

Public Document Pack



Barry Keel
Chief Executive

Plymouth City Council
Civic Centre
Plymouth PL1 2AA

www.plymouth.gov.uk/democracy

Date: 30 January 2012

Please ask for: Nicola Kirby, Senior Democratic Support Officer (Cabinet)
T: 01752 304867 E: nicola.kirby@plymouth.gov.uk

CABINET

Date: Tuesday 7 February 2012
Time: 2pm
Venue: COUNCIL HOUSE, PLYMOUTH

Members:

Councillor Mrs Pengelly, Chair
Councillor Fry, Vice Chair
Councillors Ball, Bowyer, Jordan, Michael Leaves, Sam Leaves, Monahan, Ricketts and Wiggins.

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 - 8)

To sign and confirm as a correct record the minutes of the meeting held on 17 January 2012.

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. 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.

REPORTS FROM SCRUTINY

6. BUDGET AND CORPORATE PLAN SCRUTINY REPORT 2012/13 (TO FOLLOW)

Councillor James (Chair of the Overview and Scrutiny Management Board) has been invited to attend the meeting to present the Budget and Corporate Plan Scrutiny Report 2012/13 and recommendations.

The minute of the Overview and Scrutiny Management Board held on 1 February 2012 on this matter will be submitted.

Cabinet will be asked to respond to the recommendations and take account of the outcome in their consideration of item 7 and 10 below.

CABINET MEMBER: THE LEADER

7. CORPORATE PLAN 2012 - 2015 (Pages 9 - 42)

The Corporate Management Team will submit the draft Corporate Plan 2012 -15.

Cabinet will be asked to make recommendations to the City Council on 27 February 2012.

CABINET MEMBERS: COUNCILLORS BOWYER AND RICKETTS

8. PERFORMANCE AND FINANCE REPORT (INCLUDING CAPITAL PROGRAMME UPDATE) (Pages 43 - 92)

The Chief Executive and the Director of Corporate Services will submit the third quarter monitoring report for performance and finance.

CABINET MEMBER: COUNCILLOR BOWYER

9. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2012/13 (Pages 93 - 128)

The Director of Corporate Services will submit the Annual Management Strategy Statement and Annual Investment Strategy, recommended by a sub-committee appointed by the Audit Committee.

10. 2012/13 UPDATED DRAFT BUDGET (REVENUE AND CAPITAL) ALLOCATED TO CORPORATE PRIORITIES (Pages 129 - 146)

The Corporate Management Team will submit a written report on the 2012/13 draft budget (revenue and capital) allocated to corporate priorities.

Cabinet will be asked to make recommendations to the City Council on 27 February 2012.

CABINET MEMBER: COUNCILLOR MONAHAN

11. PERSONAL BUDGET POLICY (Pages 147 - 158)

The Director of People will submit a report on a draft Personal Budget Policy which sets out how Plymouth Adult Social Care will mainstream personal budgets.

CABINET MEMBER: COUNCILLOR WIGENS

12. EVENTS ON THE PUBLIC HIGHWAY POLICY (Pages 159 - 184)

The Director of Place will submit a written report on the proposed Events on the Public Highway Policy.

13. 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.

Cabinet

Tuesday 17 January 2012

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 of Corporate Services), Carole Burgoyne (Director of People), Bronwen Lacey (Director of Services for Children and Young People), Anthony Payne (Director of Place), Paul Barnard (Assistant Director for Planning Services), Jonathan Bell (Head of Development Planning), Debbie Butcher (Head of Strategic Commissioning, Adult Social Care), Jayne Gorton (School Organisation, Access and Services to Schools Manager), Andy Netherton (Manager Safety, Health and Licensing) and Nicola Kirby (Senior Democratic Support Officer (Cabinet)).

The meeting started at 2.00 pm and finished at 2.20 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.

97. **BRONWEN LACEY, DIRECTOR OF SERVICES FOR CHILDREN AND YOUNG PEOPLE**

The Leader referred to Bronwen Lacey, Director of Services for Children and Young People who would be leaving the Council at the end of February 2012, after 14 year's service.

Agreed that Bronwen is thanked for her work with the Council and for her work with Cabinet Members.

98. **DECLARATIONS OF INTEREST**

The following declaration of interest was made in accordance with the code of conduct in relation to items under consideration at this meeting -

Councillor	Minute	Reason	Interest
Councillor Jordan	Minutes 107 and 110: Contract award: framework agreement for support, enablement and care services to help adults with learning disabilities to live independently (people who are at risk of offending or perpetrating harmful behaviour)	Daughter works for one of the partnerships bidding for the contract	Personal and prejudicial

99. **MINUTES**

Agreed that the minutes of the meeting held on 13 December 2011 are confirmed as a correct record.

100. **QUESTIONS FROM THE PUBLIC**

One question was submitted by the public, for this meeting in accordance with Part B, paragraph 11 of the Constitution, as set out below.

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

Question No	Question By	Cabinet Member	Subject
13 (11/12)	Mr F E Sharpe	Cabinet Member for Community Services (Safer and Strong Communities and Leisure, Culture and Sport)	Athenaeum Building
<p>Please could the city council look at whether the stage and Auditorium in the Athenaeum Building in Plymouth could be brought back into public use for shows so as not to let this facility go to waste.</p>			
<p>Response: Plymouth City Council commissioned a report into the Athenaeum Theatre, in July 2009, highlighting the position of the Athenaeum Society, who are the active legal tenants in the building as well as the role the building plays within the Theatre community. The Athenaeum Society who were subsidising the Theatre, made the decision it was no longer viable to run the theatre based on their financial sustainability. The Council does not have resources to subsidise the facility.</p> <p>The consultant's role on behalf of the Theatre Forum (a wide group of Amateur Dramatic Companies) was to review the business model and to suggest ways that the users could potentially continue. Negotiations to access and use of the building were to be taken forward by the Theatre Forum directly with the Athenaeum Society.</p> <p>The lighting assets of the theatre were subsequently acquired by Lipson Community College and the Muse Theatre to support on going activity and performances in the city.</p>			

101. **CHAIR'S URGENT BUSINESS**

There were no items of Chair's urgent business.

102. **LOCAL DEVELOPMENT FRAMEWORK: PLANNING OBLIGATIONS AND AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT SECOND REVIEW**

The Director of Place submitted a written report on a proposal for a second review of the Planning Obligations and Affordable Housing Supplementary Planning Document which set out the Council's approach to delivering planning obligations, including affordable housing through the planning application process.

The report indicated -

- (a) the main changes proposed;
- (b) that although the draft document would be a material consideration in the determination of planning applications, it would be necessary to continue to apply the tariff provisions of the adopted supplementary planning document until the community infrastructure levy was adopted and operational;
- (c) there was also a need to extend the current market recovery scheme which was due to expire on 31 March 2012;
- (d) it was intended that the community infrastructure levy and the second review of the supplementary planning document would be adopted concurrently in summer 2012;
- (e) a proposed minor amendment to the current market recovery scheme to clarify that its provisions do not apply retrospectively to planning applications for development which had already commenced, without consent.

Councillor Fry (Cabinet Member for Planning, Strategic Housing and Economic Development) presented the report and indicated that it was linked to the next item on the community infrastructure levy, referred to in minute 103 below.

Agreed –

- (1) the amended Planning Obligations and Affordable Housing Supplementary Planning Document (consultation draft) for the purposes of public consultation and as a material consideration in the determination of planning applications;
- (2) that authority is delegated to the Assistant Director for Development and Regeneration (Planning Services) to approve the final publication version of the consultation draft supplementary planning document;

- (3) that the officers refer the final version of the amended supplementary planning document to Cabinet and then a meeting of Council for adoption, following the completion of the consultation process;
- (4) to amend the market recovery scheme for 2011/12 to clarify that its provisions do not apply retrospectively to planning applications where development has started without consent;
- (5) that the market recovery scheme for 2011/12, as amended, is extended up until the date that the Council's community infrastructure levy becomes fully operational.

103. **COMMUNITY INFRASTRUCTURE LEVY: DRAFT CHARGING SCHEDULE.**

Further to minute 20 of the meeting held on 12 July 2011 which gave approval to the introduction of a community infrastructure levy for Plymouth, the Director of Place submitted a written report

- (a) indicating that the preliminary draft charging schedule had been published for consultation with the consultation period ending on 13 December 2011;
- (b) on the main issues identified through the consultation process;
- (c) attaching the proposed draft community infrastructure levy which would be published for consultation prior to its public examination;
- (d) advising members that the charging schedule was likely to come into effect in the autumn of 2012 and the Council's tariff approach would then be defunct.

Councillor Fry (Cabinet Member for Planning, Strategic Housing and Economic Development) presented the report and indicated that the proposed levy was the lowest rate in the country.

Agreed –

- (1) the publication of the draft community infrastructure levy charging schedule for public consultation;
- (2) that authority is delegated to the Assistant Director for Development and Regeneration (Planning Services), in consultation with the Portfolio Holder for Planning, Strategic Housing and Economic Development, to agree minor amendments to the draft charging schedule in response to the consultation process, and to submit the draft charging schedule and any requisite Statement of Modifications for Independent Public Examination;

- (3) that officers are instructed to report the final community infrastructure levy charging schedule to Cabinet and Council for adoption following public examination;
- (4) that officers are instructed to present proposals for future review of the final community infrastructure levy charging schedule to Cabinet when seeking approval for its adoption following public examination.

104. **SEX ESTABLISHMENT LICENSING POLICY**

The Director of Place submitted a written report indicating that -

- (a) recent legislative changes had provided the Council with the ability to have a greater level of control on the position and operation of sex establishments;
- (b) businesses operating lap dancing and similar operations would now come under the same licensing system as sex shops and sex cinemas;
- (c) the Council would need to adopt the new legal provisions and an associated licensing policy to apply the provisions;
- (d) public consultation had been undertaken on a draft policy and the report set out the results of the consultation;
- (e) the recommendations of the Customer and Communities Overview and Scrutiny Panel following a review of the consultation findings and the draft policy.

Councillor Michael Leaves (Cabinet Member for Community Services (Street Scene, Waste and Sustainability)) presented the report and proposed approval of option 1 as set out in paragraph 5.1 on page 76 of the agenda papers, in relation to opening hours. He also proposed that recommendation (2) of the Customer and Communities Overview and Scrutiny Panel was not supported for the reasons stated in the officer's report. The proposals were seconded by Councillor Ricketts.

Agreed that –

- (1) recommendation (1) from the Customer and Communities Overview and Scrutiny Panel regarding the condition on opening hours as outlined in paragraph 5.1, is not supported;
- (2) Option 1 is included within the Sex Establishments Licensing Policy and recommended to City Council as follows –

'The Council will apply hours of operation that are commensurate to the existing use of the area and its effect on the locality. There shall normally be no operation of licensable activities on Sundays and Good Friday (06.00 am to Midnight), Christmas day or Easter Sunday. Alternative opening restrictions may be put into place dependant on the character of each locality and representations received'

- (3) recommendation (2) from the Customer and Communities Overview and Scrutiny Panel regarding notification of applications as outlined in paragraph 5.2 is not supported;
- (4) the City Council is Recommended to resolve the following -
 - (a) to adopt Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 as amended by s.27 Policing and Crime Act 2009, which shall come into force on the 5 March 2012;
 - (b) to adopt the Sex Establishments Licensing Policy contained in Appendix A of the written report subject to recommendation (2) above;
 - (c) to approve the scheme of delegation contained in Appendix B of the written report;
 - (d) to approve the following fees and charges -
 - Application Fee £3900
 - Variation Fee £ 800
 - Annual Renewal Fees £3200
 - Transfer £750

105. **ADDITION OF A SEN SUPPORT CENTRE TO GOOSEWELL PRIMARY SCHOOL**

The Director of People submitted a written report seeking authority to undertake formal consultation on a proposal to add a Special Educational Needs (SEN) support centre to Goosewell Primary School, for children with communication and interaction needs with effect from September 2012, using the facilities vacated by Downham Special School.

Councillor Sam Leaves (Cabinet Member for Children and Young People) presented the report.

Agreed that –

- (1) formal consultations are undertaken with all interested parties on proposals to add a SEN support centre for children with communication and interaction needs, specifically autistic spectrum disorder to Goosewell Primary School with effect from September 2012, using the facilities vacated by Downham Special School;

- (2) the Cabinet Member for Children and Young People is authorised to determine whether to publish formal proposals to undertake the above change affecting Goosewell Primary School in light of the outcomes of and responses to the formal consultation;
- (3) if a public notice is published, the Cabinet Member for Children and Young People is authorised to consider all the outcomes of and responses to the public notice and make a final determination whether or not to proceed with the proposal.

106. **CONTRACT AWARD: FRAMEWORK AGREEMENT FOR SUPPORT, ENABLEMENT AND CARE SERVICES TO HELP ADULTS WITH LEARNING DISABILITIES TO LIVE INDEPENDENTLY (PEOPLE WITH COMPLEX NEEDS)**

The Director of People submitted a written report indicating that Plymouth City Council and NHS Plymouth had jointly agreed the need to establish a framework of providers, through a competitive procurement exercise, for supported living services. These services would provide support, enablement and care for adults with learning disabilities to help them to live independent lives, safely within their own homes in the community. Within this provision, specialist services existed to provide support to people who have a learning disability and complex needs.

Following evaluation of tenders, the award of a contract was recommended.

The attention of Cabinet Members was drawn to the separate confidential report on the tenders received, referred to in minute 109 below.

Councillor Monahan (Cabinet Member for Adult Health and Social Care) presented the report.

Agreed that a three year contract, with an option for one year extension, is awarded to the successful suppliers for the following –
'Framework of services to support people with a learning disability who have complex needs'.

107. **CONTRACT AWARD: FRAMEWORK AGREEMENT FOR SUPPORT, ENABLEMENT AND CARE SERVICES TO HELP ADULTS WITH LEARNING DISABILITIES TO LIVE INDEPENDENTLY (PEOPLE WHO ARE AT RISK OF OFFENDING OR PERPETRATING HARMFUL BEHAVIOUR)**

The Director of People submitted a written report indicating that Plymouth City Council and NHS Plymouth had jointly agreed the need to establish a framework of providers, through a competitive procurement exercise, for supported living services. These services would provide support, enablement and care for adults with learning disabilities to help them to live independent lives, safely within their own homes in the community. Within this provision, specialist services existed to provide support to people who have a learning disability and who were at risk of offending or perpetrating harmful behaviour. Following evaluation of tenders, the award of a contract was recommended.

The attention of Cabinet Members was drawn to the separate confidential report on the tenders received, referred to in minute 110 below.

Councillor Monahan (Cabinet Member for Adult Health and Social Care) presented the report and drew attention to typographical errors in the recommendation in this report and the confidential report which should have referred to the framework of services to support people with a learning disability who were at risk of offending or perpetrating harmful behaviour.

Agreed that a three year contract, with an option for one year extension, is awarded to the successful suppliers for the following –
'Framework of services to support people with a learning disability who are at risk of offending or perpetrating harmful behaviour.

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

108. **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 items of business on the grounds that they involve 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.

109. **CONTRACT AWARD: FRAMEWORK AGREEMENT FOR SUPPORT, ENABLEMENT AND CARE SERVICES TO HELP ADULTS WITH LEARNING DISABILITIES TO LIVE INDEPENDENTLY (PEOPLE WITH COMPLEX NEEDS) (E3)**

With reference to minute 106 above, the Director of People submitted a confidential written report on the tenders received for supported living services that would provide support, enablement and care for adults with learning disabilities and complex needs, to help them to live independent lives, safely within their own homes in the community.

110. **CONTRACT AWARD: FRAMEWORK AGREEMENT FOR SUPPORT, ENABLEMENT AND CARE SERVICES TO HELP ADULTS WITH LEARNING DISABILITIES TO LIVE INDEPENDENTLY (PEOPLE WHO ARE AT RISK OF OFFENDING OR PERPETRATING HARMFUL BEHAVIOUR) (E3)**

With reference to minute 107 above, the Director of People submitted a confidential written report on the tenders received for supported living services that would provide support, enablement and care for adults with learning disabilities and who are at risk of offending or perpetrating harmful behaviour, to help them to live independent lives, safely within their own homes in the community.

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

CITY OF PLYMOUTH

Subject: Corporate Plan 2012-15

Committee: Cabinet

Date: 7 February 2012

Cabinet Member: The Leader

CMT Member: Chief Executive

Author: Jonathan Fry, Senior Policy, Performance & Partnerships Advisor

Contact: Tel: 01752 (30)4144
e-mail: jonathan.fry@plymouth.gov.uk

Ref:

Key Decision: No

Part: I

Executive Summary:

The attached Corporate Plan sets out the council's strategic direction for 2012-15 and beyond. It focuses on the vision for the city and for the Council, the four shared priorities the Council and its partners have signed up to, together with a range of supporting outcome measures. It stresses that we are operating in incredibly challenging times financially and highlights a number of major items that we have to deliver against over the life of this Corporate Plan, if we are to address the financial and external challenges we face and move forward with our long-term vision and priorities.

These items cover adult social care transformation; health integration; early intervention and prevention, including trouble families; tackling worklessness and unemployment; delivering some key elements of the growth agenda, particularly around rail and broadband connectivity; working with other organisations to reduce costs and improve services; transforming our working practices and improving customer contacts.

It also summarises the council's financial position and its drive to make efficiencies at a time of reduced public expenditure. The importance of transformational change to improve services with fewer resources is a theme throughout. The Plan also highlights the public budget consultation, partnership input and Overview and Scrutiny focus. More detailed supporting documents sit below the Corporate Plan. It should also be viewed against the 'Updated draft budget (Revenue and Capital) allocated to corporate priorities', which will be tabled at the same Cabinet and Council meetings

Corporate Plan 2012 - 2015:

The Corporate Plan 2012-15 replaces the previous one and includes the four priorities mentioned above

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

The Corporate Plan summarises the more detailed council budget and sets the strategic and operational context for it.

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

The Corporate Plan refers to headline risks and equality issues.

Recommendations & Reasons for recommended action:

It is recommended that

Corporate Plan 2012-15

- Cabinet commend the Corporate Plan to full council for adoption subject to agreement on any minor amendments and editorial design changes being delegated to the Leader and Chief Executive

Alternative options considered and reasons for recommended action:

The Corporate Plan sets the strategic direction for the council and brings together a range of related information in one place that covers the key elements of sound business planning. It provides the context within which the Council meets its statutory requirement under Section 33 Local Government Finance Act 1992 to produce and deliver a balanced budget and to set a Council Tax.

Background papers:

- 'Updated draft budget (Revenue and Capital) allocated to corporate priorities'

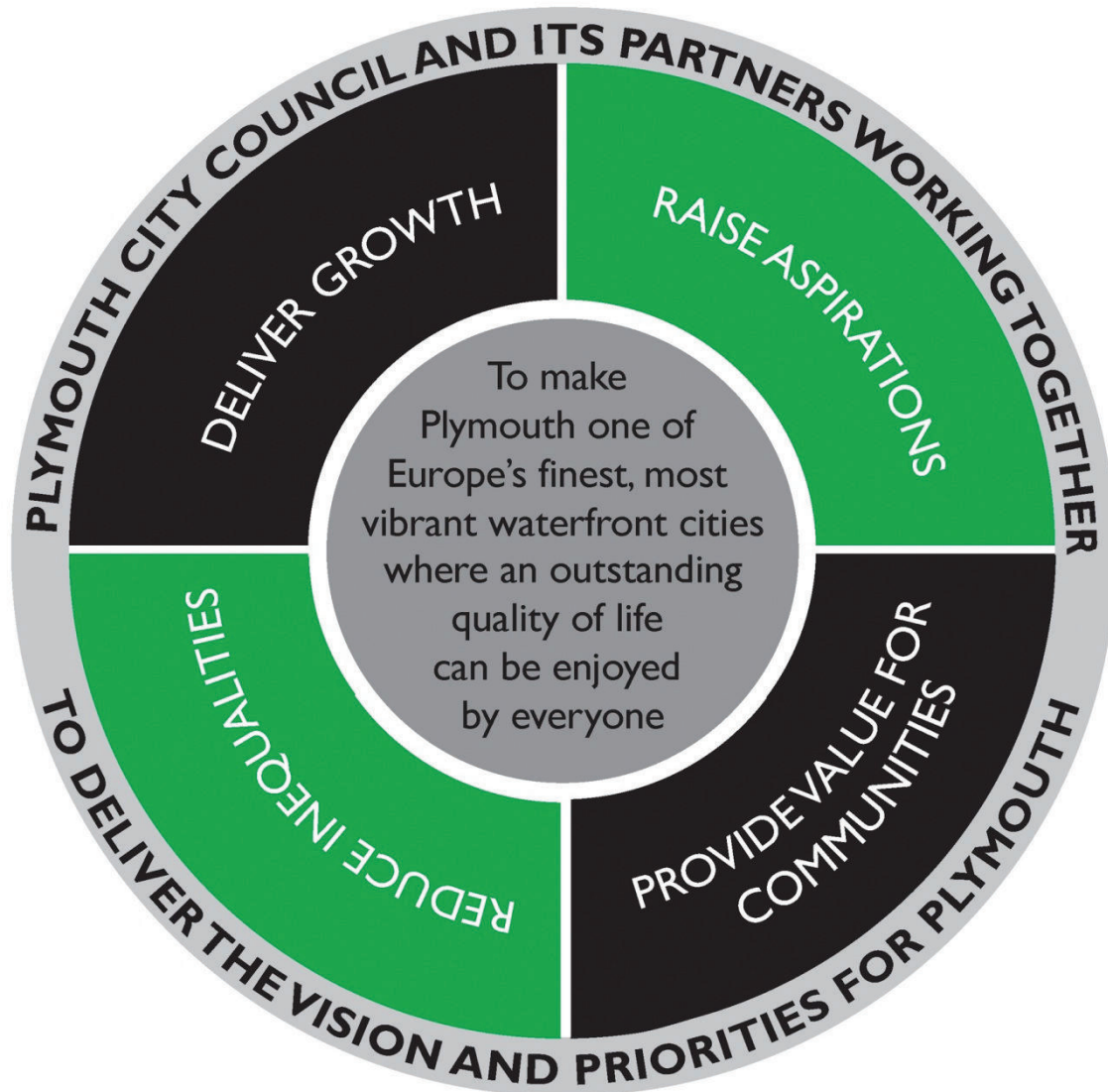
Sign off

Fin	AB300 11247	Leg	13837/ DVS	HR	n/a	Corp Prop	n/a	IT	n/a	Strat Proc	n/a
Originating CMT Member - CMT											

CORPORATE PLAN

2012-15

Our shared vision and priorities



Corporate Plan 2012-15
Published by Plymouth
City Council
March 2012

CONTACT

Policy, Performance, Partnerships
Civic Centre
Plymouth PL1 2AA
Tel 01752 398330

The Corporate Plan placed on the council's website once approved will be in a design layout that includes pictures and other design features not available in a basic word document

FOREWORD

We are in an incredibly challenging period nationally and globally and no one can know for sure what the impact will be on the economy and our standards of living. Things may well be very tight indeed for some years to come and Plymouth, as both a city and a council, cannot escape that scenario. We can, however, try to ensure that we are well placed when the economic upturn does come and do our best to support people through difficult times, particularly those most reliant on our front line services.

In last year's edition of what is a three year rolling Corporate Plan, we recommitted, along with our partners, to our ambitious vision to make Plymouth one of Europe's finest, most vibrant waterfront cities where an outstanding quality of life can be enjoyed by everyone. We did this in the full knowledge that the economic climate was extremely difficult and we remain committed to achieving that vision - whilst recognising that some of the original milestones for doing so may need to be pushed back, given the changing circumstances from when they were first set in 2003-6.

Last year, following analysis of the Plymouth Report in 2010, we adopted four key priorities with our partners to help us really drive towards our vision. These were to deliver growth, raise aspirations, reduce inequality and provide value for communities. We are more than ever committed to them and they are priorities we all need to own. Providing value for communities and working together to be more efficient is very pertinent in these austere times. Focusing on inequality and disadvantage to reduce dependence, enhance aspiration and opportunities and protect the most vulnerable is also essential. Creating the right infrastructure to enable the city to come out of the economic down turn strongly and deliver growth is also critical, while that very growth can help to sustain a strong and resilient city.

We have a number of major items that we have to deliver over the life of this Corporate Plan if we are to address the financial and external challenges we face and move forward on our long-term vision and priorities. These cover adult social care transformation; health integration; early intervention and prevention, including trouble families; tackling worklessness and unemployment; delivering some

Corporate Plan's purpose

The Corporate Plan helps us make sense of our complex world. It:

Outlines the strategic direction of the council for the next three years

Provides an assessment of current performance and future challenges

Shows how we contribute to achieving the city's shared vision and priorities

Demonstrates how we align our resources and contribute to the efficiency drive and transformation of service delivery

Informs the integrated planning process with partners

Gives clear direction on how the organisation will operate

Helps us hold ourselves to account and ensure we deliver for the city and its residents

Brings key information together in one place – particularly for members, managers, staff and partners

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key elements of the growth agenda, particularly around rail and broadband connectivity; working with other organisations to reduce costs and improve services; transforming our working practices and improving customer contacts.

This year sees us put more focus on how we organise ourselves to ensure delivery, both as a council and a city, whilst meeting efficiency targets. We have to address a very challenging national agenda in areas like, health, welfare, localism, child poverty, education and policing reform. Our senior management structure is being reorganised and streamlined as we have moved to three directorates – People, Place and Corporate Services. We are also working with our partners to streamline our partnerships and enhance their operational focus. Whilst our management overheads will continue to be reduced, this is an opportunity to look at whether we are being imaginative enough in how we deliver services on the ground and the degree to which we get maximum benefit for our residents and customers.

The future will be about being far more innovative in how services are resourced and provided and being even more focused on seeing things through from conception to implementation. Our staff will be central to achieving both these objectives.

Leader

Chief Executive

OUR VISION AND PRIORITIES

The type of city we want to be

The transformation of Plymouth where the most is made of the city's natural assets and setting, is at the core of the vision for Plymouth to become "one of Europe's finest, most vibrant waterfront cities where an outstanding quality of life is enjoyed by everyone". It is based on the Mackay view that the city should grow in width to the east and in height to exploit its waterfront setting. The aim is to grow the city's population to achieve the critical mass to provide the range of amenities needed to be an enticing regional economic hub of the far South West – with more visitors, inward investment and jobs; the development of the cultural and retail offer and making the place more vibrant. It involves exploiting the city's natural waterfront setting for commercial, recreational and domestic purposes; as well as building on the city's marine heritage to become a major marine industries centre of international excellence.

It is a vision that involves all our council services and partnership activity. We will have to respond to what will be a growing and changing population, as new workers and visitors arrive, in an inclusive and welcoming way. It means building on the city's strengths and developing a series of interlocking and sustainable communities, where there is strong resident engagement. Ensuring that there are high quality access networks across the city to leisure, work, health and other amenities is a feature of the vision, together with improving the major gateways to the city and our major road corridors. It requires much better connectivity to the rest of the country in terms of both transport and information and communications technology.

The vision involves the University of Plymouth centred on enterprise, the City College on vocational skills and the council supporting a range of learning opportunities and high quality school provision that is at the heart of community regeneration. It is also about co-locating services like health and social care, so they are more accessible and bringing services together better at the locality level. It is focused on creating jobs in six high value growth areas; having a vibrant city centre of

The type of city we want to be

A marine city noted for its world class marine industries and waterfront setting

A city that is a thriving regional centre that attracts visitors and businesses

A city with a series of sustainable communities enjoying a high quality of life

A city that is well connected to the rest of the country, particularly for business

A city with a strong cultural and retail offer

A city that is aspiring with excellent educational attainment

A city that is cutting edge with high tech, high value industries and jobs

A city that people want to live, work and play in because of the quality of its environment and waterfront setting

A city where everyone feels they can be part of its success

A city with a strong regional, national and international identity

A city that is dynamic and innovative with a growing and diverse population

Our plans involve increasing the city's population from 248,000 in 2005 to around 300,000 by 2026, with an extra 50,000 in the surrounding area.

They include opening up the waterfront, renovating the harbour areas and delivering area action plans

It means, creating 13,000 sq metres of office space per annum; 172,000 sq metres of new retail space by 2021; as well as 100 new hectares of local nature reserves, 32,000 new homes and 42,500 new jobs in our six growth areas:

- advanced engineering,
- business services,
- creative industries,
- marine industries,
- medical and health care
- tourism and leisure

regional significance and a second centre for the growing high tech and medical sciences quarter to the north of the city at Derriford. It involves getting the most from 12 miles of open waterfront; enhancing our many green amenities like the Hoe and Central Park; and continuing to improve the economic and cultural vibrancy of the city centre and the waterfront.

It includes rejuvenating areas like Devonport and North Prospect; ensuring the housing stock is decent, there is a good balance of quality and affordable homes; waste is effectively recycled and disposed of; providing a safe and healthy environment; the opening of the Plymouth Life Centre that provides local and nationally significant sports facilities; enhancing the cultural offer through major events and other attractions to create vibrancy and having a thriving voluntary and community sector. It is a vision that is about people in terms of raising aspirations, widening horizons, maximising opportunities and having a creative culture. The vision and commitment to growth is what makes Plymouth distinct. It is also a level of ambition against which progress has to be judged. In Plymouth the bar is higher.

It is work in progress with achievements to date and there is no intention of moving away from it. Recent examples of progress include the Americas Cup and British Arts show; £1.4b government funding for Princess Yachts to support enterprise and jobs; new state of the art marine research facilities being developed at the University of Plymouth and the opening of the Plymouth Life Centre in February 2012.

The type of council we want to be

A vibrant, innovative city needs an efficient, innovative and enabling council focused on its customers, so we must continue our process of modernisation and improvement. Looking to the future, we will have a stronger enabling function, as we seek to build up capacity in local communities and help people achieve their ambitions and become less dependent on services in some cases. In terms of direct provision, we will have more varied delivery options and a stronger focus on commissioning services. We will e-enable all our services so that, where appropriate, we can provide our customers with the choice of self service at times that suit them.

There will be closer working with our partners as we seek to provide more seamless services and easy contact points for a range of advice and support. We will share more back

The type of council we want to be

We will be very focused on our customers and work with partners to provide easy points of contact and streamlined service delivery

We will be ambitious for our city, all its residents, our council, Members and staff

We will have staff that recognise the value and demands of operating within a democratically accountable body; while our Members will value the knowledge and commitment of our staff

We will encourage innovation and take reasonable risks in pursuit of our vision for the city, encouraging both user and staff engagement to improve services

We will work from flexible settings, sometimes co-located, sometimes remotely, and there will be more movement around the organisation and across the partnership to tackle issues

We will be a confident, learning organisation; an employer of choice where people feel they can develop and realise their full potential

We will be more of an enabling organisation rather than simple provider – helping others to deliver services where possible

We will have clear and transparent leadership and sense of direction, with an enabling management culture where staff are empowered to act and make decisions

We will be an organisation that shares its support services with other agencies to get maximum efficiencies and benefits

We will be a 'can do', problem solving organisation that is focused on having an impact and getting things done

We will constantly raise the bar and challenge ourselves to perform better

office functions where we can to reduce costs and gain benefits of scale. There will be more flexible working as we 'hot desk' and lower office costs. We will also share more accommodation with our partners, whether that is offices, depots or other facilities. Our staff will be empowered to make decisions; they will be far more self-reliant; there will be considerably less management overheads and more focus will be placed on strong strategic leadership, good communication and managing outcomes. The council will be both a more exciting and more challenging place to work.

Again this is work in progress with the council, for example, rationalising its accommodation through new ways of working, including the introduction of Lync telephone technology, co-locating with health services at Windsor House and undertaking the current management restructure.

Our four priorities for delivering the vision

Following our analysis of the Plymouth Report in 2010 we reduced the number of our priorities for the city, the council and our key partners to four, in order to drive the vision:

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

We recommitted to our growth agenda and recognised that we need to focus on it much more strongly if we are to get the step change required to achieve our vision for the city. This is the agenda that makes Plymouth distinct. 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. 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. Whilst some directorates within the council, or partner agencies, may have a greater affinity with some priorities than others, we must stress that these are four priorities that we are all responsible for – they are all our business and they are all interlinked.

Together with partners we agreed a set of very high level long term outcome measures that sit under the priorities and for which we share collective responsibility. Under these sit a set of medium term outcome measures which will contribute to the delivery of the high level ones and involve effective partnership working if we are to achieve the desired results.

Level 1 Long-term Outcome Measures

Deliver growth	Raise aspirations	Reduce inequality	Provide value for communities
Increase the number of jobs in Plymouth	Raise Plymouth's Level 4 attainment so that it exceeds the national average by 2% by 2020.	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 customer satisfaction with all public services offering VFM
Deliver connectivity with key regional, national and international markets	Overall / general satisfaction with local area	Reduce Child Poverty	Increase % of people who feel they can influence decisions in their locality
	Increase the new business births in the city per 10,000 resident population		Per Capita CO2 emissions in the LA area
			Increase % of people who believe people from different backgrounds get on well together

Level 2 Medium-term Outcome Measures

Deliver growth	Raise aspirations	Reduce inequality	Provide value for communities
Hectares of employment land delivered per annum	Achievement of 5 or more A*-C grades at GCSE or equivalent incl Maths & English	Reduction in the educational attainment gap at Key Stage 4 between the most and least deprived localities in the city	Increase in the value of commissioned goods and services
Percentage of dwellings on major sites meeting good/very good Building for Life standards	Reduce under 18 conception rate	Reduce the gap in vulnerable families by at least 50% between the fifth most and fifth least deprived neighbourhoods by 2020	Increase in the use of volunteers
Number of inward investment enquiries	16 to 18 year olds who are not in education, training or employment (NEET)	Child protection plans lasting two years or more	Customer satisfaction with the council offering vfm
Number of affordable homes delivered (gross)	Rate of anti-social behaviour incidents per 1000 population	Social Care clients receiving self directed support.(direct payments & individual budgets)	% of priorities identified at neighbourhood meetings that have been resolved
Net additional homes provided	Increase in the percentage of working age people with level 3 or above qualifications	Prevalence of breastfeeding at 6-8 weeks	Percentage of household waste sent for reuse, recycling and composting
Improved rail journey times and frequency to key cities	Increase in numbers of visitors by different types – e.g. day, stay, international visitors	Reduce the economic inactivity rate	CO ₂ reduction from public sector operations
Percentage of households connected by broadband		Housing decency - Number of Category 1 Hazards removed	No. of racist, disablist, homophobic and faith, religion and belief incidents
Improved road journey times to key cities		Narrow the gap in overall crime between the city average and most deprived neighbourhoods	Level of community engagement in neighbourhood plans

Reduce the gap in average pay of full-time workers between Plymouth and the South West		Reduce the rate of accidental dwelling fire casualties	Rate of non-domestic property fires
		Reduce the rate of adult smoking	% satisfied with outcome of reported racist, disabilist, homophobic, faith & belief incidents
		Narrow the gap in Coronary Heart Disease (CHD)	
		Decrease the rate of childhood obesity in Year 6 children by 10% by 2020	
		Reduce the rate of alcohol-related admissions by 2020 to 2010 levels	
		Delayed Transfers of Care (NI 131	
		Reduce harm from inter-personal violence (domestic violence and sexual violence)	
		Access to services and opportunities – ease of transport access	

Progress against medium term outcome measures can be found in the quarterly monitoring reports that go through Overview and Scrutiny and which are published on the council's website. In addition, the six-monthly Economic Review contains information about longer term economic trends and more medium term measures. Information can also be obtained through the Policy, Performance & Partnerships service – 01752 398330.

Our medium term operational focus

We have a number of major items that we have to deliver over the life of this Corporate Plan if we are to address the financial and external challenges we face and move forward on our long-term vision and priorities. These are the areas where we have to ensure we have robust delivery plans and milestones in place and give added attention to achieving our required outcomes. They are the areas where change will be significant and cover:

- Adult social care transformation around personalisation and choice
- Health integration including social care, public health, the Joint Strategic Needs Assessment and health strategy
- The early intervention and prevention agenda around children and families, including troubled families, to reduce dependency and provide better outcomes
- Tackling worklessness and youth unemployment
- Delivering on some key immediate challenges within the growth agenda – e.g. connectivity, particular rail and broadband; business support, especially in relation to the maritime sector, selling Plymouth as a place to invest in and building on the success of the America's Cup to bring in more visitors
- Working with other organisations to reduce costs and improve services
- Transforming our working practices to further improve productivity and service delivery
- Improving customer contact through library hubs, one-phone number, e-transactions and customer management

These areas represent an interrelated programme of activity and issues like our response to welfare reform and reducing child poverty will be integrated within them.

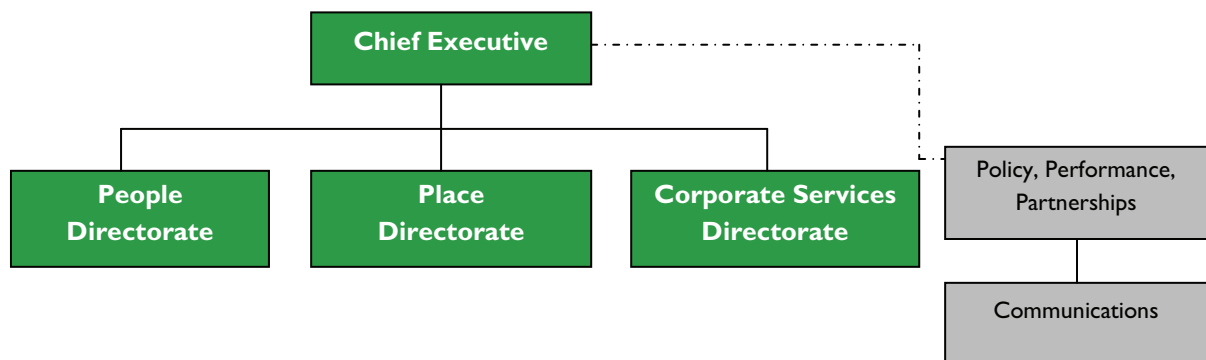
Plymouth Plan – our long term perspective

The new statutory requirement to prepare a Local Plan under the government's Localism Act provides the opportunity, for the council as the responsible body, to develop one overarching strategic Plymouth Plan for the city. The Plan will:

- Map out how change will be delivered to 2031, building on city's vision and priorities for transformation, while taking account of national and local changes since the city's current strategies were first prepared.
- Be about both people and place, outward facing, outcome focused and provide the context for all other plans and the allocation of resources – the focus will be on what Plymouth will be like as a place to work, rest and play in and how the city and its services need to be configured to achieve this
- Provide an integrated approach for key areas such as the economy, education, health, housing, transport and communications, culture, the environment, social inclusion, neighbourhoods, older people and children and set this within a sub-regional context
- Enable a significant streamlining of the strategies that currently exist, with those that remain feeding into the Plan in a way that they both influence and are influenced by it – with the focus on operational delivery
- Offer a single point of reference for articulating our vision and long term direction of travel and a framework to guide decisions on infrastructure investment and service priorities
- Be supported by a shared source of evidence and information to assist demographic modeling and scenario planning – including the Economic Review, Joint Strategic Needs Assessment, strategic assessment of crime and Plymouth Report
- Be produced in an inclusive way with our partners

OUR CHANGING DELIVERY MODEL

We are in the process of changing our delivery model within the council. A key driver for this has been to reduce senior management positions and costs in order to make £1m savings as part of the council's budget delivery plans 2011-14. However, it is an opportunity to get greater clarity around how the council is likely to evolve as an organisation in the future, ensure the revised structure supports that evolution and thereby informs future decision-making around support services and direct delivery. The overarching model we have adopted is now common in many unitary authorities, though we will be fine tuning it further in the coming year, particularly around the front end of delivery, as we better align service functions.



The restructure is also an opportunity to rationalise our strategic work; ensure we share our technical skills better; improve our operational and customer interface to provide more streamlined customer processes, reduce duplication and achieve greater efficiency; operate more effectively across directorates and encourage innovation. We have adopted a structure that we feel will help us better deliver the city's vision and the four priorities, with a strong focus on customer delivery and engagement. It is simple to understand and align with both revised partnership and shared delivery arrangements.

People

We face major legislative, demographic and financial challenges within the People Directorate and how we change our working practices and work more closely with our partners will be crucial to our success. We will need strong leadership throughout; effective negotiating and influencing skills; a willingness to work across service areas and issues and develop a shared vision for delivery with our partners.

In health, for instance, there are a number of new delivery and commissioning groups. We have established an overarching Health & Wellbeing Board development group; the Plymouth Shadow Commissioning Group is in place, as is Plymouth Community Healthcare; Plymouth Hospital NHS Trust is applying to be a Foundation Trust and we are exploring joint commissioning opportunities. We will soon see public health responsibilities transferred to the council. We want to use the Joint Strategic Needs Analysis, Health and Wellbeing Strategy and overview of commissioning to focus on the most important health and well-being priorities for the city, particularly health inequalities.

At the same time, medical science is one of our growth priority sectors, so it will be important that the Foundation Trust's business plan and the development of Derriford as a centre for the north of the city fit together. Growth interweaves with health as a vehicle for planning healthy communities, with better quality housing, services and improved access to specialist facilities, and as a means of attracting more high value jobs and companies through the development of the medical sciences, hospital and university.

In 'People' we must establish a shared vision for areas where adult, children's and health services need to be integrated to deliver better outcomes; with the early establishment of a

People Directorate

Children's Social Care

- Children's Safeguarding
- 16+ Service and transitions
- Children in Care
- Business Support (Children's Social Care)
- Permanency and Placements
- Advice and Assessment
- Children in the Community
- Out of Hours
- Family Support

Joint Commissioning/Adult Social Care

- Adult safeguarding
- Joint Adult and Children's Commissioning
- Assessment/Care Management Service -Adults
- Self-directed Support Service
- Service Provision
- Children's Disability Team (integrated)

Education, Learning and Family Support

- School Improvement (schools and settings)
- School Organisation and Admissions
- Early Years Team
- Governor Services
- Plymouth Adult and Community Learning
- Special Educational Needs
- Integrated Locality Services inc. Ed. Psychology
- Behaviour Support Services
- Educational Welfare Services
- Common Assessment Framework Team
- School Transport
- Assessment of need
- Route planning and procurement
- Passenger assistants
- Education Catering
- Alternative Complementary Education
- Centre for Young Parents
- Parent Partnership Service

Homes and Communities

- Youth Services
- Youth Offending Services
- Sports Development Unit
- Neighbourhood working
- Equalities, Access and Participation Co-ord.
- Community Safety
- Gypsies and Travellers Welfare
- Homelessness and Temporary Housing
- Housing Advice
- Housing Needs (Register)
- Housing Options - Customer services
- Neighbourhood Regeneration
- Anti-Social Behaviour Unit
- Family Intervention service
- Private Rented Sector Team
- Housing Renewals Team

Major achievements to draw on

Good safeguarding and children in care services with outstanding features; fostering and adoption service outstanding
Good assessment of adult services throughout, strong progress on the personalisation agenda
Rising educational attainment, including that for Children in Care
Preventing homelessness and reducing the number of children in temporary accommodation
Work on financial inclusion/community cohesion
Preventative approach to addressing disadvantage and tackling issues like alcohol and substance misuse, families with multiple problems, anti-social behaviour
Reduction in overall crime
Examples of commission driving down costs and providing better service
Adapting 466 homes with Disabled Facilities Grants
Improving quality of rented accommodation through HouseLet and EasyLet

Moving on – the big issues

Increased demand for children's social care services, whilst responding to the Munroe Review and diverting children from care
Making the most of the trading relationship with schools in the new educational environment
Ensuring commitment from partners around multi-disciplinary team locality working
Aspirations and the post 16 agenda highlighted by Ofsted
Ageing population with more complex conditions such as dementia and multiple disabilities – extra 4000 people over 65 by 2015
Impact of economic downturn on serious acquisitive crime, up 19% in first half of year, and longer term impact of reducing inequalities
Big health agenda – integration of social care, joint commissioning, setting up new partnerships
Reducing costs in Adult Social Care, particularly expensive care packages in Learning Disability – where we are around average
New relationships to develop with Police and Crime Commissioner and Panel
Responding to welfare reform policy changes
Focus on troubled families that consume resources of many agencies – building on our success here
Increased birth rate in more deprived areas

joint commissioning team essential. We are committed to developing a more joined up advice and information services through the Contact Centre, web, libraries, GP surgeries, schools and other outlets; together with the further development of Plymouth Online Directory

The personalisation agenda within adult social care involves a major change in culture in terms of how services are provided and received and we will have to ensure this transformation change takes place. The inclusion of adult and children's services also provides us with the opportunity to achieve better outcomes for those children who move between the two services.

We will have to use our influence to ensure that the needs of Plymouth are reflected in the priorities of directly elected Police and Crime Commissioners and Panels, as they become established. The bringing together of youth services, youth offending, neighbourhood management, sports development, anti-social behaviour, community regeneration and homelessness will enable us to have one joined up approach and maximise our resources on the ground. We must concentrate on more joined up services to vulnerable families, in conjunction with health and the police, to deliver better outcomes in their lives.

Early intervention and the embedding of multi-agency teams around localities are both critical to diverting children from care, improving school attendance, reducing the number of young people not in education, training or employment and addressing issues like teenage pregnancy, substance misuse and inequalities in attainment.

We must continue to tailor our education services to meet the needs of academies and

emphasise the improvement agenda. The city needs a more highly educated and skilled workforce to match its growth aspirations and we must continue to aim high here, whilst narrowing the attainment gap for the most deprived areas.

We remain committed to preparing young people for work, particularly given the difficult economic climate. Pupil attainment for 11 year olds at Key Stage 2 needs to improve significantly to achieve and overtake the national average, as does attainment at age 19. We are working with our schools and colleges to improve education results and the development of the University Technical College will provide an important new educational offer to young people in the city and beyond, concentrating on engineering skills.

More shared services across back office functions will help us to succeed, along with a joint workforce development plan across children, adult and health services.

Although there is much to do we have a strong base to build on and must utilise the best practice we have developed – e.g. consultation and engagement with young people; Charteris and Carefirst 6 up-grade in adult transformation; the Sentinel Referral Hub that provides a single point of access for all planned referrals; the Children and Young People's Plan, the Children's Trust and work of the Safeguarding Board; our work to address and prevent disadvantage and harm; and, our use of Programme Boards to drive delivery.

Place

The configuration of services under the Place Directorate offers a real opportunity to work more effectively in terms of strategy, project development and delivery. For instance:

- Bringing together culture and economic development provides a much stronger link with Destination Plymouth and can help to strengthen and clarify the city's cultural offer
- Pulling together the various capital programme teams from across the council will provide us with a broader set of shared skills, improve co-ordination and delivery and bring greater coherence to what we are trying to achieve

Across the directorate we want to encourage strong matrix working to maximise our impact. At the same time, we will need to ensure that we maintain high standards of day to day delivery, particularly in areas like environmental services and aspects of cultural provision, where there is a strong customer interface.

Our work is intimately tied to delivering the city's vision with key areas of immediate priority:

- The development of the city centre and Derriford centre
- Maintaining the momentum around Devonport and North Prospect regeneration
- Bringing in the investment that supports high growth businesses and business start-ups
- Improving connectivity – digital and physical

Other major challenges include ensuring that we have a strong Peninsula and regional presence and national identity and are able to state the city's case clearly, particularly at a time when there are less funding sources to compete for and a more fluid environment in which to do so. Working with the Heart of the South West Local Economic Partnership (LEP) and our own private sector led Growth Board will be crucial here.

We must also remember that there are a number of areas where it is critical that we work successfully across the whole council and city partnership:

Place Directorate

Economic Development

- Economy and Employment
- Capital Strategy (inc. Strategy for Change)
- Strategic Estate Management (including business parks and City Market)
- Strategic Projects
- Museum Services
- Culture and Arts
- Events and Visitor Services
- Place Management

Transport and Infrastructure

- Network Management
- Parking and Marine Services
- Public Transport
- Capital Projects Delivery
- Transport Strategy
- Road Safety
- AMEY Contract Management

Planning

- Area Planning Teams
- Planning Delivery
- Spatial Planning
- City Sustainability
- Building Control
- Housing Enabling and New Homes Delivery

Environmental Services

- Garage
- Waste Disposal
- Waste Projects and Commercial Development
- Environment Protection and Monitoring
- Food Safety and Standards
- Safety, Health and Licensing
- Trading Standards
- Bereavement Service
- Neighbourhood/Environmental Quality
- Parks
- Waste and Street Scene

Achievements to draw on

Very successful Americas Cup, British Arts Show attracting visitors and investment
Market recovery action plan
Award winning area action planning and strong performance on major applications
£1.2b of development approved since 2009, £318m of development on the ground
993 new affordable homes and further 1,000 through accessing inward investment of over £100m
Award winning East End Community Village and regeneration of Devonport and North Prospect
Eastern Corridor and East End scheme
Strong City Centre Company and Development of Waterfront Improvement District
Work to support to Plymouth Argyle
Extension of green waste collection and anti-social littering bins
Strong city record around sustainability

Moving on – the big issues

Moving the city forward during difficult times
Promoting the city so that its identity is clear to investors, policy makers and visitors
Becoming the centre of marine excellence
Achieving improved connectivity
Developing city and Derriford centres; maintaining momentum in Devonport and North Prospect
Securing long-term commitment to the naval base
Rebalancing economy away from dependence on public sector; supporting private sector job growth
Addressing unemployment amongst young people
Responding to the Localism Act
Addressing challenging environmental issues around waste minimisation, recycling
Building on Americas Cup success
Maintaining income during economically difficult times and also developing a Growth Fund
Ensuring the city's population has the right skills to support growth
Supporting innovation and the Growth Acceleration Investment Network

- Worklessness, homelessness and poverty have to be addressed as one issue and not compartmentalised and there must be an increasingly strong emphasis on both early intervention and support for young people who are unemployed
- Provision of new and affordable housing is another cross cutting issue that will require imaginative solutions to how we influence the housing supply chain and maintain progress with affordable housing and area regeneration
- Across the council we have many physical assets and these can be used more strategically and efficiently, both within the council and the partnership, to support the growth agenda and provide better value for communities.

In the more challenging environment we are working in it will be crucial that we develop innovative initiatives for attracting investment and jobs, or reducing the cost of delivery in some areas - and have the skills to do so from conception of an initiative through to delivery. The technical skills that support this work will need to be enhanced. We will need to work towards the long-term transition of the local economy, shifting dependence on public sector jobs to areas of recognised excellence – e.g. the marine sector through support for and development of initiatives such as the Marine Energy Park.

Finally, we have some challenging targets to deliver against. Given the economic circumstances we are in nationally and globally, we may well have to adjust the timings of some of these targets. Whilst

many of these outcomes are not in our direct control, it is important that they are 'owned', so that we ensure things happen and barriers to progress are identified. The long-term nature of some of the measures, such as increasing Gross Value Added and the jobs target, heightens the need to have clear plans to ensure the building blocks for success are in place. This in turn means having clear milestones and knowing where you are at a given time.

Corporate Services

Corporate Services is not simply a support service to other parts of the council, but an outward facing service that has extensive contact with residents and businesses.

Customer Services, for instance, provides advice and information to customers and will now include the Library Service, following the restructure. This provides the opportunity to strengthen the role of libraries in the community and create community information hubs. Further operational services will transfer to Customer Services over the next year as we seek one seamless contact point for our customers. Other services with a very strong customer interface include Revenues and Benefits, Electoral Services and the Registration Service; while our Procurement and Legal Services interact extensively with our business suppliers.

We are working hard to provide as seamless a service as possible for our customers. For instance, our Tell Use Once initiative means that customers informing the Register Office of births, marriages and deaths have all other relevant departments informed as a result. Our support to other departments also has a strong outward facing impact – e.g. Customer Services work with Adult Social Care in giving people more control over the provision of services; Finance, Legal and ICT services working with development colleagues to deliver the Americas Cup and purchase Home Park; Carers clubs delivered through libraries.

We also have a major role in the delivery of the transformational change agenda across the council through new ways of working and new interfaces with our customers; as well as providing day to day support to other services, including realigning financial, technical and HR areas of work to support the new structures. As we seek to operate within a more limited budget and provide services more efficiently, we will increasingly be looking at partnership and shared service arrangements to support delivery across the city.

In terms of performance, we need to improve benefit processing times against a background of increasing demand, as well as phone response times. We need to improve our response times for addressing Freedom of Information requests and Subject Access Requests. We

Corporate Services Directorate

Human Resources and Organisational Development

- Human Resources Operations
- Payroll and Pensions
- Health, Safety and Wellbeing
- Organisational Development
- Training (including ICT training)
- Workforce Development Strategy and Coordination
- Recruitment and Talent
- Organisational Review

Customer Services

- Counter Services
- First Stop and Reception
- Contact Centre
- Customer Services
- Corporate Feedback
- Library Services (including the schools library service)
- Corporate Information Management & Provision

Democracy and Governance

- Coroner
- Democratic Support
- Civic Support and Lord Mayor's Office
- Electoral Services
- Legal Services
- Registration Service
- Risk and Insurance

Finance, Technology, Assets and Efficiencies

- Finance and Accounting
- ICT services
- Facilities and Estate Management (Corporate Estate)
- Property Maintenance
- Asset Register
- Carbon Management (Council)
- Value for Money and Efficiencies
- Procurement
- Council Tax
- Revenues and Benefits
- Transaction Centre

Key achievements to build on

Improved customer contact and increased productivity in Customer Service and Revenues and Benefits

Govmetric council of the year

Progress with accommodation and ICT strategies – including Lync, Windows 7, AX 2012, SharePoint, Dynamic CRM and Project Server

Agreement on terms and conditions

Embedding competencies and appraisals

20% reduction in absence across the council saving £1.03m in sick pay

New libraries at St Aubyn's church, Plymstock and forthcoming one at Plympton

Purchase to pay scheme

Public satisfaction with reception service improving from 66% to 89%

Saving of £408,000 on corporate insurance

90% success rate with High Court judicial reviews

Retention of working balances during tough economic times

must also improve the quality of our internet transactional offer in order to improve e-take-up rates

Looking ahead our focus in the coming year will be around:

- Working with partners, particularly health and the university on shared accommodation and ICT
- Ensuring our services are supporting the population, especially vulnerable people
- Growing and improving our customer services – with more services on one phone number and more through the web
- Maximising the efficiency of all services across the council
- Investing further in ICT to improve services to customers – ICT Strategy
- Maximise the efficiency of our workforce – Workforce Development Plan
- Getting the best use out of our assets – Accommodation Strategy

Moving on – the big issues

Growing demand for frontline customer services due to economic situation

Impact of welfare reform

Economic and public sector funding environment

Maximising income opportunities

Impact of Localism Act

Effect on staff morale of continuing pay freeze, pension changes, restructures

Bedding in new structure and supporting rest of council through restructure

Maintaining momentum around transformational change and shaping future direction of organisation

Shared services agenda

Chief Executive's Unit

The Unit provides the glue and direction that can help bind and drive both the council and the city partnership. Its focus is on clear strategic direction, strong communication and co-ordinated activity, supported by robust evidence and proportionate accountability arrangements. The Policy, Performance and Partnerships bit has only recently been set up, drawing in functions from across the council and thereby reducing costs.

The operating context for both the council and the city is changing. Budgetary constraints are putting greater pressure on managing resources more efficiently internally and with partners. There is a move away from top down target setting and overall inspection towards greater local autonomy and less nationally prescriptive partnership approaches. Public health will become a council responsibility; localism is of increasing importance; while the city will need to promote itself within a more fluid regional environment. The growing move from provider to enabling councils, with an enhanced role for commissioning, is another crucial ingredient in this mix. This changing landscape offers both opportunities and risks and it is important that the Unit helps the council and the partnership take control of this agenda and shape it to support our vision and priorities for the city.

The Unit must have credibility and be regarded as source of authoritative advice. It must be about change, innovation and impact if it is to operate successfully. Key priorities are:

- Helping reshape the partnership
- Improving forward planning/decision making
- Rationalising strategies through a Plymouth Plan
- Aligning research and intelligence
- Proportionate and effective performance management
- Providing clear and consistent messages across the council and to the partners and public around performance, transformation and change
- Driving the Visual Identity Project

Chief Executive's Unit includes

Policy, Performance & Partnerships

- Executive Office Support
- Civil Protection
- Partnerships
- Policy and Performance
- Business Planning
- Information and intelligence
- Scrutiny co-ordination

Communications

- Press and PR
- Internal and external communications
- Design and branding
- Website

Key achievements to build on

- Managing and informing the successful inspection of Safeguarding and Children in Care Services
- The Adult Social Care inspection returns
- Strong consultation exercises run around transport, planning issues and budget process
- Development of integrated planning with partners
- Corporate Plan and approach to service business planning and support
- Plymouth Report and development of four priorities for the council and the city
- New Children and Young People's Plan
- Support for Children's Trust and Plymouth 2020
- Work to support Health and budget scrutiny
- Short Sermon and business continuity planning
- Visual identity project

Moving on

Holding together and improving partnership working during challenging times for partners

Ensuring that the council and partnership holds itself to account effectively, whilst not becoming overburden with reporting arrangements

Keeping abreast of new and potential legislation and practices, so that we stay one step ahead

Further embedding the visual identity project

Bringing together the Chief Executive's functions into a high impact, strategic operation

WORKING TOGETHER

Working as one council

We are a large complex organisation that offers over 300 distinct services to our customers, involving thousands of products and activities. The problems we have to address are complex ones that can cut across service areas and partner activity, as we seek to find solutions to them. Whilst it is important that we have clear lines of linear accountability, so people know who does what and where to go, it is equally important that we work across the organisation and partnership, not in silos. The alternative is wasted opportunities and poor deployment of resources.

Working across complex organisations is challenging, but there are a number of things that can help to bind us together:

- We have a common set of priorities - although some may have greater affinity for some services, they are interlinked priorities and we must all own them
- We stand or fall by our reputation and this can be influenced by how customers perceive a particular service or how well we do in an inspection – all our reputations are at stake
- We have to ensure we speak with one voice, both as a council and a city, if we are to promote Plymouth effectively and get the resources and support we need to achieve our vision for the city
- We all have to support each other to improve performance and efficiency – as poor performance in one area can quickly impact on another in terms of increased demand and extra cost
- We need to be seen as one council in terms of our staffs' experience of working for us; the way we deal with customers in a seamless manner and through our arrangements with suppliers and external providers – the alternative is confusion and alienation
- We must make the most of our collective resources and assets if we are to be innovative and efficient – whether through the accommodation strategy, council property estate or our collective skills and competencies

Whilst we want to give staff the freedom to make decisions at the earliest point of contact and encourage new ideas and taking risks, we want to do this within the simple framework of one council operating in a seamless and efficient manner.

We are a diverse and complex business

Daily we help around 3,500 older people to live in the community, support the education of 40,000 children, fund 4,220 nursery places, through customer services have 250 face to face contacts and deal with 2,100 calls

Weekly we pay out £1.5m in benefit, collect bins from 117,000 households, respond to 600 housing advice requests and undertake 30 food hygiene inspections

Yearly we dispose of 127,500 tons of domestic and bulky waste, process 2,000 planning applications, issue over 1,315,000 books from our libraries and cut 6m square metres of grass

This is just some of what we do

Working in partnership

We believe that by working in partnership we can achieve far more for Plymouth than if we worked alone. We have a strong vision for the city, a clear set of priorities for driving it forward and some good successes behind us. Our world is, however, changing. The pressure on public expenditure and the difficult economic climate mean it is even more important to work together to make economies of scale, achieve efficiencies, effectively address complex multi-agency issues and support our ambitious growth agenda. We have already had to respond to some new partnership requirements, such as Health and Wellbeing Boards; while our existing set up has evolved with, for instance, the formation of the private sector led Growth Board and its links to the Heart of the South West Local Economic Partnership. How these Boards fit with the existing Children's Trust, Culture Board, our focus on safe and strong communities and adult skills is being reviewed. We must change how we operate in some important respects:

- The focus on delivery rather than strategy means the partnership must adapt its structure, with greater delegation and fast track decision-making within the overall parameters of accountability
- The tightening of resources in the public sector in particular means that more stress needs to be put on capacity issues
- There will have to be a more aggressive pursuit of funding in what is a competitive market - with a stronger shared message across the city and better support evidence
- A stronger sub-regional focus will be needed to meet the challenges ahead
- More emphasis on building capacity and engagement in the community is required

A vibrant, innovative city needs a vibrant innovative partnership if it is to be successful.

Building on successes

- Tackling difficult issues – e.g. Little Teds', Southway explosion, community cohesion
- Working on the ground – e.g. Partnership Talents; Better Together; Hidden Harm; Family Nurse Partnership
- Infra-structure partnerships – e.g. Sutton Partnership
- Community regeneration partnerships – e.g. East End and Devonport
- Strong links between schools, colleges and business around skills
- A number of important strategies agreed with a clear vision/priorities
- Third sector service agreement; partner agreement around locality working
- User/community engagement

Being more effective

- Partnership arrangements that are focused on delivery with clear plans, milestones and outcomes
- Strong resource alignment behind targeted delivery
- Stress on making decisions that impact on actions, rather than receiving and noting information
- Identifying cross cutting impacts and combined pressures on resources when planning and delivering
- Alignment of strategic delivery under one Local Plan – The Plymouth Plan
- More streamlined reporting arrangements with the focus at the right level
- Making the best use of people's time/skill

Being more resourceful

- Using our collective finance, assets and people in the most efficient way
- Understanding total spend across the city and its impact
- Maximising our bidding capability in order to attract funding and investment
- More focus on joint commissioning, procurement and contract management
- Good understanding of our skills base and requirements with an aligned workforce development approach
- Movement of staff between agencies to utilise specialist skills and learning opportunities where appropriate
- A focus on competencies like leadership, communication, change and project management within a partnership context
- Having a resource plan

Democratic accountability and governance

We are a democratically accountability body and that gives us both an added legitimacy and public leadership role, which we have a responsibility to exercise. Our aim, as stated earlier, is to work inclusively with our partners, whilst taking the initiative where there is a vacuum.

Our Full Council approves the overall direction of the council, our Cabinet makes executive decisions and our Overview and Scrutiny function ensures we are held to account, increasingly in relation to partnership and city-wide activity. Both parties on the council support the overall vision for the city and council and the current directorate restructure.

A feature of this Corporate Plan has been how we are restructuring and adapting to meet the very big challenges that are ahead. The democratic side of the organisation has to regularly adapt to change. The more we work in partnership the more we have think about how we hold those sometimes more arms length activities to account; similarly with moves to being the commissioner rather than provider of services. This is about changing relationships and ensuring our members are fully supported to address new challenges. The more streamlined and efficient we become as an organisation and partnership, the timelier and more clinical our scrutiny arrangements must be. Key challenges:

- Further improve the overall democratic planning process
- Clarify Overview and Scrutiny's engagement with changing delivery arrangements and ways of doing business, particularly in areas like health and crime

Addressing inequality

Addressing inequality is one of our four priorities, with a particular stress on health inequality. We want everyone to benefit from the city's growth and recognise that inequalities and high levels of deprivation hold the city back, as well as the people experiencing them. This is a particular problem in the western side of the city. Our current restructure will help to align services better to address inequality. We recognise the importance of early intervention and working both across the council and partnership to meet this challenge.

- We will continue to align our resources including our neighbourhood working arrangements, to reduce inequality gaps particularly in health, child poverty and between our communities.
- By building on our strong track record in promoting equality of opportunity we will ensure that we deliver against the new Public Sector Equality Duty.
- To address the economic pressures faced by our communities, we will modernise our advice giving services to be prepared for the pending welfare benefit changes
- We will need to improve our Community Cohesion levels as they are in the lowest 25% in the country, with particular focus on the West of our city.
- Our 'Report It' system will be improved to reach more communities, enabling us to increase both the amount of reports we receive and satisfaction rates.

- As our population grows, diversifies and gets older, health and care related services will be adapted to meet the demand.
- We will engage and involve all our diverse community groups especially our Black and Minority Ethnic (BME) groups, where we expect to see an increase in three or four larger communities with some new smaller groups emerging,

Promoting sustainability

Whilst we continue to enjoy a reputation for excellence in the application of sustainable thinking, our commitment to the 2008 Sustainable Development Framework needs to be reviewed and updated to take account of changing priorities. Consequently, we will develop a Sustainability Master Plan with a corporate position statement against which baselines and targets can be set and actions agreed. A long term corporate delivery plan 2012-20 will follow which, once adopted, will support departmental action, the integration of sustainability into the Plymouth Plan and business continuity across the council. This plan will be reviewed annually in a Sustainability Statement.

Cost effectiveness and environmental resource management are emerging as key drivers for corporate sustainability. Our Carbon Management Plan continues to provide support for the reduction of emissions from the council's estate and the introduction of energy and cost saving initiatives. Our carbon footprint reduced by 8.5% in 2010/11 against the previous year's baseline and we are aiming for a 20% reduction in emissions by March 2015.

City-wide sustainability is also focused on tackling climate change and, in particular, the impact of a low carbon economy on sustainable growth. Here nationally recognised initiatives, that reflect the council's leadership, include:

- The reduction of the city's overall carbon footprint by 14.53% between 2005 and 2009
- The reduction of the city's per capita carbon footprint by 18.04% between the same dates
- The development of the city's Local Carbon Framework and its recommended local carbon budget (one of only nine in the UK supporting a Government pilot project)
- Recognition that the low carbon sector already employs 2.9% of Plymouth's workforce
- Recognition that the sector's contribution of £192 million in 2008 could be boosted by a further £127 million by 2020 with an additional 880 new jobs

New legislation and monitoring processes for both sustainability and carbon accounting are expected from early 2012. Plymouth's reputation as a 'green city' relies on our ability to be ahead of the game in developing and applying new, innovative and creative ways of embedding sustainability.

Under our new delivery arrangements Corporate Services will take the lead for our corporate sustainability responsibilities, while the Place Directorate will lead on the city-wide agenda, where the sustainability of new developments, green space, social sustainability and the green economy are major areas of focus. We must emphasise though that being sustainable is all our responsibilities, we all have something to contribute.

Finance and efficiencies

We remain committed to sound financial management as a basis for achieving our priorities, providing good quality services and protecting those who are most vulnerable. We aim to put resources behind our priorities and move them away from those areas that are less important or where we can stop doing things. We also want to increase our income where we can and be more resourceful, so achieving a priority is not always about putting more money behind it. We resource our priorities over time, so some priorities may feature more strongly as circumstances change.

Financial context

The 2010 Comprehensive Spending Review (CSR) set a very tight financial envelop for local government funding to 2015, with a real terms reduction of 28% in the formula grant. The Government's 2011 Autumn Statement makes it clear that the financial situation is likely to remain tight for many years to come. There is the likelihood of further severe restrictions on public sector pay, while a public sector pension's settlement is still being negotiated. The national and global economic situation is causing real uncertainty and significant budget pressures, as we experience the impact of reduced income from our car parks and commercial rents. The downturn has brought reduced interest rates and therefore reduced income from our treasury investments. Our ability to use future capital investment in the city to stimulate growth and regeneration has been restricted. We also face increasing spending pressures in areas like adult social care and children's care services.

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 council's will be able to borrow against the proceeds of future business rates (known as Tax Increment Funding) in order to invest. We will have more autonomy over a smaller pot of money. This makes it even more imperative that we working with our partners to align budgets and maximise the impact of our joint resources; ensure we achieve our efficiency programme and vigorously pursue what funding opportunities that remain.

Priorities, efficiency and transformation

For 2012/13 we are again focusing on value for communities and the efficiency agenda. We are also protecting budgets around growth. Our efficiency programme, outlined below, is focused on significantly reducing support services costs in order to protect front line ones. It looks likely to deliver around 90% of its year one targets; but we cannot underestimate the challenges we will face in the next two years of that programme.

Investment in ICT is fundamental to successful transformation. It will enable us to have one consistent, joined up and reliable source of information on the customer; support flexible

working across all our buildings and better links with partners; increase the use of e-learning facilities and provide greater functionality to support e-transactions and other customer contact. These are all central to our ICT Strategy, where we initially prioritised investment and activity that supports the Accommodation Strategy. We are striving to reduce the number of applications used within the council and consolidate around enterprise-wide ones. We want a wider, higher skill base with staff using common tools across the council and with partners to improve the way we work with information. This requires the cooperation of all departments and it is intended that the new corporate ICT architecture is being designed and delivered with the help of key partners, bringing in both expertise and capacity at a critical time.

Three year cumulative efficiency programme 2011-14

Revenue reduction targets by delivery group	Budget for reduction	Reduction 2011/12		Reduction 2012/13		Reduction 2013/14	
	£000	%	£000	%	£000	%	£000
1. Policy, Performance & Partnerships	2,201	-15%	-330	-25%	-550	-40%	-880
2. Business Support & Corporate Coms	6,051	-15%	-908	-25%	-1,513	-40%	-2,420
3. Corporate Support Services	18,823	-15%	-2,823	-25%	-4,706	-40%	-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's Social Care	25,762	-1.5%	-386	-3.0%	-773	-6.0%	-1,546
6. Children & Young People (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						
Reduction applied	201,825		-8,260		-15,753		-25,966

In addition to the savings programme set out above, and following the December 2010 final settlement, these annual efficiency targets were further increased by approximately £5m each year. Hence the revised targets were £13m rising to £30m in year three.

Medium Term Financial Strategy and budget

Although times are challenging, we have a sustainable Medium Term Financial Strategy, having for some time been modelling for a significant reduction in the government's formula grant and requirement for a council tax freeze.

In 2011/12, the government gave councils an additional 2.5% to offset a council tax freeze, with this included for base budgets to 2014/15. A further 2.5% for any additional freeze in 2012/13 is currently under discussion*, but would only be for that year. The figures for the subsequent two years in grey in the table are based on our current assumptions around how funding might evolve.

When the Corporate Plan is published in March it will reflect the budget against new structure as shown across, rather than the old one

Revenue resource assumptions

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
Formula Grant	112.3	105.2	99.9	99.9
Increase / (decrease) over previous year	(5.0%)	(6.3%)	(5.0%)	0.0%
Council Tax income including collection fund	95.9	95.9*	98.3	100.8
Increase / (decrease) over previous year	0.0%	0.0%	2.5%	2.5%
Total Resources available	208.2	201.1	198.2	200.7
Increase / (decrease) over previous year	(2.6%)	(3.4%)	(1.5%)	1.3%

Three year net revenue budget by directorate

	2012/13 £m	2013/14 £m	2014/15 £m
People			
Place			
Corporate Services			
Chief Executive's			
Corporate items			
Total revenue budget			

**The exact overall figures to be put in and aligned with the figures from the budget that will be available for full council.*

Investments and Treasury Management

We have improved our financial reserves considerably over the years from a once poor position. Our working balance at 31 March 2011 was £11.5m or 5.7% of our indicative net 2012/13 revenue budget. Our plan is to retain this level throughout 2012/13. In addition, specific earmarked reserves are forecast to be £23m at the end of March 2012, reducing to 20m by March 2013. These specific reserves cover known or estimated costs for specific activities and/or liabilities, such as the Waste Management Reserve to meet interim revenue costs of waste disposal prior to the planned delivery of the energy from waste plant. They are higher than estimated last year as we now have to include schools' balances and unused year-end grants carried forwards.

We receive and spend significant sums of money in order to provide services to people in Plymouth. Effective Treasury Management maximises our financial return on cash balances throughout the year whilst minimising risk. Our Treasury Management Strategy details our approach and rules around investment and borrowing and specifies the financial organisations that we are able to transact with, based on sound risk assessment. Due to continuing low interest rates, we will continue to make use of short term variable borrowing to cover cash flow. New investments throughout the year and cash balances have a target to achieve an overall return of greater than 1%.

Capital and asset programmes

We remain committed to a significant capital investment programme. It supports our growth agenda for the transformation of Plymouth, while providing more immediate job opportunities in the construction industry. There remains significant volatility around future capital grant funding and income generation through capital receipts.

The restructure means that most major schemes will now fall within the Place directorate – schools, transport, waste, leisure and corporate property. The People directorate is responsible for the completion of Plymouth Life Centre, Care First and various housing initiatives like disability grants to up-grade homes; Corporate Services for IT and HR replacements.

Four year directorate capital programme forecast

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
People	24.736	4.985	1.521	0.337	31.579
Place	58.444	38.402	18.122	9.000	123.968
Corporate Support	3.992	0.500	0.500	0.0	4.992
Total	87.172	43.887	20.143	9.337	160.539

Funding sources - £m

Capital Grants/Contributions	92.481
Supported Borrowing	0.324
Unsupported Borrowing	24.774
Capital Receipts	34.518
Section 106/Revenue/Funds	8.442
Total	160.539

Schemes for delivery by 2014 include

- The Plymouth Life Centre
- State of the art new college at Tor Bridge
- Improving transportation in Plymouth (Local Transport Plan)
- A further two new Academies
- The University Technical College (UTC)
- History Centre

Partnership and budget consultation

In 2010 we consulted on the four priorities and ran a public consultation on the budget. The latter identified support services as the main area for efficiency savings, with better joined up internal support and a reduction in the number of buildings we use. Increasing charges in some areas was seen as a further way of managing the tight budgetary situation. Both police and health representatives stressed the importance of partners assessing the impact on each other of changes in their respective organisation. Business and culture sector representatives welcomed the focus on growth, with the latter also highlighting the importance of transformational change. From the voluntary sector the emphasis was on supporting preventative activities, addressing inequalities, particularly around health, and protecting the needs of those who are most vulnerable. Overview and scrutiny members put a great deal of stress on ensuring that the impact of any changes was effectively understood and managed. Delivery was seen as the key issue within a challenging environment.

In 2011, we built on the previous year's consultation to ask both the public and our staff where they saw the scope for further efficiencies or where we should invest about the same. We covered 38 areas of service activity, including health and community safety, and received 1,109 responses – 53% from the public, including businesses, and 47% from our staff. Over 50% of respondents wanted to see budgets staying around the same in 35 of the 38 categories, which indicates how hard it can be to prioritise between specific services. The top areas with a positive support rating of above 90% were creating and protecting jobs across the city; support for vulnerable children; tackling violent crime including domestic violence and support for older people to live independently. The least supported area was preventative health services – yet this is an activity that can impact on whether older people are likely to need care in the first place and whether children are more or less likely to be vulnerable. The responses of the public and staff were very similar throughout.

Our consultation with partners in 2011/12 found the Chamber of Commerce continuing to support our focus on the growth agenda; stressing the importance of our procurement function supporting local businesses and proposing joint consideration of how the greater retention of the business rate can support local growth initiatives. The community and voluntary sector stressed encouraging infrastructure development, social investment and small grants, as well as involvement in the planning, design and implementation of services and their impact on the most vulnerable. For the Police the emphasis was on developing the capacity and capability of the community to 'self-regulate', as well as looking at the shared services agenda, joint commissioning and how we target and support those who make the highest levels of demand on public services. In the case of Health, the focus was on change and delivering sustainable services, while stressing the significant part health has to play in delivering the city's growth. The overriding concern of our scrutiny function was ensuring that we were focused on the key things that needed to change in the coming years and were realistic in our plans for addressing them at a time when there will be very little money available.

Managing risk

Good risk management and the actual taking of risks in some cases are critical for a council with an ambitious vision and a difficult financial terrain to negotiate. Budget reductions arising from the Comprehensive Spending Review; the effects of the economic downturn, coupled with demographic changes and an increasing demand for services put severe pressure on service delivery. Allied to this, the increasing focus on the localism agenda and the development of the government's Big Society vision will see more public services being delivered by, or in partnership with, charities, communities or public sector organisations. Such a potential shift in the structure of service provision will create significant risks, but also present significant opportunities.

In this challenging climate we recognise that we need to constantly review our approach to managing risk to ensure that short-term budget challenges do not divert us from our vision or prevent us from addressing the longer-term risks that may result from future service delivery models. Our embedded approach to managing risk at strategic, operational and project level is supported by a competency framework that recognises and encourages the management of risk as a core management skill. This ensures that the step changes we are currently making are taken with the confidence that risks will be effectively minimised and opportunities fully embraced.

Major risks and mitigation

Significant budget pressure from CSR	Regularly monitored Medium Term Financial Strategy and risk-assessed budget delivery plans. Reductions in back office to protect front-line services
Partnerships	City-wide review of strategic partnership governance arrangements and preparation for health integration agenda. Partnerships Framework
Listing of Civic Centre and Council House	Professional advice sought on options for rationalising and improving office accommodation. Formal procurement process instigated to invite expressions of interest for purchase/development proposals
Social Care client IT management system	Carefirst programme management arrangements in place and process re-engineering work progressing
Adult Social Care costs	Programme Board monitoring performance and delivery plans
Pressure on Capital Delivery Programme	Capital and Major Projects team managing delivery and project re-alignment supported by improved corporate project management procedures
Welfare Reform 2011-17	Strategic impact assessment group in place
Information Governance.	Information management risks monitored through corporate risk management processes. Information Lead Officers Group being formed

Change management and organisational culture

We are now very much about change - changing our culture, changing our service delivery and changing our structure. Our staff are central to that change in terms of how they work with each other, relate to customers, partners and contractors. There are a number of building blocks to our approach.

Blended learning approach

Learning and development is critical to our transformation programme. We will need a workforce with the capacity, capability, flexibility and skills to deliver an excellent service to our customers. Going forward, we will have fewer employees, a smaller training budget, new ways of working and customers expecting more. To meet the varied learning needs of the workforce and to maintain service continuity, we will need to develop high quality alternative delivery models to classroom based training, which can be accessed from people's desks. This will be made possible through the accommodation strategy technology roll-out of Lync, which enables people to have audio and video access through their PCs and head-sets.

This won't work for everyone, as not everyone has a PC or learns in this way. However, if done properly, this will significantly reduce the pressure on classroom based learning. The council must, therefore, develop blended learning approaches to complement other delivery models. To develop high quality solutions we will need technical specialists with knowledge of how to build e-learning + multi-media training programmes to work alongside specialist trainers knowledgeable in their own fields.

Joining together learning and development services

Learning and Development (L&D) is currently delivered from across the council. Due to reductions in overall budgets, departments delivering this function have had to think carefully about priorities and delivery models that will increase the impact of learning while minimising disruption to services. In addition, it has prompted thinking around whether L&D services should be based together to ensure consistency and joined up delivery. A commitment has been made for all L&D services to adopt the same database system, to enabling reporting on learning and development activity across the whole council rather than in silos. This will enable the council to properly evaluate the impact of learning and development on its performance. It will also enable workforce planning activity to identify future departmental learning needs and develop learning strategies to address those needs.

Rather than support a catalogue programme of training delivery around interpersonal skills, we have focused on critical needs of the council and areas where we feel we can make the greatest impact. For example, in recognition of the power and influence of strong leadership, in 2010 the council launched its' Enterprise Leadership Programme (ELP) which has been highly successful in developing a bank of 36 "leaders" from all levels of the council able to support transformational change. Delegates are currently supporting transformational change programmes in their departments.

Management Development Programme

The council is transforming the way it delivers its services and is committed to delivering value for money to its customers. This means aligned and cross working with partners and stripping away duplication and inefficiency. The workforce will be smaller, structures will be flatter and people will be more flexible and skilled to cover a broad range of activities across wider teams.

Managers at all levels will need to support new ways of working and so we are developing a management development programme to enable our managers to support and manage their staff in the right way. Regardless of their department and job type, managers will need to understand the vision and how the council will operate in future. Managers will also need to consider the impact to them as managers and adjust to a culture of less bureaucracy and hierarchy, where they will make more decisions and empower rather than micro-manage their staff.

To broaden the impact of the workforce managers will need to understand the untapped potential of “engagement” – non-engaged workers are 20% less productive and that does not take account of the knock-on impact an unengaged member of staff has on the engagement levels of the teams. A recent appraisals analysis suggested that managers might lack the confidence to tackle poor performance issues and set aspirations and goals too low, which may be stifling the council’s performance.

High Performance Teams

We are developing a programme of High Performance Team development to support teams through the transformational change programme. Without this kind of programme, levels of engagement will immediately dip as teams are restructured and performance levels will likely only start to recover after twelve-months. The problem is made worse where teams are already performing poorly when they enter a period of significant change. This programme will build a bank of facilitators, including ELP delegates who will support departments and teams through this change.

Talent Management

In the current climate of job insecurity there is a risk that the council’s most talented, skilled and flexible employees find alternative roles elsewhere, which would dramatically impact on our performance and the morale of remaining staff. We are, therefore, developing recruitment and retention strategies that safeguard the council against any vulnerability, protect its workforce performance and aid retention and engagement.

These may include the development of talent pools to support recruitment to critical roles, development career paths and job families – and the development high level skills sets around job families to enable skills gap analysis.

Listening to our staff

We have a commitment to listening to our staff and responding to what they think. The stronger emphasis that we have placed on improving change management and providing

people with the skills to manage change is one of the responses to our last two staff surveys. We now survey staff every two years, with a short interim survey in between which looks at the engagement index, which covers a number of questions around such topics as whether staff feel they can put their ideas forward, improve their skills and enjoy their job. The key messages from the most recent interim survey are:

- Overall the council's staff engagement has gone up by 5 percentage points, from 57% in 2010 to 62% in 2011 - though our engagement level still remains average compared to the national council benchmark figures
- Each service area registered increased engagement, but with a wide variation between 1% 30%
- The largest increase came in staff being able to contribute their views before changes are made which affect their jobs. The overall increase did, however, mask some small decreases, notably in jobs making good use of their skills and abilities (down 5%) and a matching drop in staff wanting to be here in 12 months' time
- In addition to improved engagement levels, staff expressed a greater degree of happiness with their working environment and have a greater trust that issues raised in the staff survey process are being acted upon

Performance management and improvement

With less national focus on top down performance indicators and inspection we have greater freedom to do what we think is best for our circumstances. That does not mean that we can forget about performance indicators, as we need outcome measures to evaluate our performance and get an indication of how we are progressing. In the past there has been a fixation nationally around targets and this has sometimes led to perverse outcomes, as people adjust behaviour to meet targets, often at the expense of equally or more valid outcomes.

We will focus on what the measure is telling us about our performance to date, how that sits with the trajectory we need to be on to meet our ambitions and what, if anything, we need to do to alter performance. The emphasis will be on analysis, trends and decisions. Similarly, we will have better plans in place for achieving our outcomes, with resources more effectively aligned behind them. More time needs to be spent on effective scoping, planning and risk assessment, with strong but not overly bureaucratic programme management. The use of Programme Boards with clear plans and milestones is a welcome development that we need to build on in order to achieve transformational change and further improve services to our customers during difficult times.

Subject: Performance and Finance Report (including Capital Programme update)

Committee: Cabinet

Date: 7 February 2012

Cabinet Member: Councillor Bowyer and Councillor Ricketts

CMT Member: CMT

Author: David Northey, Head of Finance
Patrick Hartop, Policy and Performance Officer

Contact: Tel: (01752) (30)4942
e-mail:david.northey@plymouth.gov.uk
patrick.hartop@plymouth.gov.uk

Ref: fin/djn01/12

Key Decision: No

Part: I

Executive Summary:

This report is the third monitoring report for 2011/12 and outlines the performance and finance monitoring position of the Council as at the end of December 2011.

The primary purpose of this report is to detail how the Council is delivering against its key indicators in terms of performance, and its financial measures using its capital and revenue resources. It is deliberately strategic in focussing on key areas of performance, expenditure, and risk, and includes under each Departmental Business section a balanced scorecard detailing key issues.

With effect from 1 January 2012, the Council restructured its Directorates to move from five to three, with a corresponding reduction in Directors. However, for comparison purposes, this report continues to monitor against the “old” five directorate model. This report also introduces the Council’s newly designed Scorecards.

Performance summary

Performance indicators used in this report represent Plymouth City Council’s contribution to delivering the citywide priorities of Growth, Aspiration, Inequalities and Value for Communities.

The overall performance position, as per the previous quarter, continues to have no highly critical issues. In fact, it should be noted that 54% (last quarter 45%) of our performance indicators monitored in year are on track, with a further 34% (last quarter 31%) just off track. Therefore, despite the difficult circumstances we are currently facing, we can report 88% of our performance indicators are there or there about on target.

Examples of positive outcomes include:

- Planning application performance continues to rise with 82% of major developments determined in time

- British Art Show was a great success with 75,000 visitors which was in excess of anticipated numbers
- Homelessness prevention target being achieved, although homeless numbers continue to add pressure to demand

Areas requiring close scrutiny are:

- Domestic burglary has increased by 28.9% (196 more crimes) compared to same period last year
- The cumulative average time to process new Housing and Council Tax Benefit claims is currently 27.7 days against an annual target of 20 days. Performance has slightly improved since the first quarter when it stood at 28.9 days.
- Q3 NEET's figure is 6.7% (0.1% higher than the same period last year), against a target of 5.30%. However, lower than national figure of 9.5%
- Self-Directed Support; this is a critical personalisation indicator and we are not forecasting we will meet our end-of-year target of 60%. As at the end of the December quarter we are at 30%.

It must be remembered that the performance of the authority cannot be viewed in isolation from what is happening to the global economy, and the knock-on effect to the local Plymouth economy. Consumer confidence remains at its lowest for the past few years; the UK economy is dependent on the success of its European trading partners; much now depends on the success of the agreement drawn up by European Leaders to bail out failing national economies and underpin the future of the Euro. One immediate and obvious impact of the current economic issues could see a further increase in the number of benefit claims. Despite strains on local businesses, which we could expect to result in pressure on rate payments, we have not seen an impact on our income collection rates.

Finance summary - Revenue

The Council is forecasting a revenue over spend at year end of £0.454m (previous report an over spend of £0.569m) against a net revenue budget of £208.237m. This equates to a net spend of £208.691m which is a variance of 0.2%, and a small improvement of £0.115m in the quarter.

The main adverse variation relates to Community Services, forecasting an over spend of £1.072m, an adverse movement of £0.317m in the three months from September 2011, and represents 0.98% of the £107.8m budget. This reflects increases in supported living packages across the Adult Social Care service, with some continuing healthcare funded cases becoming the Council responsibility in the Learning Disability Service. Environmental Services are now reporting an overspend of £0.529m at Quarter 3 mainly due to removing the anticipated income projection of £0.398m for landfill rebate; whilst action still continues to secure this rebate it will not be received in 2011/12

Children and Young People have consolidated the reported savings in quarter two; they are now forecasting an under spend of £0.751m, a positive movement in the quarter of £0.585m.

Children's Social Care is reporting a favourable variance of £0.423m reflecting an increased under spend within the quarter. Learner and Family Support are reporting a favourable variance of £0.110m, with the pressure on transport having been managed down. Lifelong Learning reports an under spend of £0.203m

Details can be found in the C&YP section of this report.

Finance summary – Revenue Delivery Plans

Good progress has again been made against the £15.197m revenue delivery plans set for 2011/12, with just under 95% rated either Green or Amber. RAG rated delivery plans are detailed within the report.

Finance summary - Capital

In the quarterly report for September 2011, the 2011/12 Capital Programme stood at £85.679m. Following approval of new schemes, re-profiling and variations at Full Council in December 2011, the capital programme for 2011/12 was £87.005m however the latest forecast at 20th January 2012, is now £78.661m.

Corporate Plan 2012 - 2015:

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

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

Robust and accurate financial monitoring underpins the Council's Medium Term Financial Plan. The Council's Medium Term Financial Forecast is updated regularly based on on-going monitoring information.

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

The reducing revenue and capital resources across the public sector has been identified as a key risk within our Strategic Risk register. Equality Impact Assessments have been undertaken on the Delivery Plans that underpin the 2011/12 budget.

Recommendations & Reasons for recommended action:

That Cabinet:-

1. Approve the variations to capital spend and re-profiling as detailed in Table 6.
2. Recommend to Full Council the new capital schemes for investment as detailed in Table 7 amounting to £0.056m in 2011/12 and £2.026m for future years.
3. Approve the budget virements as detailed in Table 9 of the report
4. Approve the potential draw down on the Waste Reserve for 2011/12, subject to the 2011/12 Outturn position.
5. Approve the potential draw down on the Pension Reserve for 2011/12, subject to the 2011/12 Outturn position.
6. Approve the funding of the Council's element of the CRC Levy for 2011/12.

Alternative options considered and reasons for recommended action:

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

Background papers:

- Sustainable Community Strategy
- 2011 Plymouth City Council Corporate Plan
- 2011/12 Budget Setting papers published in December 2010
- Joint Performance and Finance Report – November 2011

Sign off:

Fin	MC111 2.06	Leg	TH3 0/1/ 12	HR	MG	Corp Prop	n/a	IT	n/a	Strat Proc	n/a
Originating SMT Member M Coe											

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Plymouth City Council
Performance and Finance Monitoring – 2011/12
Quarter 3 to 31 December 2011

I. Introduction

- I.1 With diminishing financial resources, it is fundamentally important that the Council maintains a clear focus on delivering progress against the identified corporate and city priorities.
- I.2 A challenging set of revenue budget delivery plans have been approved for 2011/ 12 in order to deliver a balanced budget. Capital grants have been significantly reduced heightening the importance of clear prioritisation of spend linked to delivering tangible outcomes.
- I.3 Performance and Finance information, and associated Delivery Plans, are owned by Directors and their Management Teams. Much progress has been made in recent years to ensure that cross cutting priorities are delivered and that finance is allocated to areas of most importance to the public (e.g. protecting the delivery of front line services)
- I.4 This report outlines the progress against key performance indicators, forecasts the year end revenue position, provides details of progress against delivery plans and recommends updates to the council's capital programme and revenue reserves. This is the third quarterly report of the year, and the period of this report covers April to the end of December 2011.
- I.5 A revised scorecard has been included within each Directorate report which focuses on exception reporting and identifying remedial action to be taken where necessary.
- I.6 This report contains the following sections and Appendices:-

Section 'A' – Executive Summary - Performance

Section 'B' – Executive Summary - Finance

- Revenue
- Income
- Capital

Section 'C' – Executive Summary – Human Resources

Section 'D' – Departmental Performance & Finance Report

- Department scorecards
- Department Budget Delivery Plans
- Department Risk items
- Departmental Medium Term Issues
- Corporate Items and Cross Cutting Issues

Section 'E' - Concluding Remarks

Appendices

- Appendix A – Finance Monitoring Summary Graph.
- Appendix B – Capital
- Appendix C – Departmental Delivery Plans

2. Performance Management arrangements

2.1 The performance indicators used in this report represent Plymouth City Council's contribution to delivering the citywide priorities of Growth, Aspiration, Inequalities and Value for Communities. The indicators are arranged over 3 levels and are defined as follows;

Level 1 - is a small basket of strategic indicators that track progress towards achieving Plymouth's long term vision. Targets are set for the next ten years. *Example: Increase Life Expectancy*

Level 2 - are high level outcome indicators that support delivery of Level 1. In many cases the indicators need to be delivered in partnership. Targets are set on a 3 year rolling basis. *Example: Housing decency - Number of Category 1 Hazards removed*

Level 3 - are single agency indicators that either support Levels 1 and 2 or are business critical to the organisation. Targets are set on a 3 year rolling basis. *Example: % people from health deprived neighbourhoods accessing Sports Development activities*

2.2 A performance summary is provided for departments in a scorecard format along with budget variances. The narrative within the scorecard provides a high level overview with a focus on explaining corrective action where required. The scorecards use a RAG (red, amber, green) traffic light system to indicate current performance. There are instances where indicators, baselines and targets are still being finalized; these are coloured white. Grey indicates that the Directorate does not monitor indicators at this level. Explanation of the scorecard rules are outlined below.









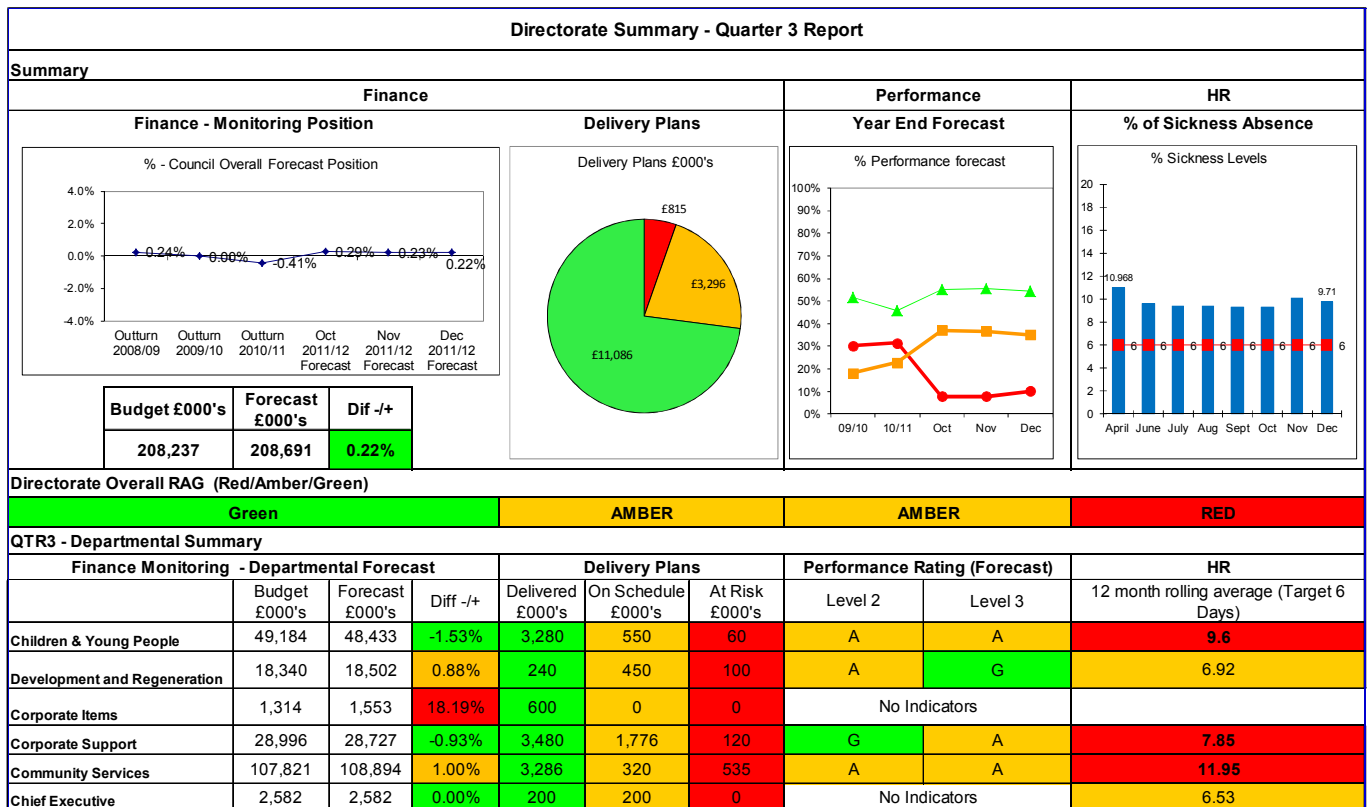
RAG Rating key - Budgets			
	0% - 0.8% overspend / 0% - 1.8% under spend		0.8% - 0.99% overspend / 1.8% - 1.99% under spend
	1% or more overspend / 2% or more under spend		
RAG Rating key -Measures – an average of all measures that sit within Departments			
	Indicators are on track		Overall rating is up to 15% off target
	Overall rating is more than 15% off target		No data available. Baseline data and targets are yet to be agreed
	No indicators set for this service		

Table I- Quarter 3 Corporate Scorecard



2.3 Some of the key points raised in the scorecard narrative are:

Community Services

2.4 Overall performance for the directorate is predicted to be rated amber by the end of the financial year and has been affected by the increase in domestic burglaries, lower than anticipated take up of Personal Budgets and lower museum attendances.

2.5 Almost 66% of delivery plan savings have been achieved so far with a further 22% on schedule to deliver by the end of the financial year.

2.6 Community Services has the highest sickness levels for the Council, though these have continued to reduce throughout the year.

Children and Young People's Services

2.7 At least 70% of CYPs performance indicators are in the top or middle quartiles when compared nationally.

2.8 The local forecast is that the directorate predicts to achieve an amber rating for performance at the end of the financial year. However, this is due to a set of very challenging targets.

2.9 Sickness is above the target of an average of 6 days (FTE) per year, but the directorate has seen a decrease by more than 2 days since the beginning of the financial year.

Corporate Support

- 2.10 The directorate reports a favourable variation against budget and has 65% of its delivery plans achieved with a further 33% on schedule to achieve by the end of the financial year.

Development and Regeneration

- 2.11 The directorate predicts an amber rating for its financial position at the end of the financial year
- 2.12 Delivery plans are mostly achieved or on track to achieve.
- 2.13 Along with Chief Executive's, Development & Regeneration have the lowest average sickness across the council.

Chief Executive

- 2.14 The directorate is on target to achieve its budget by the end of the financial year.
- 2.15 50% of its delivery plan savings have been achieved with the remaining 50% on schedule to deliver by the end of the financial year.
- 2.16 This directorate along with Development and Regeneration has the lowest sickness levels (though above the 6 days target) for the whole council.

Corporate Items

- 2.17 The department is forecasting an over spend of £0.240m, as explained in the report, but will achieve its budget Delivery Plan target by the end of the financial year.
- 2.18 Sickness absences continue with a downward trend towards the Council's target of 6 days per FTE. A comparison of sickness absence, for a rolling 12 months, at the end of December 2011, compared with the end of December 2010 shows that sickness has decreased by 3.45 days from 13.16 days to 9.71 days per FTE. New policies and procedures, as well as a focus on employee health are contributing to this favourable trend.

SECTION B - EXECUTIVE SUMMARY – FINANCE

3. General Fund Revenue Budget

- 3.1 Council approved a net revenue budget of £208.237m for 2011/12 at its meeting on 28 February 2011. At the end of June 2011, a revenue overspend of £1.294m (0.6%) was forecast. At the end of September 2011, this forecast overspend had reduced to £0.569m (0.3%). At the end of this quarter, to the end of December 2011, we are reporting a further improvement to an over spend of £0.454m Table 2 below shows the forecast year end position across departments.

Table 2 End of year revenue forecasts

DIRECTORATE	Council Approved Budget Feb '11	Latest Approved Budget	Latest Forecast Outturn	Monitoring Variation to 31 Dec 2011	Movement In Quarter
	£000	£000	£000	£000	£000
CHILDREN AND YOUNG PEOPLE	49,383	49,184	48,433	(751)	(585)
COMMUNITY SERVICES	109,180	107,820	108,892	1,072	317
DEVELOPMENT & REGENERATION	17,073	18,340	18,502	162	93
CORPORATE SUPPORT	27,400	28,996	28,727	(269)	(288)
CHIEF EXECUTIVE	1,508	2,582	2,582	0	108
CORPORATE ITEMS	3,693	1,315	1,555	240	240
GENERAL FUND BUDGETS	208,237	208,237	208,691	454	(115)

- 3.2 Further details of the variations are outlined in the individual Directors reports in Section D of this report.

3.3 Delivery Plan Update

In setting the budget for 2011/12, departmental delivery plans totalling £15.197m were agreed in order to achieve a balanced budget. Overall, significant progress has been made across the majority of these plans. The Red / Amber / Green (RAG) rating applied in this report have been robustly challenged

Inevitably, throughout the year, original Delivery Plans will change due to changes in circumstances. Some will overachieve whereas others will not generate the savings target

anticipated. Where such variations occur, initially it is the responsibility of the sponsoring department to develop and implement alternative budget delivery plans and actions. Major variations to delivery plans will be reported within individual departmental sections.

Only where there is no planned remedial action to address a non performing delivery plan will a forecasted overspend be reported. However, overspends can also occur in the event of unforeseen budget pressures such as a significant increase in service demand or loss of income stream. Similarly, underspends are identified where 'over' delivery of plans have been achieved, (or forecasted), surplus income achieved or a reduction in service demand identified.

Table 3 below summarises the progress against the 2011/12 revenue budget delivery plans by department.

Table 3 – Delivery Plan Summary

DIRECTORATE	Total Delivery Plans	Red	Amber	Green
CHILDREN AND YOUNG PEOPLE	3,890	60	550	3,280
COMMUNITY SERVICES	4,141	535	320	3,286
DEVELOPMENT & REGENERATION	790	100	450	240
CORPORATE SUPPORT	5,376	120	1,776	3,480
CHIEF EXECUTIVE	400	0	200	200
CORPORATE ITEMS	600	0	0	600
Total Delivery Plans	15,197	815	3,296	11,086
% Total Delivery Plans	100.0%	5.4%	21.7%	72.9%

Overall, progress against this challenging agenda is encouraging, with just under 95% of plans rated as Green or Amber status. A detailed breakdown, by department can be seen at **Appendix C**.

We must continue to work on achieving all of the delivery plans for the current year, not only to achieve our budget for the year, but also because the majority of the current plans roll forward and underpin the budgets for the coming two years.

Cabinet Members must also continue to challenge all Directors.

4 Income Summary

- 4.1 As previous reported, continuing to improve income collection rates remains a challenge within the current economic environment. Whereas significant progress has been made in improving the in- year Council Tax collection target and Sundry Debtors target in recent

years, such improvement becomes more difficult to sustain each year. However, we remain ambitious and constantly review alternative, more effective ways of joining up and collecting income owed to the Council.

- 4.2 Progress made against 2011/12 income collection targets as at 31 December 2011 is shown in table 4 below:

Table 4 – Income Collection performance

Type of debt	Budgeted income 2011/12	Year to date Target % 2011/12	Year to date Actual % 2011/12	Achieved % 2010/11	Year end Target % 2011/12
Council Tax	£93m	82.10	81.54	96.1	97.00
NNDR	£86m	87.31	86.19	97.3	98.00
Sundry Debt	£61m	95.00	93.06	92.5	95.00

- 4.3 We are confident, given the current performance of collection rates for both Council Tax and NNDR that the year-end target will be achieved. However, Sundry Debtor collection rates are currently (marginally) below the ambitious improvement targets set at 95%. We will continue to explore opportunities for increasing this collection rate such as, wherever possible, encouraging pre-payment for goods and services.

5. Capital Programme

- 5.1 In the quarterly report for September 2011, the 2011/12 Capital Programme stood at £85.679m. Following approval of new schemes, re-profiling and variations at Full Council in December 2011, the capital programme for 2011/12 was £87.005m however the latest forecast at 20th January 2012, is now £78.661m.

The additional schemes, not included as part of the quarter 2 monitoring report but approved at the December Full Council, are shown in Table 5.

Table 5 – Additional Schemes Approved at December Council Meetings

£000 11/12	£000 12/13	£000 13/14	£000 14/15	Schemes Approved at December Councils
26	1,274	-	-	
1,300	-	-	-	Capitalised Road Maintenance
1,326	1,274	0	0	Total of Additional Schemes Approved

- 5.2 Due to timing around the delivery of capital spend, and variations due to project slippage, changes in priorities, contractor performance, ability to achieve capital receipt etc. we are

now reporting the following changes to the timing of capital spend over the next four financial years:

Table 6 – Recommended Re-profiling and Variations to Capital Spend

2011/12	2012/13	2013/14	2014/15	Re-Profiling / Other Variations
£000	£000	£000	£000	
(2,041)	2041	-	-	Corporate Accommodation Strategy - Re-profiling to take into account changes to work plans.
(535)	535	-	-	Autistic Spectrum Disorder - Reprofile of expenditure on project following delays in planning and feasibility.
(1,093)	1,093	-	-	Mercury Abatement – Reprofile to reflect more realistic delivery dates.
(1,087)	1,087	-	-	SAP Replacement – Updated cashflow information from project officer.
-	(3,800)	3,800		Materials Recycling Facility – Reprofile with updated information from project officer.
662	(657)	(5)	-	Plymouth Life Centre - Re-profiling of budget from 12/13 to 11/12 for risk items that will be expended in this financial year.
(4,350)	4,176	327	191	Other Re-profiling – Details in Appendix B
44	1,097	3,928	4,853	Variations & Virements – Details in Appendix B
(8,400)	5,572	8,050	5,044	Total Re-Profiling / Other Variations

- 5.3 The Capital Delivery Board has recently considered, and prioritised, a number of other new capital investment projects that deliver outcomes against corporate priorities. These schemes will be presented for approval at the next Full Council meeting in February 2012.

Table 7 – New Scheme for recommendation to Full Council (Feb 2012)

£000	£000	£000	£000	Scheme to be Approved at February Council
11/12	12/13	13/14	14/15	
-	80	320	500	Plymouth Natural Networks – Increased green space in the city to match the additional housing as per the Growth Agenda
-	790	-	-	Gypsy and Travellers Site – Site at Broadley Park
-	51	285	-	Southway Community Football Hub
56	-	-	-	Mt Edgcumbe – Purchase of Marquee
56	921	605	500	Total of new Schemes for approval Feb 2012

- 5.4 The Capital Programme is always subject to variations, due to a number of different factors and these are reviewed each month.

	£000
Programme following approvals at Full Council December 11	87,005
Re-profiling for approval at February Cabinet (Table 6)	(8,444)
Variations / Virements for approval at February Cabinet (Table 6)	44
New Schemes for approval at February Council (Table 7)	56
Revised (Latest Forecast)	78,661

Capital Expenditure to Date

- 5.5 To date, we have accrued actual spend of £50.448m which equates to 64% spend against the revised estimated annual spend of £78.661m. Departments are confident that they will be able to deliver the vast majority of the approved capital programme in year however further amendments will be considered by the Capital Delivery Board, submitted to Cabinet and recommended to Full Council, as appropriate.

Recommendations:

1. Cabinet approve the re-profiling and variations to capital spend as detailed in Table 6.
2. Cabinet recommend to Full Council the new capital schemes for investment as detailed in Table 7 amounting to £0.056m in 2011/12 and £2.026m for future years.

Capital Receipts

- 5.6 There has been pressure on the council's ability to generate capital receipts over the last couple of years due to falling property and land prices. The current Medium Term capital programme assumes generation of £35.2m receipts up to, and including, 2014/15.
- 5.7 The capital receipts now available to fund the programme (RAG rated) from the disposal of land and buildings are as follows:

Capital Receipt to date	19.970
2011/12 Estimated to be Rec'd	1.156
2012/13 Estimated Receipts	6.888
2013/14 Estimated Receipts	4.569
2014/15 Estimated Receipts	1.781
Total	34.364

- 5.8 The Council uses capital receipts as part of its funding streams however the timing of when the capital receipts are paid into the Council does not always match up with when we wish to apply them to schemes. This mismatch on timing between capital receipts generated and capital receipts requirement has been flagged up consistently in previous reports. As such, any temporary shortfall of required capital receipts will need to be funded by short-term unsupported borrowing that would be financed from the Capital Finance Reserve or the working balance, until such time as additional capital receipts are generated.

Capital Medium Term Forecast

- 5.9 Projecting forward the above changes across the next three financial years provides an initial capital programme as detailed in Table 8. This is the programme based on known projects and funding streams. The council will remain proactive at optimising external grant funding wherever possible in order to continue significant capital investment in the city. The Council has adopted a four year Capital MTFF aligning it with the number of years over which the revenue MTFF is based. The programme will grow in future years when we receive more certainty around future funding streams.

Table 8 – Capital Medium Term Forecast & Funding

	2011/12 Revised £000	2012/13 Revised £000	2013/14 Revised £000	2014/15 Revised £000	Total £000
Children's Services	15,727	25,431	15,987	5,948	63,093
Community Services	26,951	9,012	1,155	1,062	38,180
Corporate Support	7,662	6,547	521	0	14,730
Development & Regeneration	28,321	9,731	11,135	7,871	57,058
	78,661	50,721	28,798	14,881	173,061

Funding Source	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000
Capital Receipts	20,126	9,955	5,077	0	35,158
Unsupported Borrowing	19,528	5,195	0	0	24,723
Supported Borrowing	277	47	0	0	324
Grants & Contributions	33,574	33,177	23,472	13,294	103,517
SI06 / Tariff	1,857	957	51	1,250	4,115
Revenue & Funds	3,299	1,390	198	337	5,224
Total	78,661	50,721	28,798	14,881	173,061

SECTION C – EXECUTIVE SUMMARY – HUMAN RESOURCES

6. Human Resources Key Messages

6.1 The annual basic salary bill for the Council establishment is around £84million. Each year the Council's budget includes a savings target of 3% for 'vacancy savings' which is naturally achieved from vacant positions and natural turnover of staff.

6.2 Key facts and figures are;

- At the end of December 2011, there were 4248 employees (3351 FTE), a reduction to headcount of 516 employees (348.3FTE) from December 2010.
- Corporately a threshold of 5% of the total wage bill has been set, to monitor the use of agency staffing. Agency Spend is currently 5.36% of the monthly wage bill in December 2011.
- Sickness – there have been improvements throughout the council at reporting absences providing much better management information. A rigorous target of 6 working days per FTE per year has been set. At the end of December 2011, the average sickness level was 9.71 days per FTE, for the last rolling 12 months. This is a 3.45 days' reduction from December 2010. There is a corporate drive to significantly reduce this level and HR is working closely with departments to consistently address proactive management of absence.

6.3 The Council aims to reduce the direct and in-direct costs of the workforce through:

- Natural turnover
- Planned retirements / use of temporary contracts
- Recruitment controls and improving redeployment opportunities
- Reducing the overheads of the workforce (direct and indirect)
- 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

Redundancies and Voluntary Release:

- 6.4 During this financial year until 31 December 2011, 61 people have been made redundant and left the Authority.

In the last 12 months to 31 December 2011 81 people have been made redundant and left the Authority.

We have successfully redeployed 40 people at risk of redundancy this financial year. This equates to 45% of people being successfully redeployed.

We have successfully redeployed 61 people at risk of redundancy in the last 12 months to 31 Dec 11.

- 6.5 The voluntary release scheme has allowed 85 people to leave the Authority before the end of the year.

New Local Terms and Conditions

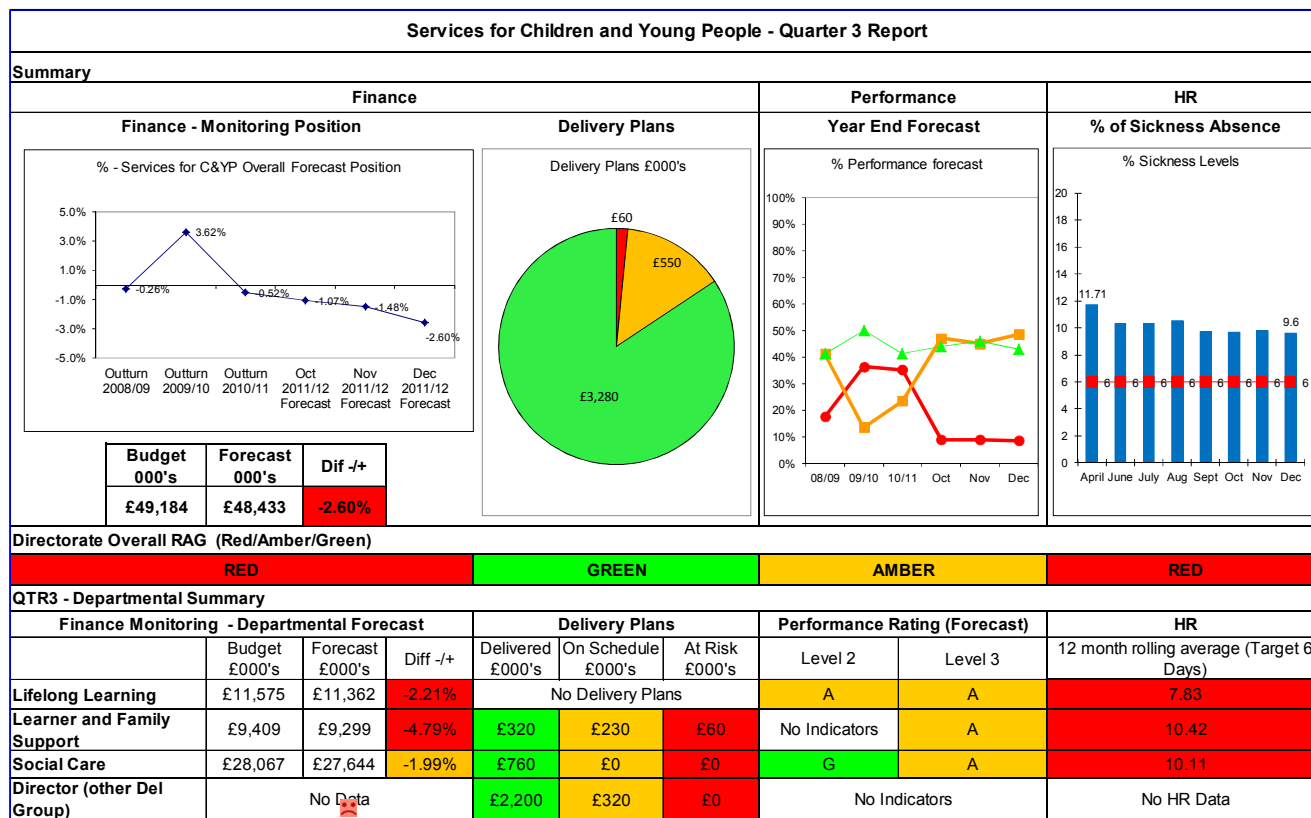
- 6.6 The new local terms and conditions are now being implemented in accordance with the implementation timetable.

Senior Management Review

- 6.7 The three new directorates came into effect on 1 January 2012. The Appointments Panel will make appointments to the Assistant Director level during January 2012, to take effect from 1 March 2012.

7 Children & Young People's Services

7.1. Scorecard - General Fund Revenue Forecast is an underspend £0.751m



Responsible Officers: Maggie Carter / Colin Moore / Mairead MacNeil

Social Care

Children's Social Care is reporting a favourable variation of (£0.423m) reflecting an increased underspend within the quarter. Residential placements have increased to 20, against a target of 13, Independent fostering placements have decreased by 2 to 63 with a target of 56. There have also been a number of changes to existing placements across all service provision resulting in an overall reduction of (£0.102m). Additional savings relating to employee costs of (£0.315m) within the quarter due to permanent staffing changes, agency cover and the reduction in take up of family group conferencing. Both Delivery Plans number 8 Diversion of Children from Care (£0.400m) and 10 'Secure Placements' (£0.180m) have been turned green during the quarter and the budget has been reduced accordingly. A contribution of £0.650m towards the Carefirst project has now been agreed.

Learner and Family Support

A favourable budget forecast for year end of (£0.110 m) excluding the £0.060m red delivery plan. Previously reported pressure in transport has been managed down. Recruitment delays resulting from the Council's restructure have led to additional in-year savings against some planned projects.

The department has some concerns regarding the number of Common Assessments being undertaken (CAF). However, as the Localities project begins to take effect it is

anticipated that numbers will increase. The latest performance data released (2010/11) indicates that the department has more than 75% of indicators in the top or middle quartiles when compared nationally. More challenging targets have been set again for 2011/12 and it is anticipated that at least 50% of all indicators will achieve their target by the end of the year.

Lifelong Learning

A favourable budget forecast position of (£0.203m). There is an on-going potential pressure relating to the tax liability of School Improvement Partners which could result in an additional payment of £0.100m. The pressure has been offset by the early achievement of 2012/13 delivery plans. There are therefore no delivery plans to report. The department is currently focusing on the rising levels of young people not in employment, education or training (NEET). In order to help reduce NEETs, we are implementing an 'Increasing Participation' Plan partly funded by the DfE through our involvement in 'Raising the Participation Age' trial work. The latest performance data released (2010/11) indicates that the department has more than 70% of indicators in the top or middle quartiles when compared nationally. Of those measures in the bottom quartile, Achievement at Level 4 or above in both English and Maths at KS2 is a concern. An action plan is in place to ensure performance improves. More challenging targets have been set again for 2011/12 and it is anticipated that at least 50% of all indicators will achieve their target by the end of the year. Sickness levels have been gradually reducing over the last 7 months and are the lowest within the Service.

People Management

The Services' sickness levels is showing 9.6 and is slightly below the overall council figures (9.71), but is still above the Council's target (6 days). Collaborative action is being taken to monitor and manage absences, particularly around long term sickness cases which are of particular sensitivity.

7.2 Delivery Plan Update

Children & Young People have a Delivery Plan target of £3.890m for 2011/12. The table below shows the summary position by Red Amber and Green rating (RAG). The detailed Delivery plan is contained in Appendix C

Service	Red £000	Amber £000	Green £000	Total £000
Learner & Family Support	60	230	320	610
Lifelong Learning	0	0	0	0
Social Care	0	0	760	760
Other Delivery Groups	0	320	2,200	2,520
Total CYP	60	550	3,280	3,890

Performance against delivery continues with the Commissioning & Finance programme board tracking progress on a monthly basis.

7.3 Risks and Issues

- The numbers of Children in Care can change quickly and so Diversion from Care strategies and related initiatives will continue to be implemented – this will impact on the revenue budget and future years' delivery plans.
- Looked after Children numbers are monitored on a weekly basis and currently based on trends being experienced by other local authorities, there is a risk of increased numbers which could result in higher costs in the latter end of the year. Savings currently achieved to some extent mask the underlying cost pressures meaning activity still needs to be addressed to address underlying trends.
- Demand for Transport could increase and result in higher costs
- Capacity to achieve the Delivery Plans continues to be managed through the Commissioning and Finance Programme board
- Changes to grants and funding streams could have an adverse impact on the service
- Invest to save projects to deliver reductions in current and future costs need to be monitored for progress against the targets in the original business cases.

7.4 Invest to Save

The department has two invest to save projects. Parent and Child Assessments and Intensive Support for Young People with Multiple and Complex Needs.

Parent and Child Assessments

The Parent and Child Assessment team will be fully staffed by the beginning of February 2012. The team manager was appointed at the beginning of autumn 2011 and took up her post at the beginning of October. She has completed the recruitment of the whole team including a temporary administrator, and an assessing social worker. The team have places on evidence based assessment training to be undertaken during January 2012.

The Parent and Child Assessment team will become operational in January 2012 and aim to have completed three parent and child assessments by the end of March 2012. Fostering aim to have approved one further set of carers (as a minimum), in addition to the current two sets, who will be available for parent and child fostering by end of March 2012. This will start to contribute towards the aim of reducing the number of out of city placements which will improve the service provided to families and reduce costs.

The initiative is estimated to provide estimated annual savings of £0.135m against approved budgets from year 3 onwards, which actually equates to £0.290m savings when compared to 2010/11 expenditure levels. Due to timings around staff recruitment and actual external placement numbers there are expected to be savings of up to £0.050m in 2011/12.

Autistic Spectrum Disorder (ASD) and Complex Needs

The full business case to facilitate supporting children with complex care needs in the family home and the local community, placing less reliance on the expensive independent residential sector was approved by the Capital Delivery Board with work on the building due to commence in February 2012. The operational project team is currently providing the planned service from various venues with a view to becoming fully operational within the one venue when building work is complete.

7.5 Schools

The Schools DSG position is regularly reported to the Schools Forum.

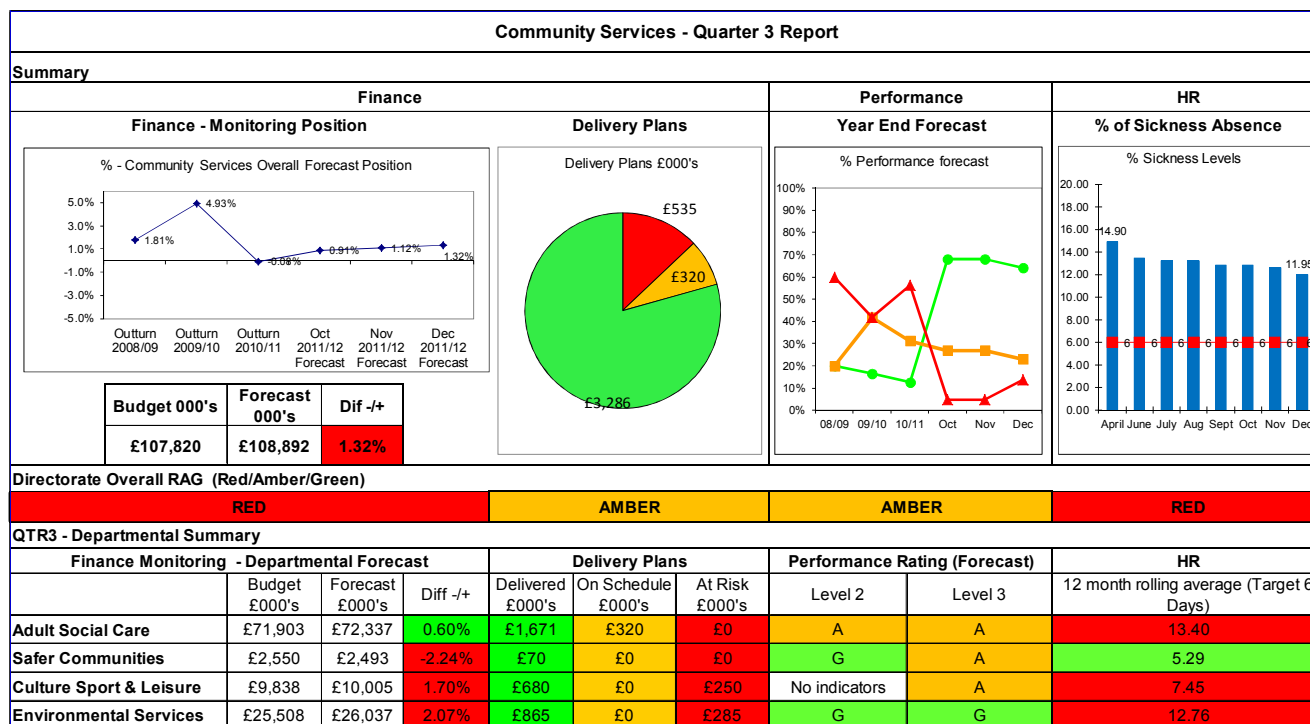
The latest forecast, as at the end of November 2011, shows a projected underspend of £0.363m for DSG funded activities. Pressures relating to insurance costs being borne by a smaller number of schools because of Academy transfers and the increased Planned Admission Numbers for some schools have been offset by the lower take-up of the early years free entitlement, reductions in independent sector placements and the Lifelong Learning service restructure

7.6 Medium Term Issues

The level of Schools buy back and Academy business will impact on the level of income and the net cost of services. Furthermore, a significant increase in the central government top slicing of the overall local authority formula grant, which is then used to fund academies, will result in less resources being passed to the council and in particular children's services and schools.

8. Community Services

8.1 Scorecard - General Fund Revenue Forecast is an overspend of £1.072m



Responsible Officers: Pam Marsden, James Coulton, Jayne Donovan and Pete Aley

Adult Social Care

The forecast overspend in Adult Social Care has decreased to £0.434m assuming all delivery plans are achieved by year end. Delivery plans are mostly completed or on track to be delivered with no red rated plans. The service continues to focus on scrutinising all spend and managing down expensive packages of care. Progress against budget is scrutinised and the level of financial risk is challenged through both the ASC Management Team and also the ASC Programme Board. We are no longer expecting to achieve the self direct support/direct payment target at year end but we are expecting to improve on last year's outturn position of 31%. We are rolling out significant change across the service in a managed and phased way. This approach will have longer term benefits. Performance has been affected in the short term as it requires significant culture change and not all staff have yet received the necessary induction and training to operate in a personalised way. However, we remain confident that we will achieve the 100% target by March 2013. Sickness in the service, although high, is being actively managed and has continued to fall since May 2011, despite the significant change required of the service and the restructure which is underway.

On a more positive note delayed transfers of care continue to perform strongly. Adults with Mental Health problems supported to live independently is above target. Both our Learning Disability and our Mental Health additional targets are improving and this is

Culture Sport & Leisure

An adverse variation of £0.167m is reported at Quarter 3 which is mainly due to delivering the Leisure management project, Plymouth Life Centre early mobilisation costs and supporting the operating deficit for the Mayflower Centre.

The number of enquiries to the Tourist Information Centre was below target, but still in excess of the same period last year.

Museum visits will not meet the target for 2011/12 due to reduced venue sizes for touring exhibitions compared to 2010/11. The target for this indicator will need to be reviewed for next year. Nevertheless, attendances at the museum are still up.

The British Art Show was a great success with 75,000 visitors which was in excess of anticipated numbers. Trips by schools and other educational establishments were particularly successful.

Work continues on the Plymouth Life Centre with planned completion on 27th February and the official opening scheduled for late March 2012.

Environmental Services

An overspend of £0.529m is now reported at Quarter 3 mainly due to removing the anticipated income projection of £0.398m for landfill rebate; whilst action still continues to secure this rebate it will not be received in 2011/12.

A series of events took place during the quarter to encourage more recycling and waste minimisation including door-stepping in parts of the city where participation in schemes is low, Roadshows, community talks etc. There have also been promotional events over the Christmas period aimed at recycling excess waste including Christmas trees, wrapping paper and glass bottles.

Due to the garden waste extension into November an additional 352 tonnes (equivalent to 8%) was diverted from landfill. The percentage of household waste diverted from landfill this quarter (NI 192) was 32.7% narrowly missing the target of 33%, but this is a normal seasonal variation due to the Christmas shut down and current projections indicate that end of year performance will be close to the target. The amount of waste sent to landfill per household during this period (NI191) is better than the quarterly target of 162 kg with actual performance at 155.6kg, and remains on course to meet the annual target.

Safer Communities

The favourable variation of (£0.057m) is due to staff savings and income. Provision has been made within Community Cohesion budgets for anticipated revenue costs associated with new Gypsy and Travellers sites and it is anticipated that this provision will be required in this financial year.

Serious acquisitive crime is a concern. Domestic burglary has increased by 28.9% (196 more crimes) compared to same period last year. Theft from vehicle is steady but is also showing an increase of 14.9% (109 more crimes). Despite this, we are performing well when compared to similar cities. Council crime reduction staff and partners, continue to work on tackling these issues focusing on enforcement and crime prevention.

People Management

Agency spend is measured as a percentage of our overall monthly spend on wages (salary including on-costs plus agency costs). Agency spend stands at 10.79% of the overall wage bill for Community Services against the corporate target of 5%, which is a increase of 1.84% from the previous month. The department is working hard to reduce this position.

The Council has set a target of 6 working days per FTE. Sickness levels at the end of September are 13.44 working days per FTE for the last rolling 12 months. The council wide sickness statistics are 10.18 days per FTE for the last rolling 12 months. The department is working hard with HR to address this position.

8.2 Delivery Plan Update

Community Services has Budget Delivery Plans of £4.141m for 2011/12. The table below shows the summary position by Red Amber and Green rating (RAG). The detailed Delivery Plan is shown as **Appendix C**

Service	Red £000	Amber £000	Green £000	Total £000
Adult Health & Social Care	0	320	1,671	1,991
Culture, Sport & Leisure	250	0	680	930
Environmental Services	285	0	615	900
Safer Communities	0	0	70	70
Other Delivery Groups	0	0	250	250
Total	535	320	3,286	4,141

- The Leisure Management contract has been signed earlier than anticipated and although there will be no savings in the current year or 2012/13, significant savings of 20% will occur over the life of the 10 year contract.
- The programme of Community Asset transfers will not meet the full target in 2011/12, although this is partially offset with overachieved savings in restructuring.
A transfer from the waste reserve will be required in 2011/12 to address targets allocated to Environmental Services for waste operations when the budget was set. There are a number of significant risks emerging in the Community Services Delivery plan where savings and efficiencies are possible but will not materialise until the end of the current or the next financial year.

8.3 Risks and Issues

- Maintaining front line services whilst implementing a number of Delivery plans will be challenging.
- Managing expectations of enhanced level of service against the current budget, particular in the service area of Waste Collection, Street Scene and Parks

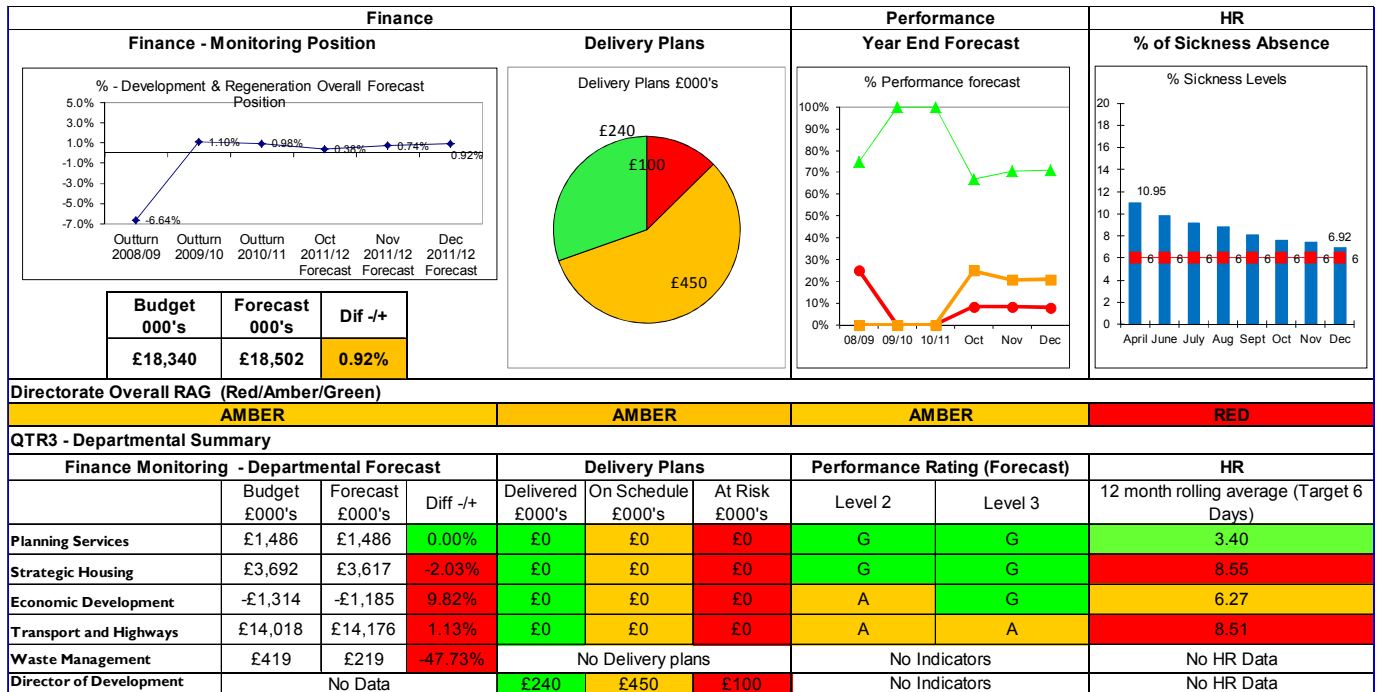
- Achieving Adult Social Care Delivery Plans and associated budget reductions without compromising safeguarding issues and ensuring sufficient scope to develop the market successfully to meet the requirements of the personalisation agenda.
- Growth in demography and increasing levels of long term care needs for high dependency within Adult Social Care
- Impact on social care of the Primary Care Trust QIPP (Quality, Innovation, Productivity & Prevention) efficiencies and the Health Service Transformation.
- Reductions in ad hoc and SLA income from Plymouth Community Homes

8.5 Medium Term Issues

- The Council has issued an OJEU notice inviting expressions of interest for the provision of Ice and Arena facilities. This will enable the Council to explore options over the coming 6 months. Consequently, there will be an associated £0.800m revenue implication to extend existing services at Plymouth Pavilions to September 2012, subject to review depending on progress once competitive dialogue commences.
- Municipal Waste Management Strategy (MWMS) identified that waste management costs would increase significantly due to the need to procure a waste disposal facility. This needs to be compared against the current Waste Management provision of £2.4m
- Gypsy & Travelers permanent site provision
- Downturn in Economy leading to less opportunity to maximise discretionary fees
- The effect of demographic increases on demand led services with stand still budgets.

9. Development and Regeneration

9.1 Scorecard - General Fund Revenue Forecast is an over spend of £0.162m



Responsible Officers: Clive Perkin/Gill Peele/David Draffan/Paul Barnard/Stuart Palmer/Mark Turner

The Department continues to make good progress in supporting and enabling Growth within the City.

Development is responsible for 5 long term outcome measures and has almost finalised the targets for its basket of Level 2 and 3 indicators, informed by the Economic Review.

Economic Development

Worklessness Plan in place. We have linked with the Jobcentre on the Work Experience element of the Get Britain Working scheme, where the council will offer placements for those who are 18-24 and have been claiming benefit for over 6 months. These placements will last for up to 8 weeks. Plymouth Growth Board has a dedicated sub group to look in to the issues around worklessness and what can be done with partners from across the city. The council is also a financial partner with the Jobcentre for a scheme run by Enterprise Plymouth aimed at moving eligible job seekers closer to work, by working on barriers that they may face. These may include development of basic work skills, CV writing and voluntary work.

The GAIN portal work begun and due for go live in late March, branding work completed and PR contract with DCA producing good results in local and regional media. GAIN is poised to be the main delivery body for technology businesses for the Heart of the South West and Cornish local enterprise partnerships.

The South West has been formally designated a Marine Energy Park by the government, providing a major boost to Plymouth's marine renewable sector.

The Visitor Plan for Plymouth has been completed and approved by Destination Plymouth and Plymouth City Council. The Visitor Plan can be viewed at: [www.visitplymouth.co.uk](http://www.visitplymouth.co.uk;);

Destination Plymouth has established four Working Groups (Marketing, Events, Interpretation and Development) to progress the star projects described in its plan. It has also launched the Marine City Festival to be held 8-16 September 2012. This event will be supported by an associated City marketing campaign, including a new digital marketing programme, designed to reposition Plymouth as the UK's Marine City.

Planning Services

Planning Services has recently been focusing on the determination of the North Yard Energy from Waste plant and several other major planning applications in support of the city's growth agenda. Planning application performance continues to rise with 82% of major developments determined in time, 84% for minor developments and 92% for householder developments. The service continues to develop the Derriford Area Action Plan and will shortly publish the proposed Community Infrastructure Levy Charging Schedule to replace the Plymouth Development Tariff as the mechanism to fund future infrastructure. The service has also been developing a number of bids in relation to recently announced Government funding programmes such as Get Britain Building and the Growing Places Fund.

Strategic Housing

By end of the December quarter, 123 new affordable homes have been completed. We are currently projecting 273 completions for 2011/12 – however, as is normally the case, there is the likelihood that there could be some slippage from Q4 into next year, but we expect to exceed our target of 200.

By quarter end, we have brought 67 empty private sector homes back into use and are projected 75 for 2011/12 – exceeding our target of 65.

Transport

The East End transport scheme was completed on schedule in November and is already demonstrating improved punctuality and journey times for bus routes along the corridor. Final works on the public realm works will be completed during the final quarter of this financial year and will provide further enhancements as a result.

The Rail task force is now preparing a response to the Great Western franchise consultation, and work continues to seek a joint response with all other authorities in the far SW peninsula to strengthen the issues being raised to the DfT.

Work continues with the Highways Agency to consider improved performance on the road network and to potentially seek funding for pinch points along the main A38 corridor.

Bus punctuality figures will be available at year end.

Strategic Waste

The Energy from Waste project is still to go through planning. It now has an approval from planning committee subject to the signing of the S106.

Sickness levels are at 6.9 working days per FTE for the last rolling 12 months, against a council wide target of 6 days. This has decreased from the previous quarter's 8.87 as a result of initiatives led by HR including increasing management and staff awareness.

9.2 Delivery Plan Update

£0.790m (net) of delivery plans were set within the 11/12 revenue budget for Development and £0.390m are green with a further £0.300m amber, (more than 87% in total) Progress against the remaining red and amber delivery plans are summarised below and shown in detail on Appendix C. Any plans not delivered will be replaced by alternative savings.

Service	Red £000	Amber £000	Green £000	Total £000
Strategic Housing	0	0	210	210
Departmental (Loss of New Growth Points funding)	0	0	(1,020)	(1,020)
Departmental (including Growth Fund)	0	0	850	850
Transport	0	300	0	300
Economic Development	0	150	50	200
Other Delivery Groups	100	0	50	150
Total	100	450	240	790

9.3 Risks and Issues

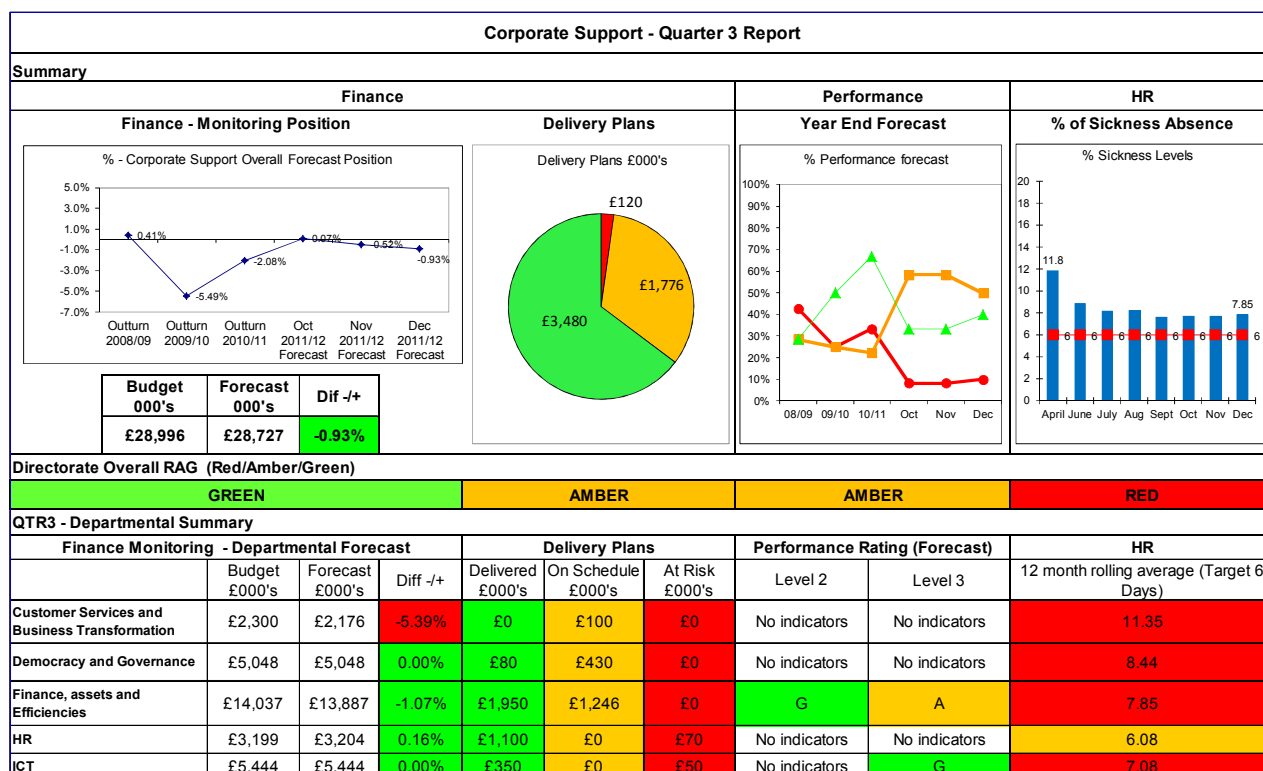
- There are a number of significant risks in the Development Services Delivery plan where savings and efficiencies are possible but will not materialise until the end of the current or the next financial year.
- The additional Fees and Charges income target will be met from existing savings elsewhere in 11/12. The current climate has applied pressure to already challenging targets, and further discussion is on-going.
- £0.100m for Printing, Publicity and Advertising have not yet been allocated over the departments budgets for these activities; Assistant Directors will slow spend in these budgets to support achievement of the Corporate target.

9.4 Medium Term Issues

- 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 no's of people in temporary accommodation since 2005/6 ,and 28% increase in homeless applications from previous years

- The Highway asset Management plan is being developed further to ensure that future demands on revenue for maintenance of the network are minimised whilst maintaining the function of the network.
- Concessionary fares and subsidised bus services are likely to come under greater pressure with increasing bus operation costs so are being carefully managed at this time.
- 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.
- Community Infrastructure Levy: will replace Section 106 agreements and has major resourcing implications for future infrastructure planning and coordination of resources to support growth.
- Economic Climate: 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.

10.1 Scorecard - General Fund Revenue Forecast is an under spend of £0.269m



Responsible Officers: JP Sanders / Tim Howes / Malcolm Coe / Mark Grimley / Neville Cannon

Customer Services

Customer Services performed well through December as the new working arrangements bedded in. Work volumes were reasonable, but were not as low as usual for December as staff geared up for the anticipated busy start to the year. Main Reception was freshened up and looked smarter. Work is well underway preparing the department for CSE accreditation at the end of January. Absence management continues to be robustly managed, and this was reflected in a continuing fall in sickness rates in the team.

Democracy and Governance

Close monitoring and review of all budget heads has enabled the forecasts to be met despite the unforeseen budget pressures. An additional benefit has been the ability of the Legal service to increase their fee income through shared working/services.

ICT

Availability of the top 14 services remains above target even though there have been recent major disruptions due to implementing new Anti-Virus software required as part of an exercise to help meet our delivery plan savings.

HR

During the last quarter, employee numbers have reduced by 109 (70.3 FTE) from a headcount of 4357 to 4248. 85 employees had left the council through the Voluntary Release Scheme by the end of December 2011.

A comparison of sickness absence, for the following 12 months, at the end of December 2011, compared with the end of December 2010 shows that sickness has decreased from 13.16 days per FTE to 9.71 days, a decrease of 3.45 days per FTE. This downward trend continues towards a target of 6 days. The focus of employee health, together with management interventions and targeted programmes for staff continues.

99.7% appraisals completed as at end December – missing just 12 appraisals and only 3.4% employees “did not meet expectations” (fell by 0.1 from last year). Engagement index rose from 57% to 62% this year

Finance Assets and Efficiencies

F&E continue to make good progress against the budget delivery plans. Significant savings have been made through rationalising accommodation, more efficient external procurement and reducing management costs through staff restructures. We are now forecasting an underspend of £150k at year end over and above achieving all delivery plans. The Revenues and Benefits, Customer Services, Creditors and Incomes restructure took effect from 1 November 2011. A service improvement plan has been put in place and significant progress made in tackling housing benefits backlogs. Addressing backlog HB claims will have a short term negative impact on processing times as we work through older cases, however, this trend will be reversed throughout the last quarter of this financial year.

10.2 Delivery Plan Update

Corporate Support Services has direct Delivery Plans totalling 2.360m for 2011/12. The table below shows the summary position by Red Amber and Green rating (RAG). The detailed Delivery plan is attached as Appendix C

In addition, the figures include indirect (cross-cutting) Delivery Plans within Corporate Support totalling £3.016m to be achieved through savings across the Council. The plans are being driven by Theme groups comprising of cross departmental representatives. Examples include delivering the accommodation strategy; strategic procurement; and revised Terms & Conditions across the council.

Service	Red £000	Amber £000	Green £000	Total £000
F&E	0	1,246	1,650	2,896
HR	70	0	1,100	1,170
Customer Services	0	100	300	400
Democracy & Gov.	0	430	80	510
ICT	0	0	300	300
Other	50	0	50	100
Total	120	1,776	3,480	5,376

There has been slippage in some delivery plans. That said, this is a marked improvement on the position reported at the end of the 2nd quarter. Overall, progress is encouraging with either some plans being brought forward or alternative actions put in place.

Again, there has been a lot of improvement within this area; in particular we are starting to see tangible savings from the Procure 2 Pay (P2P) project.

10.3 Risks and Issues

- Challenge of improving support services whilst managing down spend and meeting delivery plan savings targets;
- Capacity within the department to support the Council's change agenda and challenging financial targets
- Ensuring that expertise is retained throughout the service and redundancy costs are minimised
- Accommodation Strategy – risk of not achieving required revenue long term savings through delays in obtaining a long term solution for the future of the Civic Centre.
- Any delay in the implementation of the new Customer Relationship Management system will delay the move of services into the Customer Service team and subsequent cross cutting delivery plan.

10.4 Medium Term Issues

HR

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.

Finance, Assets & Efficiencies

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. The asset management strategy identifies that there is a significant backlog in maintenance obligations. Risks include health and safety issues that may arise during the year and the uncertainties over the future of the Civic Centre.

The national economic climate is having an impact on the local authority. This may result in reduced collection rates for the Authority.

Democracy & Governance

There are potential pressures for 12/13 and beyond around known and potential elections. For example, if a referendum on executive arrangements for the Council is "Yes" for a Mayor then there has to be a full election within 6 months, with the costs associated with this a pressure to revenue budget.

ICT continues to be under significant pressures working on vital projects such as HR Payroll, new way of working roll-out, the building of the new data centre, the designing and provisioning of services to facilitate the co-location with Health, and the planning for an eventual move out of the Civic Centre.

These are all significant projects that will require careful control and oversight. Any delay due to other emerging priorities could have huge consequential impacts

10.5 Invest to Save

Accommodation Strategy - The project is progressing well with several vacated premises generating over £400k savings to date. On-going delays around the future of the Civic remain a challenge.

Procurement Category Management – we continue to be engaged with our advisors Agilysis and workshops and meetings with key personnel and DMTs are well progressed. A budget benefit realisation mechanism has now been approved by CMT. A monthly report is now being produced and savings signed off by each Directorate.

11. Chief Executive

11.1 Scorecard - General Fund Revenue Forecast is on budget

Chief Executives - Quarter 3 Report																																																									
Summary																																																									
Finance					Performance		HR																																																		
Finance - Monitoring Position					Delivery Plans		Year End Forecast		% of Sickness Absence																																																
<div><p>% - Chief Executive's Dept. Overall Forecast Position</p><table><thead><tr><th></th><th>Budget 000's</th><th>Forecast 000's</th><th>Dif +/-</th></tr></thead><tbody><tr><td></td><td>£2,582</td><td>£2,582</td><td>0.00%</td></tr></tbody></table></div>						Budget 000's	Forecast 000's	Dif +/-		£2,582	£2,582	0.00%	<div><p>Delivery Plans £000</p></div>		No performance indicators		<div><p>% Sickness Levels</p></div>																																								
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<div>Directorate Overall RAG (Red/Amber/Green)</div> <table><thead><tr><th colspan="3">GREEN</th><th colspan="3">AMBER</th><th colspan="3"></th><th colspan="3">AMBER</th></tr></thead></table> <div>QTR3 - Departmental Summary</div> <table><thead><tr><th colspan="4">Finance Monitoring - Departmental Forecast</th><th colspan="3">Delivery Plans</th><th colspan="2">Performance Rating (Forecast)</th><th colspan="3">HR</th></tr><tr><th></th><th>Budget £000's</th><th>Forecast £000's</th><th>Diff +/-</th><th>Delivered £000's</th><th>On Schedule £000's</th><th>At Risk £000's</th><th>Level 2</th><th>Level 3</th><th colspan="3">12 month rolling average (Target 6 Days)</th></tr></thead><tbody><tr><td>Chief Executive</td><td>£2,582</td><td>£2,582</td><td>0.00%</td><td>£200</td><td>£200</td><td>£0</td><td colspan="2">No performance indicators</td><td colspan="3">6.53</td></tr></tbody></table>										GREEN			AMBER						AMBER			Finance Monitoring - Departmental Forecast				Delivery Plans			Performance Rating (Forecast)		HR				Budget £000's	Forecast £000's	Diff +/-	Delivered £000's	On Schedule £000's	At Risk £000's	Level 2	Level 3	12 month rolling average (Target 6 Days)			Chief Executive	£2,582	£2,582	0.00%	£200	£200	£0	No performance indicators		6.53		
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Responsible Officers: Giles Perrit, Richard Longford

Chief Executive

The overall position in Chief Executives is currently forecasting to come in on budget. The Corporate Communications Unit has been working towards achieving the Chief Executive's Department's element of the Printing, Publicity and Advertising cross-cutting

Delivery Plan - The mechanism for capturing these savings across the authority has now been agreed

During this period the Department has been leading on budget scrutiny. This has involved producing a draft Corporate Plan for 2012/13 and co-ordinating a series of challenge sessions with the Corporate Management Team and the Overview and Scrutiny Management Board.

The 2012/13 Budget and Corporate Plan will be agreed at Council on 27th February.

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Performance & Policy

Performance & Policy units across the Council have been merged into one unit within Chief Executives as part of a delivery plan. The implementation date for this new structure was 1st September 2011 and therefore the salary savings achieved from this process have now been established.

People Management

The Council has set a target of 6 working days per FTE.

Following a spike in sickness earlier in the year days lost to sickness have now reduced to 6.53 days 0.53 days above the corporate target of 6 days.

11.2 Delivery Plan Update

Chief Executive's has a total Delivery Plan of £0.4m for 2011/12. There is one direct delivery plan for the department and three delivery plans that will be delivered across all departments. The table below shows the summary position by Red Amber and Green rating (RAG). The detailed Delivery plan is contained in Appendix C.

Service	Red £000	Amber £000	Green £000	Total £000
Performance & Intelligence	0	0	100	100
Consultation	0	100	0	100
Corporate Subscriptions	0	0	100	100
Printing, publicity & Advertising	0	100	0	100
Total	0	200	200	400

11.3 Risks and Issues

- The Directorate is on target to achieve its plans by the end of the year.

12. Corporate Items and Cross Cutting Issues

Revenue budget forecasted out-turn

- 12.1 Unlike previous quarterly reports, we are now reporting an over spend of £0.240m. We are still awaiting full confirmation of the true impact on the Council of the 2011/12 Carbon Reduction Commitment (CRC) Tax Levy. This is the first year of this new levy, based on our CO2 emissions. Our calculations for the whole estate suggest the charge will be circa £0.400m. However, the council will passport £0.160m of this charge to schools (£0.120m) and Academies (£0.040m); Hence the net exposure of £0.240m. Both schools and academies are aware of their element of this charge.

The Treasury Management Board are now confident we will, despite a challenging target to deliver just under £1m of savings from treasury management, come in on budget.

Capital Financing Budget /Treasury Management

- 12.2 The Treasury Management Board continues to meet regularly to discuss the actions in respect of borrowing and investments in accordance with the approved strategy.

- **Debt Rescheduling**

Movements in gilts over in the year have reduced PWLB loan interest rates meaning that there have been no opportunities to date to achieve savings from the repayment or rescheduling of long-term debt. It is unlikely that in the current climate interest rates will move in a favourable direction but PWLB rates continue to be monitored by Council officers and our Treasury Management advisors Arlingclose to take any opportunity to make revenue savings as and when this occurs.

- **Investments**

Council Officers and Arlingclose will monitor credit conditions and further deposits will be made in line with the Council's Treasury Management strategy when conditions are appropriate for such investments.

- **Reserves**

The calculation of the impairment on Icelandic deposits in 2009/10 allowed for accrued interest to be credited to revenue over the next few years. This accrued interest resulted in a transfer of £0.324m to the Icelandic Bank reserve in 2010/11 to cover the possibility of an increase in impairment. The anticipated repayment of Icelandic bank investments is now looking more favourable than 12 months ago and this reserve may not be required.

Icelandic Bank Update

- 12.3 The Council continues to receive regular dividend payments in respect of its investment in Heritable bank with the following dividends received in the period April – January 2012:

	Principal £000	Interest £000	Total £000
April 2011	187	10	197
July 2011	122	6	128
October 2011	126	6	132
January 2012	100	5	105

This brings the total amount recovered to date to £2.142m (67.92%)

- 12.4 Investments in Landsbanki (£4m) and Grindar (£6m) remain subject to court proceedings. The Council continues to work with Bevan Brittan solicitors and the LGA continues to actively pursue the recovery of its total investments.

Contingency

- 12.5 Standard practice is to set a revenue contingency budget which is held within Corporate Items. For 2011/12 this is £0.500m and, at this stage it is assumed that the budget will be used in full during the year. We have assumed £0.300m has been allocated to cover the predicted shortfall to the current year's Employer Pension Contributions. Following the tri-annual Pension Fund Valuation, the Council's contribution rates for 2011/12, 2012/13 and 2014/15 were confirmed. The contribution rates were held at the same rates as for the previous three years. However, there was a condition attached which stated the rates assumed that total contributions each year would match a minimum monetary value.

In the past week, we have had an indication that the shortfall in contributions in 2011/12 is circa £0.300m. At this stage, this has been allocated against the revenue contingency budget.

Budget Virements

- 12.6 The Council's net budget requirement was set by Council at its meeting on 28 February 2011 at £208.237m. Amendments to this overall budget can only be made by Full Council. During the year there will be several movements in budget allocations across services/departments as part of the delivery of the day to day business of the Council. Movements in the budget are continually tracked and an audit trail held for budget control purposes. In addition, Financial Regulations require all budget virements in excess of £100,000 to be approved by Cabinet.
- 12.7 Cabinet are now requested to approve the budget virements detailed in Table 9. All of these virements balance to zero with the overall council net revenue budget remaining at £208.237m

Table 9 – Virements over £100k for Cabinet Approval

Virements over £100k	000's		
DIRECTORATE	Delivery Plan Mgt	Other	Total virements
CHIEF EXECUTIVE	(5)	0	(5)
CHILDREN AND YOUNG PEOPLE SERVICES	(37)	0	(37)
CORPORATE ITEMS	(0)	(721)	(721)
COMMUNITY SERVICES	(914)	87	(826)
CORPORATE SUPPORT	1,019	58	1,077
DEVELOPMENT & REGENERATION	(63)	575	512
TOTAL	0	0	0

A brief explanation of these virements is as follows:

Delivery Plan Mgt

- 12.9 In the previous quarter's report, we advised that the Chief Executive's delivery plan contains an action to deliver a new Corporate Policy and Performance service. This involves the transfer of functions, budgets and staff from both Children's Services and Community Services business support and strategy units to the Chief Executive department.

Other

- 12.10 Transfer of the preventing Homelessness Grant from Corporate items to Strategic Housing. There has also been a transfer of CIP agreed reserves from Corporate Items to Culture, Sport and Leisure, Safer Communities and Finance, Assets & Efficiencies.

Working Balance

- 12.11 The Council's working balance stood at £11.518m at 1 April 2011. This equates to 5.5% of the Council's net revenue spend for 2011/12 and remains in line with the medium term financial strategy to maintain a working balance of at least 5%.

Pension Reserve

- 12.12 The council currently has monies set aside into a Pension Reserve, with a balance of £1.080m.
- 12.13 This reserve was created to ensure we are able to meet future shortfalls in our contributions to the Pension Fund. Last week the pension Fund Administrator indicated the likely shortfall for 2011/12 to be circa £0.300m.
- 12.14 If our contribution remain at the same level for the next two years, the period of the last tri-annual valuation, we would anticipate further shortfalls for 2012/13 and 2013/14. For this outturn report, we have assumed that the 2011/12 is currently able to be covered from the Corporate Items contingency budget. If this remains possible for the final outturn position, we will not need to call down from the reserve this year.
- 12.15 We would therefore still carry forward the balance of £1.080m, giving us greater protection against future shortfalls. We must be mindful that, as staff numbers reduce, the pension contributions are likely to reduce. This will require larger draw-downs from the reserve in the future.

Waste Reserve

- 12.16 The Waste Reserve currently stands at £2.4m and was specifically set aside to manage the potential shortfall where operational costs exceeded budget following the closure of Chelson Meadow until a new Waste solution would be operational. There may be a requirement in 2011/12 to draw down from the waste reserve to cover the operational costs of the waste collection and disposal service due to rising gate fee, landfill tax and transport costs. It was anticipated when the current budget was constructed that 2011/12 would be the year that costs might start to escalate following the closure of Chelson Meadow.
- 12.17 This report assumes the first draw down of £0.800m from this reserve, leaving a net balance of £1.600m to carry forward to future years.

- 12.18 Once the year end position is known the financial call on the reserve can be requested for approval. This position will be reviewed as the full outturn result becomes clear.

Corporate Items - other

- 12.19 The Council has a number of backdated VAT claims lodged with HMRC known as 'VAT Fleming' cases. Four of these have been resolved in recent years. However there are 3 outstanding cases still under consideration which the Council continue to work with PWC to appeal initial HMRC findings. The Council have just been advised that one of these around trade waste has been assessed in the Council's favour, and officers are awaiting further information and clarity to finalise the favourable financial outcome for the Council. It is anticipated that the position will be clarified within the next month.
- 12.20 As highlighted in Lifelong Learning section of this report, there is an on-going potential tax liability from HMRC in connection with School Improvement Partners. This could result in an additional tax payment of £0.100m. For this outturn report, it has been assumed that the department can cover the cost by offsetting against other forecasted savings. Officers will continue to monitor closely and consider the possible requirement to set up a provision to cover.

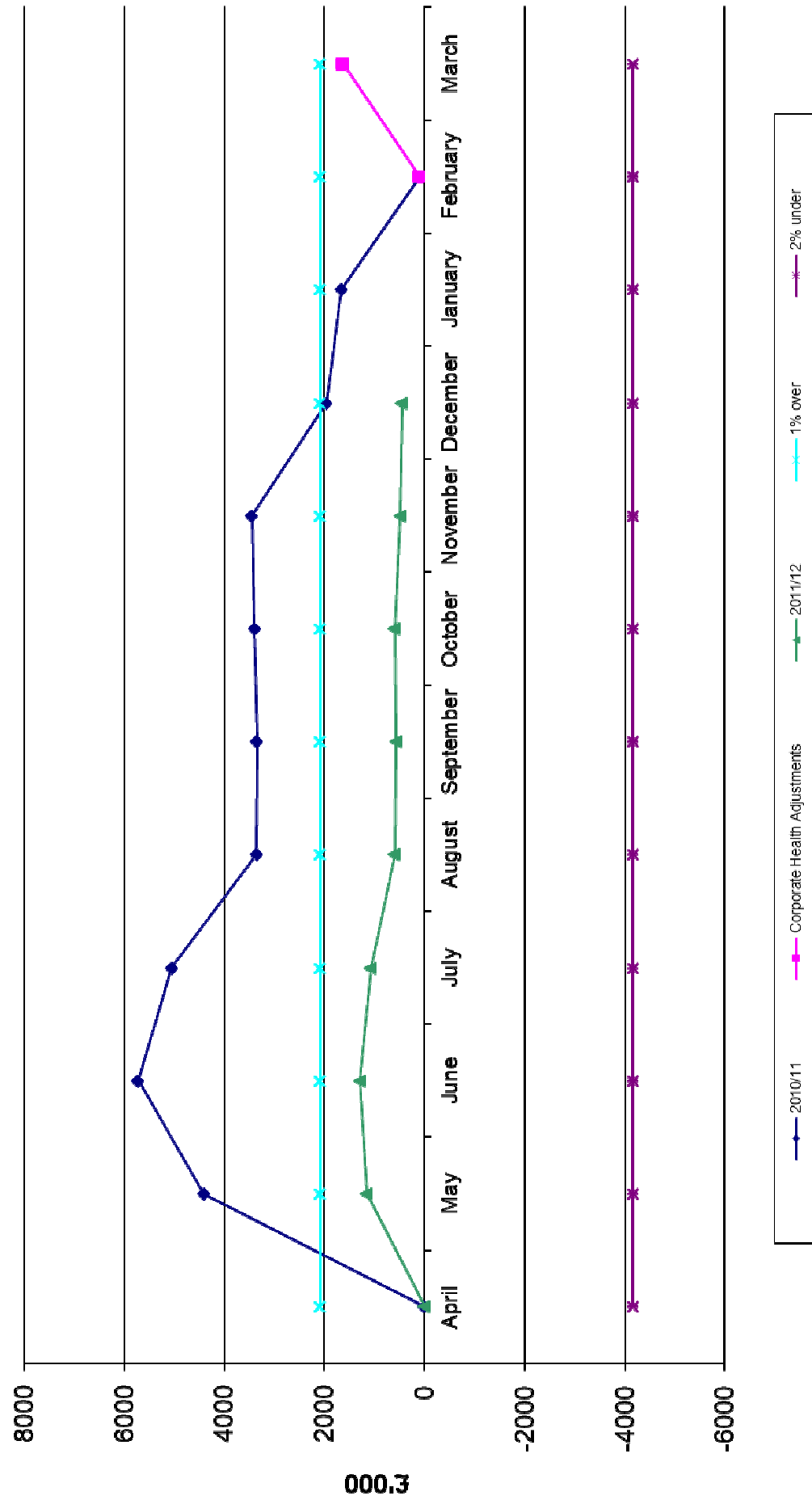
Recommendations

3. Cabinet approve the budget virements as detailed in Table 9.
4. Cabinet approve the potential draw down on the Waste Reserve for 2011/12, subject to the 2011/12 Outturn position.
5. Cabinet approve the potential draw down on the Pension Reserve for 2011/12, subject to the 2011/12 Outturn position.
6. Approve the funding of the Council's element of the CRC Levy for 2011/12.

SECTION E - CONCLUDING REMARKS

- 13.1 2011/12 is year one of our three year budget, in which we need to achieve budget savings of £30m by 2013/14. It is imperative that the current year Delivery Plans are achieved in-year as they roll forward to underpin the budget for the next two years. For 2011/12 the council has prioritised reduced funding in order to continue to protect front line priority services.
- 13.2 In total, the council has embarked on over £15m of revenue budget delivery plans for the current year. Where possible, we have engaged in cross departmental officer groups to generate significant spending reductions in areas such as accommodation, business support and procurement.
- 13.3 Despite reduced funding, the council remains committed to improving services and has revised its performance management framework to ensure that key focus is maintained on performance measures that contribute most towards the council and wider city's priorities.
- 13.4 Although there are no critical issues to report on finance this time around, there are some areas of variance within individual departments that require close scrutiny.
- 13.6 Revenue budgets are currently forecasting an end of year over spend of £0.454m. Departments will continue to address this overspend as we target an on-budget outturn in March 2012.
- 13.7 During the second quarter, the percentage of Delivery Plans which are rated Green or Amber has increased from 89.5% to 94.7%.
- 13.8 The council still has an ambitious capital investment programme. With the inclusion of £19.1m for two academy schools, the projected capital spend over the next four years is now in excess of £173m.
- 13.9 The Indicative Budget for 2012/13 has now been published and been the subject of public scrutiny in early January 2012.
- 13.10 Officers are now working hard to put together the final revenue budgets for 2012/13 to 2014/15. The final budget will be signed off by Full Council, when the Council Tax will be set, 27 February 2012.
- 13.11 This reports shows we are very close to achieving budget for the current year. We will not assume anything as we enter the final quarter and will continue to minimise spend to reduce the over spend by the year end.

General Fund Monitoring Comparison 2010/11 & 2011/12



Capital Programme – Variations and Re-profiling

Section 5.2 Table 6 cross-refers

£000	£000	£000	£000	Other Reprofiling for Approval
2011/12	2012/13	2013/14	2014/15	
(181)	(415)	596	0	Basic Need – Holy Cross (Reported delay, then removed in budget)
(185)	185	0	0	Basic Need – Mount Wise updated cashflow following letting contract
(565)	565	0	0	Estover Campus - revised contractors plan (project not delayed)
(260)	260	0	0	Basic Need - Riverside (PFI)
(100)	859	109	(324)	Basic Need - Salisbury Road brought forward to single phase delivery
(135)	485	(350)		Basic Need - wave 2 - St Josephs and Holy Cross
0	(20)	(695)	515	Basic Need - Stoke Damerel - project rephased
0	(175)	175	0	Basic Need - Other
(388)	388	0	0	Boringdon - Replacement of temporary classrooms minor delay in procurement process
(250)	250	0	0	St Boniface - practical cooking spaces - school procurement delay
(590)	590	0	0	Devolved Capital - Estimated schools carry forwards
(125)	125	0	0	Other CYP Reprofiling
(620)	620	0	0	Vehicle Replacement Ph1 – for vehicles expected to be delivered in April and May 2012
13	(13)	0	0	Other Community Services Reprofiling
(224)	224	0	0	Accommodation Strategy Ph1 re-profiling
(150)	150	0	0	Accommodation Strategy Ph2 re-profiling
103	(103)	0	0	Data Centre fit out
(125)	125	0	0	Other Corporate Support Reprofiling
(102)	(298)	400	0	Saltram Countryside – to ensure that it can be used as match funding to support Plymouth Natural Networks
(110)	110	0	0	Home Improvement Assistance reprofiled to meet the demand for Disabled Facilities adaptations in 12/13
358	(358)	0	0	Waste projects – capping and leachate treatments – reprofiled to meet estimated expenditure in 11/12
(137)	137	0	0	Other Strategic Housing reprofiling
(346)	346	0	0	Other Transport S106 funded reprofiling
(231)	139	92	0	Other Development reprofiling
(4,350)	4,176	327	191	Total Reprofiling for Approval

APPENDIX B

£000	£000	£000	£000	Other Variations for Approval
2011/12	2012/13	2013/14	2014/15	
0	(240)	533	533	Estimated Devolved Formula Capital (DFC)
(200)	0	0	0	Basic Need - Weston Mill. Savings achieved
(140)	0	0	0	High View - Removal of Contingency as project nears completion.
0	(393)			Tor Bridge Campus (formerly Estover CC). Removal of contingency.
30	79	2,500	400	Condition Works - additional allocation to meet increase in liability
0		(169)	(305)	Basic Need - Holycross
		(103)		Basic Need - St Josephs - reduced estimate following initial design costings
		(711)		Basic Need - Stoke Damerel - reduced estimate following initial design costings
	35	1,125	3,500	Basic Need - Future Waves - provision for wave 3 and 4 delivery
(59)	88	40	0	Other Variations for Services for Children and Young People
0	605	693	725	Adult Personal Social Care grant
(139)	(50)	0	0	Vehicle Replacement programme – lower costs than originally estimated
210	0	0	0	PLUSS Building, Clittaford Road – claw-back of original grant used on building.
(69)	65	0	0	Accommodation Strategy Variations
46	49	20	0	Other Corporate Support Variations
0	(307)	0	0	Reduced reliance on capital receipts to fund Chelson Meadow
70	0	0	0	Tavistock Road Signals implementation of additional works
65	0	0	0	North Road East Public Crossing works.
0	108	0	0	Addition to LTP programme - Marjon bus link
0	247	0	0	Addition to LTP programme – George Park and Ride access improvements
	291			Addition to LTP programme – Digital speed cameras
0	337	0	0	Flood defence works at Arnold Point
123	0	0	0	Disabled Facilities Grant – additional funding from Central Government
115	110	0	0	Strategic Housing capitalised salaries to be funded from revenue
(8)	73	0	0	Other Development Variations
44	1,097	3,928	4,853	<u>Other Variations for Approval</u>

£000	£000	£000	£000	2011/12 Virements for Approval
SCYP	Comm	Corp	Dev	
5	(5)	0	0	Virement re Lipson Vale Recreational Land
(115)	0	115	0	Virement from Torbridge project
(31)	0	31	0	Funding of additional work at Bretonside re amalgamation of Pupil Referrals Unit at Martins Gate to Corporate Support
(141)	(5)	146	0	<u>Total Virements for Approval</u>

Children & Young People Budget Delivery Plans December 2011				APPENDIX C	
	Balancing the budget : Areas for savings, efficiency gains or increase	Delivery Plan	Progress Update		
		2011/12			Revised
	Rag	2011/12 '£000			R/A/G
1a	Transport: Cease concessionary transport from Sept '11 (over calculated in error, £280 was never achievable. New plans needed in 2011/12)	G	130	Transport Policy changes re cessation of Concessionary fares implemented from Sept 2011. However, these changes have only produced a part year saving of £99k. Full year savings in 12/13 £120k	G
1b	Transport: Review Special School routes and develop a more flexible approach for Special Educational Needs Transport from Sept '11	A	80	Volatile budgets dependant on needs of SEN statements. Following on from the robust review of routes undertaken during the Summer a part year saving for 2011/12 of £70k appears achievable.	A
1c	Catering: Efficiency savings	A	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
1d	Selling services to Academies	G	20	Buy back from Academies into the Education Welfare Service	G
2	Locality Restructure	G	100	Posts deleted from system	G
3	Disability Service Restructure	G	70	On track - deletion of posts and use of grant	G
4	Review staffing requirements in the light of changes to statutory Special Educational Needs policies	A	0	Restructure of SEN Services planned as part of department restructure	G
LEARNER & FAMILY SUPPORT TOTAL:			550		
5	Equalities and Diversity reconfiguration	G	0	<div style="border: 1px solid black; padding: 5px; width: fit-content;"> 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 </div>	
6	Reduce Primary Advisory support	G	0		
7	Early Years - reduction in staffing	G	0		
LIFELONG LEARNING TOTAL:			0		
8	Recommissioning of placements years 0-24 in line with 'Diversion of Children From Care' PLAN	G	0	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.	G
8a	2011/12 budget monitoring savings within the 16+ service	G	160	Achieved November 2011	G
8b	2011/12 budget monitoring savings within the in-house foster care service	G	240	Achieved November 2011	G
8c	2012/13 Children in care placement plan	R	0	Diversion of Children from Care strategy and this is reviewed each month so remedial action can be implemented as early as possible. There a	R
8d	2012/13 children in care placement plan	R	0	Diversion of Children from Care strategy and this is reviewed each month so remedial action can be implemented as early as possible. There are a number of foster carers being assessed for our in house service. If the level of care is appropriate and the match is appropriate, the aim is to bring children back to Plymouth from out of city placements. There is also a risk in that number of children in care appear to be increasing across the country and the trend is likely to filter down to us as Devon have already seen a noticeable increase.	R
9	Staff reductions - Impact of reducing services	A	0	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	Secure Budget - Trends show that there has been a reduction in court ordered placements (£150k) Transport (£30k)	G	180	Achieved - No secure placements used. However, the Home Office transfer of financial responsibility for young offenders remanded to the local authority may have an impact	G
11	Youth Offending Service - reduce PCC Contribution by 10%	G	50	Achieved realigning service - integrating preventative service with youth service	G
12	Review and reduce financial support and non statutory payments made to Care Leavers and review B&B	G	130	Achieved WEF 1/4/2011	G
13	Integration of various child care services - restructuring to deliver efficiencies	A	0	Intensive support service diverting children from care	A
CHILDREN SOCIAL CARE TOTAL:			760		

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APPENDIX C

Children & Young People Budget Delivery Plans December '11					
Savings delivered to Children & Young People by other budget delivery groups:					
14	Performance and Intelligence: rationalise performance management, completion of government returns and data analysis across the council. 1/3rd of total planned savings applied to Children & Young People at this early stage of development	A	100	Informal staff consultation completed and restructuring is currently in progress	A
15	Administration & Business Support Review: Rationalise Business Support & Administration across the council. Includes savings generated from Care First project	A	220	Agreement to hold vacant posts pending formal restructure. Staff being surveyed.	A
16	Printing, Publicity and Advertising: challenge the current demand across the council and rationalise future publicity & advertising activity. Notional saving for department based on total council spend.	G	100	Budget reductions agreed and savings identified against cost centres. Actual spend curtailed accordingly. Delivery plan now Green and removed from budget.	G
17	Reduction in Senior Management: consistent with other departmental plan, objective of reducing senior management by 20%	G	50	Vacant posts identified for initial discussion and following Union consultation these have now been deleted	G
18	School Catering: Charge Schools for packed lunch catering arrangement* (Blue Collar Group)	R	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
19	Area Based Grant reduction	G	350	EIG focus is shifting to prevention. EIG commitments reviewed and a programme of contract award is in place. Children's plan approved so now the remaining EIG can be targeted against priorities. Tendering and SLA's will be the next steps. Planned savings blocks on the EIG will target £2.005m savings which will contribute towards the ABG target DP20 above.	G
20	Early Intervention Grant reduction	G	1,700		G
SAVINGS FROM OTHER DELIVERY GROUPS:			2,580		
TOTAL OF ALL DELIVERY PLANS: CHILDREN &			3,890		

Community Services Delivery Plans December '11

APPENDIX C

Balancing the budget : Areas for savings, efficiency gains or increase income			Actual Value	Progress Update	
			2011/12		Revised
		RAG	2011/12 £000		R/A/G
1	Domiciliary Care Services: remodel in house provision	G	342	Reablement business case developed.	G
2	Supported Living: remodelling of services and standardisation of unit rates	G	201	Delivered	G
3	Care Management Services: reviewing of high cost packages and alternative service provision	G	200	Delivered	G
4	Day Care: remodelling of services and standardisation of unit rates	G	167	Delivered	G
5	Enabling and Floating Support: remodelling of services and standardisation of unit rates	G	403	Delivery on track	G
6	Residential Care - Under 65: remodelling of services and standardisation of unit rates	G	358	On track	G
7	Workforce re-modelling: linked to CareFirst 6 and Charteris Business Process Re-design	A	320	On track for future years, monitoring the current year options.	A
ADULT SOCIAL CARE TOTAL:			1,991		
8	Events, grants and other funds initiatives	G	140	The delivery plans continue to be worked through to achieve the required savings	G
9	Reduction in revenue support grants - Theatre Royal & Pavilions	G	120	On target saving realised. Pavilions site market test to provide greater clarity on achieving future year savings.	G
10	Library Service: modernisation of service.	G	370	Library service review is continuing. £380k savings on track through staff restructure along with other actions within the service.	G
11	Museum: restructure	G	50	Savings realised through restructure.	G
12	Transfer of assets: transfer of assets / facilities to local community ownership.	R	0	Not due to commence until 2012/13, but research underway	R
25	Leisure Management Contract	R	250	Leisure Management contract has begun and 20% savings will accrue over the 10 year life of the contract (there will be no savings in the current year).	R
CULTURE, SPORTS & LEISURE TOTAL:			930		

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Community Services Delivery Plans December '11		APPENDIX C			
13	Performance and Intelligence: 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	G	100	Community Services Staff included in ringfence. Restructure completed. Budgets and future DP targets will be transferred to the new department	G
14	Administration & Business Support Review: Rationalise Business Support & Administration across the council.	R	0	Community Services engaged in project proposals but no firm savings yet identified.	R
15	Printing, Publicity and Advertising: challenge the current demand across the council and rationalise future publicity & advertising activity. Notional saving for department based on total council spend.	G	100	Budgets amended to generate savings	G
16	Equalities: Transforming Translate Plymouth to self financing model and other reshaping of the service to reflect national changes, local priorities & deliver efficiency savings.	G	70	Post deleted and self financing model established. NHS have signed a short term SLA.	G
17	Bulky waste: Increase bulky waste collection charge	G	15	The charges were increased on the 1st April 2011.	G
18	Management of Toilets: Transfer some public toilets from PCC to be maintained by others	R	20	Community Asset Transfer will not be continued in the current year.	R
19	Playgrounds: Transfer some playgrounds to local community ownership	R	50	Community Asset Transfer will not be continued in the current year.	R
20	Bowling Greens: Transfer some bowling greens to clubs / local community ownership	R	145	Community Asset Transfer will not be continued in the current year.	R
21	Cemeteries & Crematoria: increase fees above the rate of inflation	G	300	Charges were increased on 1st April 2011	G
22	Rationalisation of Environmental Services Structure	G	300	Completed. Posts removed from establishment by 1 April 2011	G
23	City water features: to be delivered by others	R	70	Annual maintenance was not undertaken however, a long term solution is still needed as water features are incurring cleaning costs	R
24	Reduction in Senior Management: consistent with other departmental plan, objective of reducing senior management by 20%	A	50	Now achieved	G
SAVINGS FROM OTHER DELIVERY GROUP TOTAL:			1,220		
TOTAL OF PLANS FOR COMMUNITY SERVICES:			4,141		

Development & Regeneration Delivery Plans December 2011

Appendix C

Balancing the budget : Areas for savings, efficiency gains or increase income		Delivery Plan Savings	Dec-11			
			2011/12	Progress Update		
		£000				2011/12 Revised
						R/A/G
1	Family Intervention and Anti Social Behaviour: Review and rationalise the service to account for a total loss in Revenue Grant £682k	210	Saving to alleviate pressure achieved through reducing the service to fit the resources available in 2011/12, continuing to seek external funding, negotiating income from Registered Social Landlords £200k and EIG Grant £400k (£268k reduction from 2009/10). No sustainable solution identified for 2012/13 onwards.			G
2	Package of Transport Options: considering options for increased income and/or revised service provision. For example, subsidised bus fares, shop mobility, car park charges etc.	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
3	Loss of Grant Funding: New Growth Points revenue grant removed (£1.02m). Replacement grant funding still requires further clarification	(1,020)	Already reduced expenditure/staffing to take account of lost grant as far as possible without adversely affecting growth agenda			G
4	Create a Growth Fund: creating a 'ring fenced' revenue growth fund from potential new revenue streams which are currently out to consultation and will become live from April 2011.	550	New Homes Bonus announced and ring-fenced through growth fund			G
	NEW Additional income to be achieved through new growth related revenue streams e.g. New Homes Bonus	300	New Homes Bonus announced and ring-fenced through growth fund			G
5	Economic Development: removal of remaining contribution to City Development Company.	200	Closure of the CDC delivered ongoing £200k saving, however, a CDC Legacy Fund working with the HCA and RDA has been created to support economic development activity			G
	NEW Additional income to be achieved through Fees and Charges	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.			A
DEVELOPMENT DIRECT PLANS TOTAL:		640				
Savings delivered to Development by other budget delivery groups:						
6	Administration & Business Support Review: Rationalise Business Support & Administration across the council.	0	Department has already taken action to further reduce admin support in base budget of £66k.			A
7	Printing, Publicity and Advertising: challenge the current demand across the council and rationalise future publicity & advertising activity. Notional saving for department based on total council spend.	100	Department has already taken action to reduce service base budgets in these areas by £67k. Additional savings will be required to achieve this target and when identified during the year it is anticipated that the RAG rating will become green			R
8	Reduction in Senior Management: consistent with other departmental plan, objective of reducing senior management by 20%	0	New Structure implemented on 1st Jan 2012 with Directors posts appointed. AD level currently under review.			G
9	NEW Reduction in Senior Management: Accelerate implementation of senior management restructure	50	New Structure implemented on 1st Jan 2012 with Directors posts appointed. AD level currently under review.			A
SAVINGS FROM OTHER DELIVERY GROUPS:		150				
RAG RATING RULES						
TOTAL OF ALL DELIVERY PLANS FOR DEVELOPMENT:		790	Green = clear plans in place / capacity to deliver identified / more than 50% of financial savings have already been realised			
			Amber = clear plans in place / capacity to deliver identified / clear milestones and project management arrangements identified / evidence of significant progress against these milestones			
			Red = no clear project plan / no milestones in place to evidence achievability of required revenue savings for 2011/12 and / or no clear capacity identified in order to implement the delivery plan.			

Balancing the budget : Areas for savings, efficiency gains or increase income			Projected Savings	Feasibility & Risk	
Rag			2011/12	Progress Update	Revised
			£000		R/A/G
1	Finance: further refinement of the staff structure	G	100	Savings will be achieved in 2011/12 through vacant posts. Modification to the structure will be presented to Unions in June / July '11	G
2	Corporate Property: Management restructure and efficiency savings on Facilities Management	G	100	Consultation with the Unions completed in February 2011. 3 Posts were removed in June 2011 and the £100k 2011/12 savings have started to be realised.	G
3	Cashiers: Revise and refine the council's approach to cash collection	G	100	Cashiers closed. Combined with plans 4, 5 & 7. We are now midway through the restructure process and new structure will be implemented from 1 September, with full savings coming on stream once staff are either redeployed or drop out of the PCC process.	G
4	Debt Management: better co-ordination of existing processes. Challenge the effective use of legal services / balifs etc	G	100	Combined with plans 3, 5 & 7. We are now midway through the restructure process and new structure will be implemented from 1 September, with full savings coming on stream once staff are either redeployed or drop out of the PCC process.	G
5	Income Generation: increase selling of support services externally and explore the potential for advertising on corporate assets	G	50	Combined with plans 3, 4 & 7. We are now midway through the restructure process and new structure will be implemented from 1 September, with full savings coming on stream once staff are either redeployed or drop out of the PCC process.	G
6	Audit Fee: Negotiate a reduction in external and internal audit scope and associated fees	G	50	Revised fee negotiated. Financial savings have been delivered. No FTE impact.	G
24*	Benefits Subsidy: Improvements to Housing Benefits subsidy claim to maximise income from benefit overpayments.	G	300	Joint work between finance and revs & bens has reduced our financial liability to DWP in respect of 2008/09 and 2009/10 claims. Improved processes to maximise HB subsidy claim. This financial saving is achievable based on current monitoring information.	G
7	Customer Services & Revenues & Benefits: integration of services, including Single Point of Contact & increased use of the Council website	G	300	Combined with plans 3, 4 & 5. We are now midway through the restructure process and new structure will be implemented from 1 September, with full savings coming on stream once staff are either redeployed or drop out of the PCC process.	G
8	Human Resources: staff restructure (relies on e-transactions, shared services & investment). To include a review of Trade Union Facilities	G	50	5.2 FTE reduction July 2011 further savings to be achieved through SharePoint and a new payroll database	G
9	Training & Development: review the provision of training throughout the department / council	G	350	Saving target includes ICT training team (£250k).	G
10	Democratic Services: reduce the level of Civic engagements and restructure the democratic support service	A	200	2 posts advertised and filled and Admin Support reorganised which allows deletion of 2 vacant posts. Consultation to begin on deletion of posts - additional pressures through delay in approving new Constitution and Scrutiny structure after June '11	A
11	Legal Services: Restructure the service and reduce support in non-critical areas	A	230	Discussion with finance over rationalisation of debt underway but delays have adversely impacted on elements of budget savings. Legal Services are therefore revisiting its delivery plan to find alternative delivery methods.	A
12	Registration Service: challenge the structure and increase fees and charges	G	80	New fees and charges introduced, time lag due to advance bookings. Nationality checking being introduced as additional income stream.	G
13	ICT Support: Reduce support provided to departments and minimise duplication across the council (will need some ICT investment)	G	150	Departmental systems, infrastructure and telephony reviewed for duplication and reduced where appropriate. Further projected savings identified with replacement of legacy systems with enterprise solutions.	G
14	ICT direct costs: Reduce licence costs, lease costs, phone rentals, licences etc	G	100	Significant savings achieved by improved analysis and robust challenge of existing hardware and software licence portfolio.	G
15	Data Quality Project. Reduction in duplication across different systems	G	50	Awaiting investment in dynamics and data matching software to be agreed. The savings from this investment will accrue across other departments from operational savings.	G
16	Senior Management: Reduce Senior management structure/ costs by 20%	G	0	No plans in place to achieve this saving to date. Assessed as 'Green' (not Red) as no requirement for financial savings to be made in 2011	G
16a*	Senior Management: Accelerate implementation of Sen Man restructure	G	50	Requirement to bring 2013/14 savings forward to commence in 2011/12. No plans in place yet to achieve this saving hence risk assessed as red.	G
CORPORATE SUPPORT DIRECT TOTALS:			2,360		

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

2011/12

17	Procurement: Procure To Pay / Buyer roll out. Driving efficiencies out of external purchasing	G	850	Buyers now in place for Corporate Support, Community Services, Children's and Development - processes revised and updated. Beginning to realise financial savings. Savings vs target will be closely monitored throughout the year.	G
17a	Corporate Support: Procurement *	A	381	Added target as part of the 2011/12 final budget setting process in February 2011. Proposed contingency of £400k from 2010/11 end of year adjustments.	A
18	Customer Contact Centre: bring in services from other departments into contact centre. Improve service & reduce costs	A	100	Finalising move of remaining car park services for Jan 2012. Outstanding issue is delays to full implementation of Microsoft Dynamics CRM which is critical to moving other services due to lack of agreement on capital. Customer Service pushing forward implementation as best as possible.	A
19	Employee Terms & Conditions: review and revise Terms and Conditions across the whole council *	G	700	At least £400k of the £700k savings target at risk due to delay in implementing the new Terms and Conditions.	G
20	Workforce Management: remove duplication with staff based within departments	R	70	Staff still within departments - next step requires CMT buy-in to moving resources into one co-ordinated organisational team	R
21	Print and Document Services (PADS) - consider options for future service delivery and/or increase productivity	G	0	Intending to undertake options appraisal back end of 2011/12. No financial or staff savings planned for next financial year	G
22	Accommodation Strategy	A	715	Vacated several satellite offices generating £350k under phase 1 from actions to date.	A
		A	150	Risk of not achieving £750k in 2011/12 due to delay in selling the Civic. Bringing forward Phase 2 asset disposals to mitigate this risk.	A
23	Business Support: restructure across the Council - anticipated savings attributable to Corporate Support	R	50	This plan is aimed at saving significant sums of money across all departments through a comprehensive restructure of Business Support. No tangible plans in place as to how this will be achieved - hence assessed as 'Red'	R
CORPORATE SUPPORT INDIRECT TOTAL:			3,016		
TOTAL DELIVERY PLANS CORPORATE SUPPORT:			5,376		
TOTAL SAVINGS TARGET CORPORATE SUPPORT:			5,221		
SURPLUS/(SHORTFALL) IF ALL PLANS DELIVERED:			155		

Chief Executive Delivery Plans December '11

Appendix C

Chief Executive Delivery Plans December '11				
Balancing the budget : Areas for savings, efficiency gains or increase income	Delivery Plan savings		Progress Update	
	2011/12	Budget		Revised
	£000	RAG		R/A/G
1 Performance and Intelligence: rationalise performance management, completion of government returns and data analysis across the council. 1/3rd of total planned savings applied to Chief Executives at this early stage of development	100	G	Lots of good work has been carried out to restructure in order to realise this DP within the timescales originally set - this has now been successfully been implemented. The DP is still being reported as Amber as there is still a slight shortfall in achieving the targets originally set, however other ways on delivering these savings are being reviewed within the Department.	G
2 Performance and Intelligence: Impact of losing the Performance Reward Grant. Overall restructure linked to Item 1 above	0	G	Risk assessment included in PID. Main risks highlighted here	G
CHIEF EXECUTIVE DIRECT PLANS TOTAL:	100			
Savings delivered on behalf of, or reliant on, other departments				
2 Consultation: Better joined up / rationalised small team of dedicated consultation staff. Look at duplication between departments and ensure consultation activity is relevant and required	100	G	Although the restructure above addressed this action there is still a question over whether this activity is still being carried out within Departments, therefore the DP is reported as Red.	A
3 Corporate Subscriptions: challenging the need for subscriptions to professional organisations. Joining up subscriptions and/or removing non essential spend.	100	G	Departments requested to submit business plans. These indicate a substantial saving compared to previous years could be achieved in 11/12, exceeding budget targets but some departments are yet to respond. These savings will not be directly cashable. Final position will not be known until year end but will be monitored during the year.	A
4 Printing, Publicity and Advertising: challenge the current demand across the council and rationalise future publicity & advertising activity. Notional saving for department based on reducing 25% of total council spend.	100	G	Work has been ongoing within Chief Executive's Department to change activities and culture in relation to Print, Publicity and Advertising. Chief Execs has seen some positive results of this and has achieved the full DP target for this area.	G
CHIEF EXECUTIVE INDIRECT PLANS TOTAL:	300			
TOTAL OF ALL DELIVERY PLANS FOR CHIEF EXECUTIVES:	400		RAG RATING RULES	
			Green = clear plans in place / capacity to deliver identified / more than 50% of financial savings have already been realised	
			Amber = clear plans in place / capacity to deliver identified / clear milestones and project management arrangements identified / evidence of significant progress against these milestones	
			Red = no clear project plan / no milestones in place to evidence achievability of required revenue savings for 2011/12 and / or no clear capacity identified in order to implement the delivery plan.	

CITY OF PLYMOUTH

Subject: Treasury Management Strategy Statement and Annual
Investment Strategy 2012/13

Committee: Audit Sub-Committee
Cabinet
Full Council

Date: 27 January 2012
7 February 2012
27 February 2012

Cabinet Member: Councillor Bowyer

CMT Member: Director of Corporate Services

Author: Andrew Liddicott, Senior Accountant

Contact: Tel: 01752 307873
e-mail: andrew.liddicott@plymouth.gov.uk

Ref: Acct/AL

Key Decision: Yes

Part: I

Executive Summary:

The Local Government Act 2003 requires the Council to set out its Treasury Management Strategy for borrowing and to prepare an Annual Investment Strategy. Officers have worked closely with the Council's Treasury Management advisors, Arlingclose Ltd, to review the options available to produce a borrowing and investment strategy that seeks to balance financial returns from the Council's cash balances whilst at the same time minimising financial risk to the Council.

This report outlines how the treasury management function contributes to the Council's overall policy objectives. It also outlines the risks inherent within the treasury management function and how officers will seek to minimise those risks.

The borrowing and investment policies proposed in this report therefore offer flexibility for the Director for Corporate Services, acting under delegated powers in accordance with the Constitution, to respond quickly to market circumstances without the need to seek prior Cabinet approval. Any amendments to the Treasury Management Strategy will require the approval of Cabinet with the exception of changes to the Prudential Indicators which can only be approved by Full Council.

The strategy over the medium term will be to align borrowing with the Capital Financing Requirement and investments with available balances and reserves.

The Council will continue to regard Risk, Security and Liquidity as the key factors in all its investments with the interest rate achieved only considered after these prime objectives. Following discussions with Arlingclose it is proposed that investments be limited to a maximum of one year with organisations meeting the appropriate credit quality, with consideration to longer-term investments in pooled funds and government/corporate bonds. Further details are outlined in the report.

This report also outlines the Council's Prudential Indicators for the next three years as required by the Local Government Act 2003, together with the MRP policy for 2012/13 required under the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008. These require approval by Full Council. The CIPFA Code of Practice on Treasury Management requires a formal mid year report and an end of year report, as a minimum, to be produced and presented to Full Council.

Corporate Plan 2012 - 2015:

Effective financial management is fundamental to the delivery of the Corporate Plan and our priorities. Treasury Management activity has a significant impact on the Council's activity both in revenue budget terms and capital investment and is a key factor in facilitating delivery against a number of corporate priorities.

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

Treasury Management affects the Council's budget in terms of borrowing costs and investment returns.

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

The volatility and uncertainty within the global financial markets continues to have a substantial effect on Treasury Management activities. The Council's investment strategy is constantly monitored and acted upon through the Treasury Management Board which meets weekly. The report outlines the risks specific to the treasury management function.

Recommendations & Reasons for recommended action

- I To request the Director of Corporate Services, acting under delegated authority in accordance with the Constitution, to keep the lending list under review and update the list during the year as dictated by market circumstances.
2. To recommend Full Council approve:
 - (a) The Treasury Management Policy Statement (Appendix A to this report)

- (b) The Treasury Management Strategy Statement for 2012/13
- (c) The Investment Strategy for 2012/13 set out in Sections 8 and 9 of the report including the use of Specified and Non-Specified Investments
- (d) The Lending Organisations and Counterparty limits set out in Appendix D
- (e) The Prudential Indicators set out in the report covering the revised indicators/limits for 2011/12 and the forecasts/limits for 2012/13 to 2014/15
- (f) The Authorised Borrowing limits of £309m, £284m and £274m for the period 2012/13 to 2014/15
- (g) The Operational Boundary of £279m, £268m and £259m for 2012/13 to 2014/15
- (h) The MRP policy for 2012/13

Alternative options considered and reasons for recommended action:

It is statutory requirement under the Local Government Act 2003 and supporting regulations to set an annual Treasury Management Strategy for borrowing and prepare an Annual Investment Strategy. This strategy including Prudential Indicators and the MRP policy must be approved by Full Council.

Background papers:

Treasury Management budget working papers

Sign off:

Fin	DN/CorpF1112 002/11.01.12	Leg	13768/DVS	HR		Corp Prop		IT		Strat Proc	
Originating SMT Member : Malcolm Coe											

Treasury Management Strategy Statement and Annual Investment Strategy 2012/13

I. Introduction/Background

I.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services (the “CIPFA TM Code”) requires local authorities to set a Treasury Management Strategy Statement (TMSS) and Prudential Indicators (PIs) on an annual basis. The TMSS also includes the Annual Investment Strategy (AIS) that is a requirement of the CLG’s Investment Guidance.

I.2 CIPFA has defined Treasury Management as:

“the management of the organisation’s investments, cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

I.3 The Council’s Treasury Management Policy Statement is set out in Appendix A. Treasury Management activity is a key factor for the Council achieving its objectives. The strategy takes into account the impact of the Council’s revenue budget and capital programme on the Balance Sheet position, the current and projected Treasury position, the Prudential Indicators and the outlook for interest rates.

I.4 Each year, Officers work with the Council’s Treasury Management advisors, currently Arlingclose, to develop a strategy that seeks to balance financial returns from the Council’s cash balances whilst at the same time minimising, as far as possible, the risks associated with treasury management activity. The Council’s detailed Treasury Management Strategy and Annual Investment Strategy is presented to an Audit Sub-Committee for scrutiny, prior to submission to Cabinet and Full Council for final approval.

I.5 The purpose of this Treasury Management Strategy Statement is to approve the:

- Treasury Management Strategy for 2012/13;
- Annual Investment Strategy for 2012/13 including the use of Specified and Non-Specified investments;
- Prudential Indicators for 2012/13, 2013/14 and 2014/15;
- MRP Statement; and
- Counterparty List applicable from 1 April 2012

I.6 A key element of Treasury Management is the management of risk. The Authority is responsible for its treasury decisions and activity. No treasury management activity is without risk and this is covered in this report.

I.7 As per the requirements of the Prudential Code, the Authority has adopted the CIPFA Treasury Management Code at its meeting of Full Council in April 2002. The council has incorporated the changes from the revision to the CIPFA Code of Practice in 2009 and 2011 into its treasury policies, procedures and practices.

I.8 All treasury management activity will comply with relevant statute, guidance and accounting standards

2. Treasury Management Risk

2.1 No treasury management activity is without risk. The successful identification, monitoring and control of risk is an important and integral element of the Council's treasury management activities. The CIPFA code lists risks to treasury activity as:

- Liquidity Risk (Inadequate cash resources)
- Market or Interest Rate Risk (Fluctuations in interest rate levels)
- Inflation Risk (Exposure to inflation)
- Credit and Counterparty Risk (Security of Investments)
- Refinancing Risk (Impact of debt maturing in future years)
- Legal & Regulatory Risk (i.e. non-compliance with statutory and regulatory requirements, risk of fraud)

2.2 The Council will continue to minimise risks contained within its current debt and investment portfolios by establishing an integrated debt management and investment policy which balances certainty and security with liquidity and yield. The Council will continue to make use of internal borrowing and short term variable rate borrowing, whilst at the same time seeking to balance its investments across a range of investment instruments. Further details of specific risks in the current borrowing and investment portfolios are outlined in the relevant sections.

2.3 Risk is managed by way of the limits set within the Prudential and Treasury Indicators which are required to be approved by Full Council before the start of each financial year.

3. The Use of Financial Instruments for the Management of Risks

3.1 Financial Instruments called derivatives are generally used to hedge risk, but can also be used for speculative purposes. Derivatives are instruments that can be bought to offset the risk of investments or debt held by the Council. They can be used to provide a hedge against interest rate risks. An example would be an interest rate swap used to exchange variable interest rates for fixed interest rates or vice versa reducing the risk of exposure to large levels of variable or fixed debt and balancing this against the mixture of variable and fixed rate investments.

3.2 Currently Local Authorities' legal powers to use derivative instruments remain unclear. The General Power of Competence enshrined in the Localism Bill is not sufficiently explicit. Consequently the Authority does not intend to use derivatives.

3.3 Should the position change, the Council may seek to develop a detailed and robust risk management framework governing the use of derivatives such as interest swaps and options, but this change in strategy will require Full Council approval.

4. The Council's Forecast Treasury Position

4.1 This report including Prudential Indicators is based on the latest available information on the Capital Programme and financing for 2011-12 to 2014-15. This is subject to approval by Cabinet on 7th February 2012. Any amendments to Prudential Indicators as a result of updates to the Capital Programme will be reported as a supplement to this report to be

approved by Full Council on 27th February 2012.

- 4.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with the Cash Backed Internal Balances, are the core drivers of the Authority's Treasury Management activities. The movement in actual external debt and balances combine to identify the Authority's borrowing requirement and potential investment strategy in the current and future years. The forecast CFR, borrowing, balances and the resulting net borrowing requirement is set out in table I below.

Table I

	2011/12 Estimate £m	2012/13 Estimate £m	2013/14 Estimate £m	2104/15 Estimate £m
Total CFR	270.235	260.698	251.399	242.480
Less: Existing profile of borrowing	204.403	191.315	191.315	191.315
Other Long Term Liabilities	35.016	33.776	32.502	31.191
Cumulative Maximum External Borrowing Requirement	30.816	35.607	27.582	19.974
Internal Balances*	60.354	51.700	66.689	71.336
Cumulative Net Borrowing Requirement/(Investments)	(29.538)	(16.093)	(39.107)	(51.362)

*Internal Balances includes MRP that can be used to repay debt/reduce future borrowing requirements

- 4.3 The actual and estimated treasury position for 31/3/2012 and 31/3/2013 is as follows:

Table 2

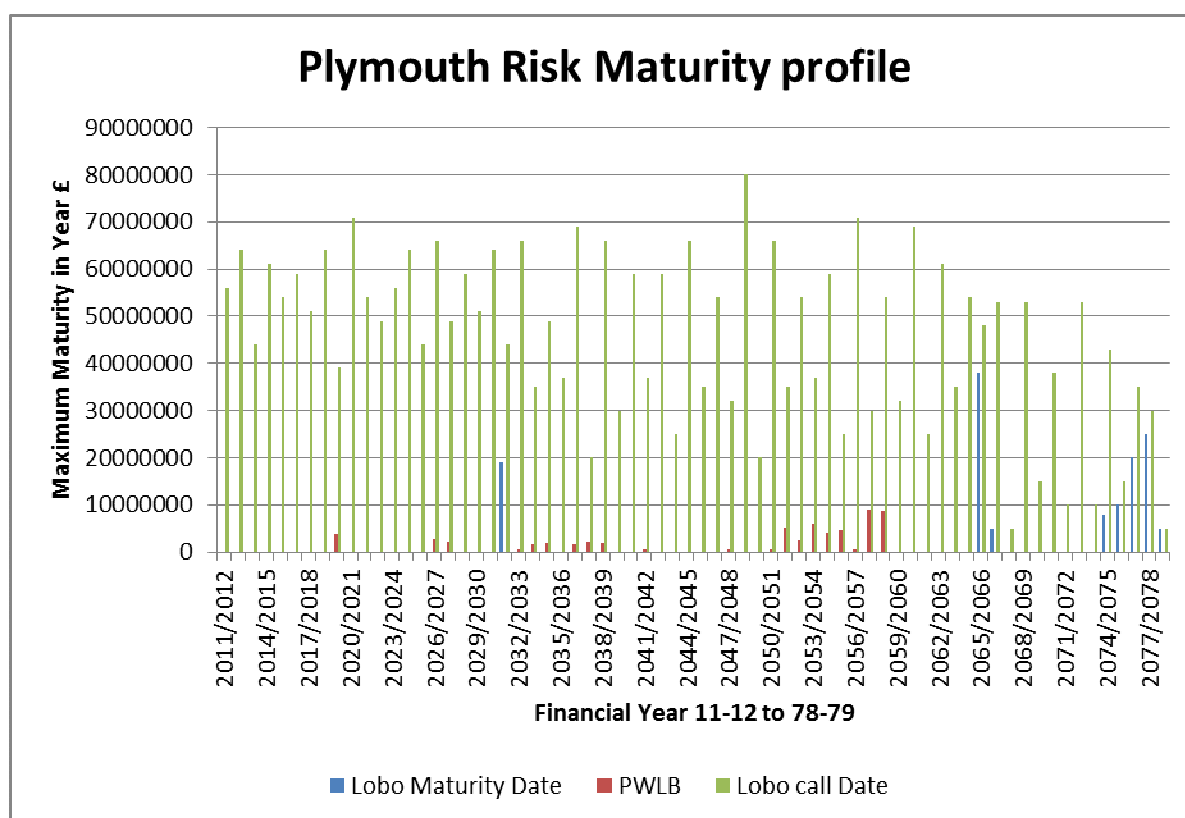
	11/01/2012 Actual £m	Ave %	31/3/2012 Estimate £m	Ave %	31/3/2013 Estimate £m
External Borrowing					
Fixed Rate PWLB	61.315	5.40	61.315	5.40	61.315
Fixed Rate – Lobo	66.000	4.41	66.000	4.41	86.000
Variable Rate – Lobo	64.000	4.43	64.000	4.43	44.000
Temporary Borrowing	10.000	0.30	15.000	0.30	7.179
Fixed Rate Bonds	0.083	1.00	0.083	1.00	0.083
Sub Total External Borrowing	201.398	4.51	206.398	4.41	198.577
PFI	31.017	8.73	31.017	8.73	30.247
Finance Leases	2.759		2.759		2.255
Total External Debt	235.174		240.174		231.079
Total Investments	78.007	1.00	53.000	1.00	52.000

- 4.4 Lobo loans are lender option borrower option loans, where the lender has the option to vary the rate at pre-agreed dates and the borrower then has the option to accept this rate or repay the loan. The option dates are set for periods ranging from 2 to 5 years. Where the period to the option date is one year or greater the loan is treated as a fixed rate. Where the period to the option date falls below one year the loan then becomes potentially subject to a change in rate in that year and therefore the loan is treated as a variable rate loan.
- 4.5 The Portfolio above allows for a reduction in short-term borrowing and an emphasis on internal borrowing due to current credit conditions. Internal borrowing using available balances is forecast to be £43m at 31st March 2012. This is subject to variation based on changes in forecast cashflow. If credit conditions improve and short-term rates remain low, further borrowing will be considered reducing the level of internal borrowing and increasing the level of both external debt and investments at 31st March 2012 and 31st March 2013.

4.6 Debt Maturity

The following graph shows the maturity profile of the Council's external debt.

Figure I



*The debt portfolio continues to include £130m of LOBO (market) loans. These loans have various option call dates where the banks have the ability to amend the loan terms and at which point the Council could choose to repay the loan if the terms are changed adversely. This is reflected within the maturity profile shown above (in green) to enable officers to risk manage the Council's cashflows.

- 4.7 The debt portfolio continues to have a higher weighting of market (LOBO) loans to PWLB. LOBO loans inherently carry a higher risk than PWLB loans as the Council

cannot effectively control the repayment of such loans and is unable to take advantage of rescheduling opportunities when interest rates change. This will be addressed over time with any new long term borrowing taken in PWLB loans.

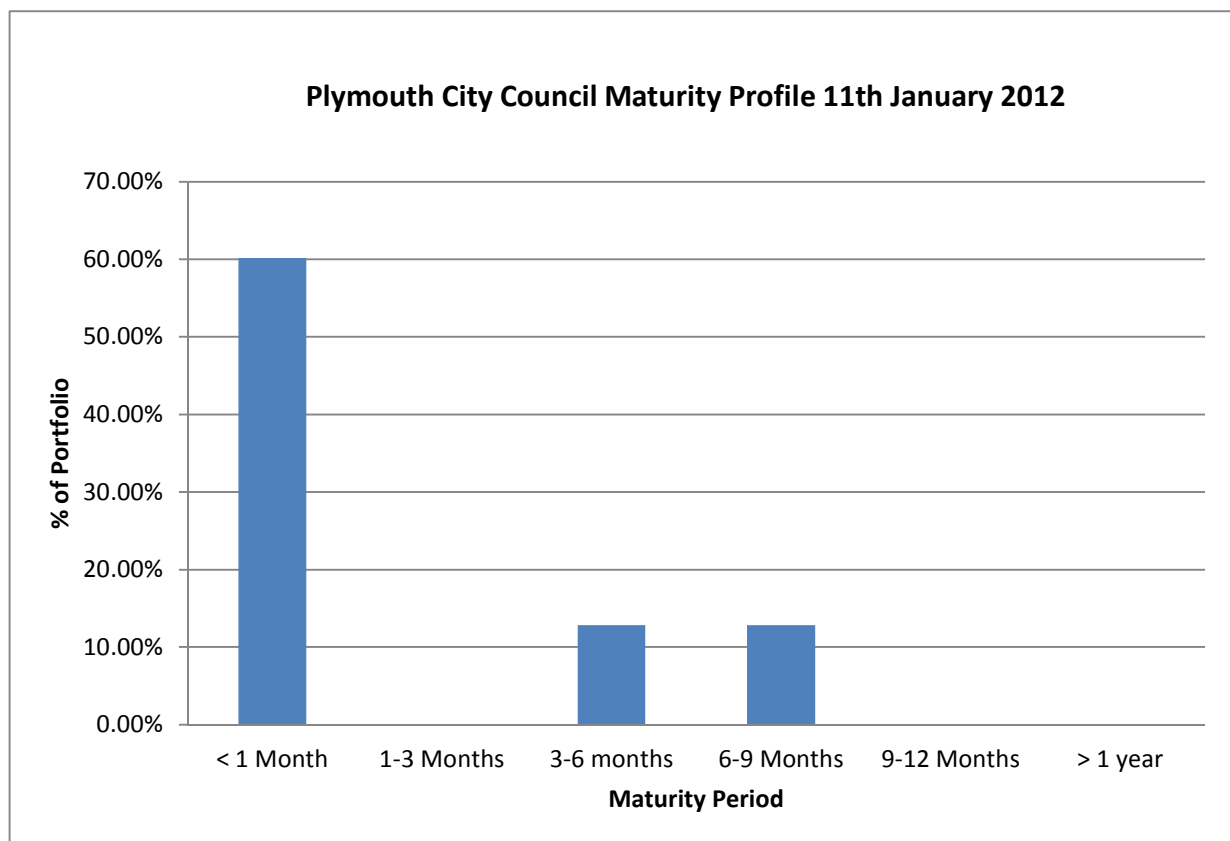
- 4.7 The estimate for interest payable during 2012/13, as included in the revenue budget, is £9.060m. This compares to the latest forecast for 2011/12 of £9.216m. The forecast reduction is based on a lower estimated level of short-term debt.

4.8 **Investments**

The Council's investments at 11 January 2012 are £78.007m, estimated to reduce to £53m at the end of the year based on forecast cashflow requirements and the continued strategy of using internal balances to cover the borrowing requirement for capital expenditure. The actual position at year end will depend on the continuation of this strategy and the credit conditions for the rest of the financial year.

The graph below shows the current maturity profile of the Council's investments.

Figure 2



4.9 The Council's investments at 11 January 2012 were as follows:

Table 3

Counterparty	Total
	£m
Iceland	11.062
Banco Santander	
Santander UK	9.915
Lloyds Banking Group	
Bank of Scotland	10.475
Barclays	15.000
Royal Bank of Scotland (RBS)	16.555
Nationwide	15.000
Total	78.007

4.10 In terms of risk management, with the exception of the £11.062m still held in Iceland, the investment portfolio is now held either in UK banks or building societies, or UK subsidiaries of foreign banks. These banks are viewed as systemically important to the UK economy and as such in the short to medium term would have the support of the UK government. Whilst these institutions continue to have this support, there is a risk, albeit a small risk, should the UK Government, i.e. our sovereign state, collapse.

4.11 The estimate for interest receipts for 2012/13 as included in the revenue budget proposals is £0.53m.

5. Interest Rate Forecasts

5.1 The economic and interest rate forecast provided by the Authority's treasury management advisor, Arlingclose, is attached at appendix B. The Authority will reappraise its strategy from time to time in response to evolving economic, political and financial events.

6 The Council's Borrowing Requirement and Prudential Indicators

6.1 The underlying need to borrow for capital

6.1.1 The underlying need to borrow for capital purposes is measured by reference to the Capital Financing Requirement (CFR). The CFR represents the cumulative capital expenditure of the local authority that has not been financed. To ensure that this expenditure will ultimately be financed, local authorities are required to make a Minimum Revenue Provision for Debt Redemption (MRP) from within the revenue budget each year. The estimated MRP included in the 2012/13 budget is £8.59m.

6.2 Table 4 below shows the estimated CFR over the medium term.

Table 4 Prudential Indicator- CFR

Capital Financing Requirement	31/3/2012 Approved £m	31/3/2012 Revised £m	31/3/2013 Estimate £m	31/3/2014 Estimate £m	31/3/2015 Estimate £m
Total CFR	269.456	270.235	260.698	251.399	242.480

- 6.3 Capital expenditure not financed from internal resources, i.e. not from capital receipts, capital grants and contributions, revenue or reserves, will produce an increase in the CFR (the underlying need to borrow) and may in turn produce an increased requirement to charge MRP to the Revenue Account.
- 6.4 The funding of the capital programme is kept under constant review. Due to the removal of supported borrowing previously included within the settlement for capital programmes, replaced by grant, the majority of borrowing taken to cover capital expenditure is unsupported funding with the full cost of this borrowing being met from the Council's revenue budget. Due to the pressure on the revenue budget any capital schemes requiring unsupported borrowing will be limited. The estimated borrowing requirement forecast to cover the capital programme over the next 3 years based on the current approved programme is:

	£m
2012/13	5.242
2013/14	Nil
2014/15	Nil

An additional £3.066m of short-term borrowing may be required in 2012/13 to cover the timing differences in realising capital receipts. This borrowing will be repaid from expected capital receipts in the following year. The borrowing requirement is expected to be met from short-term borrowing, cashflow and internal balances.

- 6.5 Actual borrowing may be greater or less than the CFR but, in accordance with the Prudential Code, the Council will ensure that net external borrowing does not, except in the short term, exceed the CFR in the preceding year plus the estimated additional CFR for the current and next two financial years. The Council will have no borrowing in advance at 1 April 2012.
- 6.6 Under Section 3 of the Local Government Act 2003 and supporting regulations the Council must determine and keep under review how much it can afford to borrow. The Council is required to set two limits:
- The Authorised Limit
 - The Operational Boundary
- 6.7 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments). The limits include any PFI or Finance Lease repayments. The limits proposed for the medium period are shown in table 5.

Table 5 Prudential Indicator – Authorised Limit for External Debt

Authorised Limit for External Debt	2011/12 Approved £m	2011/12 Revised £m	2012/13 Limit £m	2013/14 Limit £m	2014/15 Limit £m
Borrowing	337	256	275	251	243
Other Long-term Liabilities	31	35	34	33	31
Total	368	291	309	284	274

- 6.8 The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario, but without the additional headroom included within the Authorised Limit. Table 6 shows the Operational Boundary proposed for the medium term period.

Table 6 Prudential Indicator – Operational Boundary for External Debt

Operational Boundary for External Debt	2011/12 Approved £m	2011/12 Revised £m	2012/13 Limit £m	2013/14 Limit £m	2014/15 Limit £m
Borrowing	312	236	245	235	228
Other Long-term Liabilities	31	35	34	33	31
Total	343	271	279	268	259

- 6.9 The Borrowing limits are required to be formally approved by Full Council and, whilst these can be amended during the year, any amendment also requires Full Council approval. The limits will reduce in 2013/14 and 2014/15 as debt is repaid and the forecast borrowing for the capital programme is reduced.
- 6.10 The Director for Corporate Services has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Full Council.
- 6.11 The Prudential Code requires that capital expenditure remains within sustainable limits and, in particular, requires authorities to consider the impact on Council Tax. The tables below show the anticipated capital expenditure over the period to 2014/15, as outlined in the latest approved capital programme, and how this expenditure will be financed.

Table 7 Prudential Indicator – Estimates for Capital Expenditure

Capital Expenditure *	2011/12 Approved £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m	2014/15 Estimate £m
Total	85.201	78.662	50.721	28.7978	14.881

The capital expenditure is expected to be financed as follows:

Table 8

Capital Financing *	2011/12 Approved £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m	2014/15 Estimate £m
Capital Receipts	19.642	20.126	9.955	5.077	-
Grants and Contributions	42.642	33.575	33.177	23.472	13.294
Section 106/Tariff	6.573	1.857	0.956	0.051	1.250
Revenue/Fund	0.015	3.298	1.391	0.198	0.337
Total Financing	68.872	58.856	45.479	28.798	14.881
Borrowing:					
Supported Borrowing	0.078	0.277	0.047	-	-
Unsupported Borrowing	16.251	19.529	5.195	-	-
Total Borrowing Requirement	16.329	19.806	5.242	-	-
Total Financing	85.201	78.662	50.721	28.798	14.881

*The 2011/12 approved figures are as per the 2011/12 budget book with the 2011/12 revised and 2012-13 to 2014/15 estimates based on the latest forecast in the Quarter 3 capital monitoring report.

6.12 Incremental Impact of Capital Investment Decisions

As an indicator of affordability the table below shows the impact of capital investment decisions on Council Tax. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Table 9 Prudential Indicator – Incremental Impact of Investment Decisions

Incremental Impact of Capital Investment Decisions	2011/12 Approved £	2011/12 Revised £	2012/13 Estimate £	2013/14 Estimate £	2014/15 Estimate £
Increase in Band D Council Tax	1.96	0.81	0.92	5.12	7.44

- 6.13 The impact on the Council Tax in 2012/13 and future years reflect the cumulative cost of financing the approved capital programme in 2012/13 to 2014/15.

6.14 Ratio of Financing Costs to Net Revenue Stream

The ratio of financing costs to the Council's net revenue stream is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The ratio is based on the costs net of investment income.

Table 10 Prudential Indicator – Ratio of Financing Costs to Net Revenue Stream

Ratio of Financing Costs to Net Revenue Stream	2011/12 Approved %	2011/12 Revised %	2012/13 Estimate %	2013/14 Estimate %	2014/15 Estimate %
	7.29	6.90	8.56	8.67	8.42

7 **The Borrowing Strategy for 2012/13**

- 7.1 Treasury management and borrowing strategies in particular continue to be influenced not only by the absolute level of borrowing rates but also the relationship between short and long term interest rates. The interest rate forecast provided in Appendix B indicates that an acute difference between short and longer term interest rates is expected to continue. This difference creates a “cost of carry” for any new longer term borrowing where the proceeds are temporarily held as investments because of the gap between what is paid on the borrowing and what is earned on the investment. Whilst the cost of carry can be assumed to be a reasonably short-term issue since borrowing is often for longer dated periods (anything up to 50 years), it cannot be ignored against a backdrop of uncertainty and affordability constraints in the Authority's wider financial position.
- 7.2 The Authority's current level of debt and investments is set out at Table 1 and Table 2 in section 4 of this report.
- 7.3 Although the Authority is able to borrow funds in excess of the current level of its CFR up to the projected level in 2014/15, the reducing CFR forecast as a result of MRP being in excess of any new borrowing over the next 3 years means any borrowing will be limited to the in year CFR.
- 7.4 As indicated in Table 1 in Section 4 of this report, the Authority has a forecast gross borrowing requirement of £35.607m in 2012/13 but has sufficient balances to avoid the need for external borrowing. By essentially lending its own surplus funds to itself, the Authority is able to minimise borrowing costs and reduce overall treasury risk by reducing the level of its external investment balances. If credit conditions improve, the Director for Corporate Services will consider externalising this borrowing using short – term loans or long-term loans as part of a balanced maturity profile within the Prudential Indicators included in this report. The Council will adopt a flexible approach to

borrowing in consultation with its treasury management advisors, Arlingclose. The following issues will be considered prior to undertaking any external borrowing.

- Affordability
- Credit and Counterparty risk of increased investments
- Maturity profile of existing debt
- Interest rate and refinancing risk
- Borrowing Source

7.5 Borrowing options available to the Council are:

- PWLB loans
- Borrowing from other local authorities
- Borrowing from institutions such as the European Investment Bank and directly from Commercial Banks
- Borrowing from the Money Markets
- Local authority stock issues
- Structured finance
- Leasing

7.6 The cost of carry has resulted in an increased reliance upon shorter dated and variable rate borrowing. This type of borrowing injects volatility into the debt portfolio in terms of interest rate risk but is counterbalanced by its affordability and alignment of borrowing costs with investment returns. The Authority's exposure to shorter dated and variable rate borrowing is kept under regular review by reference to the difference or spread between variable rate and longer term borrowing costs. A narrowing in the spread by 0.5% will result in an immediate and formal review of the borrowing strategy to determine whether the exposure to shorter dated and variable rates is maintained or altered.

7.7 The Authority has £130m exposure to LOBO loans (Lender's Option Borrower's Option) of which £64m of these can be "called" within 2012/13. A LOBO is called when the Lender exercises its right to amend the interest rate on the loan at which point the Borrower can accept the revised terms or reject them and repay the loan. LOBO loans present a potential refinancing risk to the Authority since the decision to call a LOBO is entirely at the lender's discretion.

Any LOBOs called will be discussed with the treasury advisers prior to acceptance of any revised terms. The default position will be the repayment of the LOBO without penalty i.e. the revised terms will not be accepted.

7.8 **Debt rescheduling**

The Authority's debt portfolio can be restructured by prematurely repaying loans and refinancing them on similar or different terms to achieve a reduction in risk and/or savings in interest costs.

The lower interest rate environment and changes in the rules regarding the premature repayment of PWVLB loans has adversely affected the scope to undertake meaningful debt restructuring although occasional opportunities arise. The rationale for undertaking any debt rescheduling would be one or more of the following:

- Savings in risk adjusted interest costs
- Rebalancing the interest rate structure of the debt portfolio
- Changing the maturity profile of the debt portfolio

As opportunities arise, they will be discussed with the Council's treasury advisors.

7.9 Borrowing and rescheduling activity will be reported to the Cabinet in the quarterly monitoring report and formal treasury management mid-year and annual reports will be presented to Audit Committee and Full Council.

7.10 The following Treasury Indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.

Table 11 Treasury Indicator – Upper Limits for Interest Rate Exposure

	2011/12 Approved %	2011/12 Revised %	2012/13 Limit %	2013/14 Limit %	2013/14 Limit %
Upper Limit for Fixed Interest Rate Exposure	200	225	200	200	200
Upper Limit for Variable Interest Rate Exposure	85	85	50	50	50

7.11 The Council will also limit and monitor large concentrations of fixed rate debt needing to be replaced. Limits in the following table are intended to control excessive exposures to volatility in interest rates when refinancing maturing debt.

Table 12 Treasury Indicator – Maturity Structure of Fixed Rate Borrowing

Maturity structure of fixed rate borrowing	Approved Upper limit for 2011/12 %	Upper Limit for 2012/13 %	Lower Limit for 2012/13 %
under 12 months	50	50	0
12 months and within 24 months	70	60	0
24 months and within 5 years	35	40	0
5 years and within 10 years	25	25	0
10 years and within 20 years	25	30	0
20 years and within 30 years	25	30	0
30 years and within 40 years	25	25	0
40 years and within 50 years	35	40	0
50 years and above	50	25	0

These limits are based on the risk of Lobo loans being called and repaid at the next option date and not at the final maturity date.

- 7.12 The update of the CIPFA Treasury Management Code of Practice issued in November 2011 introduced an additional Prudential Indicator to highlight a situation where the Council is planning to borrow in advance of its cash requirements. This can be expressed as a limit on the percentage of net debt against gross debt as set out in table 13 below.

Table 13 Treasury Indicator – Gross and Net Debt – Limit of net debt as a percentage of gross debt.

Net Debt as a % of Gross Debt	2011/12 Estimated %	2012/13 Limit %	2013/14 Limit %	2014/15 Limit %
Upper Limit	80	80	80	80
Lower limit	36	35	35	35

The upper limit allows for periods where deposits are reduced, due to cashflow and the use of internal borrowing, to reduce credit risk. The lower limit allows for periods where cash and investments are increased due to positive cashflow, particularly in periods where grant funding is received. The higher the % the lower the credit risk of holding higher level of investments. CIPFA has acknowledged that the upper limit does not work as was intended and is working on a revised indicator. This indicator will be amended once revised guidance has been received from CIPFA and will be included in the Treasury Management mid-year report.

7.13 Tax Incremental Financing

In its White Paper “Local Growth: realising every place’s potential” which was released in November 2010, the Government outlined its plans to give councils the tools to promote growth, including giving more freedom for local authorities to make use of additional revenues to drive forward economic growth in their areas. To this aim they

are looking to introduce new borrowing powers to enable authorities to carry out Tax Incremental Financing (TIF).

In determining the affordability of borrowing for capital purposes, local authorities take account of their current income streams and forecast future income. Currently this does not factor in the full benefit of growth in local business rate income. TIF will enable local authorities to borrow against a future additional uplift to their business rates base. This will require new legislation and will be closely linked to another Government initiative concerning the localisation of business rates i.e. local retention of business rate income. It will be important to manage the costs and risks of this borrowing alongside wider borrowing under the Prudential Code.

Further information will be available via the Local Government Resource Review which is due to be announced shortly.

ANNUAL INVESTMENT STRATEGY 2012-13

8 Investment Policy

- 8.1 In accordance with Investment Guidance issued by the CLG and best practice this Authority's primary objective in relation to the investment of public funds remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yields earned on investments is important but are secondary considerations.
- 8.2 Credit markets remain in a state of distress as a result of the excessive and poor performing debt within the financial markets. In some instances, Greece and Italy being the most notable examples, the extent and implications of the debt it has built up have lead to a sovereign debt crisis and a banking crisis with the outcome still largely unknown. It is against this backdrop of uncertainty that the Authority's investment strategy is framed.
- 8.3 Investments are categorised as "Specified" or "Non-Specified" within the investment guidance issued by the CLG.

Specified investments are sterling denominated investments with a maximum maturity of one year. They also meet the "high credit quality" as determined by the Authority and are not deemed capital expenditure investments under Statute. Non specified investments are, effectively, everything else.

- 8.4 The types of investments that will be used by the Authority and whether they are specified or non-specified are as follows:

Table 13 Specified and Non-Specified Investments

Investment	Specified	Non-Specified
Term deposits with banks and building societies	✓	✓
Term deposits with other UK local authorities	✓	✓
Certificates of deposit with banks and building societies (CD's)	✓	✓
Gilts	✓	✓
Treasury Bills (T-Bills)	✓	x
Bonds issued by Multilateral Development Banks	✓	✓
Local Authority Bills	✓	x
Commercial Paper	✓	x
Corporate Bonds	✓	✓
AAA rated Money Market Funds	✓	x
Other Money Market and Collective Investment Schemes	✓	✓
Debt Management Account Deposit Facility	✓	x

8.5 A number of changes have been implemented to the investment strategy for 2012/13 in response to changes in the CLG Guidance and evolving conditions in financial markets. This results in the inclusion of corporate bonds which the CLG have indicated will become an eligible non-capital investment from 1st April 2012. However, the principal amendments are in relation to the individual institutions with which the Authority is prepared to lend its funds and the reduction in deposit maturities with these banks/building societies from 2 years as set in the 11-12 strategy to 1 year for the 12-13 strategy. The director of Corporate Services has delegated authority to manage counterparty limits with the maximum maturity limits set out within the 2012-13 investment strategy.

8.6 The financial institution credit rating limits in place and proposed for 12-13 is a minimum long-term rating of A- or equivalent and a minimum short-term rating of F1 or equivalent with a minimum long-term sovereign rating for non UK countries of AA+ or equivalent. The financial institution limit proposed is lower than the A+ minimum originally adopted in 2011/12 and is a response to downgrades in credit ratings below A+ of many institutions considered to be systemically important to the financial system. The minimum credit rating required to be met from all three credit rating agencies are:

Fitch Long-Term (LT) A- Short-Term (ST) F1
 Moody's Long-Term (LT) A3 Short-Term (ST) P-1

Standard & Poor's Long-Term (LT) A- Short-Term (ST) A-I

8.7 In response to these downgrades it is proposed to reduce the counterparty limits for Non-UK banks from £10m to £5m whilst increasing the limits available for using Money Market Funds (MMF's) from 10% to 20% of the investment portfolio and Bonds issued by multilateral investment banks from 10% to 20% to increase the flexibility and security of investments at times of increased credit risk.

8.8 Within the criteria set out above new specified and non-specified investments will be made/considered within the following limits:

Specified Investments				
Investment		Minimum Security / Credit Rating	Maximum Amount	Maximum Period
Term Deposit UK Government	DMADF (DMO)	Government Backed	No limit	12 Months
Term Deposits/Bills	UK Local Authorities: Unitary Councils County Councils Metropolitan Councils London Borough Councils	High Security	£5m	12 Months
Term Deposits / CD's / Call Accounts (including callable deposits)	UK Banks / Building Societies	Minimum credit rating: Fitch LT A- St FI Moody's LT A3 ST P-I S&P LT A- ST A-I	£30m	12 Months
Term Deposits / CD's / Call Accounts (including callable deposits)	Non-UK Banks	Minimum credit rating: Fitch LT A- St FI Moody's LT A3 ST P-I S&P LT A- ST A-I In select countries with a minimum Sovereign Rating of AA+	£5m	12 Months
Gilts	UK Government	Government Backed	20% of total investments	12 Months
T-Bills	UK Government	Government Backed	No limit	12 Months
Bonds issued by multilateral development banks	Non-UK	AAA or Government Guaranteed	20% of total investments	12 Months
Corporate Bonds	UK Companies	Minimum credit rating: Fitch LT A- St FI Moody's LT A3 ST P-I S&P LT A- ST A-I	10% of total Investment	12 Months
Commercial Paper *	UK Companies	Minimum credit rating: Fitch LT A- St FI Moody's LT A3 ST P-I S&P LT A- ST A-I	10% of total Investments	9 Months
Money Market Funds	CNAV MMF's VNAV MMF's (where there is greater than	AAA	20% of total investments Max £5m	Call

	12 month history of a consistent £1 Net Asset Value)		per fund limited to 0.5% of total fund value	
Other MMF's and Collective Investment Schemes	Various	Pooled funds which meet the definition of a Collective Investment Scheme per SI 2004 No 534 and subsequent amendments	£10m	No set maturity date

* Commercial Paper (CP) is a short-term unsecured promissory note with a fixed maturity of 1 to 270 days. It is a money-market security issued (sold) by large banks and corporations to raise funds to meet short term debt obligations (for example, payroll), and is backed by an issuing bank or corporation's promise to pay the face amount on the maturity date specified on the note. Although originally a paper instrument (hence the name), CP is now issued electronically and the notes are held in accounts on a central electronic register.

The reduction in the proposed strategy to limit investment with Banks and Building Societies to a maximum of one year limits the investments that are available to be used that fall within the category of Non-Specified Investments. These investments are required to be identified separately to ensure the Council understands these are higher risk, either due to counterparty risk, liquidity risk and/or interest rate risk. The Council has traditionally invested in term deposits or call accounts, although the annual strategy statements have outlined a number of other specified and non-specified instruments. Non-specified investments available to be used in 2012/13 are detailed below.

Non-Specified Investments				
Investment		Minimum Security / Credit Rating	Maximum Amount	Maximum Period
Term Deposits	UK Local Authorities: Unitary Councils County Councils Metropolitan Councils London Borough Councils	High Security	£5m	2 Years
Gilts *	UK Government	Government Backed	20% of overall investments	10 Years
Bonds issued by multilateral development banks *	Non-UK	AAA or Government Guaranteed	20% of overall investments	10 Years
Other MMF's and Collective Investment Schemes *	Various	Pooled funds which meet the definition of a Collective Investment Scheme per SI 2004 No 534 and subsequent amendments	£10m	No set maturity date

*Investments in Gilts, Bonds and Collective Investment Schemes will be considered following the advice of our Treasury Management Advisors, Arlingclose.

8.9 Credit risk prudential Indicator

8.10 The Council considers security, liquidity and yield, in that order, when making investment decisions.

8.11 Credit ratings remain an important element of assessing risk but they are not a sole feature in the Council's assessment of credit risk.

8.12 The Council also considers alternative assessments of credit strength and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings for financial institution (minimum long term rating of A- or equivalent for counterparties; AA+ or equivalent for non-UK sovereigns systemically important to the financial system)
- Credit Default Swaps (where quoted)
- Economic fundamentals (for example Net Debt as a percentage of GDP)
- Sovereign support mechanisms/potential support from well-resourced parent institutions
- Share Prices (where available)
- Macro-economic indicators
- Corporate developments, news, articles, market sentiment and momentum

8.13 In addition Arlingclose have developed the following matrix to score the credit risk of an authority's investment portfolio:

- Value weighted average credit risk score
- Value weighted average credit rating score
- Time weighted average credit risk score
- Time weighted average credit rating score

Scoring methodology:

- Value weighted average reflects the credit quality of investments according to the size of the deposit
- Time weighted average reflects the credit quality of investments according to the maturity of the deposit
- Credit quality is calculated as:
 - AAA = highest credit quality = 1
 - D = lowest credit quality = 15

The Council will aim for A- or higher credit rating, with a score of 7 or lower, to reflect an investment approach with its main focus on security within the proposed use of counterparties and investment limits set in this report.

- 8.14 Any institution can be suspended or removed should any of the factors identified above give rise to concern.

The countries and institutions that meet the criteria for term deposits, Certificates of Deposit (CDs) and call accounts up to 12 months are included in Appendix C together with the limits in place at 11.01.2012.

It remains the Authority's policy to make exceptions to counterparty policy established around credit ratings, but this is conditional and directional. What this means is that an institution that meets criteria may be suspended, but institutions not meeting criteria will not be added.

- 8.15 **Authority's Banker** – The Authority banks with the Co-operative Bank. At the current time it *does not* meet the minimum credit criteria of A- (or equivalent) long term and FI or equivalent short-term. *Despite the credit rating being below the Authority's minimum criteria the Co-operative Bank will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.*

This policy has been implemented in the revised strategy for 11/12 approved by Cabinet on 29th November 2011.

9 Investment Strategy

- 9.1 Credit markets remain in a state of distress as a result of the excessive and poor performing debt within the financial markets. In some instances, Greece and Italy being the most notable examples, the extent and implications of the debt it has built up have led to a sovereign debt crisis in the Eurozone. An age of austerity has been used as an attempt to reduce debt levels with the IMF increasing funds available to aid Countries in financial difficulties. Despite a number of meetings of European Union member countries, the Eurozone crisis is far from being resolved and the final outcome is still largely unknown. It is against this backdrop of uncertainty that the Authority's investment strategy is framed.
- 9.2 With short-term interest rates low for even longer, an investment strategy will typically result in a lengthening of investment periods, where cash flow permits, in order to lock in higher rates of acceptable risk adjusted returns. The problem in the current environment is finding an investment counterparty providing acceptable levels of counterparty risk.
- 9.3 In order to diversify an investment portfolio largely invested in cash, investments will be placed with a range of approved investment counterparties in order to achieve a diversified portfolio of prudent counterparties, investment periods and rates of return. Maximum investment levels with each counterparty will be set to ensure prudent diversification is achieved.

9.4 Money Market Funds (MMFs) will be considered but good treasury management practice prevails and whilst MMFs provide good diversification the Authority will also seek to diversify any exposure by utilising more than one MMF. The Authority will also restrict its exposure to MMFs with lower levels of funds under management and will not exceed 0.5% of the net asset value of the MMF.

9.5 The Council's in-house investments are made with reference to the outlook for the UK Bank Rate and money market rates. The current counterparty list and investment strategy permits the Council to invest in:

- The Debt Management Agency Deposit Facility (DMO)
- Treasury Bills (T-Bills) issued by the UK Government
- Term deposits or business reserve accounts with UK banks or building societies systemically important to the UK economy
- UK nationalised/part nationalised banks
- Deposits with other local authorities
- Deposits with highly credit rated foreign banks, on the advice of Arlingclose (not currently used)
- Certificate of deposits with banks and building societies
- Bonds issued by multilateral development banks
- Gilts (Bonds issued by the UK government)
- UK Government Treasury Bills (T-Bills)
- AAA-rated Money Market Funds (MMF) with a Constant Net Asset Value (Constant NAV investing predominantly in government securities (not currently used)
- AAA-rated Money Market Funds with a Constant Net Asset Value (Constant NAV) investing in instruments issued primarily by financial institutions (not currently used)
- AAA-rated Money Market Funds with a Variable Net Asset Value (VNAV)
- Other Money Market Funds and Collective Investment Schemes which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573

In addition to these available investments, new investment types proposed for 2012-13 to give greater flexibility within the risks identified in this report are:

- UK Government Gilts
- Commercial Paper
- Corporate Bonds

9.6 The Council needs to maintain flexibility in its investment options if it is to be able to respond quickly to changing circumstances, and the above list continues to outline a number of investment instruments available for use in the coming year. The inclusion of such instruments on the list will afford the Director for Corporate Services, acting under delegated authority in accordance with the Constitution and in consultation with the Treasury Management Board, the flexibility required to manage the investment portfolio on a day to day basis responding to market conditions without the need to seek prior Council approval for changes. Inclusion of an instrument on the list does not mean that the Council will necessarily make use of these during the year. New organisations and

instruments would not be used without careful monitoring of the credit risk, and, liaison with our treasury advisors.

- 9.7 In any period of significant stress in the markets, the default position is for investments to be made with the Debt Management Office (DMADF) and UK Treasury Bills. The rates of interest from the DMADF/T-Bills are below equivalent money market rates, but the returns are an acceptable trade-off for the guarantee that the Council's capital is secure.
- 9.8 The Council and its treasury advisors, Arlingclose, will continue to analyse and monitor the indicators set out in 8.12 and credit developments on a regular basis and respond as necessary to ensure security of the capital sums invested.
- 9.9 The Council will keep a minimum of £15m in liquid call accounts at all times to ensure cash is available to meet its liabilities.
- 9.10 The UK Bank Rate has been maintained at 0.5% since March 2009, and is anticipated to remain at low levels throughout 2012/13. Short-term money market rates are likely to remain at very low levels for an extended period which will have a significant impact on investment income.
- 9.11 To protect against a lower for longer prolonged period of low interest rates and to provide certainty of income some longer-term investment options, set out below, may be considered during 2012/13 following the advice of our treasury advisors, Arlingclose.
- UK Government Gilts. Rates on offer have fallen sharply over the past year but these investments provide the highest level of security and may be considered if credit conditions worsen.
 - Deposits with Local Authorities. These rates are lower than those available from Banks and Building Societies but provide additional security and may be used to secure investment returns.
 - Supranational Bonds (bonds issued by multilateral development banks):- even at the lower yields likely to be in force, the return on these bonds would provide certainty of income against an outlook of low official interest rates.
 - Pooled Funds which meet the definition of a Collective Investment Scheme per SI 2004 No 534 and subsequent amendments. These are investment products where the council would purchase units and receive a dividend payment. The capital growth of these investments varies over time and would only be considered as long-term investments. Such funds include Property and Equities. Due to fluctuations in the capital value with these type of investments there is a risk on disinvestment that the Council may not receive the full value of the original investment.
- 9.12 The Council has placed an upper limit for principal sums invested for over 364 days, as required by the Prudential Code. This limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested. No more than 30% of the Council's investment portfolio will be in investments exceeding 364 days at any one time.

Table 13 Prudential (Treasury) Indicator – upper limit for sums invested more than 364days

Upper Limit for total principal sums invested over 364 days	2011/12 Approved £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m	2013/14 Estimate £m
	25	25	20	20	20

- 9.13 The Council's updated lending list for 2012/13 is included at Appendix D. These are the maximum limits proposed for 2012/13. Limits in place for each investment type and counterparty will depend on the economic circumstances and the credit risk. The list will continue to be reviewed and updated by the Director for Corporate Services during the year.
- 9.14 The target rate of return on new investment in 2012/13 is 0.80%. The current deposits include some longer-term deposits taken in 11-12 maturing in 12-13. This amounts to £20m of deposits at an average rate of 1.75%. Taking these deposits into account the average rate forecast for 2012/13 is 0.90%. The investment interest included in the 2012/13 budget is £0.503m. This allows for a continued strategy of internal borrowing and the use of call accounts.
- 9.15 The benchmark to be used for the Council's investment returns will be the daily average 7- day London Interbank Bid rate (LIBID).

10. Investments defined as Capital Expenditure

- 10.1 The acquisition of share capital or loan capital in any body corporate, a loan or grant or financial assistance by the Council to another body for capital expenditure, and certain other types of investment are defined as capital expenditure under the relevant regulations.
- 10.2 The Council's policy is to not use any investment which will be deemed capital expenditure.

11. Balanced Budget Requirement

- 11.1 The Council complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget. The proposed budget for 2012/13 is set out in the 2012/13 budget report.

12. Annual MRP Statement

- 12.1 The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

12.2 The four MRP options available are:

Option 1: Regulatory Method – this method replicates the position that would have existed under the previous regulatory environment. MRP is charged at 4% of the Authority’s underlying need to borrow for capital purposes; the Capital financing Requirement (CFR). The formula includes an item known as “Adjustment A” which was intended to achieve neutrality between the CFR and the former Credit Ceiling which was used to calculate the MRP prior to the introduction of the Prudential System on 1st April 2004.

Option 2: CFR Method – This method simplifies the calculation of MRP by basing the charge solely on the Authority’s CFR but excludes the technical adjustments in Option 1, resulting in a higher charge using this method. The annual MRP is set at 4% of the non-housing CFR at the end of the preceding financial year.

Option 3: Asset Life Method – Under this method MRP is determined by the life of the asset for which the borrowing is undertaken. This can be calculated by either of the following methods.

1. MRP commences in the financial year following that in which the expenditure is incurred or, in the year following that in which the relevant asset becomes operational. This enables an MRP “holiday” to be taken in relation to assets which take more than one year to be completed before they become operational.
2. The estimated life of the asset will be determined in the year that MRP commences and will not be subsequently revised. However additional repayments can be made in any year which will reduce the level of payments in subsequent years.
3. If no life can be reasonably attributed to an asset, such as freehold land, the life is taken to be a maximum of 50 years. In the case of freehold land on which a building or other structure is constructed, the life on the land will be treated as equal to the structure, where this would exceed 50 years.

Option 4: Depreciation Method – The depreciation method is similar to that under option 3 but MRP is equal to the depreciation provision required in accordance with proper accounting practice to be charged to the Income and Expenditure account.

12.3 MRP in 2012/13: Options 1 and 2 may be used only for supported expenditure. Methods of making prudent provision for self financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Council chooses).

12.4 Under the regulations, the authority is required before the start of each financial year to prepare a statement of its policy on making MRP in respect of that financial year and submit it to the Full Council. The proposed policy for 2012/13 is as follows:

Supported Borrowing

For borrowing supported by Revenue Support Grant the Council will continue to use the regulatory method (Option 1).

Unsupported Borrowing

For new borrowing under the prudential system for which no Government support is being given and is therefore self-financed, MRP will be made in equal annual instalments over the life of the asset (Option 3).

Capitalisation Directions

For capitalisation directions on expenditure incurred since 1 April 2008 MRP will be made in equal annual instalments over 20 years in line with DCLG guidance (Option 3).

PFI/Leases

MRP in respect of PFI and leases brought on to the Balance Sheet under the 2009 SORP and IFRS will match the annual principal repayment for the associated deferred liability.

MRP will commence in the financial year following the one in which the expenditure is incurred, except for expenditure funded by unsupported borrowing where the project is not complete at 31st March 2013 (classified as under construction). MRP will be deferred until the construction is complete and operational with the charge to be made in the year following completion.

13. Monitoring and Reporting on the Treasury Outturn and Prudential Indicators

- 13.1 In accordance with the recommendations of the Treasury Management Code, the Council's Audit Committee will be responsible for the scrutiny of treasury management activities and practices.
- 13.2 The Director for Corporate Services will report to the Audit Committee and full Council on treasury management activity and performance at least twice a year against the strategy approved for the year (being a mid year review and an end of year review).
- 13.3 The Council is required to produce an outturn report on its treasury activity no later than 30 September after the financial year end.
- 13.4 In addition treasury management activity will continue to be reported as part of the quarterly budget and performance reports to Cabinet and as part of the budget outturn report.

14. Other Items

14.1 Training

CIPFA's Code of Practice requires the Director of Corporate Services to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

Members of the Audit Committee received training in Treasury Management in January 2010. Council Officers provided refresher training for members on 10 January 2011. Council Officers will organise additional training for members and staff with Arlingclose and any other suitable organisation to ensure relevant needs are met.

14.2 Investment Consultants

The CLG's Guidance on local government investments recommend that the Investment Strategy should state:

- whether and, if so, how the authority uses external contractors offering information, advice or assistance relating to investment and
- how the quality of any such service is controlled.

The contract with our advisors ended on 31st December 2011. In order to retain an advisory service in this time of uncertainty Council Officers arranged a tender process from which two responses were received. Following interview and scoring Arlingclose have been re-appointed as our Treasury Management advisors until 31st December 2012 with the option to roll over yearly to 31st December 2014. Arlingclose attend the Council Offices and meet with the Treasury Management Board at least quarterly to discuss the Council's borrowing and investment strategies and update on any new developments. The Council also receives regular updates concerning its counterparty institutions, including any new institutions that may be added to the counterparty list.

During 2010/11 Arlingclose developed a set of benchmarking criteria which enables the Council to compare its investment performance against other Unitary Council clients of Arlingclose. This is used to monitor/benchmark credit risk as set out in this report.

15. Recommendations

15.1 To request the Director for Corporate Services, acting under delegated authority in accordance with the Constitution, to keep the lending list under review and update the list during the year as dictated by market circumstances.

15.2 To recommend Full Council approve:

- (a) The Treasury Management Policy Statement (appendix A to this report)
- (b) The Treasury Management Strategy Statement for 2012/13
- (c) The Investment Strategy for 2012/13 set out in Sections 8 and 9 of the report including the use of Specified and Non-Specified Investments
- (d) The Lending Organisations and Counterparty limits set out in Appendix D
- (e) The Prudential Indicators set out in the report covering the revised indicators/limits for 2011/12 and the forecasts/limits for 2012/13 to 2014/15
- (f) The Authorised Borrowing limits of £309m, £284m And £274m for the period 2012/13 to 2014/15
- (g) The Operational Boundary of £279m, £268m and £259m for 2012/13 to 2014/15
- (h) The MRP policy for 2012/13

TREASURY MANAGEMENT POLICY STATEMENT

I. INTRODUCTION AND BACKGROUND

I.1 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 5 of the Code.

I.2 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

I.3 The Council (i.e. full Council) will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

I.4 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to Cabinet and the Audit Committee and for the execution and administration of treasury management decisions to the Director for Corporate Services, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

I.5 The Council nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

2. POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES

2.1 The Council defines its treasury management activities as:

“The management of the Council’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

2.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

2.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

2.4 The Council’s borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.

2.5 The Council’s primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority’s investments followed by the yield earned on investments remain important but are secondary considerations.

Economic & Interest Rate Forecast (Sections 5.1 & 7.1)

	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
Official Bank Rate													
Upside risk						0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk													
1-yr LIBID													
Upside risk	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	1.75	1.75	1.75	1.75	1.75	1.80	1.85	1.95	2.00	2.10	2.20	2.30	2.40
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
5-yr gilt													
Upside risk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	1.25	1.30	1.35	1.40	1.50	1.60	1.70	1.80	2.00	2.10	2.30	2.40	2.50
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
10-yr gilt													
Upside risk	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	2.20	2.30	2.40	2.45	2.50	2.55	2.60	2.70	2.75	2.80	2.85	2.90	3.00
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
20-yr gilt													
Upside risk	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	3.00	3.05	3.05	3.10	3.20	3.25	3.30	3.35	3.40	3.45	3.50	3.60	3.75
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
50-yr gilt													
Upside risk	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	3.25	3.40	3.50	3.60	3.70	3.80	3.90	4.00	4.00	4.00	4.10	4.20	4.25
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

- The UK's status as a safe haven remains for now and keeps Gilt yields suppressed.
- Conventional monetary policy has become largely redundant; the Bank of England and the US Federal Reserve have signalled their respective official interest rates will be on hold through to the end of 2012. We think that it could be 2016 before official interest rates rise.
- The Bank of England's Monetary Policy Committee has returned to unconventional monetary policy and embarked on a further round of Quantitative Easing. There will be more to come.

Underlying Assumptions:

- Stress in financial markets continued to build. Rates within Interbank markets (where banks fund the majority of their day to day operations) continue to climb. This dynamic was a feature of the banking crisis that occurred in 2008 and whilst the authorities have flooded the markets with liquidity still provides a key barometer of rising risk within markets.

- The MPC's decision to embark on a further £75 billion of QE – which the Minutes showed was unanimously supported – is likely to be expanded in the coming months as some members of the MPC had voted for £100bn of QE.
- Inflation moderated back to 5% from what is considered to be its peak of 5.2% reached in October. The Bank of England expects domestic inflation to subside markedly in 2012 as the twin effects of the VAT increase and surge in oil prices fall out of the twelve month series.
- Economic growth meanwhile remains largely illusive not helped by the considerable uncertainty and expansion of risks presented by the crisis in the Eurozone. Even if a credible and effective policy is implemented, the scale of the problems means that there is likely to be a prolonged period of subdued growth within the euro area. A failure to meet the challenges would almost certainly have significant implications for the global economy.
- Recent data and surveys suggest that the UK economy has lost the admittedly fragile momentum since the summer. Business and consumer surveys point to continued weakness in coming months and the situation in the euro area is likely to further undermine confidence and lead to tighter credit conditions for households and firms.

Against this uncertain backdrop the ability of the economy (government, companies and individual consumers) to accommodate an increase in the cost of money through higher interest rates – in the absence of a deterioration in the high credit standing that the UK enjoys – remains unlikely. In fact, we believe that it is highly unlikely.

Recommended Sovereign and Counterparty List (Section 8)

Country/ Domicile	Counterparty	Maximum Counterparty Limit £m	Limits in Place at 11-01-2012	
			Maximum Counterparty limit £m	Maximum period
UK	Santander UK Plc (Banco Santander Group)	30	30	Overnight/call
UK	Bank of Scotland (Lloyds Banking Group)	30	30	1 Month
UK	Lloyds TSB (Lloyds Banking Group)	30	30	1 Month
UK	Barclays Bank Plc	30	30	1 Month
UK	HSBC Bank Plc	30	30	3 Months
UK	Nationwide Building Society	30	30	3 Months
UK	NatWest (RBS Group)	30	30	1 Month
UK	Royal Bank of Scotland (RBS Group)	30	30	1 Month
UK	Standard Chartered Bank	30	30	3 Months
Australia	Australia and NZ Banking Group	5	10	3 Months
Australia	Commonwealth Bank of Australia	5	10	3 Months
Australia	National Australia Bank Ltd (National Australia Bank Group)	5	10	3 Months
Australia	Westpac Banking Corp	5	10	3 Months
Canada	Bank of Montreal	5	10	3 Months
Canada	Bank of Nova Scotia	5	10	3 Months
Canada	Canadian Imperial Bank of Commerce	5	10	3 Months
Canada	Royal Bank of Canada	5	10	3 Months
Canada	Toronto-Dominion Bank	5	10	3 Months
Finland	Nordea Bank Finland	5	Suspended from list	
France	BNP Paribas	5	Suspended from list	
France	Credit Agricole CIB (Credit Agricole Group)	5	Suspended from list	
France	Credit Agricole SA (Credit Agricole Group)	5	Suspended from list	
France	Société Générale	5	Suspended from list	
Germany	Deutsche Bank AG	5	Suspended from list	
Netherlands	ING Bank NV	5	Suspended from list	

Netherlands	Rabobank	5	Suspended from list	
Netherlands	Bank Nederlandse Gemeenten	5	Suspended from list	
Sweden	Svenska Handelsbanken	5	Suspended from list	
Switzerland	Credit Suisse	5	Suspended from list	
US	JP Morgan	5	10	3 Months

- £30m total limit for UK bank/group to include money market call accounts
- Lloyds Banking Group limit to include deposits with:
 - Lloyds TSB
 - Bank of Scotland
- RBS Banking Group limit to include deposits with:
 - RBS
 - NatWest
- £5m total limit for Non-UK bank/group to include money market call accounts
- Credit Agricole Group limit to include deposits with:
 - Credit Agricole CIB
 - Credit Agricole SA
- Limit of 10% of total investments in any Non-UK Country

This list could change if, for example, a counterparty/country is upgraded, and meets our other creditworthiness tools. Alternatively, if a counterparty/country is downgraded, this list may be shortened.

PLYMOUTH CITY COUNCIL- PROPOSED COUNTERPARTIES FOR NEW INVESTMENTS (EFFECTIVE 1ST APRIL 2012)

MAX LENGTH			Up to 12 months			2 Years
MAX AMOUNT		Unlimited	£30M**		£5M**	£5m
Investment Criteria	Country	UK Government	Minimum rating (Rating required for all 3 agencies)		Minimum rating (Rating required for all 3 agencies)	
			Long Term Short Term	Fitch A- A2 P-1 F1	Moody's A- A2 P-1 F1	S&P A- A-1 A-1
UK Banks	UK		Barclays Bank Plc HSEC Bank Plc Lloyds Banking Group Royal Bank of Scotland Group Santander UK PLC (Banco Santander Group) Standard Chartered Bank Nationwide Building Society			
UK Building Societies	UK					
Central Government	UK	UK Government Debt Management Office (DMO) - DMADF Treasury Bills (T-Bills)				
Local Authorities	UK					Unitary Councils County Councils Metropolitan Councils London Borough Councils
Foreign Banks	Australia					Australia and NZ Banking Group Commonwealth Bank of Australia National Australia Bank Ltd Westpac Banking Corp
	Canada					Bank of Montreal Bank of Nova Scotia Canadian Imperial Bank of Commerce Royal Bank of Canada Toronto-Dominion Bank Nordea Bank Finland
	Finland					BNP Paribas
	France					Credit Agricole CIB (Credit Agricole Group) Credit Agricole SA (Credit Agricole Group) Societe Generale
	Germany					Deutsche Bank AG
	Netherlands					ING Bank NV Rabobank Bank Nederlandse Gemeenten
	Sweden					Svenska Handelsbanken
	Switzerland					Credit Suisse
	USA					JP Morgan
	UK/Ireland/ Luxembourg					
Money Market Funds	Various					
Bonds Issues by Multilateral Development banks			**£30m total limit for Bank/group to include money market call accounts deposits with: Lloyds TSB Bank of Scotland Royal Bank of Scotland Group to include deposits with: RBS NatWest			Limit of 10% of total investments in any non UK country **Total Deposit limit in all periods with a non-UK bank/group £5m

Approved by Adam Broome, Director for
Corporate Support

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CITY OF PLYMOUTH

Subject:	2012/13 Updated Draft Budget (Revenue & Capital) allocated to corporate priorities
Committee:	Cabinet
Date:	7 February 2012
Cabinet Member:	Councillor Bowyer
CMT Member:	Director of Corporate Services
Author:	David Northey, Head of Finance
Contact:	Tel: 01752 (30)4566 e-mail: david.northey@plymouth.gov.uk
Ref:	djn130112
Key Decision:	No
Part:	I

Executive Summary:

The 2012/13 Indicative Revenue and Capital Budget Report, signed off by Cabinet 5 December 2011, built on the income assumptions set out in the latest published Medium Term Financial Strategy and its impact on the Council Tax. The report laid out the elements of the Council's income and expenditure strategy, summarised by each department, together with its Capital strategy.

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 final proposed Budget Report for Full Council 27 February 2012, for comparative purposes, will be structured around the existing Directorates. However, we will also incorporate a summary indicating how the new budget will look under the revised three Directorate model.

At the time of publishing the December Indicative Budget report, the Council was still awaiting notification of its Government settlement for 2012/13 along with details of any significant changes anticipated to specific grants, both revenue and capital, which would have a material impact in certain service areas. The Settlement was in line with our predictions hence there is not a need to make major adjustments to the original budget assumptions and allocations. However, it should be noted that the Settlement figures quoted in this report are still subject to final approval by the Government. The decision is expected early February 2012.

This report identifies areas of the budget where there are either perceived timing issues in relation to the implementation of budget delivery plans, or forecasted pressures which require greater clarity on funding.

Officers and Cabinet must work through these areas in conjunction with the original budget allocations and ensure we have the correct alignment of resources to priorities. We will continue to work up plans to present a balanced budget to Council for sign off in February 2012. Following final analysis of all grants, there remains a funding shortfall of circa £0.800m for which we are developing final plans to address.

This report needs to be read in conjunction with the third quarter Performance and Finance Report (including Capital Programme update) presented to Cabinet 7 February 2012, and the Treasury Management Strategy Statement and Annual Investment Strategy 2012/13.

Corporate Plan 2012 - 2015:

The budget, and wider Medium Term Financial Strategy, is central to the successful delivery of the Corporate Plan 2012-15.

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.

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:

It is recommended that:

- I. Cabinet consider the impacts of the funding requirements shown in this report, and note progress to date; and

- a. consider findings from consultation, plus feedback from budget scrutiny during February '12; and
- b. request officers to identify further savings in advance of the Full Council meeting on 27 February 2012 to arrive at the budget requirement; and
- c. recommend that a final version of the Revenue and Capital Budget for 2012/13 will be presented for sign off 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
- Indicative Budget published December 2011
- Corporate Plan 2012-15 (draft published December 2011)
- 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
- Third quarter Performance and Finance Report (including Capital Programme update) 7 February
- Treasury Management Strategy Statement and Annual Investment Strategy 2012/13.

Sign off

Fin	MCII 12.07	Leg	TH30/ 1/12A	HR	MG/AM	Asset Man.	n/a	IT	n/a	Strat. Proc.	n/a
Originating SMT Member Malcolm Coe											

1. Introduction and Contents

- 1.1. 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.
- 1.2. The proposed 2012/13 budget builds in the Settlement confirmed in December 2011. However, officers are still working through the detail of any changes to specific grant funding for the budget year.
- 1.3. This report identifies areas of the budget where there are either perceived timing issues in relation to the implementation of budget delivery plans, or forecasted pressures which require greater clarity on funding.
- 1.4. 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 2012 Scrutiny, will be presented to Council for approval in February 2012.
- 1.5. 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.
- 1.6. The December report included a summary report from each Director outlining the departmental context, detailing what the department intends to do to deliver a balanced revenue budget in 2012/13, and the plans for 2013-2015. Detailed delivery plan actions were also detailed. Readers should refer to the original report for this information.
- 1.7. Appendix A to this report shows the impact of the changes identified to the Departmental Indicative Budgets.
- 1.8. The Indicative Budget proposals have been subject to wide consultation culminating in Public Scrutiny by the Overview and Scrutiny Management Board on 11 and 16 and 18 January 2012. This updated budget report takes into account the recommendations of the consultation process.
- 1.9. The proposed budget report in December outlined indicative budget targets to Departments based on initial budget planning and resource assumptions. The report however outlined the need to revisit the targets not least to update for a number of corporate adjustments and budget virements made during the latter part of 2011/12.

2. Resource review

- 2.1 The review of the budget assumptions for 2012/13 has considered all on-going funding allocations, together with any one-off funding allocations, plus the latest position on the 12/13 settlement and specific grants.
- 2.2 Our current Medium Term Financial Strategy makes no allowance for any changes to our Council Tax income arising from movements in our housing profile base assumptions. We have now been able to complete our analysis of the Council Tax Base for 2012/13 which indicates additional on-going income of £0.195m each year.
- 2.3 This additional income is based on existing tax levels and therefore before we apply any increase or freeze. This income together with the rest of the Council Tax will be added to the general fund resources, and be available for allocation to our priorities.
- 2.4 When setting the 2011/12 budget, there was an indication from Central Government that our lower paid employees should be allocated a £250 flat rate pay award. This was calculated to equate to an additional cost of £0.200m per annum.
- 2.5 This directive was later confirmed to relate to Civil Servants only, not including local authority staff. However, there was an allowance of £0.200m built into 2012/13 base figures which is now no longer required.
- 2.6 Officers continue to analyse detail of the specific grant funding allocation. This analysis is concentrating on the major blocks of funding which, prior to the changes announced in the 2010 Comprehensive Spending Review, (CSR), would have been ring-fenced. They are no longer ring-fenced, providing the flexibility for the Council to allocate any new resources to local priorities.
- 2.7 The latest funding position is shown in Appendix B. Officers continue to work through the implications of all grant funding.
- 2.8 For 2011/12 there has been a pay freeze for all local government employees.
- 2.9 However, there are recommendations from the Local Government Association (LGA) which suggest we can expect pressure to increase salaries anywhere between 1% and 3% over the next three years.
- 2.10 On advice from our HR department, and for budget setting purposes, it is prudent to set a provision for a 1% increase for 2012/13 and assume around 1.5%~2% for future years. A 1% increase would require an extra allocation of £1m for 2012/13
- 2.11 The three new directorates came into effect on 1 January 2012, and The Appointments Panel made appointments to the Assistant Director level during January 2012, to take effect from 1 March 2012.
- 2.12 Officers are currently working up a new Budget Delivery Plan to undertake a management de-layering at the 3rd tier management level. This plan will build on the synergies available as a result of the reduced directorates and greater span of control

for the Assistant Directors. At the time of going to print, the value of these savings was yet to be quantified.

3. Departmental Review

- 3.1 The current 2012/13 budget is year two of our three year rolling strategy. In setting the 2011/12 budget we set up a three year department delivery plan programme.
- 3.2 The savings required from these plans have been well documented, rising from savings of £13m in 2011/12 (year 1) to £20m in 2012/13 (year 2) and finally £30m cumulative savings by 2013/14 (year 3).
- 3.3 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.
- 3.4 The latest outturn forecast for 2011/12 confirms we are making tangible savings, with around 95% of the in-year efficiency savings already either delivered or on schedule to be delivered by the end of the financial year.
- 3.5 However, the delivery plans require a major step change to achieve the full savings required for 2012/13. There are a number of areas where timing issues will require a further review of resource allocation.
- 3.6 In the following areas, and since the adoption of the relevant budget delivery plans as part of the 2011/12 budget process, there are one-off delays which will impact on the value of the 2012/13 savings. The plans will still be put in place and deliver full year savings from 2013/14 onwards. However, in order to activate these plans, we must be aware of the impact on the 2012/13 budget.
- 3.7 The opening of the Plymouth Life Centre, on time and on budget in March 2012, reinforces Plymouth City Council's ambitions for the city. The Plymouth Life Centre will offer a greater range of sports & leisure and family activities at a significantly reduced cost to the Council. A major strand of this project sees the outsourcing of our leisure management to a leisure contractor. The delivery plans assumed we would realise a saving of £0.250m each year for the next ten years.
- 3.8 We have successfully outsourced the leisure management contract during 2011/12 but have flagged that the current year (2011/12) savings would not be achieved. The Community Services Director has been working up alternative savings to cover the 2011/12 shortfall. This still leaves a savings shortfall for 2012/13.
- 3.9 Within the detail of the Leisure Management Contract, the business plan shows that the full £2.5m savings are still achievable over the next ten years. But there is a timing issue to be resolved for 2012/13.

- 3.10 The Director for People (formerly under the remit of the Director for Community Services) has indicated throughout the 2012/13 budget setting and challenge sessions at CMT that the council would need to allocate circa £0.800m to maintain the Pavilions funding for ice provision. Currently this is not reflected in the resource allocations.
- 3.11 The delivery plans set out for the Community Services Directorate includes a plan which is rated as “Red” under Environmental Services. This is another example of a timing delay which means that this plan is unlikely to deliver the full saving during 2012/13. The actions required to implement this plan will mean that the earliest we can expect to see savings will be early 2013/14. The value of this plan is £0.560m.
- 3.12 The Waste Reserve is potentially available to address this shortfall.
- 3.13 The Government has previously announced the introduction of a Carbon Reduction Commitment (CRC) tax. It has now been confirmed that the first such tax levy will fall due in 2011/12. The full estimated exposure is £0.400m. However, a proportion of this relates directly to the emissions from the city’s schools. Officers will therefore advise the Schools Forum to accept a charge of £0.160m, reducing the authority’s charge to £0.240m. The estimate is for the same charge for 2012/13; currently this is not reflected in the resource allocation.
- 3.14 The delivery plans set out currently for Corporate Support, but transferring for 2012/13 to the new Place Directorate, includes a £1.500m saving from the Corporate Accommodation Strategy.
- 3.15 Whereas this saving will still be realised in a full year, delays in securing a long term solution for the Civic Centre have meant that the savings anticipated will not now materialise in full for 2012/13. The shortfall is currently projected as £0.500m
- 3.16 Adult Health and Social Care Services continue to manage service transformation and drive integration with Health partners in order to mitigate future costs of social care against a challenging climate and changes to resourcing. Furthermore, in order to ensure we comply with government guidance we will be consulting with the market before setting care home fees.

4. Review of Reserves & Risk Management

- 4.1 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).
- 4.2 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, the previously undisclosed Schools Balance (currently £5.5m) and unused year end Grants carry forwards (currently £3.0m)

- 4.3 Specific reserves are set to cover known or estimated future costs for specific activities and / or liabilities.
- 4.4 For example, a Waste Management Reserve of £2.4m was set up to meet the short term revenue costs of waste disposal, bridging the years 2011/12 to 2013/14 when the proposed Energy from Waste Incinerator comes into full operation.
- 4.5 This reserve was to cover the estimated increases in Landfill Tax and Gate fees. It is therefore now proposed to call down against this reserve in three equal instalments of £0.800m in each of the three years 2011/12, 2012/13 and 2013/14. The draw down for 2011/12 is subject to review once the final outturn position is confirmed.
- 4.6 The 2010/11 Outturn position enabled the set aside of three specific amounts to cover expenditure in 2011/12. These were £0.100m to support the cost of the America's Cup; £0.300m to cover urgent health and safety required demolitions; and £0.400m to support the introduction of the transformational Procure to Pay (P2P) project.
- 4.7 The target saving for the P2P project for 2012/13 steps up to a revised target of £1.300m. It is anticipated that it would be prudent at this stage to plan for a reduced savings target for 2012/13 of £1.050m, creating a pressure of £0.250m.
- 4.8 The council currently has monies set aside into a Pension Reserve, with a balance of £1.080m. This reserve was created to ensure we are able to meet future shortfalls in our contributions to the Pension Fund. In December 2011, the Pension Fund Administrator indicated the likely shortfall for 2011/12 to be circa £0.300m.
- 4.9 If our contributions remain at the same level for the next two years, the period of the last tri-annual valuation, we would anticipate further shortfalls for 2012/13 (and 2013/14.)
- 4.10 We must be mindful that, as staff numbers reduce, the pension contributions are likely to reduce. This may require larger draw-downs from the reserve in the future.
- 4.11 It is proposed to draw down the estimated £0.300m contribution shortfall for 2012/13 from the existing Pension Reserve.

5. Revenue Resources

- 5.1 Our resources for 2012/13 are based on confirmed assumptions and allocations. However, officers continue to review all areas of specific grant funding to ensure we are matching our resources to the correct areas of expenditure.
- 5.2 Central Government made a significant adjustment to the Council Tax Freeze Grant for the financial year 2011/12. We have confirmation that this grant will be available to authorities for the period of the CSR. This means we are guaranteed that this funding will continue for 2012/13, 2013/14 and 2014/15. The grant was initially applied as Specific Grant funding as opposed to established "Revenue Resources"; as such, it was allocated to Corporate Items as an income line.

- 5.3 For the remaining three years of the funding, it has been consolidated into the Formula Grant, thereby reclassifying it as part of our Revenue Resources. This has the effect of appearing to increase our revenue, although this is not new money, rather a re-classification.
- 5.4 Central Government has now confirmed the offer of a one-off Council Tax Grant allowance in 2012/13 equivalent to 2.5% of the Council tax base, in return for a second consecutive Council Tax freeze. For Plymouth City Council, this has been confirmed as equating to £2.398m.
- 5.5 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.
- 5.6 Plymouth City Council therefore has two options to consider in terms of our Council Tax strategy for 2012/13.
- 5.7 Option one is to decline the Government's offer of a freeze grant, and apply an increase to our Council Tax. In round terms, for Plymouth City Council, each 1% increase represents £0.959m. Therefore a 2.5% increase, equivalent to the Government's grant funding, would generate additional income of £2.398m.
- 5.8 At this stage, the Government has set a threshold of 3.5% above which a council is obliged to call a referendum.
- 5.9 Option two is to freeze the Council Tax, and accept the Government's offer of a one-off specific grant equivalent to a 2.5% increase. This would generate an income of £2.398m for 2012/13 only. As this is a one-off grant payment, the Council should take great care before applying this funding to on-going revenue expenditure commitments.

6. Summary Revenue and Resources Position

- 6.1 In summary, the challenges to be addressed total 'one-off' pressures for 2012/13 of £1.770m and on-going pressure for 2012/13 of £2.900m, giving a total challenge to be addressed of £4.670m

One-off pressures 2012/13 £1.770m

New DIRECTORATE / Area	ONE OFF PRESSURES	Detail in report
PLACE	£m	
Accommodation Strategy	0.500	section 3.15
PLACE TOTAL	0.500	
PEOPLE		
Culture, Sport & Leisure	0.800	section 3.10
Culture, Sport & Leisure	0.220	section 3.9
PEOPLE TOTAL	1.020	
CORPORATE SERVICES		
Procurement	0.250	section 4.7
CORP SERVICES TOTAL	0.250	
TOTAL ALL DIRECTORATES	1.770	

On-going pressures 2012/13 £2.900m

New DIRECTORATE / Area	ON-GOING PRESSURES	Detail in report
PLACE	£m	
Environmental Services	0.560	section 3.11
Environmental Services	0.800	section 4.5
PLACE TOTAL	1.360	
CORPORATE ITEMS		
Other Corporate Items	1.000	section 2.10
Carbon Reduction	0.240	section 3.14
Other Corporate Items	0.300	section 4.11
CORP ITEMS TOTAL	1.540	
TOTAL ALL DIRECTORATES	2.900	

- 6.2 The impact of the additional Council Tax receipt, together with the transfer of the 2011/12 Council Tax Freeze Grant into Formula Grant, is an apparent increase in our revenue resources from the £201.1m detailed in our December Indicative Budget, to a revised £203.7m. It must be remembered however that the only new money at this stage is the additional Council Tax base at £0.195m

	2012/13 Indicative Budget	2012/13 Updated Budget	Movement
Revenue Resources	£m	£m	£m
Formula Grant	105.2	105.2	0.0
Council Tax	95.9	96.1	0.2
Council Tax Freeze Grant 2011/12	-	2.4	2.4
Total Resources Available	201.1	203.7	2.6

- 6.3 This report has also detailed the following sources of funding to close the current budget gap. At this stage, the Council has not declared its position in regard to whether to freeze the Council Tax for a second year, and accept the Government's one-off Council Tax Freeze Grant for 2012/13. This would be equivalent to a 2.5% increase which equates to funding of £2.398m. For purposes of this budget report, the assumption is additional income of £2.398m could be available and is therefore included in the calculations at this stage.

- 6.4 Including this amount of £2.398m gives us the following resources:

ADDITIONAL RESOURCES	£m	Detail in report
Council Tax Base Income	0.195	section 2.2
C/T or C/T Freeze Grant 2012/13?	2.398	sections 5.4 + 5.7
Waste Reserve	0.800	section 4.5
Pension Reserve	0.300	section 4.11
Corporate Items	0.200	section 2.5
Additional DP Management De-layering	tbc	section 2.12
Waste Reserve	tbc	section 3.12
TOTAL POSSIBLE RESOURCES	3.893	

- 6.5 As previously stated, we are still working to close the gap between the revenue budget costs and the available revenue resources. We are currently working to close a possible gap of £0.777m

	£m
One-off pressures 2012/13	1.770
On-going pressures	2.900
TOTAL PRESSURES	4.670
TOTAL POSSIBLE RESOURCES	3.893
BUDGET GAP	-0.777

- 6.6 It should be noted that the Settlement figures quoted in this report are still subject to final approval by the Government. The decision is expected early February.

7. Review of Fees and Charges

- 7.1 Councils have powers to charge for a wide range of services. Many of these powers derive from legislation that applies to specific service areas. However under the local Government Act 2003, Council's also have wide powers to charge for discretionary services.
- 7.2 Fees, charges and rents, will account for around 8% of the Council's income in 2012/13.
- 7.3 Service managers are required to review charges as part of the annual budget setting exercise unless a service review has been, or is due, to be undertaken. The underlying principle is that fees and charges should be reviewed annually and uplifted by the rate of inflation (RPI), currently 4.7%, with the exception of services where charges have been implemented or amended to fund services improvements or where benchmarking shows that the Council's costs may be low, (or high), in comparison to those charged elsewhere. In deciding whether to increase fees and charges departments continue to have regard to the current economic climate.
- 7.4 Any revisions to the 2012/13 fees and charges will be approved in line with the Council's constitution.

8. Capital Resources

- 8.1 The principle that capital schemes are only approved into the programme where specific funding has been clearly identified, and supported by business cases, is maintained. Thereby, the capital investment programme, at any set point in time, will evidence 100% funding allocation against approved schemes. Capital investment is prioritised to ensure that outcomes are maximised against the council's Priorities.
- 8.2 The Council continues to challenge the affordability of its four year capital programme for the period 2011/12 to 2014/15 which is shown, along with the funding, in Figures 1 and 2 below.

Figure 1: Four year proposed Departmental Capital Programme

	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000s	Total £000s
Children's Services	15,727	25,431	15,987	5,948	63,093
Community Services	26,951	9,012	1,155	1,062	38,180
Corporate Support	7,662	6,547	521	0	14,730
Development & Regeneration	28,321	9,731	11,135	7,871	57,058
Total	78,661	50,721	28,798	14,881	173,061

Figure 2: Four year proposed Funding

	Capital Receipts £000s	Unsupported Borrowing £000s	Supported Borrowing £000s	Grants & Contributions £000s	S106 etc £000s	Revenue and Funds £000	Total £000s
2011/12	20,126	19,528	277	33,574	1,857	3,299	78,661
2012/13	9,955	5,195	47	33,177	957	1,390	50,721
2013/14	5,077	0	0	23,472	51	198	28,798
2014/15	0	0	0	13,294	1,250	337	14,881
Total	35,158	24,723	324	103,517	4,115	5,224	173,061

- 8.3 The Council remains 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
- 8.4 The Council will continue to regularly review the assets that it owns to ensure that they are fit for purpose and optimise the use of capital receipts, where deemed beneficial, in order to support the overall capital investment programme. However, the ability to generate capital receipts has been severely impacted in the last couple of years due to significantly falling land and property prices.
- 8.5 This report needs to be read in conjunction with the third quarter Performance and Finance Report (including Capital Programme update) published February 2012.

9. Summary

- 9.1 This budget has been set under very challenging conditions, with unprecedented reductions in Government resources, both in terms of revenue grant and capital support.
- 9.2 Despite this operating environment, the Council is continuing its aims of transforming, modernising and increasing efficiency across the whole Council.
- 9.3 This budget builds on, where possible, protecting frontline services whilst rationalising and reducing the back office running costs.
- 9.4 All areas are under review, including initiatives to make savings from greater procurement efficiency, and invest to save projects, both revenue and capital, which will reduce future cost pressures.
- 9.5 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.
- 9.6 At the time of writing, this report outlines a budget which still requires actions and plans to address a funding shortfall of circ £800k. Cabinet must consider how to close this shortfall to present a balanced budget to Council for sign off 27 February 2012. Currently we are
- 9.7 Every effort is being made to maximise efficiencies, minimise any Council Tax increase, and if possible freeze Council Tax for a second year.
- 9.8 The proposed final Revenue and Capital Budget for 2012/13 will be presented to Full Council 27 February 2012.

APPENDIX A

DIRECTORATE	11/12 £000s REVISED BASE BUDGET	12/13 £000s DEC TARGET BUDGET	12/13 £000s Additional PRESSURES	12/13 £000s Additional RESOURCE ALLOCATION	12/13 £000s TARGET BUDGET REVISED
Schools	0	0			0
Funded Programmes	0	0			0
Performance and Policy	355	275			275
Learner and Family Support	9,387	9,055			9,055
Lifelong Learning	10,794	10,794			10,794
Social Care	28,013	27,493			27,493
Childrens YP Budget Savings	(320)	(406)			(406)
Children & Young People	48,229	47,211	0	0	47,211
Adult Health and Social Care	71,867	70,267			70,267
Culture Sport and Leisure	9,447	9,217	1,020		10,237
Environmental Services	24,267	22,987	1,360	(800)	23,547
Safer Communities	2,024	2,024			2,024
Service, Strategy & Regulation	413	413			413
Community Services Budget Savings	0	(790)			(790)
Community Services	108,018	104,118	2,380	(800)	105,698
Planning Services	1,504	1,506			1,506
Strategic Housing	2,839	2,966			2,966
Business Support	24	(339)			(339)
Transport and Highways	13,511	13,636			13,636
Waste Management Project Team	420	306			306
Economic Development	(1,339)	(1,339)			(1,339)
Development Budget Savings	0	0			0
Development & Regeneration	16,959	16,736	0	0	16,736
Departmental Management	482	482			482
Policy Performance & Partners	1,137	1,130			1,130
Corporate Communications	572	572			572
Chief Executive Budget Savings	(30)	(164)			(164)
Chief Executive	2,160	2,019	0	0	2,019
Departmental Management	181	181			181
Finance, Assets & Efficiencies	12,952	12,772			12,772
HR Organisational Development	2,951	2,801			2,801
ICT Information Systems	5,797	5,697			5,697
Customer Services	2,155	2,055			2,055
Democracy and Governance	5,063	5,063			5,063
Corporate Support Budget Savings	(2,412)	(4,314)	750		(3,564)
Corporate Support	26,687	24,255	750	0	25,005
Other Corporate Items	(3,653)	(3,653)	1,540	(500)	(2,613)
Capital Financing	9,635	10,235			10,235
Major Projects	203	203			203
Corporate Items Budget Savings	0	0			0
Corporate Items	6,185	6,784	1,540	(500)	7,825
TOTAL REVENUE RESOURCES	208,237	201,123	4,670	(1,300)	204,493

TOTAL REVENUE BUDGET Dec 11
Add additional C/Tax income 12/13
Add C/T Freeze Grant 2011/12
REVISED RESOURCES
SHORTFALL

201,123
195
2,398
203,716
(777)

Assumes draw down from Waste Reserve £0.800m / Pension Reserve £0.300m

PROVISIONAL SETTLEMENT 2012/13

APPENDIX B

PCC Funding

		MTFS Revenue Assumptions 12/13 Budget £m	2012/13 Provisional Settlement 8.12.11 £m	2012/13 Variation £m	Comments
Now Combined	Formula Grant	105.191	105.191	-	
into FG	Council Tax Freeze Grant re 11/12	0	2.398	2.398	Replaced from specific grant
	Council Tax Receipts	95.922	96.117	0.195	Due to additional 157 Band D equivalent properties as at 30/11
Resources to fund NBR		201.113	203.706	2.593	

Specific Grants announced at settlement

Is this grant ringfenced?		MTFS Revenue Assumptions 12/13 Budget £m	2012/13 Provisional Settlement 10.01.12 £m	2012/13 Variation £m	Comments	Where it is a non ringfenced grant add detail of Commitments Against Funding (Including Variation) £m
NO	Learning Disability and Health Reform	2.277	2.411	0.134	£2.227 in CB	
NO	HB Admin Grant	2.377	2.377	-	£2.377 in CB	
NO	New Homes Bonus	1.070	1.538	0.468	£1.070 in CB. To meet spending plans within department - NF to explain to Malcolm	Full amount linked to DP within department
LSSG - NO	LSSG for Lead Local Flood Authorities	0.154	0.154	-	£0.154 in CB	Full amount committed
LSSG - NO	Preventing Homelessness	0.575	0.575	-	£0.575 in CB	
NO	Early intervention Grant	11.710	12.018	0.308	£11.710 as FG last yr. The £12.018 includes 2 yr old funding subject to Finance & Commissioning Board Approval	Full amount committed
LSSG - NO	Extended Rights & free travel	0.142	0.176	0.034	Split between School Transport Budget and Sustainable Transport Team	Full amount committed
YES	Education PFI Revenue for operational projects	3.983	3.983	-	£4.929 in CB but includes schools income so comparable figure is £3.983	
YES	Dedicated Schools Grant	123.468	123.468	-	DSG funding is standstill for 12/13, although subject to pupil numbers which will not be known until January 12	
YES	Pupil Premium	3.634	6.163	2.529	£0.125 in CB - will be updated as part of schools busget prep workings	
				-		
Specific Grants		149.390	152.863	3.473		-
TOTAL REVENUE FUNDING ANNOUNCED TO DATE		350.503	356.569	6.066		

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PLYMOUTH CITY COUNCIL

Subject: Personal Budget Policy
Committee: Cabinet
Date: 7 February 2012
Cabinet Member: Councillor Monahan
CMT Member: Director of People
Author: Pam Marsden, Assistant Director, Adult Social Care
Contact: Tel: 01752 307344
E-mail: pamela.marsden@plymouth.gov.uk
Ref:
Key Decision: Yes
Part: I

Executive Summary:

Personal budgets are a critical part of the policy reform of adult social care as set out in the White Paper *Our Health, Our Care Our Say* (January 2006) and in *Putting People First: A Shared Vision and Commitment to the Transformation of Adult Social Care* (2007). This vision was reinforced in 2010 with the publication of *Think local, Act Personal*, which emphasises the need for councils to increase the pace of transformation including mainstreaming personal budgets to eligible people deployed through direct payments. The national target is for 100% of people eligible for council services to be receiving them through a personal budget and a direct payment by April 2013.

This Personal Budget Policy sets out how Plymouth Adult Social Care will mainstream personal budgets. The policy describes:

1. The type of resource allocation system and tools that we will use to make sure that money gets allocated based on need in a fair and transparent way and that the system is affordable to the Council
2. A universal offer of reablement at the point of entry (or re-entry) into the system to help more people to stay independent for longer
3. The funding that is excluded from a personal budget
4. What a personal budget can be used for
5. Our 2 tier offer to Carers
6. How Direct Payments will be made easy by the introduction of pre-loaded cards
7. Our approach to enabling risk so people can safely live their lives as they choose

Corporate Plan 2011-2014:

This policy will contribute to the successful delivery of the Corporate Plan 2012-15

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

The implementation of this policy will contribute to more effective planning as, for the first time, this introduces a system that allocates money to eligible clients based on a generic needs based formula. The application of the policy is embedded in the upgrade of the CareFirst IT system and its full implementation will contribute to Adult Social Care's delivery plans. Implementation of this policy will also deliver value for money through reduced spend on back office functions.

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

Regard must be had to the Council's duty to promote disability equality under s49A of the Disability Discrimination Act 1995 The Cabinet must consider the potential impact of the proposed changes on people who share a protected characteristic within the equality act and have due regard to the need to eliminate unlawful discrimination; advance equality of opportunity between people who share a protected characteristic and those who do not and foster good relations between people who share a protected characteristic and those who do not.

The impact on council priorities, legal obligations, customers and other services and providers has been considered. The implementation of this policy will ensure that available resources are allocated to people based on eligibility and need and not on the cost of individual services which will lead to a more equitable use of funds.

The evidence nationally is that personal budgets can have a positive impact on health and wellbeing, ensure improved outcomes for people and are overall value for money.

Recommendations and Reasons for recommended action:

It is recommended that Cabinet agree the policy and for it to be implemented from 1st April 2012:

Reasons for recommendation:

- There is a requirement to have such a policy.
- These recommendations come from eighteen months of design testing and evaluation.
- Implementation of this policy will help ensure that the Council achieves the Governments' expectation, that by April 2013 all people receiving funded support will have this delivered through a self directed support process, and that the majority will receive their personal budget via a direct payment.

Alternative options considered and reasons for recommended action:

We are required to have a policy and we believe these are sound proposals which will best deliver the required outcome. Over a period of eighteen months we have tried and tested a variety of commercial and home grown options but consider this option to offer best value.

Background papers:

“Putting People First a Shared Vision and Commitment to the Transformation of Adult Social Care” (DH 2007) and “Think Local Act Personal”(DH 2010)

Sign off:

Fin	SRA/ CoSF AC1112 004/27- 01-2012	Leg	LT706 2	HR	MG 1201/ 003	Corp Prop	CJT/ 090/ 100112	IT	20120116/ ICT0055/ NJc	Strat Proc	JK265
Originating SMT Member: Pam Marsden											

PERSONAL BUDGET POLICY

Adult Social Care



DRAFT

About this policy

Personal budgets are a critical part of the policy reform of adult social care as set out in the White Paper *Our Health, Our Care Our Say*¹ (January 2006) and in *Putting People First: A Shared Vision and Commitment to the Transformation of Adult Social Care* (2007)². This vision was reinforced in 2010 with the publication of *Think local, Act Personal*³, which emphasises the need for councils to increase the pace of transformation including mainstreaming personal budgets to eligible people deployed through direct payments. The national target is for 60% of people eligible for council services to be receiving them through a personal budget and a direct payment by April 2012, and 100% by April 2013.

This policy sets out how Adult Social Care will mainstream personal budgets to assist people to have real choice and control by shifting the balance of power from professionals to people who use services. There are 4 elements to delivering personal budgets:

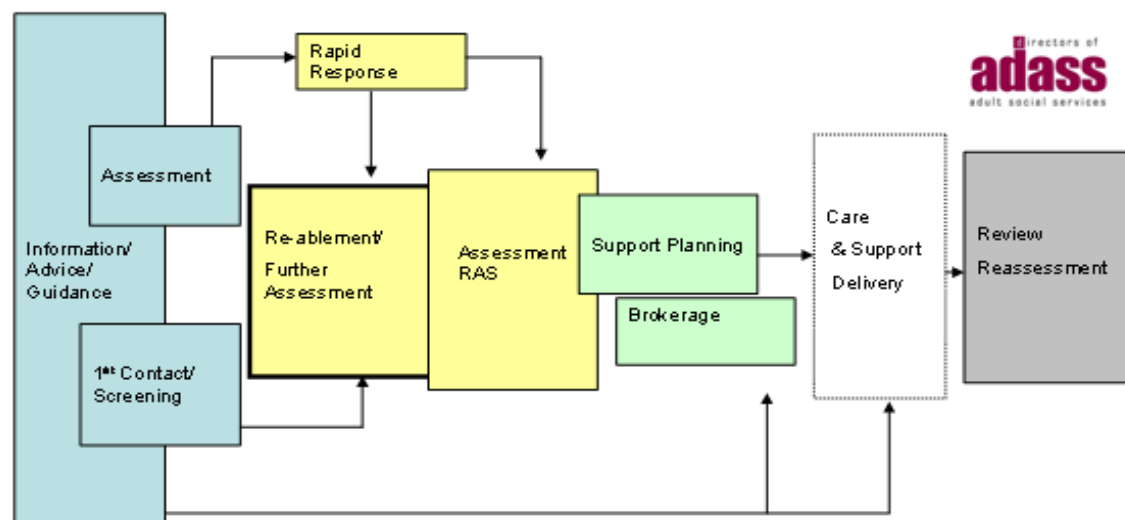
1. A personalised care management system that maximises the potential for people to regain and maintain independence through reablement services.
2. A clear and transparent resource allocation system (RAS) based on an objective assessment of need.
3. Easy access to direct payments to encourage people to exercise maximum independence from the Council and increase their choice and control.
4. A clear risk enablement policy that ensures safeguarding processes facilitate informed decision making and risk management without unnecessarily restricting people's lives.

1. A Personalised Care Management System

In response to the national transformation agendas work has been underway in Plymouth to design a new personalised care management system. Following an extensive programme of research and evaluation using a staff led "customer centric" process a new operating system has been tested and evaluated. Details of this is set out in "*Adult Social Care Transformation, Proof of Concept: final report*" (November 2011)⁴.

The personalised operating system that will be rolled out during 2012 is based on best practice guidance developed through working with other authorities and through the Association of Directors of Adult Social Services (ADASS) and is set out in below.

Figure 1 A personalised social care operating system



In this system, it is only after a person has been given an opportunity to regain their independence through a period of social care reablement do we consider if they may be eligible for long term social care support. In a personalised system this is called Self Directed Support (SDS).

SDS means that through a simple Personal Budget Questionnaire (PBQ), a person's needs will be directly related to a points system known as the Resource Allocation System (RAS) and that people will know up front how much money the Council is likely to make available to meet their needs. This information can then be used by the individual, with help from the Council if they need it, to decide how to use the money to set up the support they need. This process is called support planning and means that individuals will have much more choice and control over how the money is spent.

The SDS system allocates money based on needs and not services therefore the new system will be clearer and fairer as money will be directed by needs and not the costs of services.

A RAS helps the Council to allocate available resources equitably based on eligibility and needs, in a fair, transparent and consistent way.

2. A Clear and Transparent Resource Allocation System (RAS)

The development of personal budgets requires councils to move from a system where the costs of services dictate the resources allocated to a person to one where resources are allocated on the basis of individual need. In recognition of these challenges the ADASS commissioned work to explore the potential of a common framework for resource allocation. This work was carried out during 2009 and it involved 18 councils working with disabled people and family members and In Control⁵. The outcome of this work is the Common Resource Allocation Framework⁶.

As part of regional and national development networks we considered the Common Resource Allocation Framework (Common RAS) approach alongside systems being promoted from commercial providers. We, like the majority of councils decided to adopt the Common RAS due to its simplicity, and generic application for all service user groups, service user acceptability, adaptability, cost and its benchmarking potential.

An independent evaluation of our use of the Common RAS has provided us with a high level of confidence that the tool is effective at allocating resources based on need and that the "pound for points" currently in use is fair and sustainable.

2.1 A Resource Allocation System and personal budget questionnaire

In the new personalised operating system people will usually only be considered for a personal budget following a period of short term reablement. A social worker will discuss needs with the individual and their carer or representatives and will complete a simple personal budget questionnaire (PBQ). The questionnaire is part of the Common RAS and has a simple calculator embedded within it. This means that the information about needs is linked to a points system and this generates a score which in turn will indicate a sum of money that the Council is likely to spend on someone with similar needs. This amount of money is called the Indicative Allocation and is used for support planning purposes.

The PBQ is embedded within the Carefirst IT system which means as workers complete the form real time they will be able to generate the following information at the point of contact with the client:

- A summary of the person's needs (My needs)
- An indication of how much the person may have to contribute to their care and an indication of how much money that the Council is likely to spend on someone with a similar needs score (My money)
- A written copy of the above, printed out in the persons home

The process ensures the worker confirms My Needs before generating the My Money calculation.

This information can then be used by the individual, with help from the Council if they need it, to decide how to use the money to organise the support to meet their needs and achieve their outcomes. This is called support planning. The indicative allocation is a guide and not a definitive amount of money. There will be occasions where support can be arranged costing less than the indicative allocation and there will be cases when circumstances mean that a “top up” will be required to keep people safe and well: particularly during this transitional period when we are moving from one system to another. The Adult Social Care Head of Service Delivery will be responsible for ensuring clear operational policies are in place for the approval of support plans and personal budgets in line with the Council scheme of delegation.

When deciding the amount of money to put into personal budgets the Council has to be clear about its legal duties to provide services to meet assessed needs under Fair Access to Care Services (FACS) and what people can buy with their personal budget. In Plymouth FACS eligibility threshold has been set at critical and substantial since its introduction in 2005 and the current plan is to maintain this threshold whilst introducing more universal services such as social care reablement. There are also some service areas that cannot be purchased through a personal budget or need to be considered separately and these are set out in **appendix 1**. Within these exceptions a personal budget can be used to purchase support as long as:

1. The client or their representative has the capacity to make financial decisions
2. The support plan will work: i.e. the support will meet the assessed needs
3. It does not bring the Council into disrepute (i.e. not used for alcohol, drugs, etc.
4. It is legal
5. It cannot be used to pay for everyday things like food and drinks, clothing housing related expenses such as rent, utility bills or repairs etc.

In some circumstances the personal budget could be deployed through the Council acting as a broker to commissioned services or by a third party acting as private broker on the persons behalf, however the preferred deployment method for a personal budget is through a Direct Payment. When a support plan contains activities for the carer to meet assessed need then it is possible for the carer and the cared for to have separate direct payment accounts.

2.3 Carers and personal budgets

The Carer Recognition and Services Act 1995⁷ give carers a right to an assessment by their Local Authority under certain circumstances, although it does not give a right to services. The Council has a duty under the Carers and Disabled Children Act 2000⁸ and Carers (Equal Opportunities) Act 2004 Combined Policy Guidance⁹ to inform carers that they may be entitled to an assessment of their needs.

Personalisation for carers means tailoring support to a person’s individual needs with the carer being part of the discussion about support for them and support for the person they are looking after. Our offer to carers operates on two levels:

Level 1 for all carers

Universal services: these are a wide range of services funded by the Council that people can access themselves. These services include: emotional and practical support, counselling, advice and information, support groups, money and benefit advice, assisting hospital discharge, carers participation groups and befriending.

Level 2 for carers of people (FACS) eligible for funding from the council

Level 1 plus:

A proportion of the personal budget and support plan of the cared for will focus on things that will enable the carer to continue in his/her caring role. The amount will vary from person to person depending on each individual situation.

The PBQ takes into account the amount of informal care provided and the self-reported impact this has on the informal carer(s). This means that the carers' entitlement to an assessment from the Council is built into the self directed support process. The amount of money available to support the carer is directly related to the level of need of the cared for. For example when a carer is providing a lot of care and requiring a lot of support to continue to do so, this would result in the indicative allocation being amended to recognise that without support for the carer the cared for would require a higher level of support from the Council. In this case we would expect the support plan to contain a considerable amount of help focused on enabling the carer to continue in their caring role e.g. some Personal Assistant time to provide direct care to allow the carer some form of regular short break or money set aside to purchase a washing machine to help with laundry etc.

3. Easy Access to Direct Payments

Direct Payments (DPs) provide better outcomes for people because people who need support are the experts in how to make the most of limited resources within the context of their own lives¹⁰. A major survey¹¹ of people with personal budgets, shows that people, including many older people, taking their personal budget as a DP, report consistently better outcomes than people receiving a Council managed or commissioned service, including in areas such as physical and mental wellbeing and being supported with dignity.

Therefore the Department of Health is requiring Councils to ensure that the preferred method to deploy a personal budget is a DP. However this is not yet possible when the person has chosen long term residential care. This is because a change in the law is required. In order to meet national expectations we will need to treble spend through DPs from £4.4 million to £13 million during 2012 and about £20 million by 2013.

In 2010/11 we began streamlining the DP process which has reduced back office and operational costs and improved outcomes for our customers. As part of the design of the new operating system and the upgrade of the Carefirst IT system we have identified further potential for improvement through the introduction of preloaded payment cards.

3.1 Preloaded Payment Cards.

A preloaded card is similar to a debit card and will allow a DP recipient to pay providers, suppliers and employees. It negates the need for a person to open a separate bank account and this removes one of the greatest barriers to people wanting to take up a DP. The preloaded card system is very efficient to operate and is quick to set up. It provides an easy, real time monitoring system. Whilst money is credited to a customer's card it does not leave the Council's account until the card is used by the recipient to make a payment to a provider. This will ensure that money does not 'sit' unused in a person's DP bank account; this will mean that there is no requirement to raise an invoice for a customer to pay back unused money. Cards can be tailored to restrict use with certain suppliers or products and for cash withdrawals. The risk of financial abuse through the preloaded card scheme is significantly reduced.

The agreed personal budget will be credited to the person's individual card at regular intervals; probably on a four weekly cycle, though this can be tailored to an individual if necessary. Pre-loaded cards will be the deployment method for DPs for all new customers once the system is implemented.

in early 2012. We intend to phase out the use of DPs via a bank account for existing customers and replace with a pre-loaded card during 2012/13.

The Council will give people maximum freedom on how they use their money, providing that the Council is satisfied over time, that use of the money is appropriate and in pursuit of agreed outcomes.

4. Risk Enablement

A personalised way of working requires a fresh approach to the management of risk. A governing principle to choice and risk is *"...that people have the right to live their lives to the full as long as that does not stop others from doing the same. Fear of supporting people to take reasonable risks in their daily lives can prevent them from doing the things that most people take for granted."*¹². In guidance to Councils the DH is clear that professional perspectives on risks should not be used to restrict the way people choose to live their lives.

Our underpinning risk enablement principles are to ensure that we:

- Keep the person at the centre
- Treat family and friends as partners
- Focus on what is important to the person
- Build connections with the community
- Are prepared to go beyond conventional service options
- Continue to listen and learn with the person

Our aim is to help decision making in relation to the management of risk and to support those involved to explore the issues and make arrangements which go as far as possible towards meeting the individual's aspirations, whilst balancing the needs and risks to themselves, others and the Council. We want to ensure that specific risks are identified and that subsequent appropriate action is then taken.

In the majority of cases any issues of risk will be identified during the detailed conversation phase that commences on entry to the new operating system. This will always be conducted by a professional worker and in most cases this will be a qualified social worker. The social worker will help the person to consider their needs and aspirations and will provide information and advice on how risks could be managed to help the person to stay as independent as possible for as long as possible.

However there are occasionally situations where there are different views held between the individual, the family carers or the professionals. The Council has a duty to keep people safe and in some circumstances we will exercise this by not agreeing aspects to a support plan if there are serious concerns that it will not meet an individual's specific need or if it places the individual at unacceptable and specific risk of harm. It is important to note that should this situation occur every effort will be made to support the individual's choices in the context of their legal rights.

4.1 Capacity, Consent and Decision Making

This means that a person must be assumed to have capacity unless it is established that he/she lacks capacity. Capacity will be determined in line with the requirements of the Mental Capacity Act 2005¹³. An individual who has the mental capacity to make a decision, and chooses voluntarily to live with a level of risk, is entitled to do so. The law will treat that person as having consented to the risk and so there will be no breach of the duty of care by professionals or public authorities. However, the Council remains accountable for the proper use of its public funds, and whilst the individual is entitled to live with a degree of risk, the Local Authority is under no obligation to fund it. There is an important distinction between putting people at risk and enabling them to choose to take reasonable risks.

4.2 Protection of Vulnerable Adults (POVA)

The Council will maintain a balance between empowerment and safeguarding; choice and risk; we are committed to the protection of vulnerable adults from abuse. Our personalised operating model does not replace our existing POVA guidelines. Where a specific risk to a service user is identified that is within the POVA scope they will be addressed under these guidelines.

4.3 Commissioning

To ensure a common approach to risk enablement within the context of a personalised social care market place commissioner are developing framework agreements based on the principles of risk enablement set out in this document. Only those providers who meet the standards set out in the quality assurance frameworks will be accredited by the Council. Only those providers meeting these standards will be promoted on the Plymouth Online Directory.

4.4 Timeframe

As part of our Transformation programme and restructure the new personalised operating system will become fully operational during 2012. This policy will be applied to all customers at whatever point they are at within our new operating model

Conclusion

Implementation of this Personal Budget Policy will ensure that by April 2013 all people receiving Council funded support will have this delivered through a self directed support process, and that the majority will receive their personal budget via a DP. Deploying the majority of personal budgets via DPs puts real choice and control into the hands of our customers; they start thinking about what they want to do and could do, to meet their needs and achieve their outcomes. Personal budgets have a positive effect in terms of impact on well-being, increased choice and control, cost implications and improving outcomes¹⁴.

Implementation of this policy will also deliver value for money as it will reduce spend on back office functions allowing for more money to be re-directed to front line services. Monitoring of spend will be streamlined and electronic giving commissioners easy access to information about how people spend their money to achieve better lives, which in turn will enable them to continue to stimulate the development of the social care market place.

Appendix 1 Services that cannot be purchased through a personal budget or need to be considered separately

Service type	Universal services commissioned and contracted by the Council	Individual service user funding
Extra Care Housing	<p>Extra Care Housing schemes with care service such as 24 hour on-site wardens will be block contracted by the Council.</p> <p>These contracts will be kept to the minimum to allow maximum choice and control through personal budgets</p>	<p>People eligible for services under FACS will have a personal budget usually delivered through a direct payment so that they have maximum choice and control over the support they receive.</p> <p>People will have choice over who provides their personal care and they could chose to buy this from the company contracted by the Council to provide the 24 hour on site support but there will be no requirement to do this.</p>
Shared Lives (Adult placement/fostering)	<p>Shared Lives schemes will have the management costs of setting up and running the service (e.g. finding, training and supporting host families) block contracted by the Council.</p>	<p>People eligible for services under FACS will have a personal budget usually delivered through a direct payment so that they have maximum choice and control over the care they receive. The personal budget will be used to contribute to the care and support costs of the placement.</p>
Long term residential care	<p>The Council will directly contract with care home providers through its standard care home contract which dictates quality and fee levels.</p>	<p>It is not legal for people to purchase long term residential care from direct payments. However as individuals eligible for support under FACS go through the SDS process they will have an indicative allocation to help with support planning. When the decision is made that the best way the person can achieve their outcomes is by permanently living in a care home the money available from the Council will be the care home fee level agreed as part of the normal contracting process.</p>
Section 117 (MHA '83) after care packages	<p>The MHA (83) requires the NHS and Local Authority to work together to provide aftercare services for people discharged from hospital under certain sections of the Act. Local Authorities are currently not allowed to charge for services provided under a section 117 arrangement.</p>	<p>Whilst the MHAct places certain duties on Councils, access to services to support aftercare is no different to any other service user (although no charging will apply) which means the person will be offered opportunities for reablement before completing the SDS process. When people are FACS eligible they will have access to a personal budget in the same way as any other service user.</p>

Direct Payment Support	The Council will block contract a DP support service to provide information and advice to service users. The universal offer includes undertaking and funding Criminal Records Bureau checks for Personal Assistants.	People who require additional services such as recruitment, payroll and insurance for employer related issues would pay for this from their personal budget.
Equipment	Where equipment is required for a short term intervention as part of a reablement package this will be provided by the Council through its commissioning of the Integrated Community Equipment Service	People who require equipment for long term use (that is not provided free under the NHS) will be able to purchase this from their personal budget.
Short term Supported Housing	For people with eligible housing needs this will be funded by the Council via commissioned services	Personal Budgets cannot be used to pay for support costs linked to the accommodation if the accommodation is deemed temporary or part of a pathway to independent living.
Reablement	Offers of opportunity for short term interventions to help people to regain independence will be offered through the new personalised social care operating system and funded jointly by the NHS and the Council.	People who have long term care needs and are FACS eligible following an episode of reablement will have a personal budget usually delivered through a direct payment so that they have maximum choice and control over the support they receive.

References

¹*Our Health, Our Care Our Say (DH 2006)*

²*Putting People First: A Shared Vision and Commitment to the Transformation of Adult Social Care. (Dec 2007)*

³*Think local, Act Personal (2010DH)*

⁴*“Adult Social Care Transformation, Proof of Concept: final report” Plymouth City Council (Nov 2011)*

⁵*In Control - a national charity; whose mission is to create a fairer society where everyone needing additional support has the right, responsibility and freedom to control that support*

⁶*Common Resource Allocation Framework (ADASS 2010)*

⁷*The Carer Recognition and Services Act 1995*

⁸*Carers and Disabled Children Act 2000*

⁹*The Carers and Disabled Children Act 2000 and Carers (Equal Opportunities) Act 2004 Combined Policy Guidance*

¹⁰*Think Local, Act Personal – Improving Direct Payment Delivery (DH 2011)*

¹¹*Think Local, Act Personal –The Personal Budget Survey(DH June 2011)*

¹² *Independence, choice and risk: a guide to best practice in supported decision making (DH 2007)*

¹³*Mental Capacity Act 2005 – Summary (DH 2007)*

¹⁴*Office for Public Management -Briefing paper 1: Positive impacts of cash payments for service users and their families longitudinal study in Essex - (OPM May 2011)*

CITY OF PLYMOUTH

Subject: Events on the Public Highway Policy
Committee: Cabinet
Date: 7 February 2012
Cabinet Member: Councillor Wiggins
CMT Member: Director of Place
Author: Ian Ellis (Assistant Network Manager) Transport and Highways
Contact: Tel: 01752 304223
e-mail: ian.ellis@plymouth.gov.uk
Ref: IRE/NMU
Key Decision: No
Part: Part I

Executive Summary:

The Growth and Prosperity Overview and Scrutiny Panel established a Task and Finish Group to review the department's charges and procedures for Community Events and Road Closures. This paper sets out the responses to the five recommendations proposed by the Scrutiny committee, and proposes a new draft Events on the Public Highway policy.

The five scrutiny recommendations and the proposed response to them are as follows:

1. That representations be made to Central Government in relation to the medium used to advertise (Temporary Traffic Regulation Orders) TTRO's e.g. Local Government Association, Department for Transport, Secretary of State for Communities and Local Government.

Response: No longer necessary. Communication received from the Department for Communities and Local Government (DCLG) in February 2011, advised that the guidance on making 'special events' orders had been withdrawn by the DfT, effectively removing any explicit recommendation for advertising TTRO's in newspapers.

2. That there be an approved list of events for which the Council will provide TTROs free of charge and that this will be approved by the Cabinet Member for Transport. The list will include civic and other similar events that have been held across the city for at least the last 5 years, and will be reviewed on an annual basis.

Response: Agreed in part. Further work is needed to establish how best to manage this situation once the new policy on reduced charging has been introduced and after the Events and Economic Development teams have merged under the new Place Directorate.

3. That the department of the Council responsible for the decision to hold any event not included in the approved list, should provide the budget for the reimbursement of the cost of the TTROs to Transport & Highways.

Response: Agreed in part. This relates to recommendation 2 above. Further work is required for the reasons stated above.

4. That TTROs continue to be advertised in the local newspaper for all events except those falling within the criteria for street parties and fetes (pending any Government response from the representation).

Response: This is not agreed. The withdrawal of government guidance effectively removes the need to advertise TTRO's in the local press. The costs of such advertisements form the significant part of the cost of the process and therefore to continue to advertise in that manner would impact upon the ability to offer, free of charge, traffic orders for the smaller events. However, road closures for events will continue to be notified on the Council's PlymGo website and by on-site notices, and as part of the new process, it is proposed that event organisers undertake more proactive engagement on road closure information,

5. That a charging policy be implemented based on the proposed categories and charges, and be reviewed annually (or sooner if a change of law) with any changes to be approved by Cabinet Member for Transport. The criteria are to be finalised by officers.

Response: Agreed. This report sets out a new reduced charging regime for event road closures, and charges are differentiated based upon the category of road to be closed.

The proposed policy relates to all internally (council led) and externally organised events, and is summarised as follows:

- Events requiring temporary road closures are categorised as 1, 2 or 3 events, each category reflecting network importance. These categories are used to determine the charges levied for the production of TTRO's. The charges do not relate to other costs associated with organising an event on the highway, i.e. traffic management, insurance, permits etc. which are still to be borne by the event organiser.
- Category 3 deals generally with closures of quiet residential type roads for small events such as street parties and fetes; it is proposed that no charge will be levied in respect of such events. Categories 1 and 2 relate to events on more important routes and a scale of charges are proposed for these.
- The cost to undertake a TTRO will be reduced from the current flat rate fee of £1000, to £500, £250 and £0 for Category 1, 2 and 3 events respectively.
- £5m public liability insurance will be mandatory for Category 1 and 2 events. £1m public liability will be advisable for organisers of Category 3 events.
- Advertising of TTRO's in the local press will be discontinued; however proposed road closures will still be advertised on the Council's PlymGo website and through the placing of on-street notices to ensure local residents and businesses are aware of forthcoming road closures.
- All existing events currently supported by the City Council will continue to be supported in the current format, but a further review will take place during 2012/13.

Corporate Plan 2011 – 2014:

Providing a safe and well-maintained road network contributes to the economic well being of the City in support of the Growth priority.

Supporting local events contributes to the social health and well being of the community.

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

The current process for undertaking TTRO's exceeds the monies received, and cost the Transport and Highways Service last year approximately £25,000. Further costs were borne by other departments who support events.

Changing the process and removing the need to advertise will not only reduce the costs to event organisers, but will also reduce the financial support of PCC and Transport and Highways significantly to approximately £6,000.

However, if the number and type of events were to rise significantly, particularly the Category 3 events, the budget pressure could rise. A further and ongoing review is therefore proposed.

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

None

Recommendations & Reasons for recommended action:

- I To note the recommendations of the Scrutiny Panel and provide responses as follows:
 - i. Making representations to Central Government in relation to the medium used to advertise TTRO's are no longer necessary following changes to government guidance.
 - ii. Further work is needed to establish how best to manage an Approved List of events once the new policy on reduced charging has been introduced and after the Events and Economic Development teams have merged under the new Place Directorate.
 - iii. Further work is needed on budget decisions once the new policy has been introduced and after the Events and Economic Development teams have merged under the new Place Directorate.
 - iv. The advertising of TTRO's for events will cease following the withdrawal of government guidance which effectively removes the need to do so.
 - v. The Authority will introduce a new, reduced charging regime for event road closures, with charges differentiated based upon the category of road to be closed.
- 2 To approve the Events on the Public Highway Policy

The 'Events on the Public Highway Policy' pulls together the recommendations of the Scrutiny Task and Finish group. These recommendations are derived from extensive work undertaken by officers and members and follow analysis of various costing options, government advice, and risk and legal implications. This policy will provide the framework for new guidance on events giving officers and events organisers a clear understanding of their responsibilities and charges.

Alternative options considered and reasons for recommended action:

Absorb all the costs of TTRO's within the Authority: Not accepted as this would remove significant revenue away from other important and statutory functions.

Continue to advertise traffic orders within the local press: Not supported. This is no longer provided for by government guidance and is not seen as the most effective way to alert people to such road closures. It is considered that the placing of on-site notices is retained to ensure local awareness raising takes place.

Retain the existing flat rate £1000 fee per event: Not accepted as this does not differentiate between the varying costs of administering such events dependent upon their scale or location and does not relate to the need for differing traffic management levels dependent upon the roads involved.

Charge all events the exact cost for implementing a TTRO: Not accepted as the certainty of costs will not be available to an event organiser, and the administrative costs would add to the overall costs of the scheme.

Remove all PCC financial support for TTRO's: Not accepted. PCC recognises the importance of supporting certain local events and this should continue until further work has been completed on developing an 'approved list'.

Background papers:

1. Events on the Public Highway policy
2. Overview and Scrutiny Management Board Task and Finish Group Scrutiny Review - Review of Community Events and Road Closure Policy October 2010

Sign off:

Fin FI112 0039	Dev	Leg	JAR /124 62A	HR		Corp Prop		IT		Strat Proc	
Originating SMT Member: Clive Perkin											

1.0 Introduction

- 1.1 In 2010, the Growth and Prosperity Panel established a Task and Finish Group to review the department's charges and procedures for Community Events and Road Closures. The recommendations for the Task and Finish group were as follows:
1. That representations be made to Central Government in relation to the medium used to advertise TTRO's e.g. Local Government Association, Department for Transport, Secretary of State for Communities and Local Government.
 2. That there be an approved list of events for which the Council will provide TTROs free of charge and that this will be approved by the Cabinet Member for Transport. The list will include civic and other similar events that have been held across the city for at least the last 5 years, and will be reviewed on an annual basis.
 3. That the department of the Council responsible for the decision to hold any event not included in the approved list, should provide the budget for the reimbursement of the cost of the TTROs to Transport & Highways
 4. That TTROs continue to be advertised in the local newspaper for all events except those falling within the criteria for street parties and fetes (pending any Government response from the representation).
 5. That a charging policy be implemented based on the proposed categories and charges, and be reviewed annually (or sooner if a change of law) with any changes to be approved by Cabinet Member for Transport. The criteria are to be finalised by officers.
- 1.2 The outcome of the Task and Finish review is the draft Events on the Public Highway policy. The policy draws on the recommendations of the Scrutiny review and details Plymouth City Council's approach, as a local highway authority, for managing pre-planned events i.e. sporting events, carnivals, parades, street parties and entertainments etc. on the public highway. This is an important step in fulfilling the Council's Network Management Duty established by the Traffic Management Act 2004, and aids in limiting the negative impact of such activities on the network.
- ## **2.0 Advertising road closures**
- 2.1 Traditionally, and in line with Department for Transport advice, Plymouth City Council has advertised proposed road closures for events in the local press. During the Scrutiny review, officers advised that, on average, 74 percent of the current charge for a TTRO (£1000) related to local newspaper advertising costs. Consequently, the Task and Finish group recommended (recommendation 1, above) that representations be made to the Government with a view to updating the guidance such that alternative, more cost effective media might be used, e.g. the internet.
- 2.2 A further communication received from the DCLG in February 2011, advised that the guidance on making 'special events' orders had been withdrawn by the DfT, effectively removing any explicit recommendation for advertising. Whilst this move was primarily timed to accommodate Royal Wedding street parties it now enables local highway authorities to determine their own processes for road closures.

- 2.3 Following consultation with the Council's Legal department, it is proposed that press advertisements will be discontinued, however, TTRO's will continue to be advertised on the Council's PlymGo website. Additionally, On-street notices advising of road closures will continue to be placed on affected streets whilst event organisers will be required to undertake consultation with affected residents, businesses and stakeholders.
- 2.4 The decision to no longer advertise in the local press runs contrary to the Scrutiny recommendation (recommendation 4, above) that the practice should continue. However, this recommendation was made before the DCLG's communication in February 2011, and reflected the legal advice given at the time. The current proposal now better aligns with the wishes of the Scrutiny Panel as detailed in 2.1, above.

3.0 Approved list of events and charges to other departments

- 3.1 The Highways department has historically waived charges for some charity, community and PCC led events with the costs funded from the Highways revenue budget, despite having no specific allowance for this. Furthermore, some events are funded by other departments. However, there has never been an established protocol for deciding which events should be subsidised in this manner and consequently the decision to do so has been left at officers' discretion.
- 3.2 The Task and Finish Group was keen that the decision whether or not to charge event organisers for TTRO's should not rest with council officers. Consequently, the group recommended (recommendation 2, above) that an 'Approved List' of events for which the Transport and Highways department funds TTRO's should be established and agreed by the Cabinet Member for Transport.
- 3.3 An 'Approved List' of events that PCC as a whole supports would provide clarity to officers and events organisers in respect of the responsibility for the funding of TTRO's for events. However, it is considered prudent to allow the proposed new fee structure for TTRO's to become established before proceeding with the development of an Approved List. This will allow time to develop an understanding of the cost implications of such a list to the Authority.
- 3.4 Furthermore, many of the PCC events subsidised by Transport and Highways (and which may be included on any future list) are led by the authority's Events Team and Economic Development department, all of which are due to merge under the new Place Directorate. Consequently, it is considered that such an Approved List should be considered only after the merger has taken place when the budgetary implications can be properly considered.

4.0 Costs for the preparation of TTRO's

- 4.1 The options for charging for TTRO's, which includes the preparation, noticing and advertising of orders, were considered by the Scrutiny panel. These were as follows:
1. Continue to charge a fixed fee for all road closures (currently £1000) – unless subsidised by PCC
 2. A sliding scale of fixed charges based on the size, e.g. small, minor, significant and major, and the complexity of the event
 3. Charging actual costs for all events

Table 1 summarises the benefits and disbenefits of these options.

Option	Advantages	Disadvantages
1	<ul style="list-style-type: none"> ▪ Easy and cost effective to administer ▪ Easy for event organisers to understand costs ▪ Keeps costs down for organisers of charity and community events 	<ul style="list-style-type: none"> ▪ Service absorbs costs of TTRO's and staff time totaling over £1000 ▪ Not most equitable as smaller events may subsidise larger events ▪ Highest expense to the service
2	<ul style="list-style-type: none"> ▪ Easy and cost effective to administer ▪ Easy for event organisers to understand costs ▪ Keeps costs down for organisers of charity and community events ▪ Allows PCC to recover a greater proportion of cost 	<ul style="list-style-type: none"> ▪ PCC absorbs costs of TTRO's and staff time over and above fixed rate ▪ Difficult to fix rate due to the varying complexity of events' requirements
3	<ul style="list-style-type: none"> ▪ Reduces pressure on the highways maintenance/Parking budget ▪ Most equitable method of charging ▪ Allows greater understanding of costs of events 	<ul style="list-style-type: none"> ▪ Not easy for event organisers to understand final costs ▪ May be unpopular as charity and community events may not go ahead as a result of charges ▪ More officer time required to administer repayment/additional invoicing if the costs are below or over the estimate initially given to organisers.

Table 1 – Benefits/disbenefits of charging options

- 4.2 Following the Scrutiny review, the policy proposes using a variation of option 2 to replace the current single charge (see Table 2). The scale of these charges reflects the impact the event will have on the network (as opposed to the size of the event) and encourages organisers to hold events on less important roads. Fixing the fees, as opposed to charging actual costs for TTRO preparation, enables event organisers to understand their costs at the outset; this also removes the administrative cost to the council in re-invoicing/reimbursing the balance, which would otherwise be the case if actual costs were charged.
- 4.3 The policy categorises events based on the likelihood of disruption to the road network and defines a scale of fixed charges for the production of TTRO's.
- 4.4 Events requiring temporary road closures are categorised as 1, 2 or 3 events, the definitions for which are provided in Table 2, below. These categories are used to determine the charges levied for the production of TTRO's associated with events, and reflect network importance. The charges do not relate to other costs associated with organising an event on the highway, i.e. traffic management, insurance, permits etc. which are still to be borne by the event organiser.

Category	Definition	Charge
1	<ul style="list-style-type: none"> ▪ Closure of major roads, for example: <ul style="list-style-type: none"> - Traffic Sensitive Roads - Major bus routes - Principal and Non-Principal roads ▪ Diverting significant traffic onto a major road ▪ Closing more than 300m of road ▪ Closing a road for more than 6 hours (including setting up and cleaning up) 	£500
2	<ul style="list-style-type: none"> ▪ Closure of Distributor Roads not identified within Category 1 	£250
3	<ul style="list-style-type: none"> ▪ All closures not identified in Category 1 or Category 2 	£0

Table 2 – Categorisation of events and proposed charges

- 4.5 The proposed scale of charges provides a clear, equitable and consolidated charging structure for event organisers whilst ensuring that the Highways revenue budget does not unnecessarily subsidise events. It should be noted that the proposed charges are significantly lower than those proposed at the Scrutiny meeting in October 2010, and reflect the reduced costs in processing TTRO's should the decision be made not to advertise in the local press.
- 4.6 As an example of the affect of the proposals, Appendix I to this report summarises the events in 2011 which required road closures and compares the actual fees collected, and costs incurred by the authority, with estimated figures taking into account the proposed policy and charging structure. From this summary it can be seen that the difference between fees collected and the actual cost to authority in administering the TTRO process is significantly reduced. This is largely as a result of removing advertising costs which, as described in 2.1 above, accounts for a considerable proportion of the authority's costs.
- 4.7 Following the Royal Wedding in 2011, and with the anticipated celebrations of the Queens Diamond Jubilee and the Olympics in 2012, it is likely that the authority will see an increase in the number of requests for street parties. Whilst it is difficult to determine the degree of interest for such activities, it is clear that sufficiently large numbers of requests will result in Plymouth City Council meeting the costs for TTRO's for these Category 3 events. Consequently, officers will continually monitor the costs throughout each financial year and review and increase the charges as appropriate on an annual basis. Such reviews will draw on previous actual costs to revise them fairly.
- 5.0 Street parties and fetes**
- 5.1 Communications from the DCLG received during the Scrutiny review requested that authorities cut red tape and make it easier for communities to hold street parties and fetes. A further letter of reminder was received from DCLG in January 2012 reiterating its desire to see local authorities accommodating its earlier wishes in time for the Queens Diamond Jubilee and the London Olympics/Paralympics later this year.
- 5.2 This request has been considered and accommodated in the new policy as the Category 3 type event. It is proposed that Category 3 will cater for activities on roads where they are unlikely to have any affect on more important roads.

- 5.3 Furthermore, a new, easy to use application form and guidance based on the example provided by the DCLG has been developed for street party organisers.

6.0 Public Liability Insurance

- 6.1 Historically, Plymouth City Council has required event organisers to provide £5m public liability insurance (PLI) when holding events on the public highway. This was to ensure that both organisers and the council were protected against claims arising from organisers' negligence. However, the DCLG's advice to local authorities and event organisers was that PLI was not necessarily required for street parties and fetes and that it added unnecessary bureaucracy for communities wishing to hold such events.
- 6.2 Advice from the council's Risk and Insurance team is that, despite the DCLG advice, organisers of street parties should arrange insurance to protect themselves as the risk of claims still exists, however small. However, as a compromise, the Risk and Insurance team is prepared to support a relaxation of the requirement but only in so far as applicants are still strongly advised to consider insurance for their own protection.
- 6.3 This advice has been included in the application guidance to organisers of Category 3 events along with the recommendation that a minimum of £1m PLI is obtained. The reduction in the level of PLI reflects the reduced risk associated with smaller events and makes cover more affordable for organisers. Where organisers have decided not to obtain PLI the guidance advises that the Council's own insurance will not respond should claims arise due to an organiser's negligence.
- 6.4 For Category 1 and 2 events, the full £5m PLI is still required; this reflects the increased risk associated with larger events.

7.0 Recommendations

- 7.1 It is recommended that the proposed Events on the Public Highway Policy be adopted in full, which includes:
- The categorisation of events based on their potential to disrupt the highway network
 - Using the categories as the basis for defining the charges levied for road closures
 - Adopting the charges described Table 2, above
 - Reducing the level of PLI required by event organisers for Category 3 events
 - Discontinuing the advertising of TTRO's in the local press

APPENDIX I

Event and Road Closed	Date	Existing Policy		Proposed Policy	
		Cost to applicant	Estimated PCC costs	Assumed cost to applicant	Estimated PCC costs
Plymouth Hoe 10k Road Race – various roads	Feb 2011	£0 (PCC funded)	£1,140	£0 (PCC funded)	£468
Plymouth Cancer Research Race for Life - various roads	Jun 2011	£0 (PCC funded)	£2,193	£0 (PCC funded)	£570
Royal Wedding Street Parties - nine streets incorporated into One Order	Apr 2011	£0 (PCC funded)	£1,029	£0 (PCC funded)	£268
Plympton May Fair - Dark Street Lane and Ridgeway	May 2011	£0 (PCC funded)	£1,070	£0 (PCC funded)	£278
Plymouth Half Marathon, Fun Run & Schools Challenge – various roads	May 2011	£0 (PCC funded)	£3,996	£0 (PCC funded)	£1,039
Lord Mayor's Day – various roads	May 2011	£0 (PCC funded)	£1,902	£0 (PCC funded)	£494
Plympton Lamb Feast - George Lane, Longcause and Barbican Road	Jun 2011	£0 (PCC funded)	£1,736	£0 (PCC funded)	£451
America's Cup – various roads	Sep 2011	£0 (PCC funded)	£2,500	£0 (PCC funded)	£650
Firework Championship – various roads	Aug 2011	£0 (PCC funded)	£2,465	£0 (PCC funded)	£641
3 Commando Brigade Homecoming – various roads	Nov 2011	£1,000	£1,936	£500	£503
Union Street Residents Street Party – Union Street	Sep 2011	£1,000	£1,139	£500	£492
Plymouth 10k run – various roads	Nov 2011	£1,000	£1,977	£500	£514
5th Nov Celebration – various roads	Nov 2011	£0 (PCC funded)	£1,936	£0 (PCC funded)	£503
Christmas Lights Switch-on – various roads	Nov 2011	£0 (PCC funded)	£1,936	£0 (PCC funded)	£503
Remembrance Sunday parade – various roads	Nov 2011	£0 (PCC funded)	£1,936	£0 (PCC funded)	£503
Total		£3,000	£28,891	£1,500	£7,877

EVENTS ON THE PUBLIC HIGHWAY POLICY

Plymouth Transport and Highways



PLYMOUTH
CITY COUNCIL

DRAFT

PURPOSE

The Traffic Management Act 2004 places a duty on local highway authorities to ensure that their highway networks operate efficiently without unnecessary delay to those travelling on them. This document details Plymouth City Council's policy, as a local highway authority, for managing pre-planned events on the public highway in order to limit the negative impact of such activities on the network.

SCOPE

This policy relates to all pre-planned events, e.g. sporting events, demonstrations, illuminations, carnivals, parades, street parties and entertainments, held on the public highway. This policy does not include road and street works.

POLICY STATEMENT

Plymouth City Council recognises the role of public and community events in establishing Plymouth as one of Europe's finest waterfront cities, in supporting a vibrant economy, and in maintaining community cohesion. Consequently, the Council will endeavour to support the use of the public highway as a conduit or venue for events but only within the limits of its statutory duty to maintain a safe and effective road network for the wider community.

COORDINATION

Plymouth City Council acquires accurate information about all events that will affect network operation through good communication channels, contact points, awareness reports and meetings as deemed necessary. Such information is shared in good time with internal and external stakeholders to ensure effective coordination.

Events on the highway are included on Plymouth City Council's Street Works Register to ensure that they do not coincide with planned road or street works.

TEMPORARY TRAFFIC REGULATION ORDERS (TTRO's)

Use of Legislation

Plymouth City Council uses the Road Traffic Regulation Act 1984, as amended by the Road Traffic Regulation (Special Events) Act 1994, to make orders for regulating traffic on a temporary basis to facilitate the holding of pre-planned events on the highway.

Under certain circumstances Plymouth City Council may elect to use the Town Police Clauses Act 1847 (TCPA) in lieu of the Road Traffic Regulation Act. The decision to use the TCPA is made by the Traffic Manager in consultation with Police.

Categorisation of Events

Events requiring temporary road closures are categorised as 1, 2 or 3 events, the definitions for which are provided in Table 1, below. These categories are used to determine the charges levied for Temporary Traffic Regulation Orders (TTRO) associated with events, and reflect network importance.

Category	Definition
1	<ul style="list-style-type: none"> ▪ Closure of major roads, for example: <ul style="list-style-type: none"> - Traffic Sensitive Roads - Major bus routes - Principal and Non-Principal B roads ▪ Diverting significant traffic onto a major road ▪ Closing more than 300m of road ▪ Closing a road for more than 6 hours (including setting up and cleaning up)
2	<ul style="list-style-type: none"> ▪ Closure of Non-Principal C Roads
3	<ul style="list-style-type: none"> ▪ All closures not identified in Category 1 or Category 2

Table 1 – Categorisation of Events

The Traffic Manager may refuse or require changes to an application which may include, but not be limited to, 'one-way' systems where there are no obvious diversions, roads affected by seasonal traffic, or roads with significant commercial traffic. Such changes may vary the category of the event.

Consultation and Public Notification and Advertising of TTRO's

TTRO's for special events are not advertised in the local press; instead full stakeholder consultation about a proposed restriction is undertaken, and evidenced, by the organiser of an event before the Authority agrees to proceed with a TTRO. Such stakeholders must include, as appropriate, public transport operators, and affected residents and businesses.

Not less than 14 days before an event begins, notices containing the information pertinent to a TTRO are erected by the Authority in each road affected by the order. Advance information boards are placed on site a minimum of two weeks in advance of a TTRO coming into force.

TTRO's for all event categories are advertised on a web site supported by Plymouth City Council.

Plymouth City Council does not explicitly invite and consider objections to proposed TTRO's. However, it does have regard where possible to any representations made, and explores in a constructive fashion with the event organiser ways of mitigating the traffic impact without detracting unduly from the nature and viability of that event.

CHARGES

Charges for TTRO's

With the exception of events included on the Approved List, Plymouth City Council charges event organisers for the making of TTRO's. Payment is made in advance of a TTRO coming into force. The charges follow a sliding scale commensurate with the event categories 1, 2 and 3.

The scale of charges is as follows:

- Category 1 - £500
- Category 2 - £250
- Category 3 - £0

The scale of charges is reviewed annually by the Traffic Manager and is approved by the Cabinet Member for Transport, by delegated decision, by the 31st March each year. Changes to the charges take effect on 1st April each year.

Charges for the Network Control Centre

If a special event requires an officer to oversee the transport network from the Network Control Centre outside of normal workings hours, 8am to 6pm Monday to Friday, then an additional hourly charge will apply.

Charges for the Suspension of On-Street Parking Spaces

Event organisers may be charged for the suspension of on-street parking spaces, e.g. Pay and Display and Controlled Parking Zones, to offset lost parking revenue and may include costs associated with coning-off on-street parking spaces prior to an event.

TRAFFIC MANAGEMENT

Plymouth City Council agrees the scope, design and operational arrangements of traffic management.

All road signs and traffic management associated with events comply with the requirements of the Traffic Signs Regulations and General Directions Statutory Instrument 2002.

For Category 1 and 2 events, works on the highway are undertaken in strict accordance with the Traffic Signs Manual Chapter 8, Traffic Safety Measures and Signs for Road Works and Temporary Situations – Part 1: Design and Part 2: Operations. Where roads are classified as Traffic Sensitive, occupation of the highway is carried out at times specified in Plymouth City Council's Traffic Sensitive Streets register, or may be varied where necessary by agreement with the Traffic Manager.

ORGANISERS' RESPONSIBILITIES

The event organiser:

- is responsible for the safety and welfare of all participants and spectators of an event held on the public highway;
- ensures that for Category 1 or 2 events an application is made a minimum of 16 weeks in advance of an event taking place;
- ensures that for Category 3 events an application is made a minimum of 6 weeks in advance of an event taking place;
- is responsible for all advertising and publicity, beyond the statutory notices, associated with the need for a TTRO;
- ensures that residents and businesses likely to be affected by a TTRO are notified in writing no less than one week before it comes into force;
- holds a minimum of £5 million public liability insurance for Category 1 and 2 events, and is advised to hold £1 million public liability insurance for Category 3 events. Policies indemnify Plymouth City Council from and against all actions, claims, losses and expenses

whatsoever in respect of loss of life or personal injury or damage to property, howsoever caused, arising out of or in any way attributable to a road closure or activity;

- is responsible for the design, procurement, placing, maintenance, operation and removal of all traffic management relating to the event;
- ensures that advance information boards are placed on site a minimum of two weeks in advance of a TTRO coming into force;
- ensures that all personnel working on the highway are able to demonstrate that they are trained and competent to do so, i.e. qualified under the New Roads & Street Works Act 1991 or similar qualifications such as the National Highway Sector Scheme (modules 12D T1 and T2);
- ensures that essential vehicular and/or pedestrian access to individual properties adjacent to the site are maintained
- ensures rubbish arising from an event is cleared away and responsibly discarded.

Relaxation of any of the Organiser's responsibilities is at the discretion of the Traffic Manager.

PCC's RESPONSIBILITIES

Plymouth City Council:

- Seeks to minimise congestion on the highway network;
- Co-ordinates with the local Police Constabulary, Fire and Rescue, ambulance services and Public Transport providers in accordance with current Traffic Regulation Order requirements;
- Advertises proposed TTRO's on a web-site supported by Plymouth City Council;
- Erects TTRO notices on site.

REVIEWS AND AMENDMENTS

The Events on the Public Highway Policy is reviewed annually, or as required by a change in law. Changes are approved by the Cabinet Member for Transport by delegated decision.

GLOSSARY OF TERMS

Controlled Parking Zones	An area where parking is regulated by a permit scheme to benefit residents, businesses and visitors.
Distributor Road	A road that distributes traffic and bus services within the main residential, commercial and industrial built-up areas.
Event Organiser	The person responsible for initiating, planning and coordinating an event.
Major Bus Route	A bus route with four or more buses per hour, or where a route cannot be practically diverted.
Non-Principal Road	B-class or C-class roads, e.g. B3396
Pay and Display	System used for regulating parking in urban areas or in car parks. It relies on a customer purchasing a ticket from a machine and displaying the ticket on the dashboard, or windscreen or passenger window of the vehicle.
Principal Road	An A-class road, e.g. A386, A379
Temporary Traffic Regulation Order (TTRO)	A statutory legal document necessary to support any enforceable highway measure with a limited period of operation. The scope of an order can be anything from temporary road closures to temporary parking restrictions depending on the needs and circumstances of each case.
Traffic Manager	The person appointed in accordance with S17 of the Traffic Management Act 2004, to perform such tasks as the authority considers will assist it to perform its Network Management Duty under the act.
Traffic Sensitive Road	A road where works or events are likely to create unacceptable delays and disruption to highway users at specified times.

**Overview and Scrutiny Management Board
Task and Finish Group
Scrutiny Review – Report
October 2010**



Review of Community Events and Road Closure Policy

Plymouth City Council

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1 Introduction

- 1.1 The Overview and Scrutiny Management Board approved in principle, on 28 July 2010, the establishment of a Task and Finish group to review the Community Events and Road Closure Policy with membership to be drawn from the Growth and Prosperity Overview and Scrutiny Panel. The Task and Finish Group will submit its findings for approval to the Overview and Scrutiny Management Board on 27 October 2010.

2 Executive Summary

- 2.1 The Growth and Prosperity Panel established a Task and Finish Group to review the Community Events and Road Closure Policy.
- 2.2 The Group received representations from Plymouth City Council Officers.
- 2.3 Key issues and findings included that –
- road closures for community events require traffic regulation orders; temporary traffic regulation orders (tro's) can be made by the council;
 - the authority dealt with 15-20 events throughout the year that require traffic regulation orders. It was considered that double the number of event requests made were not continued for various reasons, one being that the system was too bureaucratic;
 - there was a wide range of events – charitable, community, commercial and civic;
 - it was the duty of the council to co-ordinate its traffic regulation orders with the fire brigade and the police in the case of an emergency;
 - all scale events, ranging from two day events to 10 minute events, were required to follow the same process and administrative procedure;
 - officers were working on developing several marching and carnival routes to alleviate problems linked with road closures;
 - two elements were involved in processing temporary traffic regulation orders, administration costs and advertisement costs;
 - temporary traffic regulation orders had to be advertised in a local newspaper that covered a specific percentage of the city's residents;
 - the Council charged £1000 for a temporary traffic regulation order which would take into account administration and advertisement costs;

- in the past the Council had not charged for road closures for charitable events however this was down to the discretion of council officers;
- officers had looked at the current charging policy and decided there were three possible options for the future. The first option was to continue to charge £1000 – this meant that organisers would know in advance how much they would be required to pay however the Highways Department would absorb anything over and above £1000. The second option was to have a fixed charging scheme with a sliding scale – this would keep the costs down. The third option was to charge actual costs of the event to the organiser. This would be the most equitable approach however organisers would not know in advance the fee.
- there could be extra costs for some event organisers; for example if the desired event resulted in the closure of a road with a car park there would be loss of revenue – this would be at the discretion of the Park Manager;
- temporary traffic regulation orders were currently subsidised by the Highways Department – a sum of money was currently put aside to deal with events;
- an Events Safety Group was formed and held quarterly to discuss up and coming events;
- Eric Pickles, Secretary of State for Communities and Local Government, recently wrote a letter to local authorities encouraging them to make it easier for local residents and event organisers to hold local events without having to plough through mountains of forms and red tape;
- Street parties should be encouraged but the use of traffic sensitive roads or distributor roads should be discouraged

3 The Panel

3.1 The Task and Finish group had a cross party membership comprising the following Councillors -

- Councillor Nicholson (Chair)
- Councillor K Foster (Vice Chair)
- Councillor Berrow
- Councillor Wright

For the purposes of the review, the Task and Finish Group was supported by –

- Gill Peele, Business Manager for Development and Regeneration

- Ian Ellis, Assistant Network Manager
- Duncan Malloch, AMEY Network Manager
- Helen Rickman, Democratic Support Officer

4 Scrutiny Approach

4.1 The Task and Finish Group convened on two separate occasions to consider evidence and hear from witnesses -

- 26 August 2010
- 6 October 2010

4.2 Members of the Task and Finish Group aimed to examine and make recommendations on –

- the departments costs in the delivery of events management with the proposed charging policies.

The Work Programme Request (PID) is attached as Appendix 1.

4.3.1 At its meetings on 26 August 2010 and 6 October 2010 the Task and Finish Group considered evidence from Council Officers, raised questions and considered answers and recommendations relating to the Review of the Community Events and Road Closure Policy.

5 Witnesses

5.1 The Task and Finish Group heard representations from –

- Ian Ellis, Assistant Network Manager
- Duncan Malloch, AMEY Network Manager

6 Key Issues Arising from the Evidence

6.1 From the evidence provided at the Panel's two meetings, the following key themes emerged.

6.1.1 the current charging policy fees were arbitrary and unfair;

6.1.2 the current policy was too bureaucratic and complicated

6.1.3 the advertisement of temporary traffic regulation orders was an expensive part of the process because it restricted the advertisement of TTROs to local newspapers

6.1.4 the Transport and Highways Department budget was used for the majority of City Council events

7 Findings

- 7.1 Based on the evidence the Panel had received, it was considered the problems arising from the current Community Events and Road Closure Policy would be addressed if –
- an agreed charging policy that catered for different scale/types of events was formulated
 - advertisement costs could be reduced. These make up $\frac{3}{4}$ of the fees charged, and could be reduced by advertising on the Council's website, in shop windows, libraries and town halls other than the current requirement to publish in a local newspaper. However current government and Plymouth City Council legal advice does not support this;
 - smaller event organisers are encouraged to avoid road closures and specifically on major bus routes or traffic sensitive roads and thereby avoiding the need for Temporary Traffic Regulation Orders (TTROs), with reliance on the Town Police Clauses Act 1847 for smaller community based events

8 Recommendations

1. That representations be made to Central Government in relation to the medium used to advertise Temporary Traffic Regulation Orders e.g. Local Government Association, Department for Transport, Secretary of State for Communities and Local Government
2. That there be an approved list of events for which the Council will provide Temporary Traffic Regulation Orders (TTROs) free of charge and that this will be approved by the Cabinet Member for Transport. The list will include civic and other similar events that have been held across the city for at least the last 5 years. The list to be reviewed on an annual basis
3. That the department of the Council responsible for the decision to hold any event not included in the approved list, should provide the budget for the reimbursement of the cost of the Temporary Traffic Regulation Orders (TTROs) to Transport & Highways
4. That Temporary Traffic Regulation Orders (TTROs) continue to be advertised in the local newspaper for all events except those falling within the criteria for street parties and fetes (pending any Government response from the representation)
5. That a charging policy be implemented based on the proposed categories and charges, and be reviewed annually (or sooner if a change of law). Any changes to be approved by Cabinet member for Transport. The criteria are to be finalised by officers.

Category	Suggested criteria (still to be fully defined)	Charge
A	Require diversion of major Bus routes <ul style="list-style-type: none"> ▪ Close any traffic sensitive road (The list online www.plymouth.gov.uk/trafficsensitivestreets) ▪ Divert significant traffic onto any traffic sensitive road ▪ 1000 or over attendees/participants 	£3,000
B	<ul style="list-style-type: none"> ▪ Important route, but not traffic sensitive, e.g. distributor road ▪ Close less than 200m of road ▪ Close any road for less than 6 hours in total (including setting up and cleaning up) ▪ Divert traffic for less than 1km ▪ Less than 1000 attendees/participants 	£1,200
C	<ul style="list-style-type: none"> ▪ Street parties and fetes ▪ Non distributor roads eg residential ▪ Limited to a length of road not exceeding 200m ▪ No two adjacent roads closed on a single day 	£35

6. That officers be thanked for their efforts to recognise and support the organisers of smaller events

7. The panel also welcomes the investigation of parade and carnival routes and whether these can be standardised to simplify the TTRO process

Request for Scrutiny Work Programme Item

1	Title of Work Programme Item	Review of Community Events and Road Closure Policy.
2	Responsible Director (s)	Anthony Payne : Director for Development & Regeneration
3	Responsible Officer Tel No.	Tom White : Head of Network Management, Transport & Highways 01752 304256
4	Relevant Cabinet Member(s)	<i>Cabinet Member for Transport</i>
5	Aim	The scrutiny panel will review the departments costs in the delivery of events management with the proposed charging policies and make recommendations
6	Objectives	Scrutiny members will gain a better understanding of; <ul style="list-style-type: none"> • The Traffic Management Act 2004 • The new events management procedures • Costs being incurred by the Council for the management of events eg Road traffic orders, licences etc • Types of events eg community, charitable both small and large and associated traffic management requirements • Police presence • Benchmarking with other authorities
7	Benefits	The review will benefit the Council and Plymouth residents by ensuring a fair and equitable approach
8	Beneficiaries	Plymouth residents
9	Criteria for Choosing Topics	Concerns expressed by small community event organisers
10	Scope	Consider the financial impact of current or future subsidies Criteria for charging i.e. type of event

11	Exclusions	This review excludes the Events Strategy which is being formulated in parallel to the Visitors Strategy.		
12	Programme Dates	First meeting to receive a presentation from PCC Officers , second meeting to make decision and may involve witnesses		
	Timescales and Interdependences	Milestones	Target Date for Achievement	Responsible Officer
		Agree recommendations arising from scrutiny within 1 months of first meeting	Growth & Prosperity OSP 18th Oct 2010	Tom White
13	Links to other projects or initiatives / plans	CIP 11 /CIP 12		
14	Relevant Overview and Scrutiny Panel / Membership if Task and Finish Group	Growth & Prosperity		
15	Lead Officer for Panel	Gill Peele		
16	Reporting arrangements	To Overview and Scrutiny Management Board		
13	Resources	PCC staff resources		
14	Budget implications	Resources within existing budgets		
15	Risk analysis	n/a		
16	Project Plan / Actions	<i>Project plan to be prepared by Task and Finish Panel</i>		

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