<b>0</b>	(1,500)	1,500	<b>0</b>	Represents Accumulated trading position. Used to support spending priorities in department.
<b>City Market</b>	<b>(1)</b>	(216)	216	<b>(1)</b>	(200)	200	<b>(1)</b>	Represents Accumulated trading position. Used to support spending priorities in department.
<b>Taxis</b>	<b>(56)</b>	(48)	0	<b>(104)</b>	(98)	0	<b>(202)</b>	Represents Accumulated trading position. Used to support spending priorities in department.
<b>Street Trading</b>	<b>(111)</b>	0	0	<b>(111)</b>	0	0	<b>(111)</b>	Represents Accumulated trading position. Used to support spending priorities in department.
<b>Land Charges Development Fund</b>	<b>(60)</b>	(35)	35	<b>(60)</b>	(30)	30	<b>(60)</b>	To fund improvements in the LLC service
<b>Education Carry Forwards</b>	<b>(1,939)</b>	(2)	1,685	<b>(256)</b>	0	0	<b>(256)</b>	Schools ringfenced resources mainly from grants. 2012/13 allocation to be confirmed
<b>School Budget Share</b>	<b>(5,540)</b>	0	0	<b>(5,540)</b>	0	0	<b>(5,540)</b>	Previously shown as a separate reserve. Represents schools balances under delegated budgets
<b>PFI reserve</b>	<b>(1,468)</b>	(72)	0	<b>(1,540)</b>	(58)	0	<b>(1,598)</b>	PFI credits towards the schools PFI contract at Wood View are received in equal instalments over the course of the contract. This reserve enables the matching of the credits to actual expenditure incurred from year to year.
<b>Commuted Maintenance</b>	<b>(1,228)</b>	0	265	<b>(963)</b>	0	15	<b>(948)</b>	Revenue contribution from developers /section 106 agreements to provide for future maintenance over a period of years
<b>Accommodation Reserve</b>	<b>(1,812)</b>	0	250	<b>(1,562)</b>	0	250	<b>(1,312)</b>	To meet costs of repairs to Office Accommodation. The fund will be used to support the wider accommodation strategy.
<b>Insurance and Risk Management Reser</b>	<b>(951)</b>	0	50	<b>(901)</b>	0	50	<b>(851)</b>	To meet any unforeseen/increased costs of insurance claims or works to minimise insurance risk. The fund is available to meet the costs of urgent health and safety works that cannot be contained within existing budgets.
<b>Budget Carry Forwards</b>	<b>(1,269)</b>	0	442	<b>(827)</b>	0	0	<b>(827)</b>	Reserve set up from end of year budget underspends to meet future Council priorities. The reserve is kept under review and balances no longer required transferred to revenue or another reserve as appropriate.
<b>Budget c/f 2010/11 subject to approval by Cabinet.</b>	<b>(800)</b>	0	400	<b>(400)</b>	0	0	<b>(400)</b>	Budget provision 2010/11 outturn for Americas Cup, schools demolitions and procurement contingency.
<b>JE contingency</b>	<b>(52)</b>	0	52	<b>0</b>	0	0	<b>0</b>	Utilised in 2010/11 budget to fund successful appeals
<b>Pensions Fund</b>	<b>(1,088)</b>	0	0	<b>(1,088)</b>	0	0	<b>(1,088)</b>	Following the triennial pensions review the council's contribution rate has been held at current levels for the next three years. However, this is on the understanding that contributions into the fund remain at least at 10/11 levels. Any shortfall will require a one off lump sum payment in year 3. Given further outsourcing transfer of schools to academies and the
<b>Redundancies</b>	<b>(2,610)</b>	0	1,000	<b>(1,610)</b>	0	0	<b>(1,610)</b>	To meet potential costs of redundancies, including strain payments to the pension fund
<b>C/F</b>	<b>(18,984)</b>	<b>(3,394)</b>	<b>7,416</b>	<b>(14,962)</b>	<b>(3,386)</b>	<b>3,545</b>	<b>(14,803)</b>	

**APPENDIX B**

<b>RESERVES SUMMARY C/F</b>	<b>Balance as at 31/03/11</b>	<b>Transfers to Reserves</b>	<b>Transfers from Reserves</b>	<b>Balance as at 31/03/12</b>	<b>Transfers to Reserves</b>	<b>Transfers from Reserves</b>	<b>Balance as at 31/03/13</b>	<b>Purpose of reserve</b>
<b>B/F</b>	<b>(18,984)</b>	<b>(3,394)</b>	<b>7,416</b>	<b>(14,962)</b>	<b>(3,386)</b>	<b>3,545</b>	<b>(14,803)</b>	
<b>Urban Enterprise Fund</b>	<b>(523)</b>	0	163	<b>(360)</b>	0	0	<b>(360)</b>	Match funding to ensure that Plymouth gains access to the European funding available to the region to support Urban Enterprise
<b>Corporate Improvement Priorities</b>	<b>(498)</b>	0	498	<b>0</b>	0	0	<b>0</b>	Fund used to support the Councils Corporate Priorities. The commitments against this fund will be reviewed as part of the budget and performance monitoring process and any surplus balance will be transferred to the Invest to Save Reserve.
<b>Ex-gratia gas servicing payments</b>	<b>(1,005)</b>	0	0	<b>(1,005)</b>	0	0	<b>(1,005)</b>	Reclassification from a provision. This reserve will meet the costs of any further refunds in respect of HRA gas servicing charges levied in error.
<b>Capital Reserve</b>	<b>(975)</b>	0	100	<b>(875)</b>	0	620	<b>(255)</b>	To be used to support the capital programme and potential shortfall in capital receipts
<b>Pay Issues</b>	<b>(350)</b>	<b>0</b>	<b>0</b>	<b>(350)</b>	<b>0</b>	<b>0</b>	<b>(350)</b>	To meet the costs of any pay claims, subject to Tribunal hearings.
<b>Invest to Save Reserve</b>	<b>(2,262)</b>	(462)	1,326	<b>(1,398)</b>	0	1,274	<b>(124)</b>	Reserve set up using balances released from other reserves. To be used to support/pump prime invest to save initiatives to deliver budget savings over the medium term. £1.3m to be used for road repairs 11/12 and £1.3m in 12/13 for new ICT plant room at Windsor House.
<b>Recovery costs - Icelandic Banks</b>	<b>(380)</b>	0	0	<b>(380)</b>	0	0	<b>(380)</b>	Allowance relates to money invested in the Icelandic banks. Reserve currently meeting the ongoing legal costs and borrowing costs from utilising the capitalisation direction in 09/10.
<b>Grants carryforward</b>	<b>(3,071)</b>	0	3,071	<b>0</b>	0	0	<b>0</b>	Under IFRS all grant income must be released to revenue unless there are pay back conditions attached. This reserve therefore reflects unspent balances on ringfenced grant income at the year end, where there are continuing commitments. The amount c/f into 12/13 will become known during the 11/12 closedown process.
<b>Waste Reserve</b>	<b>(2,400)</b>	0	900	<b>(1,500)</b>	0	900	<b>(600)</b>	Reserve set up to proactively provide and manage the future budget shortfall due to increasing landfill tax liability pending the new energy from waste plant becoming operational.
<b>DRCP</b>	<b>(1,173)</b>	0	318	<b>(855)</b>	0	46	<b>(809)</b>	Reserve set aside to meet future expenditure in Devonport, in lieu of grant funding in 2007/08. Fund set aside to meet ongoing liabilities.
<b>Plymouth City Development Company (CDC) Legacy Reserve</b>	(412)	(93)	229	<b>(276)</b>	0	126	<b>(150)</b>	Reserve set up to continue the activities previously provided by the Company including branding of the city as part of Positively Plymouth. The reserve includes funds provided by RDA and HCA.
<b>A386 Park &amp; Ride Leased Spaces</b>	<b>(578)</b>	0	44	<b>(534)</b>	0	44	<b>(490)</b>	Upfront payment from PCT for leased spaces at George Park & Ride site. Released to revenue annually in lieu of rental income.
<b>Other Reserves</b>	<b>(547)</b>	(48)	179	<b>(415)</b>	(40)	64	<b>(391)</b>	All reserves have been reviewed and confirmed as required to meet specific policy commitments
<b>Sub Total Earmarked Reserves</b>	<b>(33,158)</b>	<b>(3,996)</b>	<b>14,244</b>	<b>(22,911)</b>	<b>(3,425)</b>	<b>6,619</b>	<b>(19,717)</b>	
<b>General Fund Working Balance</b>	<b>(11,412)</b>	<b>0</b>	<b>0</b>	<b>(11,412)</b>	<b>0</b>	<b>0</b>	<b>(11,412)</b>	General Balance available to meet unforeseen expenditure. This balance represents 6% of net revenue expenditure and is in line with Unitary Council averages

**APPENDIX B**

<b>Total Reserves</b>	(44,570)	(3,996)	14,244	(34,323)	(3,425)	6,619	(31,129)
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**Capital Programme 2011/12 - 2014/15**

**Appendix C**

	2011/12						
	Original Budget Approved April 2011 £000	Approved Capital Budget (October 10th & 18th Full Council) £000	Latest Forecast September 2011 £000	New Schemes for Approval (for approval at December Council) £000	Re-profiling £000	Virements & Variations £001	Latest Forecast October 2011 £000
Childrens Services	34,067	38,484	19,551	0	(535)	(110)	18,906
Community Services	24,838	29,794	27,866	0	(24)	(139)	27,703
Corporate Support	9,093	11,190	11,040	1,300	(374)	30	11,996
Development	21,376	26,753	27,222	1,300	0	45	28,567
<b>Total Capital Programme</b>	<b>89,374</b>	<b>106,221</b>	<b>85,679</b>	<b>2,600</b>	<b>(933)</b>	<b>(174)</b>	<b>87,172</b>

Financing of 2011/12 Latest Forecast							
Capital Receipts £000	Unsupported Borrowing £000	Supported Borrowing £000	Grants £000	Contributions	S106 / Tariff / RIF	Revenue / Funds £000	Total Funding £000
120	581	0	17,102	39	990	74	18,906
9,960	13,613	0	1,645	1,640	398	447	27,703
4,772	4,660	0	238	0	19	2,307	11,996
4,760	5,147	277	15,114	1,200	769	1,300	28,567
<b>19,612</b>	<b>24,001</b>	<b>277</b>	<b>34,099</b>	<b>2,879</b>	<b>2,176</b>	<b>4,128</b>	<b>87,172</b>

**Total Years Capital Programme**

	2011/12	2012/13	2013/14	2014/15	Total
	LATEST FORECAST £000	LATEST FORECAST £000	LATEST FORECAST £000	LATEST FORECAST £000	£000
Childrens Services	18,906	22,766	12,937	1,629	56,238
Community Services	27,703	4,556	183	337	32,779
Corporate Support	11,996	3,996	500	0	16,492
Development	28,567	12,569	6,523	7,371	55,030
<b>Total Capital Programme</b>	<b>87,172</b>	<b>43,887</b>	<b>20,143</b>	<b>9,337</b>	<b>160,539</b>

Financing of 2011/12 to 2014/15							
Capital Receipts £000	Unsupported Borrowing £000	Supported Borrowing £000	Grants £000	Contributions	S106 / Tariff / RIF	Revenue / Funds £000	Total Funding £000
655	881	0	53,299	39	1,290	74	56,238
13,998	13,776	0	2,265	1,640	653	447	32,779
9,144	4,784	0	238	0	19	2,307	16,492
10,721	5,333	324	33,649	1,351	2,352	1,300	55,030
<b>34,518</b>	<b>24,774</b>	<b>324</b>	<b>89,451</b>	<b>3,030</b>	<b>4,314</b>	<b>4,128</b>	<b>160,539</b>

**Capital Receipts Summary - Using Actual Receipts Received and RAG Rating Forecasted Receipts**

Year	Capital Receipts b/fwd from Previous Year £000	RAG Rated Forecasted Receipts £000	Total Receipts Expected £000	Capital Receipts Required for Funding (as above) £000
2011/2012	19,056	2,117	21,173	19,612
2012/2013		6,952	6,952	14,401
2013/2014		4,569	4,569	505
2014/2015		1,001	1,001	0
<b>Total</b>	<b>19,056</b>	<b>14,639</b>	<b>33,695</b>	<b>34,518</b>

In Year (Shortfall) / Surplus of Capital Receipts £000
1,561
(7,449)
4,064
1,001
0
(823)

Any temporary shortfall of required capital receipts is to be funded by short-term unsupported borrowing that is financed from the Capital Finance Reserve.

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## Delivery Plans

## Balancing the budget : Areas for savings, efficiency gains or increase income

	Lead Officer	Service	2012/13	2013/14	2014/15	Narrative	Revised 12/13
			£000	£000	£000		R/A/G
1a	Maggie Carter	Learner & Family Support	120	120	120	Transport Policy changes re cessation of Concessionary fares on track for implementation from Sept 2011.	G
1b	Maggie Carter	Learner & Family Support	110	110	110	Volatile budgets dependant on needs of SEN statements. A clearer position will be known by the end of October following on from the robust review of routes undertaken during the Summer	A
1c	Maggie Carter	Learner & Family Support	150	150	150	Efficiency savings made on labour and food costs. Additionally the meal selling price has been increased to a more realistic level to reduce the amount of subsidy needed.	A
2	Maggie Carter	Learner & Family Support	0	100	100		G
3	Maggie Carter	Learner & Family Support	70	70	70	On track - deletion of posts and use of grant	G
4	Maggie Carter	Learner & Family Support	80	80	80	Restructure of SEN Services planned as part of department restructure	A

## LEARNER &amp; FAMILY SUPPORT TOTALS:

530 630 630

5	Colin Moore	Lifelong Learning	0	70	70	No action required for 2011/12. However, the service will be subject to a number of other DP's and a restructure that are being dealt with at DMT level	G
6	Colin Moore	Lifelong Learning	0	20	20	No action required for 2011/12. However, the service will be subject to a number of other DP's and a restructure that are being dealt with at DMT level	G
7	Colin Moore	Lifelong Learning	0	170	170	No action required for 2011/12. However, the service will be subject to a number of other DP's and a restructure that are being dealt with at DMT level	G
<b>Lifelong Learning TOTALS:</b>			<b>0</b>	<b>260</b>	<b>260</b>		
8	Miread MacNeil	Children Social Care	750	1,500	1,500	Cost and volume contract re-negotiated. In-house fostering recruitment assessments continuing. £0.260m market rate savings and £6k savings on existing frameworks. Performance scorecard developed to track Diversion of Children from Care strategy and this is reviewed each month so remedial action can be implemented as early as possible.	A
9	Miread MacNeil	Children Social Care	100	400	400	Supernumery posts (over establishment) now deleted and agency staff reduced. Permanent front-line staff recruitment under offer. Structures will contract in future years as the number of children in care is reduced whilst safeguarding is maintained	A
10	Miread MacNeil	Children Social Care	180	180	180	No secure placements used. However, the Home Office transfer of financial responsibility for young offenders remanded to the local authority may have an impact	A
13	Miread MacNeil	Children Social Care	70	140	140	Intensive support service diverting children from care	A
<b>CHILDREN SOCIAL CARE TOTALS:</b>			<b>1,100</b>	<b>2,220</b>	<b>2,220</b>		

## Publicly Cross-Cutting: Savings delivered on behalf of, or reliant on, other departments

R/A/G

15	Miread MacNeil	Children Social Care	220	220	220	Agreement to hold vacant posts pending formal restructure. Staff being surveyed.	A
18	Maggie Carter	Learner & Family Support	60	60	60	Following confirmation of school lunch grant for 2011-12, work in progress to identify details and impact for affected schools. The required action will not come into place until April 2012	R
<b>CORPORATE SUPPORT INDIRECT TOTAL:</b>			<b>280</b>	<b>280</b>	<b>280</b>		

TOTAL DELIVERY PLANS CHILDREN &amp; YOUNG PEOPLE : 1,910 3,390 3,390

2011/12 PLANS ABSORBED IN THE BASE 2,610 2,610 2,610

TOTAL SAVINGS TARGET CHILDREN &amp; YOUNG PEOPLE 4,209 6,124 6,124

SURPLUS/(SHORTFALL) IF ALL PLANS DELIVERED: 311 (124) (124)

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## Delivery Plans

Balancing the budget : Areas for savings, efficiency gains or increase income							
	Lead Officer	Service	2012/13	2013/14	2014/15	Narrative	Revised 12/13
			£000	£000	£000		R/A/G
<b>Theme 1 Domiciliary Care Services:</b> maximisation of block contracts and standardisation of unit rates, efficiencies across in house and externally provided services	Pam Marsden	Adult Social Care	300	1,100	1,100	Plans continue to be updated and progressed through the Adult Social Care Programme Board	G
<b>Theme 2 Supported Living:</b> remodelling of services and standardisation of unit	Pam Marsden	Adult Social Care	423	623	623	Plans continue to be updated and progressed through the Adult Social Care Programme Board	G
<b>Theme 3 Care Management Services:</b> reviewing of high cost packages and alternative service provision	Pam Marsden	Adult Social Care	200	850	850	Plans continue to be updated and progressed through the Adult Social Care Programme Board	A
<b>Theme 4 Day Care:</b> remodelling of services and standardisation of unit rates	Pam Marsden	Adult Social Care	34	234	234	Plans continue to be updated and progressed through the Adult Social Care Programme Board	G
<b>Theme 5 Enabling and Floating Support:</b> remodelling of services and standardisation of unit rates	Pam Marsden	Adult Social Care	278	278	278	Plans continue to be updated and progressed through the Adult Social Care Programme Board	A
<b>Theme 6 Residential Care - under 65:</b> remodelling of services and standardisation of unit rates	Pam Marsden	Adult Social Care	212	262	262	Progress against the individual projects within this theme continues with incremental savings being captured during the year	A
<b>Theme 7 Workforce re-modelling:</b> linked to CareFirst 6 and Charteris Business process Re-design for the operating model	Pam Marsden	Adult Social Care	950	950	950	Consultation completed. Structures to be delivered for April, subject to Accommodation and ICT timelines. Service operations to be modelled to establish potential level of savings from provision of care	G
<b>Environment Service Programme.</b> Service reprovision and efficiency initiatives	Jayne Donovan	Environment Service	560	560	560	Environment Service programme board working through a range of options	R
<b>Events, grants and other funds initiatives</b>	James Coulton	Culture Sport & Leisure	170	290	290	The suite of delivery plans continue to be worked through to achieve the required savings	A
<b>Transfer of assets: transfer of assets / facilities to local community ownership.</b>	James Coulton	Culture Sport & Leisure	80	80	80	Research into the options has taken place during 2011/12	A
<b>COMMUNITY SERVICES DIRECT TOTAL:</b>			<b>3,207</b>	<b>5,227</b>	<b>5,227</b>		

Publicly Cross-Cutting: Savings delivered on behalf of, or reliant on, other departments							R/A/G
<b>Performance and Intelligence:</b> rationalise performance management, completion of government returns and data analysis across the council. 1/3rd of total planned savings applied to Community Services at this early stage of development	Giles Perritt	Chief Executive	180	180	180	Achieved in 11/12. Residual Target for 12/13 and beyond. Budgets and Delivery Plan to transfer to the Chief Executive as part of the organisational restructure	A
<b>Business Support Review:</b> Rationalise Business Support across the council.	Tim Howes	Other	tbc	tbc	tbc	Community Services engaged in project proposals. Paper proposing delivery plan savings and implementation in progress	G
Leisure Management Contract	James Coulton	Culture, Sport & Leisure	0	250	250	The Leisure Management contract has now been awarded and will commence in February 2012, savings will accrue in future years.	G

<b>COMMUNITY SERVICES INDIRECT TOTAL:</b>		<b>180</b>	<b>430</b>	<b>430</b>
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<b>TOTAL DELIVERY PLANS COMMUNITY SERVICES:</b>	<b>3,387</b>	<b>5,657</b>	<b>5,657</b>
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<b>2011/12 PLANS ABSORBED IN THE BASE</b>	<b>3,545</b>	<b>3,735</b>	<b>3,735</b>
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<b>TOTAL SAVINGS TARGET COMMUNITY SERVICES:</b>	<b>6,972</b>	<b>11,234</b>	<b>11,234</b>
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<b>SURPLUS/(SHORTFALL) IF ALL PLANS DELIVERED:</b>	<b>(40)</b>	<b>(1,842)</b>	<b>(1,842)</b>
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## Delivery Plans

Balancing the budget : Areas for savings, efficiency gains or increase income		2012/13	2013/14	2014/15	Narrative	Revised 12/13	
	Service	£000	£000	£000		R/A/G	
1	<b>Package of Transport Options:</b> considering options for increased income and/or revised service provision. For example, subsidised bus fares, shop mobility, car park charges etc.	Transport & Highways	100	300	300	The original savings plan has to date achieved : £130k from new concessionary fare repayment mechanism; £50k from Access Plymouth; £20k from income on S278/38 works. The remaining shortfall in savings are still being reviewed.	A
2	<b>ALL - Additional income to be achieved through Fees and Charges</b>	Director of Development	100	100	100	Development are currently reviewing all income streams from fees and charges to identify additional income to meet this. Other Growth related spend will be reviewed to ensure this plan is delivered.	R

<b>DEVELOPMENT DIRECT TOTALS:</b>	<b>200</b>	<b>400</b>	<b>400</b>
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Publicly Cross-Cutting: Savings delivered on behalf of, or reliant on, other departments						R/A/G	
3	<b>Printing, Publicity and Advertising:</b> challenge the current demand across the council and rationalise future publicity & advertising activity. Notional saving to department based on total council spend.	Director of Development	100	100	100	This plan is currently being reviewed across the Council	A

<b>Development INDIRECT TOTAL:</b>	<b>100</b>	<b>100</b>	<b>100</b>
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<b>TOTAL DELIVERY PLANS DEVELOPMENT:</b>	<b>300</b>	<b>500</b>	<b>500</b>
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<b>2011/12 PLANS ABSORBED WITHIN BASE:</b>	<b>660</b>	<b>940</b>	<b>940</b>
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<b>TOTAL SAVINGS TARGET DEVELOPMENT:</b>	<b>868</b>	<b>1,291</b>	<b>1,291</b>
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<b>SURPLUS/(SHORTFALL) IF ALL PLANS DELIVERED:</b>	<b>92</b>	<b>149</b>	<b>149</b>
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## Delivery Plans

Balancing the budget : Areas for savings, efficiency gains or increase income						
		2012/13	2013/14	2014/15	Narrative	Revised 12/13
	Service	£000	£000	£000		R/A/G

CHIEF EXECUTIVES DIRECT TOTALS:							
0						0	
0						0	
Savings delivered on behalf of, or reliant on, other departments						R/A/G	
3	<b>Consultation:</b> Better joined up / rationalised small team of dedicated consultation staff. Look at duplication between departments and ensure consultation is relevant and required	Chief Executives	200	200	200	Although the restructure within Policy and Performance Units addressed this action there is still a question over whether this activity is still being carried out within Departments.	A
4	<b>Corporate Subscriptions:</b> challenging the need for subscriptions to professional organisations. Joining up subscriptions and / or removing non-essential spend	Chief Executives	100	100	100	Departments requested to submit business plans. These indicate that substantial savings could be achieved, although due to notice periods on some of these subscriptions there is a delay in realising all anticipated savings in the short-term.	A
5	<b>Printing, Publicity and Advertising:</b> challenge the current demand across the council and rationalise future publicity & advertising activity. Notional saving for department based on total council spend.	Chief Executives	100	100	100	This plan is currently being reviewed across the Council	A
<b>CHIEF EXECUTIVES INDIRECT TOTAL:</b>			<b>400</b>	<b>400</b>	<b>400</b>		

<b>TOTAL DELIVERY PLANS CHIEF EXECUTIVES:</b>	<b>400</b>	<b>400</b>	<b>400</b>
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<b>2011/12 PLANS ABSORBED WITHIN BASE:</b>	<b>190</b>	<b>190</b>	<b>190</b>
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<b>TOTAL SAVINGS TARGET CHIEF EXECUTIVES:</b>	<b>352</b>	<b>562</b>	<b>562</b>
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<b>SURPLUS/(SHORTFALL) IF ALL PLANS DELIVERED:</b>	<b>238</b>	<b>28</b>	<b>28</b>
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## Corporate Support Services - Budget Delivery Plans

## Appendix D

Balancing the budget : Areas for savings, efficiency gains or increase income							
	Service	2012/13	2013/14	2014/15	Narrative	Revised 12/13	
		£000	£000	£000		R/A/G	
1	<b>Training &amp; Development:</b> review the provision of training throughout the Council	Human Resources & Organisational Development	150	200	200	ICT training already consolidated. Further opportunity for training rationalisation across the council and exploring alternative options for training delivery	A
2	<b>Legal Services:</b> Restructure the service and reduce support in non-critical areas	Democracy & Governance	200	330	330	Restructure planned for implementation January - March 2012	G
3	<b>Democratic Services:</b> reduce the level of Civic engagements and restructure the democratic support service.	Democracy & Governance	25	25	25	Civic engagements reduced as part of 2011/12 budget delivery plans. Further actions needed to improve efficiencies in supporting member panels	A
4	<b>ICT Direct Costs &amp; Data Quality:</b>	ICT	135	270	270	Continue to challenge hardware contracts and licence costs. Challenge other areas to drive efficiencies from ICT	G
<b>CORPORATE SUPPORT DIRECT TOTALS:</b>			<b>510</b>	<b>825</b>	<b>825</b>		

Publicly Cross-Cutting: Savings delivered on behalf of, or reliant on, other departments						R/A/G	
5	<b>Procurement:</b> Procure To Pay / Buyer roll out. Driving efficiencies out of external purchasing	Finance, Assets & Efficiencies	1,200	3,600	3,600	On target to achieve £800k from Procure to Pay in 2011/12. Plan to implement Category Management in 2012/13 onwards to increase potential for Procurement efficiencies	A
6	<b>Print and Document Services (PADS)</b> - consider options for future service delivery and/or increase productivity	Finance, Assets & Efficiencies	100	100	100	Options appraisal undertaken and Business Case developed in November '11. Aiming to commence consultation in January 2012	G
7	<b>Customer Contact Centre:</b> bring in services from other departments into contact centre. Improve service & reduce costs	Customer Service	200	250	250	Finalising plan to move car park telephone queries shortly. Implementation of Microsoft Dynamics CRM is critical to moving other services in and driving further efficiencies.	A
8	<b>Workforce Management:</b> remove duplication with staff based within departments	HR	100	120	120	There are still some staff within departments - next step requires CMT buy-in to moving resources into one co-ordinated organisational team	A
9	<b>Accommodation Strategy (Phase I = Office Accommodation £1.2m)</b>	Finance, Assets & Efficiencies	1,200	1,200	1,200	Savings achieved in 2011/12 by introducing Phase II of strategy early. Further packages of assets will need to be developed and implemented to meet with the shortfall that will accrue due to delays in selling the Civic Centre.	R
		Finance, Assets & Efficiencies	300	300	300		G
10	<b>Business Support:</b> restructure across the Council - anticipated savings attributable to Corporate Support	Director of Corporate Support	100	100	100	Data collated and analysed in 2011/12. Co-ordinated structure needs to be consulted on and implemented in 2012/13	G
11	<b>Senior Management:</b> implement Sen Man restructure	Director of Corporate Support	400	800	800	The entire Senior Management restructure savings target has now been collated and held within Corporate Support budget delivery plans. Proposals to be implemented early 2012	G
<b>CORPORATE SUPPORT INDIRECT TOTAL:</b>			<b>3,600</b>	<b>6,470</b>	<b>6,470</b>		

<b>TOTAL DELIVERY PLANS CORPORATE SUPPORT:</b>	<b>4,110</b>	<b>7,295</b>	<b>7,295</b>
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<b>2011/12 PLANS ABSORBED WITHIN BASE:</b>	<b>3,908</b>	<b>4,177</b>	<b>4,177</b>
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<b>TOTAL SAVINGS TARGET CORPORATE SUPPORT:</b>	<b>7,853</b>	<b>11,404</b>	<b>11,404</b>
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<b>SURPLUS/(SHORTFALL) IF ALL PLANS DELIVERED:</b>	<b>165</b>	<b>68</b>	<b>68</b>
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