

Public Document Pack



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21 December 2012

OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Wednesday 9 January, Monday 14 January and Wednesday 16 January 2013
9.30 am
Warspite Room, Council House

Members:

Councillor Mrs Aspinall, Chair

Councillor Tuffin, Vice Chair

Councillors Bowie, Bowyer, Casey, Philippa Davey, James, Monahan, Murphy, Mrs Nelder,
Nicholson and Wigans.

Co-opted Representative :

David Parlby, Chief Executive of the Chamber of Commerce

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

Tracey Lee

Chief Executive

OVERVIEW AND SCRUTINY MANAGEMENT BOARD

AGENDA

PART I – PUBLIC MEETING

1. APOLOGIES AND SUBSTITUTIONS

To receive apologies for non-attendance submitted by Overview and Scrutiny Management Board Members.

2. DECLARATIONS OF INTEREST

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

3. CHAIR'S URGENT BUSINESS

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

4. SCRUTINY OF THE BUDGET AND CORPORATE PLAN

Members will scrutinise the budget priorities of the City Council and that of its key partners.

- 4.1. Scrutiny of the 2013/14 Budget- Timetable **(Pages 1 - 2)**
- 4.2. 2013/14 Indicative Budget (Revenue and Capital) allocated to the Corporate Priorities **(Pages 3 - 48)**
- 4.3. Appendix A - Departmental Indicative Budgets 2013/14 **(Pages 49 - 50)**
- 4.4. Appendix B - Local Government Act 2003, Section 25 **(Pages 51 - 70)**
 - Analysis of Budget Robustness
 - Movement of Reserves
- 4.5. Appendix C - Directorate 2012/13 Budget Delivery Plans **(Pages 71 - 80)**
 - People
 - Place
 - Corporate Services
 - Chief Executive's Office
 - Corporate Items
- 4.6. Appendix D - Capital Programme Monitoring 2012/13 **(Pages 81 - 82)**

4.7. Appendix E - Capital Projects 2012/13 to 2015/16	(Pages 83 - 90)
4.8. Appendix F - £8.9 million Pressures Incorporated in 2013/14 Revenue Budget	(Pages 91 - 92)
4.9. Draft Corporate Plan 2012-15 - Update	(Pages 93 - 102)
4.10. Plymouth (Interim) Report 2012	(Pages 103 - 132)
4.11. 'Listening Plymouth' - Headline Results	(Pages 133 - 138)
4.12. Stake Holder Consultation Results	(Pages 139 - 146)
<ul style="list-style-type: none">• Plymouth Chamber of Commerce• Community and Social Action Plymouth (CASAP)• Youth Cabinet	
4.13. Partner Responses	(Pages 147 - 164)
<ul style="list-style-type: none">• Devon and Cornwall Police• NEW Devon Clinical Commissioning Group (Western Locality)• Plymouth Community Healthcare• Devon and Somerset Fire and Rescue Service• Plymouth Hospitals NHS Trust (to follow)	

5. 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(s) the likely disclosure of exempt information as defined in paragraph(s) ... 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, the Panel is entitled to consider certain items in private. Members of the public will be asked to leave the meeting when such items are discussed.

NIL.

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OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Scrutiny of the 2013/14 Budget – Timetable



DRAFT

DAY 1 – WEDNESDAY 9 JANUARY 2013

9.30 – 9.45	Welcome and Introduction
9.45 – 11.50	City Council and Partners -
9.45 – 10.45	Vision and Priorities – presented by - The Leader Devon & Cornwall Police Western Locality NEW Devon Clinical Commissioning Group Plymouth Community Healthcare Plymouth Hospitals NHS Trust Devon & Somerset Fire & Rescue Service
10.45 – 10.55	<i>Break</i>
10.55 – 11.50	Questioning from the Board The Leader and Chief Executive of Plymouth City Council Devon & Cornwall Police Western Locality NEW Devon Clinical Commissioning Group Plymouth Community Healthcare Plymouth Hospitals NHS Trust Devon & Somerset Fire & Rescue Service
11.50 – 12.20	Board discussion on last session
12.20 – 13.00	<i>Lunch</i>
Corporate Plans delivery	
13.00 – 13.30	The Leader and Chief Executive
13.30 – 13.40	Board discussion on last session
Corporate Services	
13.40 – 15.30	Democracy and Governance Human Resources and Organisational Development Customer Services Finance, Technology, Assets and Efficiencies Chief Executive's Unit
15.30 – 15.40	<i>Break</i>

15.40 – 16.00	Board discussion on last session
16.00 – 16.30	Round up of the day
	close

DAY 2 – MONDAY 14 JANUARY 2013

9.30 – 10.00	Overview of previous session
People	
10.00 – 13.00	<ul style="list-style-type: none"> • Children's Social Care • Joint Commissioning and Adult Social Care • Learner and Family Support • Homes and Communities • Life Centre and Leisure Management
13.00 – 14.00	<i>Lunch</i>
14.00 – 14.30	Board discussion on last session
14.30 – 15.00	Round up of the day
	close

DAY 3 – WEDNESDAY 16 JANUARY 2013

9.30 – 10.00	Overview of previous session
Place	
10.00- 13.00	<ul style="list-style-type: none"> • Transport and Infrastructure • Planning • Environmental Services • Economic Development
13.00- 13.45	<i>lunch</i>
13.45 – 14.15	Board discussion on last session
14.15 – 14.35	Preparation for challenge of the Leader and Chief Executive
14.35 – 14.45	Break
14.45 – 16.00	Challenge of the Overview
16.00 – 16.30	Finalisation of recommendations for report
	close

CITY OF PLYMOUTH

Subject:	2013/14 Indicative Budget (Revenue & Capital) allocated to corporate priorities
Committee:	Cabinet
Date:	11 December 2012
Cabinet Member:	Councillor Lowry
CMT Member:	Adam Broome (Director for Corporate Services)
Author:	David Northey, Head of Finance
Contact:	Tel: 01752 304566 email: david.northey@plymouth.gov.uk
Ref:	djn281212
Key Decision:	No
Part:	I

Purpose of the report:

This report sets out Plymouth City Council's 2013/14 Indicative Revenue and Capital Budget. It sets out the net budgets by department; the adequacy of reserves; the robustness of the budget and details the directorate revenue budget delivery plans.

At this stage the budget is subject to a number of caveats and potential changes. These include:

1. The outcome of the Provisional Settlement in December and Final Settlement in January 2013.
 2. On-going consultation processes.
 3. The Council's scrutiny process and conclusion in January 2013.
 4. Further Cabinet meetings in January & February 2013.
 5. Full Council approval of the final budget and Council Tax February 2013.
-

Corporate Plan 2012-2015:

The budget 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 2013/14 budget will become the base year for the Medium Term Financial Forecast (MTFF) 2013-16. The MTFF will be revised and updated soon after the adoption of the 2013/14 budget and will reflect the final settlement announcement. Human

resources, ICT and asset implications have been fully considered and referred to throughout the report.

We are working in a period of funding uncertainty. Following publication of this report, we are expecting a statement to the House from the Chancellor to be delivered 5 December. The local Settlement should be published within the following two weeks of December. Any impacts on our budget resource assumptions will be analysed and presented in a supplementary report to Cabinet February 2013.

We are not alone as a Local Authority in facing the largest public sector reductions in a generation. The Local Government Finance Bill December 2011 takes full effect from April 2013. Not only does the Bill set out the continued reduction in funding, but also the transfer of risk from central to local government. Examples of this are the reform of business rates funding, plus the reform of the local benefits scheme.

We are used to receiving around four to six million pound additional funding each year, rather than the funding reductions we are currently seeing. In the current economic climate it is becoming more difficult to collect the council tax we are due; we are also experiencing a reduction in our other income, from areas such as car parking and commercial rents. On top of the reducing resources, we are seeing extra demand for our services, with people living longer and requiring support, and additional costs such as the increases in utility charges. Landfill tax is escalating, plus we have general inflation on all areas of spend.

We are currently working to guidelines only for Government funding for 2013/14 and 2014/15 and remain only too aware that future funding will be different to the assumptions used. This budget detailed in this report will be subject to public scrutiny in January 2013.

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

All Departmental Delivery Plans are covered by Equalities Impact Assessments, signed off by the relevant Director. Each delivery action has considered the impact on: council priorities, legal obligations, customers and other services and partners. Each separate action has been risk assessed in terms of potential barriers to implementation with corresponding mitigation stated where relevant.

Recommendations & Reasons for recommended action:

This report contains a high level summary of the Corporate Plan 2012-15. The full report will be published to Scrutiny in January 2013 to inform their deliberations on the Council's proposed priorities and budget.

It is recommended that:

1. the proposed revenue target budget requirement of £198.3m for 2013/14 and four year Capital Programme of £132.1m is recommended for consultation;
2. Cabinet consider findings from consultation, feedback from budget scrutiny and any material changes announced in the final settlement for Plymouth City Council in early February '13 and recommend the final revenue and capital budget for 2013/14 to Full Council on 25 February 2013

Alternative options considered and reasons for recommended action:

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

Background papers:

- Finance Settlement Papers Department of Communities and Local Government
- The Prudential Code for Capital Finance in Local Authorities
- Equality Impact Assessments
- The Local Government Act 2003 and The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003
- Medium Term Financial Strategy June 2012
- Capital Financing Regulations
- Workforce Development Strategy
- Finance monitoring reports for 2012/13

Sign off

Fin	MC121 3.018	Leg	TH006 2	HR	MG121 3/11- 001	Asset Man.		IT		Strat. Proc.	
Originating SMT Member Malcolm Coe											
Have you consulted the Cabinet Member(s) named on the report? Yes											

I. Introduction and Contents

- I.1. This report details how the Council has allocated its revenue and capital resources across departments and priority areas for 2013/14 to improve outcomes for local people. It is fully linked and underpins the Council's Corporate Plan 2012-15.
- I.2. The proposed 2013/14 budget needs to be considered in the context of the national environment with regards to funding assumptions for the Authority. We are experiencing the largest public sector reductions in a generation, with the Government set to announce yet further reductions to Local Authority funding.
- I.3. Central Government is continuing to withdraw financial support for essential frontline public services in Plymouth.
- I.4. The Chancellor's Autumn Statement to the House will be delivered 5 December 2012. This will set out the basis for funding for Local Authorities for one year only.
- I.5. Before we understand the full impact of this announcement, Plymouth City Council is budgeting to reduce spending by a further £17.8m in 2013/14, on top of the £20m already taken out in the past two years, bringing the reductions to a cumulative £37.8m over three years.
- I.6. The Local Government Finance Bill dated December 2011, which comes into effect from 2013, lays out radical reform of the method of income collection for authorities. On top of anticipated grant funding reductions, the Bill focuses on the transfer of risk away from central government to local authorities.
- I.7. A fundamental change has been introduced around the collection of National Non Domestic Rates (NNDR), more commonly known as business rates. Authorities are required to retain 50% of their local rates, rather than passing it 100% to the Treasury and receiving back its allocation. This adds uncertainty to our funding.
- I.8. We cannot escape the fact that the government's deep spending cuts will have a drastic impact on our council and the services we provide to local people and our support for the economy of the city.
- I.9. The changes to the council tax benefit scheme in particular can be interpreted as a tax burden on those less able to pay. We must therefore do everything we can to address the imbalance and increase our income from those best placed to pay more for our services. Our delivery plans are needed to transform our service provision but we need to minimise the impact of any changes on the City's most vulnerable.
- I.10. Any amendments required to this indicative budget, as a result of the December settlement and after consideration of our consultation process and the proposals from the January Scrutiny, will be presented to Council for approval in February 2013.
- I.11. Funding allocations are made within the framework of the Council's Medium Term Financial Forecast, (MTFF), which sets targets and principles for three year revenue budgets and four year rolling capital budgets. The MTFF will be revised, updated, and published, following the approval of the 2013/14 budget and formal approval of the Council Tax.

- 1.12. Appendices to this report provide the main detail and delivery plans that underpin the 2013/14 budgets:

Appendix A	Departmental Indicative Budgets
Appendix B	Local Government Act 2003, Section 25 Section 1: Analysis of Budget Robustness Section 2: Adequacy of Reserves
Appendix C	Directorate Revenue Budget Delivery Plans
Appendix D	Capital Investment Programme 2012/13 to 2015/16
Appendix E	Capital Projects 2012/13 to 2015/16
Appendix F	Supporting detail for the Additional Funding Allocations £8.9m

- 1.13. Within this report, each department describes its departmental context, progress and investment against challenges and pressures faced and lays out a summary of what the department intends to do to deliver a balanced revenue budget in 2013/14, and the plans for 2014-2016

2. The Medium Term Financial Outlook

- 2.1 The City Council continues to find itself operating in the midst of a serious, unprecedented economic downturn, and is facing a series of very challenging issues into the medium term.
- 2.2 The current economy continues to cause budget pressures, such as the impact of reduced income from our car parks and falling income from commercial rents. The downturn has also brought reduced interest rates and therefore reduced income for our treasury investments.
- 2.3 The Council faces increasing spending pressures moving forward; for example, the complexity of need of some of our children in care who require high cost placements and impact of the growing elderly population on adult social care budgets.
- 2.4 We have, for some time, been modelling a year on year real term reduction in our formula grant.
- 2.5 The Council is not unusual in facing these issues and is prepared for the challenge. The Council will need to take some difficult decisions in the period covered in this report about what services it does and what services it doesn't provide. We will need to continue to radically change shape over the coming years.
- 2.6 The Council needs to continue to work more closely and harder with other partners in the public and private sector, both in the city and across the region, to provide the best solution for the city, to ensure we are able to achieve the impossible task set by Central Government.
- 2.7 We are working very closely with our partners in health to maximise the opportunity to integrate frontline services where it is sensible to do so. We are aiming to reduce our "back office" costs by sharing our accommodation, with key health personnel moving into Windsor House. This aims to bring a twofold advantage as we share overhead costs, plus gain synergies from working alongside each other.
- 2.8 A new initiative from Central Government is the reform of Business Rates funding. As part of this new scheme, the Government has encouraged local authorities to set up Business Rate Pools with other local councils. All councils in Devon have been working together to see if setting up a Devon wide pool would benefit the region. From the information that is currently available, if a Devon wide pool is formed then the County would get to keep more of its business rates income than it would if each council acted individually. This could be as much as an extra £23m over the next five years, and a possible £6.5m to Plymouth.
- 2.9 Every council in Devon has now agreed to be part of a Devon wide pool, with Plymouth City Council chosen to act as the lead authority. This is an example of the ambition of Plymouth City Council to be a major player within Devon.
- 2.10 Welfare reform changes continue to evolve, and in response to the funding reductions set by government, we have developed and consulted on a local Council Tax Support scheme to address the difficult challenge of an estimated £2.6m shortfall

in funding. We have not developed this scheme in isolation. This is another example of where we have worked well with our neighbour authorities, to ensure we have responded to consultation with a consistent message, and that we do not encourage claimants to move from one authority's catchment area to another to benefit from different benefit levels.

- 2.11 We are working to deal with the impact of the Government funding reductions, together with new initiatives which transfer risk to us as a Local Authority. We are doing all that we can to protect our frontline services, but must recognise the plans set out in this budget report will have an impact. However, we are seeking to minimise the impact on the most vulnerable people in the City.
- 2.12 For example, under the proposed Council Tax Support scheme, and following consultation with local residents,
- Pensioners receiving support through the current Council Tax Benefit scheme will be protected, their support will not change.
 - We are protecting the single person Council Tax discount.
 - We are protecting the current support for War Widows and Veterans.
 - Reduce Council Tax Support for all working age residents by 25 per cent – not by 30 per cent as recommended by the Government.
- 2.13 Further changes include the Council Tax Technical Reform. This legislation gives local flexibilities to change or withdraw certain council tax discounts and exemptions relating to empty properties. Additionally the opportunity to levy a charge on long term empty properties will come into effect from April 2013. We are working on our proposals under this legislation to maximise our income.
- 2.14 Our ability for future capital investment in the city to stimulate growth and regeneration will also be restricted. The capital programme will continue to require robust management and innovative solutions to ensure that outcomes are maximised and the impact on the Council's revenue budget is kept to a minimum.
- 2.15 Despite reducing resources and increasing spending pressures, Plymouth City Council continues to be ambitious for the investment and growth of the city of Plymouth, with the capital programme for the current year standing at over £57m, rising to £132m by 2015/16.
- 2.16 New schemes include
- a solar panel scheme to improve energy efficiency of council buildings
 - investment in buildings to increase capacity needed for 2 year old nursery places
 - investment in increased primary school places (funding from Government's free school allocation)
 - investment in council vehicles and plant to improve service and reduce costs.
- 2.17 A further example of the council's ambitions for the people of Plymouth is the commitment to the timely delivery of the Administration's 100 Election Pledges.

3. Executive Summary

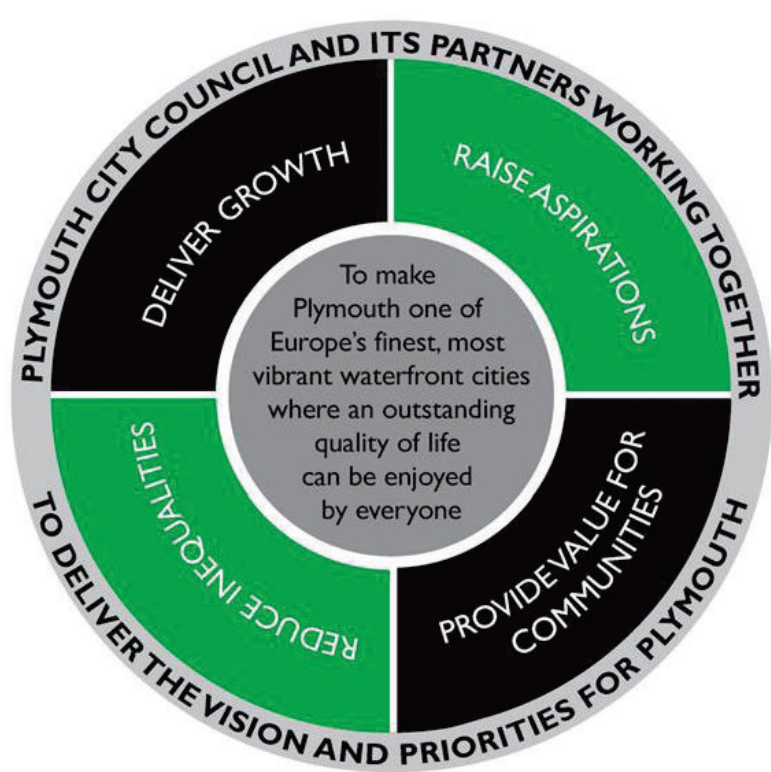
- 3.1 This is a combined Revenue and Capital budget report setting out the City Council's 2013/14 income and expenditure, whilst responding to the administration's strategy to be a more open, cooperative style council.
- 3.2 This budget continues to have a sharper focus on a fewer number of priorities and continues to drive improvement.
- 3.3 In setting the 13/14 budget, we have again developed robust, risk assessed delivery plans. These plans underpin the new 2013/14 budget and will now be subject to a thorough scrutiny process in early January 2013 prior to finalising the budget in February 2013.
- 3.4 Each directorate's budget plans have been subject to a cross-directorate challenge at both CMT and SMT level. Also, for the first time, portfolio holders and directors were challenged by the portfolio holder for finance together with the Director for Corporate Services.
- 3.5 The outcomes from these challenges and the developed savings delivery plans have been considered to influence our resource allocation within the 2013/14 budget.
- 3.6 The Delivery Plan savings put in place in 2011/12 included indicative areas of step up in the savings required to underpin the 2013/14 base budget and for future years. Following a full review, these plans have been refined and, where applicable, have been incorporated with the new 2013/14 budget delivery plans.
- 3.7 Capital resources remain under review with the Council considering every possible avenue to maximise future funding opportunities.

4. Priority focus

- 4.1 As in 2012/13 we have built the budget around our priorities for the city, the council and our key partners: to deliver growth, raise aspirations, reduce inequalities and provide value for communities.
- 4.2 We have recommitted to our growth agenda and recognised that we need to focus on it much more strongly if we are to achieve the step change required to achieve our vision for the city. This is the agenda that makes Plymouth distinct.
- 4.3 Closely tied to that is the need to raise aspirations. We not only want our children and young people to set their sights higher, but for those in contact with them to have higher expectations; for people to want to come to Plymouth as a place where they can develop and prosper. We do not want the local population to be held back by deprivation and inequalities, but to contribute to and share in the city's growth.

- 4.4 At the same time, we recognise that we are operating in tight financial circumstances and need to be innovative, resourceful, more customer focused; and provide greater value for money. These priorities are all interlinked.
- 4.5 Together with partners we have agreed a set of Level 1 outcome measures for which we share collective responsibility.
- 4.6 We must have a sustained focus to deliver improved outcomes. Our shared vision and priorities are shown in Figure 1.

Figure 1: City and Council top level priorities



- 4.7 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

- 4.8 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.

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 range and quality of housing in safe, inclusive and sustainable communities	Increase the new business		Per Capita CO2 emissions in the LA area
			Increase % of people who believe people from different backgrounds get on well together

- 4.9 Beneath these Level 1 outcome measures we have developed and agreed more detailed Level 2 medium term measures. Full details are available in the Corporate Plan 2012-2015.

5. Revenue Resources

- 5.1 Our resources for 2013/14 are, at this stage, based on assumptions. Again we have reflected expected further formula grant reductions, as shown in *figure 2*. This is unprecedented in terms of local authority funding to date. This reflects the fourth consecutive year of reductions, as compared to previous year-on-year funding increases.
- 5.2 Central Government has now confirmed (late October 2012) the offer of a further one-off Council Tax Grant allowance to cover 2013/14. Unlike the two previous allowances which were both equivalent to 2.5% of the Council tax base, this offer is set at the equivalent of a 1% rise for a two year period.
- 5.3 For Plymouth City Council, this change of policy from 2.5% to 1% equates to a reduction in the grant of approximately £1.5m. If accepted, this grant would mean the Authority would have a year on year shortfall in future funding, as this money is removed from the budget from 2014/15 onwards.

- 5.4 The 2012/13 Grant was for one year only. This means for 2013/14 we start with a £2.4m reduction in our funding from the 2012/13 base, before considering any reduction to the coming year's funding.
- 5.5 CMT and Cabinet have been made aware of our modelling assumptions over the past months and our Medium Term Financial Strategy, (MTFS), showing the impact of funding reductions has been published on our website.
- 5.6 The National context highlighted a 28% reduction (7% per year) in funding over the Comprehensive Spending Review period, 2011/12 – 2014/15. We are now modelling an assumed 7% reduction in formula grant funding for 2013/14, accumulating to just over 18% when added to the actual funding reductions for 2011/12 and 2012/13. This is on net revenue budget only, and does not include the reductions and deletions of specific grant funding, held elsewhere in the budgets.
- 5.7 The funding reductions shown in figure 2 indicate a 2.7% reduction in 2013/14 compared to 2012/13. However, this does not include the impact of specific grant funding reductions. For instance, the loss of the £2.4m one-off Council Tax Freeze Grant for 2012/13 would increase this reduction to 3.8%. Year on year we have seen our specific ear-marked grants reduce by approximately 5% each year. Over the four year period to 2015/16 this equates to totalling anticipated funding reductions of close to 35%.
- 5.8 We are confident that our overall assumptions are robust and have therefore continued to model our spend allocations on the figures below. However, we continue to carefully monitor, and report on, the impact of changes to numerous specific grants (both revenue and capital) which could have a material impact in certain service areas. The detail of such grants will not become clear until late December 2012 / early January 2013. When known, the specific grant analysis will be fed into the budget scrutiny process in January 2013.
- 5.9 In Figure 2, 2012/13 shows actual funding; 2013/14 shows funding based on our best assumptions as known at the time of preparing the Indicative Budget. Years 2014/15 and 2015/16 are shaded to indicate that, although also based on our assumptions, there is less clarity of this funding.
- 5.10 The confirmed settlement funding for 2013/14 will be announced in December 2012. Once known, the figures will be verified and all movements and implications will be reported as quickly as possible in the new calendar year.

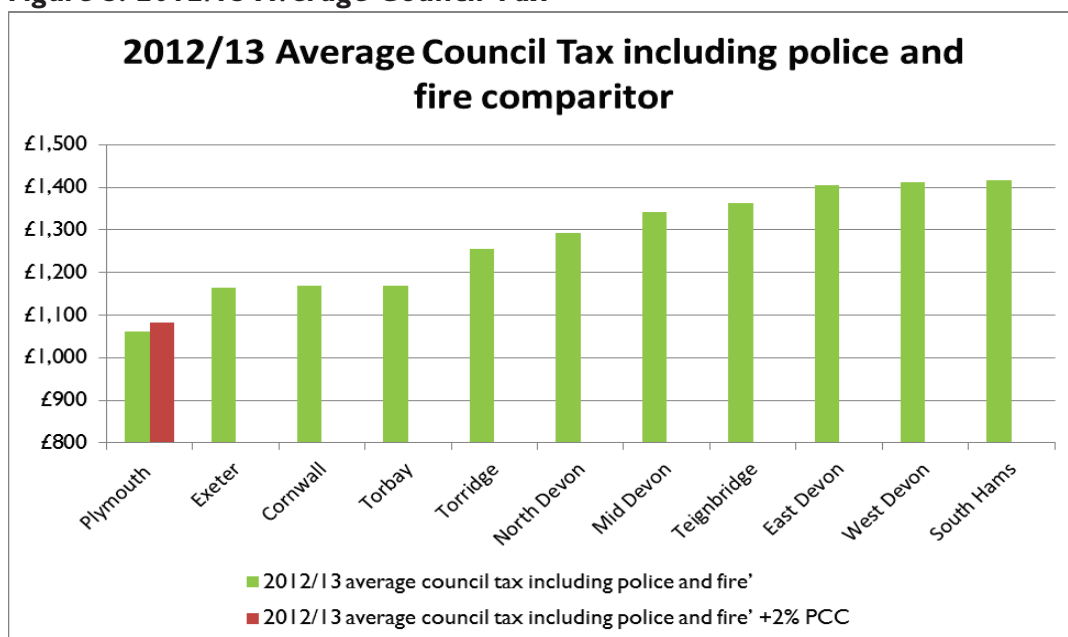
Figure 2: Revenue resource assumptions

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m
Total Resources available	203.8	198.3	192.4	184.6
Increase / (decrease) over previous year	(3.4%)	(2.7%)	(3.0%)	(4.1%)

Note: Council Tax level for '13/14 will be finalised at Full Council in February 2013.

- 5.11 The funding for 2015/16 reflects the loss of £2.4m, being the 2011/12 Council Tax Freeze Grant, which has been confirmed for four years only.
- 5.12 Every 1% Council Tax rise generally adds revenue of approx. £1m, and a 1% drop in Formula Grant represents a reduction of £1m. For 2013/14, we are forecasting a net reduction of £5.5m compared to our 2012/13 budget base.
- 5.13 Our last Council Tax increase was 2.89% in 2010/11 and was followed by a freeze in 2011/12 and a further freeze again in 2012/13. For purposes of comparison, a similar 2010/11 Council Tax increase for 2011/12 and 2012/13 would have generated an extra £5.7m over the two years.
- 5.14 This compares to the 2011/12 compensation of £2.4m which ends in 2014/15, and the 2012/13 compensation of £2.4m which was for the one year only. Both leave future holes in the base funding.
- 5.15 2013/14 resource assumptions do model a modest increase in Council Tax. However, if accepting this increase, the Authority will still retain the lowest average Council Tax in the region.
- 5.16 For purposes of comparison, the current year's average Council Tax for Plymouth, including the police and fire precepts, is £1,061.90. The nearest authority to this is Exeter City Council with an average Council Tax of £1,165.02. The South Hams equivalent is £1,416.18.
- 5.17 The Government has capped any increase to the 2013/14 council tax at 2%, prior to triggering a local referendum.
- 5.18 If Plymouth City Council, together with the police and fire services, were to increase the charge by this 2% "maximum" the average would increase to £1,083.13.
- 5.19 This remains lower than our nearest comparator regardless of whatever their strategy for next year is.

Figure 3: 2012/13 Average Council Tax



5.20 For residents living in a Band A property, a 2% rise in their Council Tax equates to an extra 38p per week. This assumes the Police and Fire also increase their precept by 2%. They are yet to announce their intentions.

6. Expenditure Assumptions:

6.1 In response to the first year of significant reduction in funding, the approach to the budget setting process was changed for 2011/12.

6.2 A deliberate strategy was taken to reduce back office costs and protect, where possible, front line service delivery. Percentage reductions were applied on a priority basis ranging from year one 1.5% for areas such as Adult Social Care and Children's Services to 40% in year three for Business Support & Corporate Support areas.

6.3 The Final Settlement, confirmed late in December 2010, required us to apply additional target savings amounting to cumulative reductions of:

- 2011/12 £13.3m
- 2012/13 increasing to £20.4m
- 2013/14 increasing to £30.7m

6.4 Following robust challenge, we have refined the achievability of increased 2013/14 full year savings from delivery plans enacted during 2012/13. Such savings amount to £6m which has been reflected in departmental target budgets as follows:

People Directorate	£2.720m
Place Directorate	£0.570m
Corporate Services Directorate	£0.780m
Chief Executive's Office	£0.210m
Cross-cutting items	£1.720m

6.5 The 2012/13 budget was predominantly a no-growth, non-inflated budget, with no additional funding allocations for general inflation, or recognition of service demand increases around demographics. In setting the 2013/14 budget, we have acknowledged that this no-growth approach cannot be sustained.

6.6 We have therefore challenged all areas of the council, under the headings of legislation and economic pressures; service demand and specific inflation, and identified the following additional spending requirements of £8.9m. More details are contained in Appendix F.

Figure 4: Additional spending requirements 2013/14

ITEM	2013/14 £m
Estimated reduction in Council Tax collection	1.0
Reduced income streams across the council	0.3
Reduced funding from schools due to new legislation	0.2
Waste disposal costs	1.0
Additional spending requirements – Legislation and Economy	2.5
Adult Social Care – Demographics / contracts	1.5
Unsupported borrowing costs to fund Transformation Programme	0.6
Children in Care – increase in complexity of need of children in care	0.7
Contingency Items	0.7
Additional spending requirements – Service Demand	3.5
Utilities including street lighting energy costs	0.5
Adult Social Care – 2% inflation	1.4
Children’s Services placements – 2% inflation	0.2
Staff salaries – 1.5% inflation (in addition to existing provision)	0.8
Additional spending requirements – Specific Inflation	2.9
Total Additional spending requirements	8.9

6.7 Putting together the various elements of the resource and expenditure assumptions, we are left with an estimated funding gap in 2013/14 of £10.8m, as set out in figure 5 below.

Figure 5: Additional spending requirements 2013/14

	A	B	B – A
ITEM	Spend	Income	Funding Gap
	£m	£m	
Assumed resource funding		198.3	
2012/13 base budget	203.8		
Additional spending requirements	8.9		
Loss of 2012/13 one-off Council Tax Freeze Grant	2.4		
Less 2013/14 step up Delivery Plans	(6.0)		
TOTAL SPEND / INCOME & GAP	209.1	198.3	10.8

6.8 A more detailed analysis of budgets at Service level within each department is shown as Appendix A to this report. By top level Directorate, the spending assumptions are as follows:

Figure 6: PCC indicative spend requirements 2013/14

DIRECTORATE	Base Budget	Additional Spend	Lost Grant	Step up Plans	Indicative spend
	£m	£m	£m	£m	£m
People	122.8	4.0	-	(2.7)	124.1
Place	42.4	1.3	-	(0.6)	43.1
Corporate Services	30.2	0.3	-	(0.8)	29.7
Chief Executive Office	1.9	0.0	-	(0.2)	1.7
Corporate Items	6.5	3.3	2.4	(1.7)	10.5
TOTAL	203.8	8.9	2.4	(6.0)	209.1

7. Departmental Prioritisation and Budget Delivery Plans

- 7.1 The Council has adopted a strategic approach to allocating its limited revenue and capital resources across departments based on clear prioritisation and a need to deliver against the City and Council's four Corporate Priorities.
- 7.2 Within this corporate framework, each department continues to focus on improving front line service delivery and drive efficiencies whilst tackling challenges and funding pressures through additional service demand. This section summarises the strategic direction that the Council has adopted and the Delivery Plans that it will put in place to deliver improved services within the available budget.
- 7.3 As part of the 2012/13 budget setting process, we were aware of the nature of the one-off Council Tax Freeze Grant of £2.4m. We made the decision not to allocate this funding to on-going pressures, but to offset what were seen as one-off pressures for 2012/13.
- 7.4 We allocated a total of £1.770m for 2012/13 only to the following areas:
- £0.250m to support the very ambitious savings target from procurement
 - £0.500m to the Accommodation Strategy in recognition of the delays associated with the future of the Civic building
 - £0.800m to support the continued provision of an ice rink during the transition year ahead of approving a private sector solution
 - £0.220m to smooth the timing of savings from the new leisure management contract.
- 7.5 For the 2013/14 budget, these allocations have been removed from the base budget figures. However, we are aware of further departmental pressures for 2013/14 and have therefore re-distributed the one-off allocations totalling £1.770m as follows:

- £0.750m to the Accommodation Strategy in recognition that we have experienced further delays associated with the future of the Civic building
- £1.000m to the Joint Commissioning & Adult Social Care department in recognition of the resource requirement during the transformation period as the service moves into offering Personal Budgets.

- 7.6 The Adult Social Care service is transforming in the way that it operates. Budget Delivery plans that have been set for the 2013/14 financial year amount to further reducing spend in the service by circa £4.5m. This, along with the increased savings target from prior year budget delivery plans represents a significant risk re achievability. To enable the service to address the underlying spending pressures, and to address the timing lag of the new transformational ways of working in the service becoming embedded, we are making a further allocation of £1m for 2013/14 into this service area. This allocation will be kept under regular review through monitoring.
- 7.7 In total for the 2013/14 Adult Social Care budget, we have allocated additional funding totalling £4.9m, for demographics & contracts, inflation plus one-off transformation period monies. Ahead of the delivery plan savings required in 2013/14, this brings the budget allocation to £71.5m, which is in line with the forecasted funding requirement for the current year.
- 7.8 Having calculated the 2013/14 funding shortfall, and the further anticipated funding gaps in the following two years 2014/15 & 2015/16, a target of 5% savings from each directorate was set which, from the 2012/13 base budget, equated to £10.5m for 2013/14.
- 7.9 Given the assumed continued reduction in grant funding, each Director was tasked to develop savings plans for the three year period 2013/14 to 2015/16 incorporating a further 5% of savings to be derived from cross-cutting plans. These were to be strategic and targeted at transformation changes to the way we work.
- 7.10 At the time of publishing these draft budget papers, the following directorate delivery plans have been developed for consultation:

Figure 7 – revenue savings target set by directorate

DIRECTORATE	5% annual target	2013/14 Plans £m	2014/15 Plans £m	2015/16 Plans £m
People	6.2	6.2	6.3	6.6
Place	2.1	1.1	1.5	1.5
Corporate Services	1.5	1.5	1.5	1.5
Chief Executive Office	0.1	0.1	0.1	0.1
Corporate Items	0.6	0.8	0.8	0.8
TOTAL	10.5	9.7	10.2	10.4

- 7.11 Less delivery plans have been accepted for the Place Directorate in comparison to the set 5% target, reflecting the priority of delivering Growth within the city and protecting front line services.
- 7.12 We will continue to work up a number of cross-cutting areas over the coming months. Where detailed plans and figures are available, these will feed into budget debates and scrutiny early in 2013. By their strategic nature, several of the cross cutting plans will deliver fewer savings in year one, but increase in future years.
- 7.13 At the time of writing this report, we have evaluated and costed cross-cutting delivery plans for Council Tax technical reforms and a review of insurance provision. This is estimated to deliver savings of £1.3m per annum from 2013/14. These items have been included within the 'Corporate Items' budget delivery plan.
- 7.14 Revenue Budget Delivery Plans that specify planned action to achieve the 2013/14 year reduction targets, together with the plans for 2014/15 and 2015/16 are detailed in **Appendix C**. Progress against these plans will be incorporated within regular monthly finance and quarterly performance and budget reporting.
- 7.15 Combining all of the component parts of the budget process, the indicative target budget by department is as follows:

Figure 8 – indicative target budget by department

DIRECTORATE	Base Budget	Spend pressures	Net change in one off allocation	Revised Base Budget	Total 13/14 Delivery plans	Indicative target budget 13/14
	£m	£m	£m	£m	£m	£m
People	122.8	4.0	1.0	127.8	(8.9)	118.9
Place	42.4	1.3	0.2	43.9	(1.7)	42.2
Corporate Services	30.2	0.3	(0.2)	30.3	(2.3)	28.0
Chief Executive Office	1.9	0.0	0.0	1.9	(0.3)	1.6
Corporate Items	6.5	5.7	0.0	12.2	(3.8)	8.4
TOTAL	203.8	11.3	1.0	216.1	(17.0)	199.1

A more detailed analysis of the resource allocations, by service area, is detailed as **Appendix A**

- 7.16 From figure 8, the total Delivery Plans totalling £17m for 2013/14 are the "Step Up Plans" £6m plus 13/14 Delivery plans £11m.
- 7.17 It must be emphasised that these savings are not all aimed at frontline services. Although between them the People Directorate at £8.9m and the Place Directorate

at £1.7m contribute £10.7m this represents circa 6% of their budgets. The Chief Executive's Office, the Corporate Services Directorate plus Corporate Items contribute the remaining £6.4m representing a 17% reduction.

- 7.18 Alongside the efficiencies from the Chief Executive's Office and Corporate Services Directorate, savings include seeking better returns on our investments under our treasury management processes, a full review of our insurance risks and premiums, and continuing to drive out savings from our on-going overhaul of our procurement process.
- 7.19 At the time of publishing this report our indicative budget of £199.1m exceeds the estimated resources available of £198.3m. Further work will be developed on the cross cutting areas in order to close this gap over the next couple of months.

8. Review of Reserves & Risk Management

- 8.1 In terms of Reserves, the council retains a prudent approach to risk management. Our core working balance, as at 31 March 2012, at £11.3m is 5.7% of our indicative net 2013/14 revenue budget £198.3m. Our plans are to retain this Working Balance level throughout 2013/14 (compliant with the objectives set within our MTFF).
- 8.2 In addition to the Working Balance, specific earmarked reserves are forecasted at £20m at the end of March 2013 and forecasted to reduce to £17.1m by 31 March 2014. The balances include, under IFRS requirements, Schools Balance (currently £4.5m) and will include unused year end Grants carry forwards once quantified.
- 8.3 Specific reserves are set to cover known or estimated future costs for specific activities and / or liabilities.
- 8.4 A detailed analysis of the robustness of the budget, considering relevant risks, is detailed in **Appendix B** along with an analysis of actual, and planned, movement across all key Council Reserves.
- 8.5 As part of our budgets, we have historically carried a contingency of £0.5m as part of our Corporate Items. This was set aside to cover any unforeseen budget pressures. For this budget setting process, we have reviewed the effectiveness of a stand-alone contingency.
- 8.6 As we are operating in a very unstable economic environment we need to enable a more substantial, yet flexible contingency arrangement. A number of the funded pressures of £8.9m, (section 6), are subject to fluctuation. As such, we propose incorporating the following items into a 'pool' of corporate contingency which will be subject to close scrutiny and review:

• Impact of estimated reduction in Council Tax Collection	£1.0m
• Contingency items	£0.7m
• Staff salaries inflation	£0.8m
Total	£2.5m

- 8.7 As and when the “contingency” pressures become evident during the year, directors will need to present evidence to gain approval to draw down from this budget. **Appendix B** describes a number of risks associated with the 2013/14 budget which might result in a future call against our contingency arrangements.

9 ICT Strategy & Investment

- 9.1 Plymouth City Council’s ICT service benchmarks nationally as a cost effective service. As ICT strives to reduce the number of applications used by the Council and seeks to consolidate around enterprise wide applications, savings proposed, within the 2013/14 budget, will require the full cooperation of all departments. We will be seeking to develop the shared services offering currently working under the name of DELT Services.
- 9.2 Investment in ICT is fundamental to the successful transformation of the council. Having one consistent, joined up, reliable source of information on the customer, enabling flexible working across all of our buildings, increasing the use of e-learning facilities, and implementing a new greater functionality interactive website all form part of the overall ICT strategy moving forward.
- 9.3 However, investment, both in terms of finance and capacity, needs to be prioritised to ensure that smooth implementation is achieved in the areas of greatest need. To date, the elements of the ICT strategy that have been approved and are actively progressing relate to the Accommodation Strategy, Microsoft AX, a new primary data centre is nearing completion and CareFirst. Further ICT ‘invest to save’ proposals will be developed and presented for approval over the coming months.
- 9.4 The new corporate ICT architecture continues to be rolled out with over half the staff now using the new way of working and the new technology. It is vital we complete the roll out as soon as practical so that we can decommission some of the duplicated systems such as telephony.
- 9.5 The development of the shared services business case is continuing with neighbouring local authorities. We are also seeking to join up and deliver services to some of the various NHS health organisations across Devon.
- 9.6 A transformational development programme of £4.5m has been agreed in order to support customer service transformation and channel shift. This will radically move the council towards a greater level of customer self-service.

The specific purpose of this investment is to:

- Reduce the overall costs of the Council through the consolidation of ICT infrastructure and the simplification of systems, additionally making better use through the extension of existing standard systems
- Improve accessibility to services and the speed of service delivery including 24 hour access to more services as set out in the administration’s commitments through the Corporate Plan
- Provide a platform for more cost-effective services across all Council departments and improve the accuracy and timeliness of performance management information.

10. Human Resources and Workforce

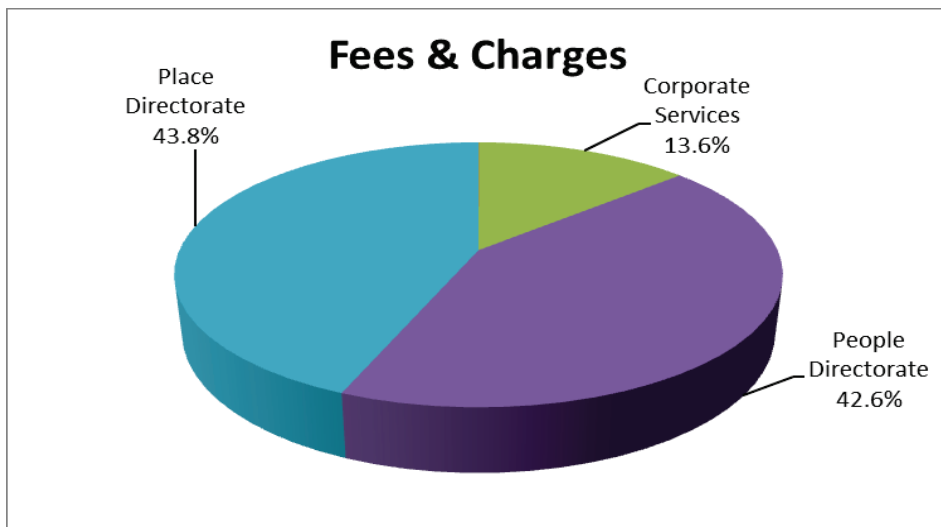
- 10.1 The Council directly employs approximately 3,400 staff (3,239 FTE) and a further 2,700 staff within maintained schools. The impacts of the Council's budget proposals affect only those employed directly as schools have delegated budgets for staffing.
- 10.2 The situation with schools will change in April 2013, when the Direct Support Grant (DSG) will be passed directly to schools. We are still assessing the corporate impact that this will have on Council costs and services.
- 10.3 In April 2013, approximately 25 Public Health staff will transfer to the Council from the NHS. We are still working on the detail of this transfer and its impact on the shape of our current structures and workforce.
- 10.4 Our total wage bill (excluding on-costs such as pension contributions) is around £81million. Each year the Council's budget includes an assumed turnover of staff thereby salary budgets are traditionally set at 97% of full year establishment.
- 10.5 After three years of a 'pay freeze', it is anticipated that there will be a nationally agreed Pay Award for staff in 2013 /14. While discussions have only just started, it would be prudent to budget for a modest pay increase across the workforce. A 1% increase would cost PCC approximately £0.810m (£1m including on-costs). We are modeling on a 1.5% increase.
- 10.6 We aim to reduce the direct and in-direct costs of the workforce through:
- Natural wastage / turnover
 - Use of temporary contracts
 - Recruitment controls and improving redeployment opportunities
 - Negotiated workforce reductions
 - Modernisation and workforce re-modelling, particularly management delayering
 - 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 via our Voluntary Release Scheme
 - Simplifying and harmonising staff terms and conditions
- 10.7 A step up from 2012/13 budget delivery plans requires us to deliver an extra £0.570m through further management delayering. The focus for 2013/14 will be management delayering to make management structures more efficient and fit for purpose.
- 10.8 Revised Terms & Conditions were agreed in 2011 continue to achieve significant workforce savings. Further discussions on terms and conditions have just started with the trade unions. The aim of these discussions is to further harmonise, ensure consistency and streamline policies, procedures and pay models.
- 10.9 The Budget Delivery Plans will inevitably result in a reduction in the overall workforce. These numbers will be quantified through developing detailed implementation plans and commencing consultation with trade unions where appropriate. In overview terms, it is estimated that circa 100 FTE posts will be reduced with a further circa 200 FTE posts being considered through alternative service delivery mechanisms (e.g. shared services, social enterprises)

- 10.10 We have just re-launched our Voluntary Release Scheme, which allows staff to leave the Council by mutual agreement in return for a defined compensatory payment. The payment staff would receive is the same as if they were made redundant. However, the advantage of this scheme is that staff will leave quicker than if we followed a full redundancy process, meaning that salary savings can be achieved before 1 April 2013.
- 10.11 2011/12 saw the introduction of a new management development programme to invest in management and supervisor levels, as well as identify managers of the future to retain our talent. The Council's development programme is being targeted at change management, behavioural competencies, talent management, performance and modern working practices and basic skills. We continue to invest in the development and expansion of the Council's support for apprenticeships following a successful launch in 2010/11 and further work with the University of Plymouth to provide internships, work placements and graduate roles for students will be undertaken.
- 10.12 With reference to the new pension auto-enrolment requirements Plymouth City Council has been allocated a 'staging date' of April 2013. If all employees who are auto-enrolled choose to remain in the scheme, there would be significant budget implications. If, based on a 10% increase employer contributions, it would rise by approximately £200,000, which would have to be considered against contingency funding.

11. Fees and Charges

- 11.1 Councils have powers to charge for a wide range of services. Many of these powers derive from legislation that applies to specific service areas as a result of the Council undertaking a statutory duty.
- 11.2 The local Government Act 2003, allows Council's to charge for non-statutory or discretionary services, and this has been further enforced since the localism agenda was introduced more recently.
- 11.3 Historically, the Council has reviewed fees and charges income in line with inflation applying a standard "incremental" approach to increases.
- 11.4 Criticism for this approach is that whilst this it is considered a simple and quick method of implementation, it does not always fall in line with the corporate priorities for the authority or consider its key strategies.
- 11.5 We are working on a consolidated approach to the Statutory and discretionary fees and charges which we can levy. Given the reductions we are facing in our central government funding, we have to take a more strategic approach to income generation.
- 11.6 As part of our review, we will also look at our policy for concessions, to ensure we are consistent in our approach.

- 11.7 Fees, charges, licenses and rents, will account for around 8% of the Council's income in 2013/14. Total Fee income is budgeted to achieve £28m each year. The pie chart below shows income from fees and charges by Service:



- 11.8 As part of this budget report, increases to fees and charges are covered in each Directorate's delivery plans. For example, within the Place Directorate we set out our plans to increase planning fee income plus we set out our plans to review our car parking charges.
- 11.9 More details will be published within the final budget papers for Full Council February 2013.

12. Capital Resources and Prioritisation

- 12.1 Our financial strategy for capital is aligned with our Medium Term Financial Forecast for Revenue and covers the current year plus three future years, making a four year Programme.
- 12.2 We maintain the principle that capital schemes are only approved into the programme where specific funding has been clearly identified and supported by business cases. Thereby, the capital investment programme, at any set point in time, will evidence 100% funding allocation against approved schemes. The Capital Delivery Board reviews all new proposed projects and ensures Capital Investment is prioritised to maximise outcomes against the council's Priorities.
- 12.3 As a consequence of the CSR 2010, Supported Borrowing for Local Authorities was withdrawn on any future funding requirements which added additional pressure to our revenue requirements. It also explains why the funding for the programme now only shows £0.107m of supported borrowing and this will reduce to zero in 2013/14.
- 12.4 The Council continues to seek opportunities for specific grant funding for capital projects as they arise. However, since the autumn 2010 settlement, capital grant allocations for the block areas of Transport and Schools have remained at much lower levels (circa at least 15%), than the initial 2010/11 allocations.
- 12.5 This has been made more difficult for our medium term planning by the fact that future year allocations for schools have not been confirmed ahead of when major

projects are being planned and commissioned. Transport capital allocations are confirmed for 2013/14 and 2014/15, however the school block allocation is yet to be confirmed.

- 12.6 The council continues to challenge the affordability of its four year Capital Programme for the period 2012/13 to 2015/16. There remains some volatility around future capital grant funding and income generation through capital receipts. The four year programme shown in figure 9 below includes new projects to be approved by Full Council in December 2012, and also further monitoring re-profiling. The programme is based on known projects and funding streams. Officers will remain proactive at optimising external grant funding wherever possible in order to continue to deliver significant, ambitious capital investment in the city. The indicative programme for 2012/13 onwards will be updated as further details of funding are made available.

Figure 9: Four year Departmental Capital Programme

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	Total £m
People	35.666	30.343	8.861	1.369	76.239
Place	14.416	15.891	8.344	4.929	43.580
Corporate Services	7.308	2.966	1.427	0.485	12.186
Total	57.390	49.200	18.632	6.783	132.005

Expenditure will be funded by:

Funding Source	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	Total £m
Capital Receipts	7.645	6.480	1.500	0.00	15.625
Unsupported Borrowing	6.898	6.708	2.310	0.485	16.401
Supported Borrowing	0.107	0.00	0.00	0.00	0.107
Grants & Contributions	38.404	34.409	13.735	6.298	92.846
SI06 / Tariff	1.169	0.173	0.750	0.00	2.092
Revenue & Funds	3.167	1.430	0.337	0.00	4.934
Total	57.390	49.200	18.632	6.783	132.005

- 12.7 We remain committed to a significant capital investment programme despite the current economic climate. The Council, engaging with partners in major regeneration of the City, will not only contribute towards delivering improvement priorities, but will also help to sustain much needed work opportunities in the local area (for example, the construction industry). Significant schemes include:
- Improving transportation Plymouth (Local Transport Plan)
 - Theatre Royal Improvements
 - Estover Community College
 - Marine Academy Plymouth
 - All Saints Academy Plymouth
 - A University Technical College (UTC)
- 12.8 We will continue to regularly review the assets that we own to ensure that they are fit for purpose and optimise the use of capital receipts, where deemed beneficial, in order to support our overall capital investment programme. However, our ability to

generate capital receipts has been severely impacted in the last couple of years due to significantly falling land and property prices.

- 12.9 In reviewing the capital programme as part of 2013/14 budget setting we have incorporated a risk based approach to the achievement of capital receipt funding over the four year period. This funding is based on a schedule of specific assets, with current estimated valuations and proposed timing for disposals.
- 12.10 The council has built in the requirement for additional borrowing to cover the potential shortfall in capital receipt income. The option of repaying this borrowing in future years to coincide with potential capital receipt income will be kept under constant review, and no further projects will be funded from receipts until we have a balanced position. Any variations to the forecasted position will be reported to Corporate Management Team and Cabinet at the earliest possible opportunity.

13. Value for Money & Efficiencies

- 13.1 The concept of Value for Money (VFM) and Efficiencies is now embedded into the working practices of all departments across the council.
- 13.2 The 2013/14 department budget delivery plans will continue to generate the efficiencies that are required to achieve our savings targets. Each department will again adopt a Budget Delivery Plan which will be supported by staff from the corporate centre and form part of regular monthly and quarterly performance and finance reporting.
- 13.3 The internal challenge and reporting of efficiencies has continued to improve substantially across the Council through departmental management team (DMT) meetings which focus on the implementation of budget delivery plans for each Directorate (all cashable efficiency savings are being reported against plans to achieve budget targets as well as general efficiencies to improve services to customers).
- 13.4 The Council continues its commitment to undertaking annual robust benchmarking against our council 'family group' and near neighbours as well as top performing councils.
- 13.5 The benchmarking information is used to inform Budget Delivery Plans to ensure that greater savings are driven out from areas of high spend where possible.

14 People Directorate

Departmental context

14.1 The People Directorate was established with effect from January 2012 and covers four customer facing departments, plus a Programmes Office:

- Joint Commissioning & Adult Social Care
- Children's Social Care
- Education, learning and Family Support
- Homes and Communities

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

Joint Commissioning & Adult Health and Social Care

14.2 The department is divided into 3 distinct areas:

- Strategic Commissioning and contracting of a wide range of universal services, including information, advice, advocacy, early intervention and prevention for people who use services and their carers, and for residential care and housing related support.
- Direct service provision for vulnerable people eligible for Council support.
- Assessment and Care Management including statutory functions carried out through assessment and support planning services for individuals

14.3 The national transformation programme for Adult Social Care (first published in 2007) set out the need to re-think the whole adult social care system (largely unchanged since its inception in 1948) and create a new system fit for the 21st century. Without radical change, the cost of social care could soak up every penny of a council's budget within 20 years. This is mainly due to the ageing population: people are living longer with disabilities or illness. For example, it is expected that by 2030 there will be a 40% increase in Plymouth residents over 65 with a limiting long term illness and a 60% increase in over 65s living with dementia.

14.4 Not surprisingly, it is predicted that, unless we are successful in transforming the health and social care system in the City spending on social care will pass 45% of the overall council budgets by 2019/2020. We are also facing challenges in terms of deprivation with Plymouth ranked 72nd (out of 326 districts in England) from the bottom for being most deprived. Although life expectancy is improving, the health of people living in Plymouth is generally worse than the average across England and there is considerable variation across the City.

14.5 Current pressures faced by Adult Social Care are estimated to be in £3.1m based on a planned budget of £67.9m for 2012/13. We have had considerable success in reducing spend year on year through our Strategic Transformation Programme which aims to:

- Provide clear information so more people can help themselves
- Tailor support to meet individuals' needs

- Spend every penny as efficiently as possible
 - Support residents to do all they can to support themselves, family and community and to make best use of opportunities
- 14.6 We have developed a new personalised operating system for adult social care with clients, their families and our staff. The new system was designed and tested by frontline workers in 2011 and proved that we can offer a tailored service that reduces costs to the Council and provides better outcomes for people.
- 14.7 In the new system:
- Universally available information and advice
 - People can talk immediately to a social worker
 - A same day, free of charge, time-limited home care reablement service
 - Assessments are carried out using mobile equipment making the process quicker and easier
 - People have greater choice and control over the type of support and how it is arranged
 - There is little or no waiting
- 14.8 During 2012 we have restructured and are now implementing the new way of working across the whole service. We have already reduced administration costs by £0.950m this year and expect further efficiencies.. Over the next 18 months we expect to see further reductions in cost as we embed the new way of working through:
- Transformation of rapid response crisis support and reablement (in partnership with the NHS) to significantly reduce or delay entry into long term care which will have a long term impact on reducing social and health care costs.
 - Introduction of a new telecare offer for the City providing low cost “gadgets” and a response service that will help people to stay living independently, help carers to continue in their caring role and reduce direct social care costs.
 - Reducing block contracts for traditional building based day care and implementing a new day opportunities framework which will offer around 300 different day time activities that people can choose to use through a personal budget and the new Direct Payment pre-paid card, which will provide greater choice and control for people and reduce costs to the Council.
 - Mainstreaming our needs based resource allocation system (RAS) and applying this to all new and legacy clients. This is a way of more fairly allocating resources based on needs and not on the costs or availability of services and encouraging individuals to take a bigger role in organising their own support.
 - Continuing to develop our operational managers to ensure they are able to support frontline workers in implementing the new system and in turn that they are able to work with people and their carers to help them to transition from the old to the new ways of working.

- 14.9 At a strategic level we are working with the newly appointed leaders of the local NHS to maximise the opportunity to integrate frontline services where it makes sense to do so and to ensure that, as a City, we properly invest Department of Health funding intended to support the transformation of social care to underpin local NHS plans to reduce hospital in-patient care and provide more health care at home.

Delivery plans 2013/14

- 14.10 The target in 2013/14 is a stretching challenge to Adult Social Care to reduce costs by £4.5m. Full details are shown in the appendix to this report.

**Children's Social Care
Education, Learning and Family Support**

- 14.11 The complexity of need in the City is rising. Data shows (IDACI) children experiencing vulnerability is set to increase by 6.5 % in the next four years. This is as a result of the increased birth rate however the rise in the most vulnerable children is greater than overall. This could result in demand for specialist and targeted services which could equate to an additional pressure of £6m on budgets by 2016. Welfare reform will clearly also have an impact.
- 14.12 The People Directorate has a clear strategy to deliver the city's pledges. This will meet the needs in families earlier and provide choice and improved outcomes for children, whilst reducing demand for specialist interventions later.
- 14.13 Bringing together delivery across Children's Social Care, Education Learner and Family Support and Homes and Communities alongside partners such as schools, health, police and community and voluntary sector will deliver re-designed early intervention and prevention services.
- 14.14 The Education and Skills Act 2011 sets out the Local Authority's duty to champion education excellence, vulnerable groups and parents and children's voices. These responsibilities continue to be delivered through the new landscape of partnership and co-operation. With the increasing diversification of the school delivery models new partnerships and co-operative approaches are being developed. Further integrated working models are being developed to continue the improvement of choice and control for children and parents where children have complex needs and disability. This is in preparation for the implementation of the SEN Green Paper.
- 14.15 Data is showing that the number of children in care is remaining steady. This demonstrates the impact of the last two years of re-design work which is making best use of our invest to save models through Early Intervention Grant. The numbers of CAFs being undertaken by the early intervention workforce has exceeded quarter one and two targets and are on track to deliver year end targets of 985. This activity demonstrates the Children's Trust workforce capacity to deliver early support.
- 14.16 The referrals to Social Care are still high and work is underway to increase the capacity to offer support to agencies and families prior to social care. This work is in partnership with schools and community and voluntary sector with increases in the targeted offer.

- 14.17 The Families with a Future programme is adding capacity to this delivery and will be addressing the specific needs of families where there is worklessness, absenteeism from school, crime and anti-social behaviour. Taking best practice from the Family Intervention Project and scaling up the offer through the Early Intervention and Prevention re-design will seek to achieve the government targets for the City. Alongside this a full review of parenting support and emotional well-being and mental health services will ensure there is a full range of accessible services.
- 14.18 The rising need and complexity in families with high harm related to alcohol and domestic abuse continues to be challenging. Workforce development and a continued focus on our collective “Duty to Co-operate” will be critical to future delivery.
- 14.19 Further challenges include the delivery of Raising the Participation Age duties. The number of young people in Education Employment and Training compares favourably, however, the most vulnerable young people are not sustaining placements in education, employment and training and this continues to be challenging. Good progress has been made to reduce risk taking behaviour, whilst teenage pregnancy rates have remained steady with local data showing a small reduction more needs to be done. Use of high harm substances has reduced however levels of cannabis with alcohol contributes to negative outcomes for young people. With the welfare reforms due to have a significant impact on young people’s housing, levels of crime, antisocial behaviour and substance misuse are likely to increase.

Delivery plans 2013/14

- 14.20 The combined Children’s 2013/14 of £1.460m illustrates how services work together to deliver changes and utilise resources. Full details are shown in the appendix to this report.

Homes and Communities

- 14.21 Homes and Communities as a newly created Department brings together a wide range of services of some complexity, brings new synergies and ways of working and new opportunities to do things in a smarter way to improve service provision for customers. Since forming on 1st March the six separate services that make up Homes and Communities have undergone a restructure consultation which we are now implementing around four main service areas, with a flatter management structure, and taking on additional responsibilities for care leavers support. This will realise management savings, while creating synergies of teams around issues to meet the aspirations of the new administration.
- 14.22 At the same time there are some risks:-
- 14.23 Changes to Welfare Reform includes being required to establish two new localised benefits schemes (to replace Council Tax Benefit and the Social Fund) by April 2013, with significantly less resources than the previous national schemes. In addition, cuts to national welfare benefits are estimated to amount to at least £13m per annum in Plymouth which is placing additional demands on services both in terms of increasing numbers of customers approaching front line services such as Housing Options and

debt and welfare benefit advice agencies, as well as increasing complexity of cases due to higher levels of vulnerability.

- 14.24 Policy changes from government in their thinking on localism and public services, communities and third sector organisations set out in the Localism Act and other legislation continue to affect how we deliver services, including how we work in partnership with agencies to tackle health and wellbeing, crime and housing.
- 14.25 Large scale regeneration projects in the city are on-going and this leads to increasing community churn, challenging cohesion, issues around housing capacity and the co-ordination of service provision within the city.
- 14.26 Homes and Communities has aligned services to try and meet the increasing demand head on and make sure the authority is able to robustly meet the needs of the population of Plymouth.
- 14.27 The new citywide Housing Plan sets out clear priorities to deliver against problems of increasing homelessness, lack of engagement within communities, poor and limited quality housing stock, and reduced public funding
- 14.28 The department is leading on Welfare Reform and cross-service work has been undertaken in preparation for the changes and includes identification of and contact with, vulnerable customers to offer advice and assistance; award of a new improved advice-giving contract including requirements to provide advice and support on welfare form; training for managers and 1,200 front line staff; awareness raising and liaison amongst partners; launch of a benefits take up campaign; consultation on and development of proposals for a local Council Tax Scheme and replacement for the Social Fund
- 14.29 Homes and Communities also leads the Council's response to the Positive for Youth strategy and Families with a Future work both linked to Early Intervention and Prevention work.

Programmes Office

- 14.30 Section 1 of the Plymouth Life Centre contract, i.e. the Plymouth Life Centre building itself, is complete and was opened in March 2012. Section 2, which includes the landscaping and reinstatement works in the park and completion of the highways works, is scheduled for completion in December. The operation of the Completed facility (along with the operation of Brickfields Sports Centre, Plympton Pool, Tinside Lido and Mount Wise Pools) was taken over by Sports & Leisure Management Limited (SLM).
- 14.31 SLM was awarded the 10 year contract through a competitive procurement process and it is remunerated by way of a monthly contract payment. This payment varies from year to year based on profiling presented through the tender process and increases by an inflationary mechanism (RPIx) annually.
- 14.32 The contract provides real savings against the cost of the service, as previously delivered through the authority, whilst delivering significant interventions to improve health and increase physical activity levels across the community.
- 14.33 A significant pressure (c. £1.67m annually) has been removed from the service budget in the form of the subsidy paid to support the operation of the Plymouth Pavilions. This service has been transferred to a private sector partner with no on-

going revenue support from the council. This has also removed significant maintenance liabilities from corporate landlord future budgets.

- 14.34 The contract will deliver a new international scale ice rink at Home Park and a remodelled and refurbished arena on the Pavilions site. This is an excellent example of the public sector working with the private sector to deliver services in an innovative and cost effective manner.

15. Place Directorate

Departmental context

15.1 The Place Directorate was established with effect from January 2012 and covers four departments:

- Economic Development
- Transport & Infrastructure
- Planning Services
- Environmental Services

As with all areas of the Council these services face a range of challenges in the current economic situation and all face significant policy changes and demands.

15.2 The key objective of the directorate is to support and enable the delivery of the growth and regeneration agenda across the city, using Council budgets, private sector support as well as income from assets eg Regional Development Agency (RDA) asset transfers, potential match funding and government funding streams which will help us to deliver the growth the City aspires to.

15.3 As the economy and economic growth remain sluggish it becomes more important than ever to invest in initiatives which protect or deliver new growth and helps shift the city's economy away from a public sector led and focuses on the opportunities in the city's private and social enterprise sectors.

The priorities for the Directorate during the next 12 months are the development of the City Deal, the delivery of the Administration's Election Pledges, the development of the Plymouth Plan, to maintain the support provided to the business premises and housing market, and provide focused support to drive forward key opportunities in the city centre and Derriford; work with the private sector on schemes such as Plymstock Quarry and Bickleigh Down development and set out priorities for funding support of major infrastructure.

15.4 The measures taken by the directorate in setting the budget for 2013/ 2014 and the following three year period remain on course. This is despite increasing challenges and pressures for each service as detailed below.

Planning Services

15.5 The Planning Services department is in the final stages of implementing a major restructure that realigns the staffing resources with key priorities across the city such as City Centre, Derriford, Sustainable Energy and to meet the new challenges brought about by changes to Planning legislation and the Council's own priority pledges. This will also enable staff to work in a flexible way so that they can be deployed more effectively against priorities.

15.6 The Community Infrastructure Levy (CIL) will replace the current planning obligations procedures and will help to streamline the current Section 106 agreement requirements. The introduction of CIL has major resourcing implications for future infrastructure planning and coordination of resources to support growth.

- 15.7 The fragile economy has necessitated a radical and innovative approach to overcome development viability through market recovery initiatives. Planning application and building regulation fee income is still vulnerable
- 15.8 Income generation within Planning Services has been benchmarked and shows that the range of extended services that are above the statutory minimum is wider than most comparable authorities. Planning's Building Control Team is also working in partnership with Cornwall Council to provide a wide range of chargeable Building Control services that share staff resources and expertise across the two Councils.
- 15.9 The potential for further increased income generation is assessed as limited, but further opportunities for income generation are being considered.

Economic Development

- 15.10 The Economic Development Department is now responsible for Museums, Arts and Culture, Events as well as the economic growth of the city with its challenging targets. Its priority projects for this year are the Plan for Jobs and City Deal as well as to ensure the Council receives maximum benefits from its land and property assets
- 15.11 At present the commercial estate is 95% let, which is an exceptionally high figure, given the size of the estate and the state of the economy, and recognising pressures which exist in the market place for cost efficient deals.
- 15.12 It is essential that the ED service retains capacity to deliver on the Council's growth agenda; unrealistic commercial income targets should not place service delivery at risk.
- 15.13 The Economic Development service is leading on a number of key initiatives that will be pivotal in ensuring that the Council's economic growth agenda is delivered including the Plan for Jobs, Derriford District Centre, City Centre re-development, Tamar Science Park & GAIN, inward investment, City of Culture, a new economic development trust for the North of the City, the 1000 club employment initiative, Bickleigh Down eco hub, City marketing and branding and the interface with the private sector through Destination Plymouth, Culture Board and the Growth Board.
- 15.14 The department is undertaking a series of strategic reviews to ensure that service delivery is aligned behind the Council's economic priorities. These include a review into Mount Edgecumbe, the Museums service and external income/sponsorship opportunities.
- 15.15 Destination Plymouth continues to drive the visitor economy forward with national recruitment for a new Chief Executive and will be seeking citywide sponsorship and commercialism to support the growth in the city's signature events and destination marketing.

Transport & Infrastructure

- 15.16 The key challenge for the service has to be the management of the c.£2bn of assets it is responsible for. The Highway Asset Management plan has identified significant investment required to maintain the network. The department is identifying through invest to save and risk management the appropriate response to the issues and challenges the network faces.
- 15.17 Another area of challenge is ensuring that income revenue through car parks is maintained. The car parks in the city have been upgraded and the income levels are good. The effective use of the Civil Enforcement team can ensure that the network has limited congestion and that the charging levels for the on and off street parking are at an appropriate level
- 15.18 The service is also responding to 'regional' connectivity issues to ensure we benefit from the likely decentralised budgets for major highway schemes as well as potential decentralised local train services. This may generate greater demands for revenue work in preparation as well as direct support of services.
- 15.19 The service will need to actively contribute to the newly created sub-regional transport board; as well as take forward development of outline business cases for future transport investment in support of delivery the City's major growth opportunities.
- 15.20 At the same time, there is a continued stream of work prioritising the need for the city to have better, quicker and more regular connections to London.
- 15.21 The Transport Capital Programme contains planned investment in small transport improvement schemes, maintenance or replacement of highway assets identified through the Highway Asset Management Plan, committed schemes being delivered through the Local Sustainable Transport Fund (LSTF) and schemes for improving transport secured through contributions from new development in the City.
- 15.22 The challenge has been that following that along with all authorities across the country, grant funding to the Council for small transport schemes was cut compared with the start of 2010/11 by 50% and will only rise to about 75% of the 2010/11 level by 2014/15. The Service has responded not only by raising the value for money but also securing match funding.
- 15.23 The amount of external funding secured for the 2012/13 transport capital programme is £1.15m and the LSTF will, in 2013/14, contribute £1.2m, representing about 22% of the overall Transport Capital Programme.
- 15.24 Strategic transport schemes, those being individual schemes costing over £3m, are schemes which support the Council's priority of delivering growth, providing the infrastructure along our major transport corridors to enable development to come forward and help create the conditions for investment in quality homes, employment and infrastructure. The revenue implications of developing these schemes to full business case for submission to funding bodies can be accommodated within existing Transport and Infrastructure revenue budgets and the Place Directorates consultancy budget

Environmental Services

- 15.25 Environmental Services is one of the most visible and valuable front line services with enormous challenges especially in the areas of waste disposal, waste collection and recycling. Managing public expectations of enhanced levels of service and a drive to increase recycling rates against a very tight budget is difficult.
- 15.26 While the amount of waste going to landfill per household is decreasing, an increasing population within Plymouth is resulting in increased waste tonnages overall. This, alongside landfill tax, which is increasing by £8 per tonne each year until 2014, is resulting in a significant annual increase in waste disposal costs of c£650k each year at a time when service budgets are reducing. The Council also faces fines of up to £150 per tonne if we landfill more biodegradable waste than our landfill allowance (LATS).
- 15.27 Recent months have also seen a significant reduction in the income obtained from the sale of recycling materials due to the current financial instability of markets commodity prices.
- 15.28 Environmental Services are rising to the challenges ahead by reviewing, benchmarking and prioritising future service provision and increasing income across a range of service areas where possible to provide services within current budget constraints.

16. Corporate Services Directorate

Departmental context

16.1 The Corporate Services Directorate was established with effect from January 2012 and covers four departments:

- Democracy & Governance
- Customer Services
- Human Resources & Organisational Development (HR & OD)
- Finance, Efficiencies, Technology and Assets (FETA)

16.2 The Department has again faced significant challenges to achieve the current year budget. We have significantly reduced our cost base whilst absorbing the additional demand of supporting the council in delivering change.

16.3 CIPFA benchmarking confirms that the majority of our support functions now compare favourably with other councils in terms of both cost and performance. Moving forward, we will continue to explore opportunities for further income generation and joint working with other public sector partners both within and outside of Plymouth.

Democracy & Governance

16.4 New developments in Democratic Support include supporting the new Health and well-being Board, Police and Crime Panel and Adult Health and Social Care Board.

16.5 The recently introduced web-casting trial of Council and Planning Committee meetings will continue throughout the next year with a review after six months. Webcasting will be expanded to include coverage of the budget scrutiny process and the Police and Crime Panel.

16.6 The Lord Mayor's staff have continued to deliver 'more with less' including its success with the National Armed Forces Day in June 2012 and homecoming parade for 29 Commando in July 2012. This experience will be used in working on the 100th anniversary of the outbreak of WWI in 2014 and the 70th anniversary of the end of the Battle of the Atlantic in 2013.

16.7 There is a continued increase in demand for legal services in a more litigious culture, in particular the increase in Judicial Review claims. The legal team working with client departments have shown success in defending such claims but at a financial cost to the Council. This may be ameliorated in the future by the recent Government announcement to restrict access to the Judicial Review procedure.

16.8 Pressure in the elections team has included the need to manage an additional election for the Police and Crime Commissioner. Whilst the Home Office have funded some additional expenditure, the staff time involved had to be absorbed.

- 16.9 A key major piece of work for Electoral Registration will be the introduction of individual electoral registration which is a huge change in the process of registration. It will require staff training and investment in the IT system to support the planning, testing and implementation by 2014. In the meantime, the electoral registration service continues to meet and exceed the Electoral Commission standards of performance.
- 16.10 Capital investment is required in the Registration Service Lockyer Street offices to replace the shelving for the registers. In addition work is required to bring the building to DDA compliance and replace the heating system.
- 16.11 Challenges and service pressures are continually arising from the implementation of the Localism Act 2011; this includes the Community Right to Challenge, the Assets of Community Value and governance changes. These new provisions are characterised by their publication with a matter of days' notice before implementation and the fact that they are ill-drafted and thought out. These new provisions are being implemented within available resources.

Customer Services

- 16.12 Nationally library footfall is reducing, however Authorities who can offer additional services (both Council and partner organisations) through these community hubs can see this trend reversed and present a more holistic service in the communities they serve. The work taking place within libraries under the Health Project is already seeing an upturn in visitors.
- 16.13 The migration onto new technologies within Customer Services e.g. Dynamics has provided a baseline for the customer transformation programme that can be scaled up to expand and offer channel shift opportunities to deliver efficiency savings as customers self-serve.
- 16.14 The integration of the Library Service within Customer Services is enabling preparatory work to be undertaken to ensure service delivery within community hubs that can contribute to the channel shift savings contained within the Corporate Transformation Programme. This closer working relationship will ensure a consistent service delivery culture focused on quality interactions and maximisation of "touch points" with our customer base

HR & OD

- 16.15 The Finance, Efficiencies, Technology and Assets department is piloting the new transformation methodology to drive out more efficiencies and streamline their structures. This includes management delayering. This will commence in late November '12. In September 2012, City Council approved the allocation of capital funds to support the investment in ICT and customer-facing services. The transformation will focus on the modernisation of services and an efficiency agenda to move to the most effective ways of working. Every department of the Council will undergo a Fundamental Service review (FSR) with the first four departments currently starting this process. The full year revenue savings are estimated as £3million from year two of the programme.

16.16 Work continues on the HR & OD transformation project that will deliver significant efficiencies across the department and the wider Council. This project includes replacing the current payroll system, better employee data management and reporting, streamlining HR processes and moving them online, and moving to a unified Microsoft platform (Dynamics AX). Financial savings from this project are expected to be accrued from 2013/14 onwards.

Finance, Efficiencies, Technology and Assets (FETA)

16.17 Increasing demands have been placed on the finance service to keep up to speed and model the implications of numerous changes to government guidelines and policies. The nature of finance has fundamentally changed from traditional based monitoring to more proactive support to, and enabling of, innovative service based projects with multiple funding streams.

16.18 Moving forward, we will review the functionality of the client finance service to ensure that it correlates with the changes made within the Adult Social Care service that it supports.

16.19 The Revenues and Benefits service continues to embrace radical change. Having implemented a new structure in November 2012, the service is now delivering tangible performance improvements at significantly less cost.

16.20 Welfare reform changes continue to evolve. We have developed a local Council Tax Support scheme that will be implemented in April 2013 that addresses the difficult challenge of an estimated £2.6m shortfall in funding. Council Tax technical reforms, changes in the Council Tax base and a fundamental review of the local Business Rate system will place further strain on the service as will administering the Council's Social Fund (transferring from DWP responsibility)

16.21 We will continue to improve our management of and pursuit of housing benefit overpayments and aim to deliver tangible financial savings in this area in 2013/14

16.22 ICT was integrated into FETA from February 2012. The service has sharpened its customer and strategic focus and continues to evolve its operational delivery in preparation for shared service delivery.

16.23 The key challenge faced by ICT is to support the overall Council change programme, with existing capacity stretched to the limit in delivering a number of key high profile projects. We continue to engage and manage private sector contractors and agency staff to enhance skill sets and provide additional capacity although such resources are scarce due to market competition.

16.24 The management of the Corporate Property service will be reviewed to reflect changes of responsibility to the Place Directorate and a fall in demand for facilities management from Schools. The Corporate Landlord initiative will continue to improve our management of the corporate estate with better prioritisation of repairs and maintenance and more robust health and safety arrangements.

16.25 Strategic Procurement continues to work in partnership with the Federation of Small Businesses, Chamber of Commerce and other Plymouth public sector stakeholders, to improve opportunities to businesses across the city. A ten point charter in support of local trade has been developed and will be formally adopted by a number

of partners across Plymouth within the next month. This builds upon a procurement awareness event was hosted by Plymouth in October 2012 that attracted representation of over local 400 businesses.

- 16.26 Delivery plan targets for procurement remain challenging. We are on course to deliver £1m efficiencies in 2012/13 through smarter purchasing from using the centralised buying system and renegotiating strategic contracts. Moving forward, several areas of category management will be introduced such as the procurement of emergency repairs, energy purchasing and facilities management to contribute to the £1.1m step up in savings required for 2013/14.
- 16.27 We continue to challenge down the cost of external and internal audit, ensuring that these contracts provide adequate assurance to management whilst delivering their statutory responsibility.
- 16.28 The FETA service as a whole is engaging in a fundamental review of its services to customers and efficiency of processes. Challenging and rationalising our existing management arrangements, standardising systems and exploring further opportunities for joint / shared working will deliver significant savings in 2013/14 and beyond.

17. Chief Executive's Office

Departmental Context

The department is at the heart of implementing changes to local government and the Council's co-operative agenda, which involves greater engagement with residents and partners.

- 17.1 The results of the Listening Plymouth survey have highlighted the need for a continued emphasis on involving communities in decision making about their localities and this is a priority for the service.
- 17.2 The performance of local authorities is now being monitored and assessed in new ways, with less Government focus on inspections and prescriptive partnership approaches. The service is developing new approaches to ensure the Council maintains and develops strong performance management and monitors the delivery of its priorities.
- 17.3 The Communications Service needs to be at the heart of developing the co-operative council approach and communicating effectively with Plymouth residents and partners.
- 17.4 As the Government makes huge changes to areas such as welfare reform, it is vital that the Council communicates effectively with residents about how these changes affect them.
- 17.5 The communications service has been helping drive change throughout the organisation, including the introduction of a stronger and simpler visual identity and the standardisation of publications and document templates to reduce spending

across the Council. This has included reducing the number of printed publications produced by departments and ensuring information is available online and sent out electronically through email marketing.

- 17.6 The Communications Service is developing the Council's website to put greater emphasis on online transactions and is starting to use social media more effectively to communicate directly with Plymouth residents and partners.
- 17.7 This work to help Council departments communicate more effectively and efficiently needs to be further developed. The service has recently undergone an external peer review, which has emphasised the need to rationalise all communications activities across the Council.

18. Equality Impact Assessments (EIA's)

- 18.1 We have taken steps to ensure our budget plans are as fair as possible. To help achieve this, as in previous years, we have completed Equality Impact Assessments (EIA's) on the budget delivery plans. In line with updated legislation in the form of the Public Sector Equality Duty we have refined and simplified the EIA format and updated it to reflect our local priorities.
- 18.2 The EIA's build on those published in December 2011. They cover the nine 'protected characteristics' within the Equality Act as well our local priority to narrow the gap in equality, especially in relation to health, and improve community cohesion.
- 18.3 The Equality and Human Right Commission issue guidelines on meeting the Public Sector Equality Duty in policy and decision-making it is clear that to comply, public authorities need to show due regard to the aims of Public Sector Equality Duty when making decisions and setting policies. The guidance indicate that the equality duty does "not prevent you from making cuts, but provide you with a way of developing proposals which consider the needs of all members of your community". Further guidance also highlights that an EIA should ensure that decisions impact in a fair way and that where there is evidence that particular groups will be negatively affected by a decision, action should be taken to address this. EIA analysis should show that decisions are evidence based, transparent and that actions taken will be monitored and reviewed where appropriate.
- 18.4 Last year, in addition to the five departmental wide budget equality impact assessments we also completed specific EIA's at the implementation stage of key decisions if relevant. Where the EIA's have shown mitigation for 'differential impact' is required we have agreed specific actions. We will do the same this year. It is to be noted that given the new structures put in place this year we have undertaken an EIA for each of the three directorates plus the Executive Office.
- 18.5 Differential impact means that the decision might unfairly have more affect on one protected characteristic group or local priority action than another. Where this is a possibility that this could be the case action to mitigate is included in the EIA. A summary of key considerations are highlighted in the directorate and Chief Executive EIAs below.
- 18.6 It is to be noted that in relation to our commitment and duty to foster good relations between communities that across all directorate EIA's the changes to

services could mean that communities and protected characteristic groups might believe that they are more impacted than others which could impact detrimentally on community relations and cohesion. This will require monitoring and an emphasis on communication and engagement to provide context and detail about the service changes and what measures have been taken to ensure we have not discriminated to counter any misinformation or confusion.

- 18.7 Where there are redundancies, we will ensure that staff are not unfairly selected for redundancy e.g. on the basis of them having a particular protected characteristic within the Equality Act 2010. We will also seek to avoid any indirect impact on staff within these groups that we cannot objectively justify. Where changes lead to commissioning services in different ways, we will use our strategic procurement procedures, which include specific reference to equality, to ensure we meet equality requirements.

Chief Executive's Office

- 18.8 There is minimal potential for differential impact in relation to the changes put forward in the budget delivery plans for the Chief Executive's office. The proposal put forward for challenging the demand for Printing, Publicity and Advertising could have an impact for those whose first language is not spoken English, older people and those with disabilities who require information in an accessible format. Therefore we will continue to ensure that promotional material and information about services and where to access them is available in a range of formats and mediums. Where we review our corporate subscriptions we will identify those that make a positive contribution to the Public Sector Equality Duty to promote equality.

Place

- 18.9 We have identified that changes to public transport, accessible transport services and car parking charges have the potential to impact on people with disabilities, older and younger people who do not own their own cars as well as women who use public transport more than men or those on a limited income. Centralising our services to a single point of contact could have an adverse impact on older people or people with certain types of disability and people with English as a second language. Furthermore changing the location of the Tourist Information Centre will need to ensure accessibility for those with a disability and any changes to the cemetery and crematoria services and associated charges and fees could impact on those that require specialist services e.g. Muslim and Chinese Communities. To mitigate the impact of these changes bespoke EIAs will be conducted to inform the changes to the way these services will be delivered.
- 18.10 As we implement the Accommodation Strategy we will continue to take into consideration the needs of people with disabilities, particularly those members of staff with mobility impairment and with caring responsibilities. Changes to allotment fees and grass cutting could impact on those who feel vulnerable to areas that become overgrown or able to access and use allotments particularly affecting those with mobility issues or on a low income. Reviewing these procedures will be undertaken on a case by case basis taking into consideration access requirements and particular needs.

Corporate Services

- 18.11 At this stage, the delivery plans relating to Libraries do not change either the number of Libraries or opening hours. The modernisation of our library services could involve changes to staffing, opening times, building programmes and the book fund. We will therefore ensure we take measures to counter possible impacts to people that could be affected such as those with disabilities or those without ready access to the internet. A specific EIA will be completed and groups such as older people, BME communities and those that are visually impaired, young people and those on low incomes will be protected. Furthermore the focus towards libraries acting as Community Hubs will provide an opportunity to counter the adverse impacts through more localised provision and new training opportunities for staff to provide services linked to adult literacy provision, E learning and a growing demand for E books.
- 18.12 The review of procurement and commercial charging could impact on gender, race and disability. For example Guildhall space is booked by faith and belief groups and BME groups for events. We will therefore make sure discounted rates remain in place for our diverse communities and availability is balanced between income generating usage such as weddings through clear procedures in the bookings policy.
- 18.13 The national Council Tax Benefit scheme comes to an end 1st April 2013 to be replaced by a locally determined system of Council Tax Support. It is recognised that reducing the level of support will leave some households in significant financial difficulty. We have already taken measures to implement a local scheme with a Hardship Fund to be made available to support taxpayers facing exceptional hardship. The outcome of a consultation will be fed into a bespoke EIA on this process.
- 18.14 Action may be required in relation to Changes to the way Housing Benefit Overpayment recovery and debt collection is managed as well as ending the Employee Assistance programme all of which could have the potential for adverse equality impacts. As such specific EIAs will be conducted and actions to mitigate against any unintended differential impacts

People

- 18.15 There is the potential for both positive and negative impacts across a range of protected characteristics for services incorporated within the People directorate. Our plans for Joint Commissioning and Adult Social Care service have the potential to impact on older people, those with a disability and impact on gender as the greater number of the service users are women. We will ensure that changes to the way community meals, domiciliary and respite and residential care services are provided will be carefully considered in new commissioning arrangements and service specifications. Specific service remodelling or decommissioning will be accompanied by an individual EIA so that any impact can be identified and mitigated against where feasible.
- 18.16 We anticipate that frontline services will be unaffected as individual care needs, identified through the care management process, will continue to be met in line with our statutory duties. However we will monitor services and individual packages to ensure there is no additional age or disability related impact and our assessed lack of impact can be identified in relation to faith, religion, belief and sexual orientation remains the same.

- 18.17 Within our Education and Family Learning Service the review our Children's Integrated Disability Service will be undertaken to ensure positive outcome for either carers or children with disabilities. The changes to the way school meals are managed will be assessed once the changes to the way the school meals budget is decided as this could have an impact on children and particularly children from families with a low income. We are mindful that plans to review the school settings team could impact on vulnerable groups such as asylum seekers and those where English is not a first language if services provided by Plymouth Adult and Community Learning and the Ethnic Minority Achievement Teams are impacted. Therefore any changes will be subject to careful consideration and actions that are identified through a specific EIA.
- 18.18 We will continue to prioritise those with greatest need and consider that plans to modernise the specialist school and short breaks facility provided by Downham House into a wrap around model will potentially have a positive impact for those with a disability and carers although. We will consult and consider best practice to inform any newly proposed delivery model.
- 18.19 We anticipate some changes, such as a review of the Personalisation Agenda for Children with a Disability and the transformation of Child and Adolescent Mental Health Service will provide opportunity to improve take up through improved promotion, targeting and needs assessment as well as the partnership working opportunities identified.
- 18.20 Similarly reviewing the management and delivery model of our Children's Centre's provides an opportunity to target provision towards our more vulnerable communities. Such a review would be informed by the needs identified in a specific EIA. Modernising the arrangement to the way the Employment Advice Service For Young People is delivered offers an opportunity for a targeted and contracted service directly with schools. We will ensure any transition is undertaken with the needs of the young people at the forefront of the service redesign with the completion of a specific EIA.
- 18.21 We anticipate that the Children's Social Care efficiency plans will have positive impacts for carers and vulnerable young people given the more localised and targeted provision. For example reducing out of city placements, transferring independent foster care into adoption or adult social care provision should have positive outcome for parents/cares and young people and the support packages will be monitored and reviewed to ensure there are no adverse equality impacts.
- 18.22 Our plans in relation to Leisure Management and Homes and Communities have the potential to impact on young children parents/carers, older people, people with disabilities and women. This is in relation to possible changes to the work programme of our Sports Development Team, schemes that might involve commissioning efficiencies and income generation and changes to the use of community assets. We have identified specific EIAs to mitigate against any adverse impacts and will monitor use of relevant services against the protected characteristics and if any groups are under-represented we will target information and encourage take up.

19 Budget Consultation and Public Scrutiny

- 19.1 The Council has continued to improve how it communicates with partners and the public in relation to its budget setting and spending plans. Throughout 2012/13 summary accounts have been made available within locations such as local libraries and Schools, articles published in the local newspaper and budget details issued in Plymouth People (the Council's newsletter) which is delivered to every household within the City.
- 19.2 The public consultation for the 2013/14 budget setting process took the form of a posted questionnaire. Working with professional partners, we randomly selected 8,000 households in the city and asked them to complete a straightforward set of questions to help inform our resource allocations.
- 19.3 The aim of this year's consultation was to determine the public's view on services that were important to them including spending priorities around health and community safety. We had a good response rate with more than 3,000 replies.
- 19.4 The Council continues to keep its partners fully informed of its corporate priorities and financial position through comprehensive quarterly performance and finance reports. As per previous years, presentations and discussions have been and will continue to be held with all key stakeholders such as political groups, Chamber of Commerce, local MPs, Unions and the LSP and Civil Society representatives, until the final budget is signed off at Full Council in February 2013.
- 19.5 Further analysis will be undertaken and submitted within the final report for Scrutiny Management Board in January; this will include an analysis of the comments provided by respondents as part of this consultation
- 19.6 The full results from the consultation and outputs from the stakeholder discussions will culminate in a thorough three day scrutiny of the corporate planning and budget documents along with those of our partners in January 2013 where the views of the public will be presented for the panel's consideration..
- 19.7 The recommended budget presented within this report is draft and subject to any necessary changes and amendments made through the consultation and scrutiny process (as approved through Cabinet and Full Council). It is also subject to any necessary changes as a result of the final settlement for Plymouth City Council that is expected to be announced late December 2012.
- 19.8 In order to scrutinise the budget an agreed set of evidence is to be heard by the Overview & Scrutiny Management Board (OSMB) on 9, 14 and 16 January 2013 (public meetings).
- 19.9 The OSMB will consider this as part of the scrutiny process and form a set of recommendations. These recommendations will be submitted to:
- Plymouth City Council Cabinet 12 February 2013
 - Full Council 25 February 2013

20. Adjustments

- 20.1 The overall revenue and capital budget allocations stated in this report are accurate based on the information known to us at the time of writing. However, there will be a number of adjustments that will be required within the overall revenue total.
- 20.2 The Corporate Items budget and individual departmental budgets will need to be updated and adjusted to account for:
- a) Virements undertaken during the budget setting process
 - b) Final allocations re Revenue Settlement;
- 20.3 Corporate adjustments will not materially affect the departmental revenue reduction targets or corresponding budget delivery plans as detailed within this report.

21. Summary

- 21.1 2011/12 was the first full year of significant public sector funding reductions under the 2010 Comprehensive Spending Review. 2012/13 also saw significant funding reductions.
- 21.2 This budget has also been set under very challenging conditions, building on the unprecedented income reductions. The Government continues to initiate significant policy changes with the full impact on the Council still needing to be understood.
- 21.3 Central Government is continuing to withdraw financial support for essential frontline public services in Plymouth.
- 21.4 Before we understand the full impact of the Chancellor's Autumn Statement, Plymouth City Council is budgeting to reduce spending by a further £17.8m in 2013/14, on top of the £20m already taken out in the past two years, bringing the reductions to a cumulative £37.8m over three years.
- 21.5 This report sets out our resource assumptions and sets them against our spending requirements.

2013/14 Resource (Income)	£198.3m (section 5.9 figure 2)
2013/14 Cost to run the Council	£216.1m (section 7.14 figure 8)
2013/14 Funding gap	£ 17.8m

- 21.6 We are already planning for reductions in future funding, and are continually receiving details of new initiatives from Central Government. The Directors and Portfolio Holders are already working up delivery plans for both 2014/15 and 2015/16, and these are included in this report.
- 21.7 Despite this operating environment, we are continuing our aims of transforming, modernising and increasing efficiency across the whole council. This has been demonstrated by the revised Senior Management structure to ensure we have a fit for purpose leadership team in place to delivery our objectives. Savings from further management delayering will deliver savings to the overall budget, and help protect frontline services.

- 21.8 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. We are trying to minimise the scale of compulsory redundancies and we have just launched a voluntary release scheme.
- 21.9 The Council remains very ambitious with an extensive Capital Programme, as well as delivering the Controlling Group's Election Pledges.
- 21.10 This budget addresses the reality of the continuing reductions in grant funding whilst addressing the areas of most need.
- 21.11 The budget has acknowledged the demand needs from our demographics and the continuing pressures within the Adult Social Care service during its transformation and transfer to Personal Budgets.
- 21.12 It is imperative that as a Council we understand that we are all in this together, both as officers and as Members. We have just launched a staff suggestion scheme in order to benefit from the best ideas of those actually responsible for delivering our services.
- 21.13 Whilst recognising the need to reduce our services, and increase fees and charges, we are fully committed to minimise wherever possible the impact on the most vulnerable people in the City.
- 21.14 This is a draft budget report for consultation. Cabinet will consider all consultation responses, along with the output from the January 2013 budget scrutiny and any material changes from the Comprehensive Spending Review settlement in early February 2013 prior to recommending a final budget for adoption by Full Council on 27 February 2013.

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Appendix A Departmental Indicative Budgets 2013/14

Directorate / Service	12/13 Revised Budget Base	2013/14 Step up Delivery Plans	Changes agreed as part of MTFF Review	Back out of 2012/13 Council Tax Freeze Grant	Initial target budget in line with revised MTFF	2013/14 new delivery plans	One off Allocations 12/13	One off Allocations 13/14	13/14 Target Budget	Movement
Executive Office	1,900	(210)	0		1,690	(85)	0	0	1,605	(295)
Chief Executives Office	1,654	0	0		1,654	(80)	0	0	1,574	(80)
Departmental Management	346	0	0		346	0	0	0	346	0
Executive Office Budget Saving	(100)	(210)	0		(310)	(5)	0	0	(315)	(215)
Corporate Items	6,489	(1,720)	3,296	2,400	10,465	(2,100)	0	0	8,365	1,876
Capital Financing	9,080	0	300		9,380	(300)	0	0	9,080	0
Accountable bodies	0	0	0		0	0	0	0	0	0
Major Projects	0	0	0		0	0	0	0	0	0
Corporate Items Budget Savings	1,019	(1,720)	(1,000)		(1,701)	(1,800)	0	0	(3,501)	(4,520)
Other Corporate Items	(3,610)	0	3,996	2,400	2,786	0	0	0	2,786	6,396
Corporate Services	30,194	(780)	300		29,714	(1,475)	(250)	0	27,989	(2,205)
Finance, Effic, Tech & Assets	18,899	(70)	0		18,829	(990)	0	0	17,839	(1,060)
Democracy & Governance	5,049	0	0		5,049	(70)	0	0	4,979	(70)
Customer Services	4,763	(190)	0		4,573	(250)	0	0	4,323	(440)
Human Resources & OD	3,176	(20)	300		3,456	(165)	0	0	3,291	115
Departmental Management	291	0	0		291	0	0	0	291	0
Corporate Serv budget savings	(1,985)	(500)	0		(2,485)	0	(250)	0	(2,735)	(750)
People Directorate	122,822	(2,720)	4,000		124,102	(6,180)	(1,020)	2,000	118,902	(3,920)
Childrens Social Care	27,121	(725)	900		27,296	(458)	0	0	26,838	(283)
Jt Comm & Adult Social Care	67,929	(1,320)	2,900		69,509	(4,485)	0	2,000	67,024	(905)
Education, Learning & Family S	15,666	(675)	200		15,191	(799)	0	0	14,392	(1,274)
Homes & Communities	8,011	0	0		8,011	(339)	0	0	7,672	(339)
Programmes Director projects	3,372	0	0		3,372	(59)	(1,020)	0	2,293	(1,079)
Management and Support	724	0	0		724	(40)	0	0	684	(40)
People budget savings	0	0	0		0	0	0	0	0	0
Place Directorate	42,361	(570)	1,300		43,091	(1,147)	(500)	750	42,194	(167)
Economic Development	2,297	(90)	300		2,507	(84)	0	0	2,423	126
Transport & Infrastructure	14,025	(200)	0		13,825	(250)	0	0	13,575	(450)
Planning	1,765	0	0		1,765	(103)	0	0	1,662	(103)
Environmental Services	24,745	0	1,000		25,745	(710)	0	0	25,035	290
Strategic Waste Programme	305	0	0		305	0	0	0	305	0
Business Support	(751)	(280)	0		(1,031)	0	0	0	(1,031)	(280)
Management and Support	623	0	0		623	0	0	0	623	0
Place Budget Savings	(648)	0	0		(648)	0	(500)	750	(398)	250
Total	203,766	(6,000)	8,896	2,400	209,062	(10,987)	(1,770)	2,750	199,055	(4,711)

Resources

198,300

Funding Gap (Shortfall)

(755)

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Section I - Analysis of Budget Robustness

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
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SECTION I - DELIVERY OF BUDGET		
<p>I. Delivery of a Balanced Revenue Budget</p> <p>(a) Comprehensive Spending Review and Settlement</p> <p>Public Sector funding continues to remain extremely challenging. Central Government settlements are now much more short term and uncertain. At the time of setting this 2013/14 indicative revenue budget we still do not know what our funding is for the year (confirmation is expected late December 2012)</p> <p>More funding responsibility is transferring from Central to Local Government with the need to increase Local Business Rates and New Homes Bonus to compensate for a drop in formula grant.</p> <p>Overall revenue funding is expected to continue to reduce for the foreseeable future with a corresponding need to drive further efficiencies and consider alternative service delivery options.</p> <p>The government uses each spending review as an opportunity to review the level of specific grants or to mainstream specific grants into core funding. Where this happens there is a risk of reduced funding impacting on the budget. Examples for 2013/14 are likely to include the Learning Disability and Health Reform Grant, Early Intervention Grant.</p>	<p>Medium Term Financial Forecast has been modelled on a 'most likely' and 'worst case' scenario. Including known spending commitments, the worst case model equates to having to deliver £11.8m of additional plans in 2013/14. CMT and Cabinet Planning have agreed to set plans at this level in order to make some inroads into the 2014/15 anticipated revenue budget shortfalls.</p> <p>Budget Delivery Plans for 2013/14 have been subjected to robust scrutiny both at senior officer level and comprehensive portfolio holder challenges. Further work will be undertaken throughout the early months of 2013 to develop more cross cutting plans aiming to balance an indicative 2014/15 revenue position.</p> <p>The Council will work closely with other stakeholders such as unitary councils, the Local Government Association, SOLACE and LG Futures to interpret, translate and communicate guidance and indicative figures produced from central government at the earliest possible opportunity.</p> <p>Finance will work with departments to establish the likely impact on on-going commitments and implement plans to reduce spending in line with funding changes</p>	RED

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<p>(b) Risk of non-delivery of budget plans Underpinning the 2013/14 budget are a set of challenging departmental and cross cutting delivery plans. These are in addition to the step up in delivery plans already incorporated within the 2012/13 base revenue budget.</p> <p>Continuing to deliver increasing plans with limited capacity requires excellent project management and careful monitoring.</p> <p>2012/13 forecasted revenue budget overspend as reported in September '12 quarterly monitoring will add further pressure if CMT are not able to return a balanced budget by year end.</p> <p>(c) Transfers of Responsibilities and Funding</p> <p><u>Public Health</u> The Public Health Service will formally transfer from Health to Local government with the Council taking full responsibility in April 2013. Funding will move as part of this transfer of responsibility. There is a risk that the level of funding transferring will not cover the responsibilities.</p> <p><u>Police Commissioner</u> A new Police Commissioner has been elected in November 2012 and will take full responsibility for the Forcewide Police Budget with a small transfer of some Formula Grant (formerly part of the Safe and Strong Area Based Grant subsumed into Formula Grant). This may change the use of the funds subject to priorities set by the newly elected Police Commissioner</p>	<p>All departments are seeking to make savings to deliver a breakeven budget for 2012/13 and address the reported Adult Social Care budget pressures.</p> <p>Detailed public quarterly reports will continue with a monthly streamlined report being reviewed by CMT and Cabinet Members and Scrutiny.</p> <p>The Council and regional Public Health Directors will continue to ensure Public Health is fully funded.</p> <p>A project team has been established to prepare and implement the smooth transfer of responsibilities.</p> <p>Funding levels will be thoroughly monitored against service commitment transferring. Additional delivery plans will be developed in the event of any funding shortfall.</p>	<p>AMBER</p>
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<p><u>More emphasis on generating local funding</u> Central Government formula grant will continue to diminish. The impact of this can be dampened through generating more local income through Business Rates, Council Tax and New Homes Bonus.</p> <p><u>Local Council Tax Support</u> The system for administering Council Tax Benefit is changing from a national system to a locally administered scheme that needs to be approved by January 2013 and implemented by April 2013. Indicative grant funding for the new scheme is estimated as being £2.6m short of what our existing spend commitments are.</p> <p><u>Young People remanded in custody</u> On the 3rd December 2012 all young people remanded to custody will become looked after by the local authority. From April 2013 responsibility for funding will transfer from the home office to the local authority</p>	<p>The Council retains economic growth as a key priority and will aim to divert further resources into this area. Delivery of growth will, in turn generate additional local business rates, an element of which will be able to be retained by the council under the new funding framework.</p> <p>PCC are modelling and planning to enter a Business Rate 'pooling' arrangement, (subject to final settlement), with all Devon authorities in order to maximise the total business rates retained in the County.</p> <p>The Council, along with all Devon authorities, consulted the public on a cost neutral Council Tax Support scheme. Under this arrangement, benefits paid would be reduced across the board, (except for protected clients such as elderly), in order to avoid an additional strain on general revenue resources.</p> <p>Joint working with Youth Offending Service to ensure non-custodial community provision is acceptable to the court for young people at risk of remand.</p> <p>Continue to lobby for appropriate funding via the appropriate channels</p>	RED
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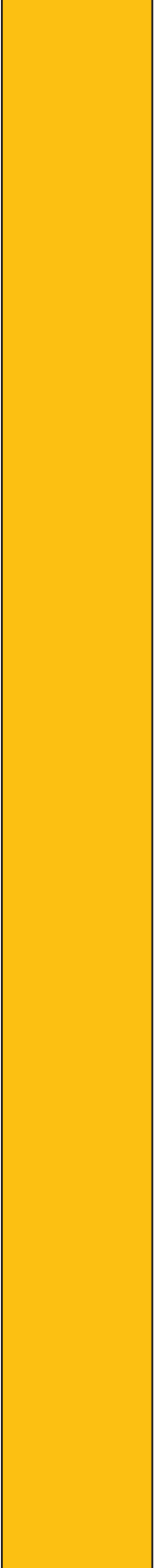
Section I - Analysis of Budget Robustness

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
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<p><u>2. Service Specific Issues</u></p> <p>(a) Children and Young People</p> <p>Children in Care</p> <p>Within the first 6 months of 2012/13 the number of Children in Care has remained relatively static with a slight downward trend. However, it will be a challenge to deliver within budget due to:</p> <ul style="list-style-type: none"> Increasing numbers of very young children requiring adoption will result in more children aged 5-11 remaining in foster care against a backdrop of a national shortage of adopters The level and complexity of need and behaviours of some children requiring care in high cost Independent Fostering and residential placements. <p>Children in the Community</p> <ul style="list-style-type: none"> The number of referrals to children's social care has continued to rise. The numbers of children subject to a Child Protection Plan is relatively stable at around 300. However the current economic climate and welfare reforms are likely to have an impact An increasing numbers of unborn babies being referred to children's social care, some of whom will require high cost parent and child assessment placements 	<p>Regular financial modelling of actual activity and trends, monitoring of social work caseloads</p> <p>Continued focus on preventative and early intervention strategies to prevent cases escalating and to keep children in their extended family environment.</p> <p>Closer working relationships with the courts in relation to the implementation of the Family Justice Review.</p> <p>Effective use of the common assessment framework</p> <p>Implementation of the Adoption Action plan, partnership working with our local Voluntary Adoption Agency to recruit adopters for 'harder to place' children.</p> <p>Continued recruitment, retention, training and development of in house foster carers to keep children within Plymouth.</p> <p>Rigour in resource Panel to review high cost placements</p> <p>January 2013 opening of a small in City residential provision.</p> <p>Continued use of the Councils parent and child assessment team and the recruitment of Parent and Child fostering placements.</p> <p>Commissioning activity to drive down the cost of residential parent and child provision</p> <p>Audit of referrals and initial assessments to examine robustness of children social care thresholds.</p> <p>Appropriate de-escalation of child in need or child protection cases via the common assessment framework to community support</p>	<p>AMBER</p>
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Section I - Analysis of Budget Robustness

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
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<p>There continues to be a change to the status of schools in the city which include academies, trust schools and co-operative trusts as well as local authority maintained schools. There is increased competition in the market to sell services to schools which could lead to a loss of business and income.</p> <p>School Funding Reform from April 2013, including increased delegation of budgets to schools has potential impacts on the Council's services.</p> <p>The role of the local authority as a champion of inclusion is impacted by reduced budgets.</p> <p>An increase in the numbers of children and young people with complex disabilities and the cost of meeting their needs.</p> <p>Budget pressures and structural changes across partner agencies impact on the ability to promote early intervention and prevention and diversion from specialist services and invest in workforce development.</p>	<p>Focus on local co-operative and collaborative models working with schools to design and promote local services to support their needs.</p> <p>Promoting an ongoing collaborative relationship with organisations of schools for school improvement and support for pupils.</p> <p>Modernising the traded offer to schools through the Services4Schools directory to maximise buy back.</p> <p>Continued work with partners, local special schools and the voluntary and community sector to provide lower cost personalised packages of education and care.</p> <p>Early Intervention and Prevention Strategy agreed by all partners to improve integrated working. This will include collective workforce development.</p> <p>Rigorous commissioning and contract monitoring of early intervention services.</p> <p>Clear children's voice on Health and Wellbeing board and Children's Trust Partnership</p>	
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Section I - Analysis of Budget Robustness

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
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<p>(b) Adult Social Care</p> <p>Within Adult Social Care there are nationally recognised demographic changes which impact the budget, due to both an ageing population and increased complex needs.</p> <p>The services are volatile and small changes in service user numbers of those with high care needs can impact significantly on the budget.</p> <p>Underlying revenue overspend in 2012/13 will place additional pressure to deliver efficiencies alongside the challenging budget delivery plans for 2013/14</p> <p>The personalisation, modernisation agendas continue to present challenges as they drive the transformation of the service. The transition from traditional to modern methods of care and necessary cultural changes could in the interim create budget pressure.</p> <p>Service priorities and funding decisions made by Health Partners can impact on the costs incurred by the Council.</p> <p>Nationally a number of Local Authorities are reviewing a number of legal cases challenging the approach taken by Social Care Services. These test cases, primarily into charging, fee levels and eligibility criteria could result in significant increases in the cost of providing social care.</p>	<p>Accurate and timely monitoring information provided to lead officers for Adult Social Care.</p> <p>Allowances made in MTFE for inflation and demographic growth for 2013/14 budget.</p> <p>Better integrated forecasting and working with Health. Review of data quality, linked to Carefirst project and other systems.</p> <p>All departments are seeking to make savings to deliver a breakeven budget for 2012/13 and address the reported Adult Social Care budget pressures.</p> <p>The People Programme Board continues to govern and scrutinise the delivery of action plans and the transformation of adult social care services and commissioning intentions.</p> <p>Maintaining effective and influential working relationships with Plymouth Health Commissioners.</p> <p>Public Health staff will co-locate with Social Services staff in Windsor House in March 2013. Further co-location with Health staff will follow shortly after.</p> <p>The Legal outcomes are being carefully reviewed by our Legal Service in the context of Plymouth City Council.</p>	AMBER
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<p>(c) Homes and Communities</p> <p>Housing</p> <p>There is a risk of rising costs for homelessness, housing need and other housing services due to</p> <ul style="list-style-type: none"> • Increasing demand because of welfare benefit reforms / recession. • Increased people Rough Sleeping • Rising costs of Private Renting • Regeneration of North Prospect and Devonport adding increasing demand • Poor housing stock in Plymouth and reduced government funding to tackle the problem <p>The mix of increasing demand (10,000 on DHC waiting list) , limited supply (750 pa) and the demands of decanting 940 households over the next few years from regeneration projects, will test resources severely, and if not managed could increase costs of temporary accommodation / bed and breakfast for homeless families</p> <p>Private sector housing capital funding diminishes incrementally to grant only after 2013/ 14 at about a third of last year's programme, therefore schemes to help the above will be limited</p> <p>Stock Transfer</p> <p>As part of the transfer the Council has been required to provide a number of warranties. There may yet be residual costs and claims that will fall to the Council, eg public liability claims.</p>	<p>Delivery plans attached to the Housing Plan which set out how we will mitigate these issues. We are expanding easy-let (a private rented sector leasing scheme) and managing our access to other accommodation as best we can.</p> <p>Two more years of homelessness grant funding at present - without this things will be more difficult</p> <p>We have £1m health funding to fund adaptation grant for 2013/14 but not thereafter</p> <p>The Council has negotiated monies, as part of stock transfer, via VAT shelter and Right to Buy receipts, whilst these monies are a capital</p>	<p>AMBER</p>
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<p>The Council faces financial issues into the future relating to the stock transfer; in the coming year this will include the loss of significant levels of income associated with Service Level Agreements ending or diminishing</p>	<p>resource they have not been allocated to the capital programme. These monies have been set aside in the first instance to tackle any issues relating to stock transfer. The monies could become available for alternative investment as potential liabilities reduce.</p> <p>Quarterly joint liaison meetings continue to take place with PCH monitoring variations to Service Level Agreements</p>	
<p>(d) Environmental Services Landfill tax is set to increase by £8 per tonne each year until 2014. This will add a budget pressure in the region of £650k per year. In addition, the costs of transporting waste are rising.</p>	<p>Targets to reduce the percentage of waste going to landfill have been set.</p> <p>We have entered into a Private Finance Initiative, (PFI), with Devon County and Torbay Councils to build a new 'waste into energy' plant.</p> <p>Set aside a Waste Reserve to help address the rising costs of the waste operations. Additional allocation in the MTFF to cover short term funding shortfalls until the new plant is fully operational.</p> <p>Reviewing the cost of waste operations to identify cost reduction and other solutions such as the replacement of expensive fleet hire with cheaper purchase options.</p> <p>The council will continue to pursue proposed Government funding to encourage Councils to <u>maintain</u> or introduce weekly collections</p>	AMBER

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<p>(e) Economic Development / Climate:</p> <p>The Economic Development service is funded from income generated from the commercial property estate, with a circa £1.2 million surplus contributing to the general fund. It is a further significant challenge to maintain the service income target in a falling market.</p> <p>Unrealistic commercial income targets should not place service delivery at risk.</p> <p>Inability to deliver the Growth agenda will impact on income stream of local Business Rate retention which could, in turn, impact on the Devon-wide pooling of business rates.</p>	<p>Allowances have been made in the MTFF to reflect a fall in income for commercial rents and car parks.</p> <p>The council aims to enable 'technical and financial expertise' to deliver significant projects which unlock growth within the city.</p> <p>Alternative, more innovative methods of funding are being considered with key partners and stakeholders.</p> <p>Strategic responsibility for all Council property now managed within the Place Directorate. Further strategic reviews on 'packages' of assets will be drawn up and considered.</p>	<p>AMBER</p> <p>AMBER</p>
<p>(f) Transport & Highways</p> <p>The Highway Asset Management plan indicates a requirement to increase annual revenue spend by £1.5m and capital spend by £7m to maintain the network on a like for like basis over the next 20 years.</p> <p>There needs to be greater emphasis on 'regional' inputs to ensure we benefit from the likely decentralised budgets for major schemes as well as decentralised local train services.</p>	<p>Risk assessments are undertaken to ensure resources are targeted appropriately and in areas of greatest need.</p> <p>Outline business cases are being prepared for future sub regional funding rounds.</p>	
<p>(g) Housing Delivery</p> <p>There is increasing demand for Housing services brought about by the housing market, welfare benefit reforms and the recession.</p> <p>There is a significantly increasing demand for homelessness and housing need.</p>	<p>Proactive approaches to support housing delivery are being pursued e.g. council sites being considered for private sector housing development, discussions with</p>	

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<p>Private sector housing capital funding diminishes to grant only after 2013/ 14 at about a third of previous year's programme.</p> <p>New house building is at a low; our proportion of affordable housing has been growing due to previous government funding</p>	<p>private sector on new housing delivery models, development of proposals for self build.</p>	
<p>3. Corporate Issues</p> <p>(a) Maintenance Liabilities</p> <p>Inadequate budget provision to meet maintenance liabilities</p> <p>Provision has been made in the revenue budget to meet the costs of the routine maintenance of the Council's operational buildings. Improvement works are charged to the capital budget. The asset management strategy identifies that there is a significant backlog in maintenance obligations.</p> <p>Risks include health and safety issues that may arise during the year and the uncertainties over the future of the Civic Centre.</p>	<p>Strategic Property will keep under review all the Council's assets including identifying and considering assets for disposal.</p> <p>An allocation has been made in the MTFF to cover the short term maintenance costs of the Civic Centre prior to securing a viable long term solution (contract due to be awarded in June 2013)</p> <p>The Accommodation strategy has reduced the number of offices and on-going maintenance liability</p> <p>The insurance reserve can be used to meet the costs of urgent health and safety repairs.</p>	AMBER
<p>(b) Impact of redundancies on revenue</p> <p>The budget delivery plans will result in a reduction of staffing across the Council.</p> <p>Redundancies result in one-off costs, including a contribution to the pension fund.</p>	<p>A redundancy reserve has been set up and will be kept under regular review. The Voluntary Release Scheme has been re-launched in November 2012 for a limited time</p> <p>We will continue to minimise the number of redundancies through vacancy management, effective redeployment practices and close working with the unions.</p>	AMBER

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<p>(c) Equal Pay</p> <p>The Council has received a number of equal pay claims and grievances. These will be dealt with by way of grievance hearings and through the Employment Tribunal system.</p>	<p>An equal pay reserve has been set up and will be kept under regular review.</p> <p>The Council can apply for future capitalisation directions should costs exceed threshold</p>	AMBER
<p>(d) Welfare Reform</p> <p>The Government's planned overhaul of the welfare system will impact on many services provided by the council and, more importantly, will have a significant impact on the residents of Plymouth.</p> <p>For example, less benefits paid could impact on the council's priority of delivering growth, affect homelessness figures and reduce our ability to collect income due to us.</p> <p>Indicative funding to implement a new Council Tax Support scheme is circa £2.6m less than existing spend demand</p>	<p>A cross-cutting officer group evaluating the overall impact of welfare reform has been established.</p> <p>Regular awareness sessions and road-shows will continue.</p> <p>Effective links maintained within the sector and local partners.</p> <p>Consultation has been completed on a self-financed new Council Tax Support scheme (to commence in April 2013). Services are monitoring current demand and preparing for potential increases from April 2013, once the new welfare reform starts.</p>	RED

SECTION II – IMPACT OF MAJOR PROJECTS / CORPORATE ITEMS

<p>4. Major Projects</p> <p>Delivery of Major Projects- timing and resources</p> <p>The Council currently has a number of cross cutting major projects either in progress or planned for the medium term. The key risk is delivering the projects on time and to budget.</p> <p>The requirement to reduce staffing to balance budgets may impact on the ability</p>	<p>Clear project plans in place for key areas. Focussing on a fewer number of larger projects, such as the transformational change agenda. Promoting greater visibility, governance and reporting arrangements for such projects.</p> <p>Wherever possible, revenue and Capital Funding have been allocated to Corporate priorities under the</p>	AMBER
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<p>to adequately resource projects.</p> <p>Many projects require services to be delivered in an innovative way. There may need to be a requirement for external advisors which puts pressure on budgets.</p>	<p>budget process.</p> <p>Financial benefits achieved through the delivery of cross cutting projects and delivery plans will be offset against budgets held within individual service areas that benefit from the respective project.</p>	
<p><u>The main projects are:</u></p> <p>(a) Waste PFI The cost of disposing the City's waste is due to rise sharply over the coming years.</p> <p>The Council has jointly signed a contract with German Company MVV Umwelt to deliver an Energy from Waste PFI solution in partnership with Torbay and Devon County Councils. The new plant is due to be fully operational by October 2014.</p>	<p>A waste management reserve has been created to manage the short term funding gap prior to the new plant being operational. Additional allowance has been made in the MTFF for 2013/14 and 2014/15.</p> <p>The contract provides future certainty to the amount the Council will be paying for waste disposal linked to disposal volumes. PFI credits to support the scheme have been confirmed</p>	AMBER
<p>(b) HR / Payroll replacement</p> <p>The Council is replacing its HR and Payroll systems and has entered into contracts for the implementation of these new systems. The proposed 'go live' date has been delayed until February 2013.</p>	<p>A project delivery board is in place which reports to the Corporate Services Programme Board.</p> <p>There will be parallel running of the old and new systems prior to 'go live' to allow robust testing and validation checks</p>	AMBER
<p>(c) Pavilions (Arena / Ice)</p> <p>The Council in conjunction with the Life Centre project had always intended to pursue options around the re-provision of Ice Skating facilities within the City and the I remodelling of the Pavilions complex following the closure of the pool area.</p>	<p>The Council has now selected a provider of Ice and Arena facilities</p>	GREEN

Section I - Analysis of Budget Robustness

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

<p>(d) Transformational Change</p> <p>The Council has approved a programme of transformational change which will require a fundamental review of all services that we provide.</p> <p>Customer transactions will be integrated to give 'one version' and 'entry point' for the customer and all transactional services will be consolidated in one place.</p> <p>This project will require significant resources to implement including major investment in ICT, change management capacity and staff engagement throughout the process.</p>	<p>Cabinet and CMT have signed up to the programme and agreed to fund the £4.5m implementation costs.</p> <p>The MTFF assumes a net return, (after borrowing costs) of £1.5m by 2014/15 rising to £3.2m in the following year.</p> <p>A Programme sponsor and lead has been appointed and further capacity and appointments will be made early in 2013.</p> <p>Agreement has been made to use an element of council reserves to 'pump prime' the project.</p>	AMBER
<p>(e) Shared Services</p> <p>The Council has been exploring the market and benefit for sharing services with other public sector bodies. In the first instance this has focussed on ICT, although other service areas are being considered.</p> <p>An initial budget delivery plan has been set within the Corporate Services budget for 2013/14 to achieve £500k from ICT shared services.</p>	<p>A full Business Case for ICT shared services will be produced in February 2013.</p> <p>Expressions of interest have been made by Exeter, East Devon, Teignbridge and Plymouth City Council to enter into sharing ICT services. Work is ongoing to deliver a Health ICT shared service.</p> <p>Revenue funding is established for a lead senior officer. Legal and financial capacity has been allocated to the project to aid development and implementation.</p>	AMBER
SECTION III - IMPACT OF ECONOMY		
<p>5. Economic Impact on Income</p> <p>(a) Reduced income from fees and charges</p> <p>The economic climate continues to see a reduction in income such as car parking</p>	<p>Departments have reviewed underlying income assumptions. Allowances have been made in the MTFF for 2013/14 revenue budget.</p> <p>Increases to fees and charges are</p>	AMBER

Section I - Analysis of Budget Robustness

Risk Identified	Risk Mitigation (Actions Required)	Risk Status *
* Risk Status : Red=High; Amber=Medium; Green=Low		
<p>and commercial rent income</p> <p>(b) Reduced collection rates – NNDR & Council Tax National economic climate having impact on local authority. This may result in reduced collection rates for the Authority</p> <p>As more stages of welfare reform are introduced, further pressure will be evident on income collection rates.</p>	<p>under review as part of the budget setting process.</p> <p>Key PIs in relation to collection rates reported/monitored in bi-monthly monitoring report.</p> <p>More focus on collecting income earlier in the process through direct debit and on-line methods.</p> <p>Allowances made in MTFF for reduced income rates. Hardship fund proposed as part of the new Council Tax Support scheme.</p>	AMBER
<p>6. Treasury Management</p> <p>(a) Borrowing risk – portfolio imbalance PWLB/LOBO</p> <p>Average interest payable on loans exceeds rate of interest receivable on investments increasing pressure on budget.</p>	<p>New borrowing to be considered from PWLB to address the imbalance.</p> <p>Continue strategy to make greater use of variable rate debt and maximise short term temporary borrowing options.</p> <p>Use balances and reserves to meet cash flow and borrowing requirements wherever possible.</p> <p>Seek opportunities to repay long term historical loans where viable and cost effective to do so.</p>	GREEN
<p>(b) Investment losses – Iceland Banks</p> <p>Recovery of Investment monies in Landsbanki and Glitnir, and Heritable.</p> <p>Court proceedings now concluded and Test Cases have been granted Preferential Creditor status.</p>	<p>PCC representation on the Local Authority Iceland Bank Steering Committee.</p> <p>Regular dividend payments are being received and actively pursued..</p> <p>Capitalisation Direction maximised in 2009/10 enabling any potential losses to be spread over a 20 year period.</p>	AMBER

Section I - Analysis of Budget Robustness

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

<p>7. Capital Programme</p> <p>Current housing market makes it difficult to generate sufficient capital receipts to fund capital programme at assumed level.</p> <p>Impact of Credit Crunch on Treasury Management with knock on effect on Capital Programme.</p> <p>Any shortfall may require additional temporary borrowing which will impact on revenue budget.</p> <p>Longer term capital resources still remain uncertain.</p>	<p>Constant review of capital receipts position and other financing options as part of monitoring.</p> <p>Review of capital programme to reduce dependency on capital receipts undertaken as part of budget setting.</p> <p>The level of grants will be constantly monitored, with projects being delivered over several years not being commenced until there is certainty over linked grant funding.</p> <p>Continuing dialogue with the relevant Government departments</p>	AMBER
SECTION IV – FURTHER BUDGET ASSUMPTIONS		
<p>8. Inflation assumptions</p> <p>Difficult to identify impact of inflation / deflation re economic uncertainty</p> <p>RPI remains high. PCC 2013/14 revenue budget does not allocate general inflation to non-pay lines.</p>	<p>2013/14 revenue budget has allocated inflation increases to core pressure points of Adult, and Children, Social Care contracts and Utilities.</p> <p>Continuing assumption that departments will absorb general inflation (estimated to be circa £800k council-wide)</p>	AMBER
<p>(a) Pay award</p> <p>The budget for 2013/14 assumes a pay increase of 1.5% following the last two years of pay freeze.</p>	<p>Budget provision is held corporately for any potential increase.</p> <p>MTFF will address future increases.</p>	GREEN

Section I - Analysis of Budget Robustness

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

<p>(b) Energy costs <u>Gas and Electricity</u> The cost of utilities continues to soar which impacts across a range of council budgets. We currently spend circa £4.2m per annum on gas and electricity</p> <p><u>Plymouth Life Centre</u> The risk for fluctuations in utilities tariff is held by the authority.</p>	<p>12% allowance made in the MTFF for uplift in 2013/14 revenue budgets</p> <p>A new 'hedging' contract for purchasing energy has been approved in October 2012 which will help minimize increases.</p> <p>Business case approved to place solar panels of four of the council's buildings to reduce energy consumption. Further 'invest to save' proposals being drafted.</p> <p>Close monitoring of utilities utilisation. Operator has a contractual obligation to reduce utilities consumption annually</p> <p>Energy payback schemes such as Green Tariff and Photovoltaic cells to be considered</p>	GREEN
SECTION V - OTHER		
<p>9. Partners There is a close relationship between the costs incurred by adult social care and Health Partners</p> <p>Both organisations face future budget pressures and challenging transformation agenda's</p>	<p>The Council is a key and influential partner and meets regularly with Health and is also represented at Executive and in Commissioning Group level. The Council is working with Health to co-locate, integrate and strengthen joint commissioning.</p> <p>Budget scrutiny in January 2013 will, for the second consecutive year, incorporate key partners within the process.</p>	AMBER
<p>10. Insurance Cover The adequacy of the authority's insurance arrangements to cover major unforeseen risks</p>	<p>The Council continues to keep the adequacy of its insurance fund under review.</p>	AMBER

Section I - Analysis of Budget Robustness

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

<p>Monitoring during 2012/13 indicates the provision should be sufficient to meet all known liabilities.</p> <p>Any shortfall in the provision at year end would be met from the earmarked insurance reserve and/or general balances.</p>	<p>A number of pro-active risk management measures are being implemented in response to the identification of problem areas.</p> <p>The Bellwin Scheme is available for emergency expenditure – this provides 85% funding of costs that exceed the Council's threshold of approximately £0.700m.</p>	
<p>12. Pension Fund a] Deficit</p> <p>The Council's balance sheet shows a significant pensions fund deficit as at 31 March 2012.</p> <p>A triennial pensions review was undertaken in Sept 2010. This confirmed that the pension contribution rates for the following 3 years to March 2014 will remain at the rate of 19.4%.</p> <p>However, the Council is expected to make a 3 year contribution to the fund of £59m. Should our contributions fall short of this amount, for example as a result of a reduction in staffing levels, the Council will be required to make a one off top up to the fund.</p> <p>In 2011/12 we topped up our contributions by £0.3m from our contingency budget</p> <p>For 2012/13 we have been advised of an indicative shortfall of £0.8m.</p> <p>We do not have a projected shortfall for 2013/14 but can assume, as the payroll</p>	<p>The deficit is reported as part of the Council's Annual Statement of Accounts and is therefore subject to Member scrutiny. The IAS19 deficit in the Statement of Accounts is not calculated on the same basis as the triennial review which takes a much longer term view.</p> <p>The Pension Administrators are advising us on an annual basis of their latest projected funding shortfall required, and we are topping up our contributions based on these assumptions on an annual basis. We will know the final funding requirement at the conclusion of the next full valuation, expected in October 2013.</p> <p>We have a pension reserve set aside at £1.1m and for the 2012/13 projected shortfall of £0.8m we will be funding from our contingency budget and drawing down from this reserve.</p> <p>As with 2012/13, we will need to</p>	AMBER

Section I - Analysis of Budget Robustness

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

<p>contributions reduce, that the amount will be approx. £1m</p> <p>Outsourcing/transferred services- Legislation requires pensions liabilities to be fully funded for all staff transferring under TUPE arrangements.</p> <p><u>b] Auto Enrolment</u></p> <p>Plymouth City Council has been allocated a 'staging date' of April 2013. If all employees who are auto-enrolled choose to remain in the scheme, there would be significant budget implications. If, based on a 10% increase employer contributions, it would rise by approximately £200,000.</p>	<p>draw down the balance on the pension reserve and use our contingency budget.</p> <p>The Council makes a 'top-up' to the fund when staff are made redundant.</p> <p>Funding is confirmed as part of the negotiations.</p> <p>At this stage, any impact on the 2013/14 revenue budget will need to be funded from the contingency budget.</p>	
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Conclusion

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

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

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

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

APPENDIX B Movement in Reserves

RESERVES SUMMARY	Balance as at 31/03/2012 £'000	Transfers to Reserves £'000	Transfers from Reserves £'000	Balance as at 31/03/2013 £'000	Transfers to Reserves £'000	Transfers from Reserves £'000	Balance as at 31/03/2014 £'000	Purpose of reserve
Off Street Parking	(100)	(454)	554	0	(450)	450	0	Represents Accumulated trading position. Used to support spending priorities in department.
On Street Parking	0	(2,122)	2,122	0	(2,100)	2,100	0	Represents Accumulated trading position. Used to support spending priorities in department related to transport
City Market	(32)	(9)	0	(41)	0	0	(41)	Represents Accumulated trading position.
Taxis	(132)	(62)	0	(194)	0	0	(194)	Represents Accumulated trading position. Forecasts for 13/14 movement will be known once fee review is considered by Licensing Committee although the target is for a reduction
Street Trading	(89)	0	0	(89)	0	0	(89)	Represents Accumulated trading position, for reinvestment in street trading activities
Land Charges Development Fund	(79)	0	5	(74)	0	5	(69)	To fund improvements in the LLC service
Education Carry Forwards	(65)	0	47	(18)	0	0	(18)	Schools ringfenced resources mainly from grants.
School Budget Share	(4,449)	0	0	(4,449)	0	0	(4,449)	Previously shown as a separate reserve. Represents schools balances under delegated budgets
PFI reserve	(1,185)	0	43	(1,142)	0	64	(1,078)	PFI credits towards the schools PFI contract at Wood View are received in equal instalments over the course of the contract. This reserve enables the matching of the credits to actual expenditure incurred from year to year.
Commuted Maintenance	(975)	(25)	417	(583)	0	0	(583)	Revenue contribution from developers /section 106 agreements to provide for future maintenance over a period of years.
VAT Repayment reserve	(340)	0	20	(320)	0	0	(320)	To cover any unforeseen VAT assessments
Accommodation Reserve	(1,374)	0	655	(719)	0	547	(172)	To meet costs of repairs to Office Accommodation. The fund will be used to support the wider accommodation strategy.
Planning LDF Reserve	(62)	0	62	0	0	0	0	Relates to the reprofiling of the LDF timetable and specifically to the costs of the Derriford & Seaton Area Action Plan Public Examination, which is now scheduled to take place in 2012/13.
Insurance and Risk Management Reserve	(1,184)	(150)	50	(1,284)	0	0	(1,284)	To meet any unforeseen/increased costs of insurance claims or works to minimise insurance risk. The fund is available to meet the costs of urgent health and safety works that cannot be contained within existing budgets.
Budget Carry Forwards	(1,221)	0	463	(758)	0	0	(758)	Reserve set up from end of year budget underspends to meet future Council priorities. The reserve is kept under review and balances no longer required transferred to revenue or another reserve as appropriate.
JE contingency	(52)	0	0	(52)	0	0	(52)	Utilised in 2010/11 budget to fund successful appeals
Pensions Fund	(1,088)	0	758	(330)	0	330	0	Following the triennial pensions review the council's contribution rate has been held at current levels for the next three years. However, this is on the understanding that contributions into the fund remain at least at 10/11 levels. Any shortfall will require a one off lump sum payment in year 3. Given further outsourcing, transfer of schools to academies and the anticipated reduction in workforce, it is likely that a shortfall will be incurred.
Redundancies	(2,625)	0	175	(2,450)	0	0	(2,450)	To fund the 2012/13 VRS scheme and meet potential costs of redundancies for 2012/13 and 2013/14, including strain payments to the pension fund. The final position will need to be updated once the impact of staffing become clear.
C/F	(15,052)	(2,822)	5,371	(12,503)	(2,550)	3,496	(11,557)	

APPENDIX B Movement in Reserves

RESERVES SUMMARY C/F	Balance as at 31/03/2012	Transfers to Reserves	Transfers from Reserves	Balance as at 31/03/2013	Transfers to Reserves	Transfers from Reserves	Balance as at 31/03/2014	Purpose of reserve
B/F	(15,052)	(2,822)	5,371	(12,503)	(2,550)	3,496	(11,557)	
Urban Enterprise Fund	(357)	0	150	(207)	0	207	0	Match funding to ensure that Plymouth gains access to the European funding available to the region to support Urban Enterprise. Likely to be used by projects by the end of 13/14
Corporate Improvement Priorities	(48)	0	48	0	0	0	0	Fund used to support the Councils Corporate Priorities. The commitments against this fund will be reviewed as part of the budget and performance monitoring process
Stock Transfer Residual Liabilities	(1,005)	0	0	(1,005)	0	0	(1,005)	Reclassification from a provision. This reserve will meet the costs of any further refunds
Capital Reserve	(975)	0	0	(975)	0	0	(975)	To be used to support the capital programme and potential shortfall in capital receipts
Pay Issues	(700)	0	0	(700)	0	0	(700)	To meet the costs of any pay claims, subject to Tribunal hearings.
Invest to Save Reserve	(1,300)	0	1,300	0	0	0	0	Reserve set up using balances released from other reserves.
Recovery costs - Icelandic Banks	(564)	0	0	(564)	0	0	(564)	Allowance for investment losses of the money invested in the Icelandic banks. Reserve currently meeting the ongoing legal costs and borrowing costs from utilising the capitalisation direction in 09/10.
Grants carryforward	(1,192)	0	1,192	0	0	0	0	Under IFRS all grant income must be released to revenue unless there are pay back conditions attached. This reserve therefore reflects unspent balances on ringfenced grant income at the year end, where there are continuing commitments. The amount c/f into 13/14 will become known during the 12/13 closedown process.
Waste Reserve	(1,600)	0	800	(800)	0	800	0	Reserve set up to proactively provide and manage the future budget shortfall due to increasing landfill tax liability pending the new energy from waste plant becoming operational.
Life Centre Dowry	(150)	0	0	(150)	0	0	(150)	Creation of Life Centre Maintenance Dowry to release Sport England Grant Retention for capital scheme
Mortgage Rescue Scheme Reserve	(144)	0	144	0	0	0	0	Part of the wider homelessness prevention strategies, this reserve holds government funding received in relation to the Preventing Repossessions Fund and the balance of funding for the Mortgage Rescue Fund
Tamar Bridge & Torpoint Ferry	(1,495)	0	0	(1,495)	0	0	(1,495)	This balance represents PCC's 50% share of the working balance under joint ownership with Cornwall Council
DRCP	(241)	(217)	241	(217)	0	0	(217)	Reserve set aside to meet future expenditure in Devonport, in lieu of grant funding in 2007/08. Fund set aside to meet ongoing liabilities.
Tamar House - Commercial rents sinking fund	(287)	0	0	(287)	0	0	(287)	RDA rents sinking fund Tamar House
Plymouth City Development Company (CDC) Legacy Reserve	(246)	0	126	(120)	0	0	(120)	Reserve set up to continue the activities previously provided by the Company including branding of the city as part of Positively Plymouth. The reserve includes funds provided by RDA and HCA.
A386 Park & Ride Leased Spaces	(534)	0	44	(490)	0	44	(446)	Upfront payment from PCT for leased spaces at George Park & Ride site. Released to revenue annually in lieu of rental income.
Other Reserves	(548)	(70)	63	(555)	0	0	(555)	All reserves have been reviewed and confirmed as required to meet specific policy commitments
Sub Total Earmarked Reserves	(26,438)	(3,109)	9,479	(20,068)	(2,550)	4,547	(18,071)	
General Fund Working Balance	(11,299)	0	0	(11,299)	0	0	(11,299)	General Balance available to meet unforeseen expenditure. This balance represents 5.5% of net revenue expenditure for 12/13 and is in line with Unitary Council averages
Total Reserves	(37,737)	(3,109)	9,479	(31,367)	(2,550)	4,547	(29,370)	

Step up in 2012/13 Budget Delivery Plans

Theme	Service	2013/14	2014/15	2015/16	Narrative
		£000	£000	£000	
Step up in 2012/13 Adult Social Care Budget Delivery Plans		1,320	1,320	1,320	Due to the volume and complexity of 2013/14 budget delivery plans for Adult Social Care, additional funding has been provided in the 2013/14 budget setting process in order to incorporate these plans within the overall target of £4.485m set for the service next year
Joint Commissioning & Adult Social Care Total		1,320	1,320	1,320	
Commissioning Efficiencies	Children's Social Care	150	150	150	New residential 4 bedded commissioned service within Plymouth
Specialist Services	Children's Social Care	378	378	378	16+ Transitions - Transition to Independence /Adult Social Care.
Commissioning Efficiencies	Children's Social Care	197	197	197	Service management are finalising detailed actions and plans as to how this will be achieved. This will be fed into the budget process in January 2013
Children's Social Care		725	725	725	
Early Intervention and Prevention	Integrated Early Years	170	170	170	Review of Service and budgets
Support to Schools	Schools & Settings	20	20	20	Review of Service and budgets
Balance of 2012/13 step up in delivery plans		485	485	485	Service management are finalising detailed actions and plans as to how this will be achieved. This will be fed into the budget process in January 2013
Education, Learning and Family Support		675	675	675	
People 2012/13 Step Up Delivery Plans TOTALS		2,720	2,720	2,720	

Balancing the budget : Areas for savings, efficiency gains or increase income 2013/14 Delivery Plans

Theme	Service	2013/14	2014/15	2015/16	Narrative
		£000	£000	£000	
Improving Quality and Outcomes, Increasing Choice and Control	Modernisation of Service Provision	642	1,299	1,560	5 modernisation projects to be approved by Cabinet in January 2013.
Commissioning Efficiencies	Review Residential & Supported Living care packages	1,353	1,503	1,503	In order to complete this work the project would need a dedicated review resource.
Commissioning Efficiencies	Securing efficiencies in externally commissioned services	490	839	839	Focus on provision that is no longer strategically relevant or represents VFM.
Commissioning Efficiencies	Utilise uncommitted Funds	2,000	0	0	Utilise uncommitted funds to avoid further cuts to commissioned service.
Joint Commissioning & Adult Social Care Total		4,485	3,641	3,902	
Commissioning Efficiencies	Sports Development Unit	40	40	40	Reviewing more efficient use of support from the Sports Development Unit to encourage greater participation from deprived neighbourhoods
Business Support	Safer Communities	40	40	40	Review Business Support (Vacant Post)
Commissioning Efficiencies	Strategic Housing	93	93	93	Operational savings from core budget.
Homes & Communities Total		173	173	173	
Contract Efficiencies	Leisure Management	59	250	250	Improved use of assets, utilities consumption reduction and energy payback. Reviewing ring-fenced time within programmes, maximising income through improved alignment with Sports Development Unit.
Programme Director Total		59	250	250	
Commissioning Efficiencies	Adult Learning	70	70	70	Funding re-alignment and service delivery models for Adult Learning services
Early Intervention and Prevention	Integrated Early Years	73	125	125	Reviewing children's centre management and delivery model to create efficiency.
Support to Schools	Collaboration and partnership with school organisations	264	357	357	Review and reshape services to reflect changing responsibilities and partnership working with school organisations
Early Intervention and Prevention	Integrated Youth Support	347	472	472	Increasing capacity for targeted youth support, re-alignment of resources in line with government policy to focus on vulnerable children.
Early Intervention and Prevention	Special Projects:Emotional Wellbeing, Mental Health and Parenting Support	234	317	317	Increased accessibility of emotional wellbeing and mental health services and improvements in early parenting support offer prior to social care.
Specialist Services	Children's Social Care and Disability	472	812	912	Increased choice and flexibility in local service provision for short breaks, residential and parent and child placements.
Children's & Young People's Total Delivery Plans 2013/14		1,460	2,153	2,253	
People Services DIRECT TOTALS 2013/14 Plans:		6,177	6,217	6,578	
People TOTAL DELIVERY PLANS (including step up)		8,897	8,937	9,298	

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Directorate for Place - Revenue Budget Delivery Plans Appendix C

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

Theme	Service	2013/14	2014/15	2015/16	Narrative
		£000	£000	£000	
Additional income related to growth	Cross Directorate	280	280	280	Additional income and fees across the department
Review of culture activities & events	Economic Development	90	90	90	Targeted approach to grants distribution linked to specific activities, review of tourist information facilities
Transport Income / Service Provision	Transport	200	200	200	Initial plan achieved through various transport savings; step up will be achieved through utilisation of new homes bonus income
Place Step Up Delivery Plan TOTALS		570	570	570	

Planning		103	103	103		
E1	Increase the potential of Memorialisation for the Cems & Crams Services plus review burial & cremation fees	Environmental Services	250	280	280	The net benefit quoted, requires recruitment of additional staff, stock and marketing in order to generate more income from memorialisation. Also review of burial & cremation fees
E2	Deferred spend on maintenance improvements in bereavement services	Environmental Services	50	50	0	Maintenance/refurbishment efficiencies
E3	Fleet & Garage - Review methods of operation including revised terms and conditions	Environmental Services	0	100	100	Professional due diligence required. It is likely that savings achieved will be across many services.
E4	Rationalisation of structures within Environmental Services	Environmental Services	100	300	300	Strategic review of service delivery across Environmental Services. This will also be linked to customer transformation e.g. telephony.
E5	Package of Efficiency savings	Environmental Services	110	110	110	Reduced expenditure / increased income in a number of areas (Croquet Lawns; Grass Cutting; Allotment/Beach Huts income; Remove Barrier boxes; review SW in Bloom; Review of bowling greens and the fees).
E6	Remove one Garden Waste collection vehicle	Environmental Services	100	100	100	Trends indicate that the take up of this service in some areas of the City isn't high so the rounds can be rescheduled and one crew can be removed.
E7	Chelson Meadow	Environmental Services	50	60	60	Reduce hours of operation at Chelson Meadow, that will decrease the number of agency working hours.
E8	Casual Staffing Cost	Environmental Services	50	50	50	Reduced Sickness Levels to drive out further savings on Agency workers following robust management of sickness.
E9	Depot Rationalisation	Environmental Services	0	0	100	Savings will be achieved from around 15/16. We currently have maximised savings at Prince Rock Depot, that meet action plans, and expect further savings from existing depots to be realised in 15/16.
Environmental Services			710	1,050	1,100	
T1	Reducing the level of support on Grass Verges	Transport	50	50	50	Review of frequency of non essential work
T2	Review of Transport Fees & Charges	Transport	200	200	200	Review car parking usage and traffic management within the city.
Transport & Infrastructure			250	250	250	
EDI	Review of all Museums and Heritage Functions	Economic Development	84	84	84	Rationalise spend across Museums & Arts pooling of some resource as well as reviewing supplies and services.
Economic Development			84	84	84	

New Place Services DIRECT TOTALS			1,147	1,487	1,537	
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TOTAL Place New / Step Up Delivery Plans			1,717	2,057	2,107	
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Directorate for Corporate Services - Delivery Plans

APPENDIX C

Step up in 2012/13 Budget Delivery Plans

Plan No	Theme	Service	2013/14	2014/15	2015/16	Narrative
			£000	£000	£000	
	Rationalisation and refinement of ICT strategic & operational structures, applications & proj management	FETA	70	70	70	Refinement of ICT Project Management & Applications including operations and strategic structures
	Libraries Modernisation	Customer Services	140	140	140	Further refinement of service delivery including expansion of services offered through library community hubs
	Contact Centre delivery - centralisation of services across the Council	Customer Services	50	50	50	Opportunities for further transfer and rationalisation of customer contact activities into the Contact Centre, now delivered as part of the transformation programme
	Workforce Management	HR & OD	20	20	20	Further review and rationalisation of training provision into a co-ordinated approach within HR & OD rather than individual Directorates
	Shared Services	Shared ICT services	500	500	500	Development of a shared services IT delivery model with other public sector partners
Corporate Services Step Up Plans 2012/13 TOTALS:			780	780	780	

Balancing the budget : Areas for savings, efficiency gains or increase income. 2013/14 Budget Delivery Plans

F1	Consolidation of all FETA areas by a consistent restructuring process challenging spans of control and number of layers (applying DMA)	FETA	300	350	350	For example returning outlying ICT functions into one integrated team, rationalising FETA management into two strands of "strategy" and "delivery", review of VFM support
F2	Modernise Delivery of Client Finance Service linked to Adult Social Care Transformation	FETA	90	90	90	The review will focus on improving service delivery, and reviewing individual functions including how they fit with other services
F3	Housing Benefit Overpayment recovery	FETA	300	200	100	Additional demand on HB service plus DWP ATLAS work generating a significant volume of 'changes in circumstances' has resulted in an increase in overpayment recovery (which attracts additional income). We will continue to review trends and accrued income.
F4	Re-define scope and service level of caretaking and cleaning services	FETA	100	100	100	Challenge and redefine existing service levels.
F5	Adopt formal service offerings and apply commercial charges for work in addition to Business as Usual (BAU). Also exploit opportunities for further income generation	FETA	50	80	160	Ensure that we levy relevant charges for non BAU project work. Develop commercial skills and better customer engagement / communication to ensure all are aware of our core service products and costs, and apply appropriate charging for anything in addition. Explore income generation potential - e.g. rental of Guildhall and external work from PADs
F6	Further reduce the scope and cost of both external and internal audit.	FETA	150	180	180	Re-negotiating the internal audit contract with Devon Audit Partnership to reduce contract cost by 20% over 2 years. Expecting further reduction in Grant Thornton charges (national indication) for External Audit
F7	Deliver a local Council Tax Support scheme with £2.6m less revenue funding	FETA	0	0	0	Will generate no revenue savings - but a significant budget delivery plan to recognise the introduction of a new Council Tax Support Scheme that will pay £2.6m less benefits to Plymouth residents.
Finance, Efficiencies, Technology & Assets (FETA)			990	1,000	980	
H1	Review Employee Assistance Programme over the next two years	HR & OD	0	0	23	No central point for work/life information and resource. No counselling services available without referrals to OH, will miss lower level problems which will likely to escalate to big issues and absence. Reduction in staff engagement damage to PCC reputation as an employer.
H2	Reduction of HR posts	HR & OD	165	165	165	Deletion of HR capacity in HR advisory services and training
H3	Completion of equal pay issues	HR & OD	0	34	34	
Human Resources & Organisational Development (HR & OD)			165	199	222	
D1	Review of coroner services	D&G	40	40	40	Review use of deputy coroner's and processes
D2	Review legal services input to debt collection	D&G	30	30	30	Consider opportunities for using external debt collection agencies or sell current debt to factoring company
Democracy & Governance (D & G)			70	70	70	
C1	Changing libraries provision	Customer Services	189	189	189	Library efficiencies
C2	Customer contact centre , reception and service improvement teams	Customer Services	61	61	61	Rationalisation of service delivery processes
Customer Services			250	250	250	
NEW Corporate Services Services Plans DIRECT TOTALS			1,475	1,519	1,522	
TOTAL Corporate Services New / Step Up Delivery Plans			2,255	2,299	2,302	

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Step up in 2012/13 Budget Delivery Plans

Theme	Service	2013/14	2014/15	2015/16	Narrative
		£000	£000	£000	
Balance of 2012/13 step up in delivery plans		210	210	210	Service management are finalising detailed actions and plans as to how this will be achieved. This will be fed into the budget process in January 2013
Executive Office Step Up Delivery Plans TOTALS		210	210	210	

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

Plan No	Theme	Service	2013/14	2014/15	2015/16	Narrative
			£000	£000	£000	
CE1	Review DMA, all levels within Executive Office	Executive Office	40	25	25	Review of all services within the Executive Office
CE2	Reduction Indirect Staffing costs	Executive Office	5	15	15	Pooling of budgets and reprioritising across teams deleiver within reduced spend
CE3	Charging	Policy,Performance	40	15	15	External charging to recover costs re: Civil Protection exercises
CE4	Reduction to agency contributions	Executive Office	0	30	30	Reviewing casual staff spend
Executive Office DIRECT TOTALS			85	85	85	
TOTAL DELIVERY PLANS Executive Office Services:			85	85	85	
Executive Office TOTAL DELIVERY PLAN			295	295	295	

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Corporate Items - Revenue Budget Delivery Plans

Appendix C

Balancing the budget : Areas for savings, efficiency gains or increase income						
Theme	Service	2013/14	2014/15	2015/16	Narrative	
		£000	£000	£000		
Procurement efficiencies	Cross Directorate	1,150	1,150	1,150	Procure To Pay / Buyer continuation. Driving further efficiencies out of external purchasing	
Senior Management rationalisation	Cross Directorate	570	570	570	Full year impact of senior management delayering and finalisation of 3rd and 4th tier management restructures	
Corporate Items Step Up Plans 2012/13 TOTALS:		1,720	1,720	1,720		

Balancing the budget : Areas for savings, efficiency gains or increase income						
Theme	Service	2013/14	2014/15	2015/16	Narrative	
		£000	£000	£000		
C11 Treasury Management	Corporate Items	300	300	300	Taking short term borrowing rather than using internal balances and reserves currently using £50m. There is a current favourable differential between short term borrowing and deposit rates	
C12 Contingency	Corporate Items	500	500	500	Remove current £0.5m contingency held in corporate items budget and rely on robust budgets and adequate working balance	
C13 Insurance Review	Cross Directorate	300	300	300	Review of self insurance levels and policies held	
C14 Council Tax Base	Corporate Items	1,000	1,000	1,000	maximise/model the Council Tax Base	
C15 Customer Transformation	Corporate Items	0	1,500	3,300	Implementation will commence during 13/14, but initial savings will be required to finance borrowing of project investment	
NEW Corporate Items Services Plans DIRECT TOTALS		2,100	3,600	5,400		

TOTAL Corporate Items New / Step Up Delivery Plans	3,820	5,320	7,120
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Summary Capital Programme Monitoring Sheet 2012

Appendix D

2012/13 Capital Programme

	Approved Capital Budget Incl Slippage & Outturn Variations (June 12) £000	Quarter 1 Forecast (for approval at Sept Council)	August Forecast 2012 £000	New Schemes for Approval £000	Re-profiling £000	Virements £000	Variations £000	Sept Forecast 2012 (Quarter 2) £000
People	34,270	38,007	35,339	587	(289)	(100)	129	35,666
Place	15,353	13,727	13,047	1,251	8	0	110	14,416
Corporate Services	8,756	8,747	7,649	168	(479)	100	(130)	7,308
Capital Programme	58,379	60,481	56,035	2,006	(760)	0	109	57,390
Tamar Bridge & Torpoint Ferry	0	1,626	1,626	0	0	0	0	1,626
Total Capital Programme	58,379	62,107	57,661	2,006	(760)	0	109	59,016

Financing of 2012/13 Latest Forecast								
Capital Receipts £000	Unsupported Borrowing £000	Cornwall Unsupported Borrowing £000	Supported Borrowing £000	Grants £000	Contributions £000	S106 / Tariff / RIF £000	Revenue / Funds £000	Total Funding £000
2,602	1,300	0	0	30,177	502	382	703	35,666
3,830	1,371	0	107	6,971	653	781	703	14,416
1,213	4,226	0	0	100	0	7	1,762	7,308
7,645	6,897	0	107	37,248	1,155	1,170	3,168	57,390
0	0	1,626	0	0	0	0	0	1,626
7,645	6,897	1,626	107	37,248	1,155	1,170	3,168	59,016

MTFF Capital Programme

	2012/13 LATEST FORECAST £000	2013/14 LATEST FORECAST £000	2014/15 LATEST FORECAST £000	2015/16 LATEST FORECAST £000	Total £000
People	35,666	30,343	8,861	1,369	76,239
Place	14,416	15,891	8,344	4,929	43,580
Corporate Services	7,308	2,966	1,427	485	12,186
Capital Programme	57,390	49,200	18,632	6,783	132,005
Tamar Bridge & Torpoint Ferry	1,626	3,102	4,985	2,200	11,913
Total Capital Programme	59,016	52,302	23,617	8,983	143,918

Financing of 2012/13 to 2015/16								
Capital Receipts £000	Unsupported Borrowing £000	Cornwall Unsupported Borrowing £000	Supported Borrowing £000	Grants £000	Contributions £000	S106 / Tariff / RIF £000	Revenue / Funds £000	Total Funding £000
3,402	2,713			67,220	795	432	1,677	76,239
10,632	4,962		107	24,078	653	1,653	1,495	43,580
1,591	8,726			100	0	7	1,762	12,186
15,625	16,401	0	107	91,398	1,448	2,092	4,934	132,005
0	0	11,913	0	0	0	0	0	11,913
15,625	16,401	11,913	107	91,398	1,448	2,092	4,934	143,918

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Details	2012-13 Latest Forecast £000	2013-14 Latest Forecast £000	2014-15 Latest Forecast £000	2015-16 Latest Forecast £000	TOTAL PROGRAMME 2012-15 £000
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CORPORATE SERVICES**SUSTAINABLE ENERGY:**

Solar PV	168	0	0	0	168
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LIBRARIES:

North Prospect Library	0	75	0	0	75
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INFORMATION SYSTEMS:

ICT Compliance	107	0	0	0	107
Enterprise Applications	330	0	0	0	330
Corporate Support Transformation (HR & OD)	1,267	200	0	0	1,467
Data Centre Fit Out Windsor House	1,617	0	0	0	1,617
Investment in Customer Transformation and IT Core Infrastructure	200	2,387	1,428	485	4,500
Other	75	0	0	0	75

CORPORATE PROPERTY CAPITAL (INC. ACCOM STRATEGY):

Accommodation strategy Phase 1 Offices:	3,525	0	0	0	3,525
Accommodation strategy Phase 2 Corporate Estate:	12	303	0	0	315
Stonehouse Town Wall	7	0	0	0	7

TOTAL CORPORATE SERVICES	7,308	2,965	1,428	485	12,186
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PLACE**ENVIRONMENTAL SERVICES CAPITAL PROGRAMME:**

Vehicle Replacement Ph. 1 Refuse Vehicle	558	0	0	0	558
Plant Repl Ph 3 Plant/Eqmt Street/Park	880	853	0	0	1,733
Minibus replacement	0	810	170	0	980
Mercury abatement equipment in Crematoria	0	1,092	0	0	1,092

Capital Projects 2012/13 - 2015/16

Details	2012-13 Latest Forecast	2013-14 Latest Forecast	2014-15 Latest Forecast	2015-16 Latest Forecast	TOTAL PROGRAMME 2012-15
	£000	£000	£000	£000	£000
Refurbishment of Armada Way Toilets	100	0	0	0	100
West Hoe Pier	988	0	0	0	988
Bond Street Playing fields (Southway Community Football Hub)	0	337	0	0	337
Plympton Gas Works	14	0	0	0	14

Retained waste Chelson Meadow restoration:

Chelson Meadow Capping phase 2	435	0	0	0	435
Leachate treatment & storage upgrade	791	0	0	0	791
MRF Upgrade	0	4,000	0	0	4,000
SECTION 106 Environmental Services Projects:	215	0	0	0	215

LOCAL TRANSPORT PLAN:

Balance of LTP programme SCP funding Allocation	163	3,545	4,015	4,579	12,302
Integrated transport system (ITS)	110	0	0	0	110
Plymouth Station Phase 3	404	0	0	0	404
LSTF2 Access to stations	118	318	280	0	716
Bus Punctuality improvement plan (BPIP)	264	0	0	0	264
Strategic Cycle Network (SCN) & safer routes to school	561	0	0	0	561
Digital speed cameras	188	0	0	0	188
Safer sustainable neighbourhoods	453	0	0	0	453
Mayflower East Car park	110	0	0	0	110
Other	149	30	30	0	209

CAPITALISED MAINTENANCE:

Annual Structural Maintenance:	815	0	0	0	815
Highway maintenance & essential engineering:	1,859	0	0	0	1,859
Deteriorated Street Lighting Columns Replacement	150	0	0	0	150

Capital Projects 2012/13 - 2015/16

Details	2012-13 Latest Forecast	2013-14 Latest Forecast	2014-15 Latest Forecast	2015-16 Latest Forecast	TOTAL PROGRAMME 2012-15
	£000	£000	£000	£000	£000

OTHER TRANSPORT PROJECTS NON LTP:

Access to the Life Centre	200	0	0	0	200
Strategic Road Network Public Transport initiatives	384	0	0	0	384
East End Community Transport Improvement Scheme	632	0	0	0	632
Other	164	0	24	0	188
<u>SECTION 106 Transport Projects:</u>	566	122	0	0	688

Delivery of rights of way improvement plan

Plymouth Connect LSTF scheme:

Laira Rail Bridge	60	1,158	1,892	0	3,110
Friary Park Path	0	161	0	0	161
Finnigan Road Junction	441	0	0	0	441
Exeter St University Cycle Path	201	0	0	0	201
Way finding signage	4	140	0	0	144

Northern Corridor Major Public Transport (George Junction)

Land compensation	385	0	0	0	385
Other	26	0	0	0	26
<u>Flood defence:</u>	66	0	0	0	66

ECONOMIC DEVELOPMENT PROJECTS:

City Market electrical refurbishment	218	0	0	0	218
Theatre Royal regeneration	538	1,457	0	0	1,995
The History Centre	308	400	1,200	0	1,908
Coastal communities fund	121	872	333	0	1,326
Other	35	0	0	0	35

Capital Projects 2012/13 - 2015/16

Details	2012-13 Latest Forecast £000	2013-14 Latest Forecast £000	2014-15 Latest Forecast £000	2015-16 Latest Forecast £000	TOTAL PROGRAMME 2012-15 £000
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JOINT COMMITTEE'S WITH CORNWALL COUNCIL:

- Purchase of Marquee	60	0	0	0	60
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PLANNING:

Saltram Countryside Park	84	474	0	0	558
Chelson Meadow landscaping	0	92	300	0	392
Plymouth Natural Networks	0	0	100	350	450
Royal William Yard Steps	250	0	0	0	250
Home Energy	120	30	0	0	150
Other	228	0	0	0	228
TOTAL PLACE	14,416	15,891	8,344	4,929	43,580

PEOPLE

	0	0	0	0	0
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Children's Social Care

Autistic Spectrum Disorder (ASD) and Complex Need	513	0	0	0	513
Aiming high for disabled children (2)	197	0	0	0	197

Joint commisioning and Adult Social Care

Adults' Personal Social Services Capital Grant (DoH) 11-12, 12-13	0	193	725	0	918
CareFirst	626	177	337	0	1,140
Extra Care Housing Support (Gap Funding)	200	500	0	0	700
Improving Care Home Environments	305	0	0	0	305
ASC Grant - Major Adaptations	21	0	0	0	21

Homes and Communities

Disabled Facilities (incl Care & Repair works)	1,695	1,530	893	0	4,118
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Capital Projects 2012/13 - 2015/16

Details	2012-13 Latest Forecast	2013-14 Latest Forecast	2014-15 Latest Forecast	2015-16 Latest Forecast	TOTAL PROGRAMME 2012-15
	£000	£000	£000	£000	£000
Home improvement assistance	303	280	0	0	583
Gypsy and Traveller Site - Broadley Park	77	104	594	15	790

Programmes Director Projects

Plymouth Life Centre - Ice Provision	1,200	800	0	0	2,000
Plymouth Life Centre - Build - Constructions	1,669	0	0	0	1,669
Plymouth Life Centre - FF&E	218	0	0	0	218

BSF

Estover CC - Campus/Replacement College	3,594	0	0	0	3,594
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BASIC NEED- Nursery Places

2 Year Olds Nursery Places	87	700	963	0	1,750
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BASIC NEED- Wave 1

Increasing Capacity in Primary Schools	0	0	2,292	0	2,292
Weston Mill- Basic Need	164	0	0	0	164
Riverside - Basic Need	2,133	0	0	0	2,133
Mount Wise - Basic Need	1,098	0	0	0	1,098
Ernesettle - Basic Need	614	0	0	0	614
Prince Rock - Basic Need	1,165	0	0	0	1,165

BASIC NEED- Wave 2

Salisbury Road - Basic Need	892	941	0	0	1,833
St Peters CE - Basic Need	240	0	0	0	240
St Josephs - Basic Need	667	1,140	0	0	1,807
Stoke Damerel Primary - Basic Need	505	0	0	854	1,359
Other	95	0	0	0	95

BASIC NEED- Wave 3

Capital Projects 2012/13 - 2015/16

Details	2012-13 Latest Forecast	2013-14 Latest Forecast	2014-15 Latest Forecast	2015-16 Latest Forecast	TOTAL PROGRAMME 2012-15
	£000	£000	£000	£000	£000
Pilgrim - Basic Need	99	1,385	966	0	2,450
Lipson Vale - Basic Need	72	0	0	0	72
BASIC NEED- Wave 4	13	10	0	0	23
ACADEMIES					
MAP	4,862	4,641	0	0	9,503
ASAP	3,948	7,469	159	0	11,576
MAP - Free School Places	500	3,366	0	0	3,866
UTC	3,771	4,129	0	0	7,900
DEVELOPMENT WORKS					
Boringdon - Replacement of temporary classrooms	1,354	0	0	0	1,354
Other	121	0	0	0	121
CONDITION WORKS					
Condition bid programme	0	500	500	500	1,500
Knowle Primary - Boiler and Condition Works	100	1,524	900	0	2,524
Woodfield - Replacement	150	160	0	0	310
Holy Cross RC (VA)- MUGA in Beaumont Park	20	100	0	0	120
Other	453	53	0	0	506
S106 PROJECTS					
Lipson CC - S106 project	123	0	0	0	123
Other	104	0	0	0	104
ACCESS					
Mill Ford School - Car Park / Access Improvements	22	0	0	0	22
SCHOOL MEALS					
St Boniface - Exceptional TCF for practical cooking spaces	264	0	0	0	264

Capital Projects 2012/13 - 2015/16

Details	2012-13 Latest Forecast	2013-14 Latest Forecast	2014-15 Latest Forecast	2015-16 Latest Forecast	TOTAL PROGRAMME 2012-15
	£000	£000	£000	£000	£000
Mill Ford - Redevelop kitchen and facilities	61	0	0	0	61
SEN AND INCLUSION	114	0	0	0	114
HARNESSING TECHNOLOGY					
Mill Ford - Harnessing Technology	6	0	0	0	6
DEVOLVED CAPITAL FORMULA	1,030	640	533	0	2,203
DEVOLVED CAPITAL PROJECTS	201	0	0	0	201
TOTAL PEOPLE	35,666	30,342	8,862	1,369	76,239
TOTAL CITY COUNCIL CAPITAL PROGRAMME	57,390	49,198	18,634	6,783	132,005
Tamar Bridge & Torpoint Ferry programme	1,626	3,102	4,985	2,200	11,913
Overall Capital Programme	59,016	52,300	23,619	8,983	143,918

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APPENDIX F**£8.9M PRESSURES INCORPORATED IN 2013/14 REVENUE BUDGET**

	Item	£m	Rationale / explanation
1	Reduction in Council Tax collection rates	1.0	Welfare reform changes, alongside current economic factors, are going to put extra strain on people's ability to pay their Council Tax. We are allocating this sum into contingency to cover the risk of reducing Council Tax collection rates (circa 1%).
2	Reduce income streams across the Council	0.3	Reflects falling income due to economic circumstances for council car parks and commercial rents. Requires further analysis to understand future trends.
3	Reduced funding from Schools due to new legislation.	0.2	New legislation restricts flexibility re corporate commitments against the Dedicated Schools Grant. Also, increase in Schools converting to Academies has a knock on impact on general fund income.
4	Waste disposal costs	1.0	Extra funding needed to cover the escalating costs of waste collection and landfill tax in the short term. It is estimated that an additional £1.8m is required in 2013/14 to include a draw-down of £800k from the Waste Reserve.
5	Adult Social Care demographics / contracts	1.5	Over the next decade to 2021 the 65+ population in Plymouth is due to grow by 14%, (ONS stats). Assuming that this is a flat line growth of 1.4% per annum and that the proportion of elderly people requiring support is consistent with current profiles, the year on year additional revenue pressure on the adult social care net budget, (circa £67m), is £938k. Additional allocation made in 2013/14 to help the transitional implementation re: high volume of significant budget delivery plans
6	Unsupported borrowing costs to fund transformational programme	0.6	Investment in ICT platforms and systems as approved within the capital programme. For example, AX payroll, CRM etc. This pressure reflects the revenue costs of borrowing the funding.
7	Children in Care – increased number of children looked after	0.7	To be kept under regular review. Indications are that current numbers are 'flat-lining'. However, actual referrals continue to increase and there are significant pressure points in areas such as independent sector placements and complex adoption and fostering cases.

8	Contingency Items	0.7	Increase from the previous revenue contingency of £0.5m. To be incorporated with other corporate pressure estimates to form a more holistic contingency reserve that will be drawn upon based on actual, (and proven), demand.
9	Utilities including street lighting energy costs	0.5	Costs for gas and electricity continue to escalate at a rate significantly above inflation. This allocation reflects a 12% uplift on the council's total spend of £4.2m per annum (of which £1.5m relates to street lighting). Invest to save initiatives to reduce energy spend will be costed as separate budget delivery plans.
10	Adult Social Care placements 2% inflation	1.4	External provider contracts have been frozen for the last two financial years. The MTFF allocation for 2013/14 reflects a 2% increase on existing contract commitments for both Adults and Children's care services.
11	Children's Services placements 2% inflation	0.2	
12	Staff salaries 1.5% inflation (in addition to existing provision)	0.8	2012/13 is year three of a pay freeze across all levels of the council. We are budgeting for a 1.5% increase for 2013/14 in line with many other councils. This allocation tops up the amount that we have already put aside within the 2012/13 budget to facilitate a 1.5% increase.
TOTAL:		8.9	

CORPORATE PLAN 2012-15

An update...

DRAFT

FOREWORD

Our Corporate Plan 2012-15 published in July 2012 set out plans for making Plymouth a better city and for changing how the council operates. Our commitment to being a Co-operative Council is an overarching principle in our decision making. We believe in putting people in control of their own communities and the services they receive, as well as council staff having a stronger stake in delivery. The co-operative approach extends beyond our own organisation, and informs the way we work with partner agencies, neighbouring authorities and the wider network of co-operative councils to deliver the best possible outcomes for the city.

The Corporate Plan sets out some key components of a Co-operative Council. These include devolving power to communities, supporting greater engagement, influence over service design and delivery, and the transfer of ownership of assets and services. In order to achieve this, we will need to support more social enterprises, strengthen the voluntary and community sector, build up community capital and ensure strong staff engagement. The Co-operative approach can be summarised as **engaging** with customers and other stakeholders over the city's key priorities, enabling the **co-design** and sometimes **co-production** of the most appropriate services to ensure that we can **deliver** in the way that best meets the needs of our communities.

In this first year we have started to deliver that real change. Through a number of major initiatives we have worked with our staff and partners to make the most of our tight resources; and in renewing our delivery plans we have started to examine our services to identify areas that could be delivered through a co-operative model. This year we have committed to handing control back to individuals and communities – from giving older people control over the type of support they receive in their homes to working with the private sector to collectively tackle youth unemployment and give young people the opportunity to work. We have opened up access to the council and prepared to launch schemes where the community shapes and owns its assets.

Our relationships with our partners are being strengthened. We have achieved a lot by the strength of our common endeavour and we are proving that we are more than the sum of our parts. We are working across the peninsula with other councils to collectively influence central government spend. The transfer of Public Health into the Local Authority in April 2013 provides additional impetus and accountability for addressing health inequalities and the steps we're taking through health integration via the Health and Wellbeing Strategy and joint commissioning arrangements are creating opportunities to work collectively. Plymouth has also been chosen as the Host Authority for the Devon and Cornwall Police and Crime Panel and will look to develop strong positive working relationships with the new Police and Crime Commissioner. Plymouth will need to consider how it can further its relationships across the region to ensure resources are allocated effectively to support the city.

Without a doubt, there are tough challenges and difficult decisions will have to be made. This is a time of great change in local government to which we must be responsive and seize opportunities for Plymouth. We will do this against some very challenging external factors including reduced public sector funding and welfare reform. This all needs to be achieved whilst responding to new, and emerging, government policy and initiatives that have implications for Plymouth and its role as a regional leader. Having seen the talent and passion that we have as an organisation we are definitely up for it!

Cllr Tudor Evans
Leader of the Council

Tracey Lee
Chief Executive

2012/3 PROGRESS: DELIVERING OUR PRIORITIES

In July 2012 we set out four clear priorities for delivering the vision for Plymouth:

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

To support these citywide priorities and to face up to our financial and external challenges we promised to deliver a number of major initiatives. Whilst these items are still work in progress we have made notable progress on them all:

Growth agenda and tackling worklessness: Job creation and growth remain a top priority for the Council. The Plan for Jobs sets out a number of early initiatives directly aimed at getting people into work – including the 1000 club launched in conjunction with private sector partners to identify opportunities for young people, the Employers Summit between schools and employers and plans for a new Community Economic Development Trust in the north of the city. Job creation is also the focus of the bid being prepared for our January submission to put Plymouth at the centre of a City Deal. This deal will involve not just Plymouth but the surrounding area in Devon and Cornwall too. All these initiatives draw on the co-operative principles of collaboration with partners and communities to build a strong alliance for growth. Progress is being made on bringing council owned sites forward to support housing delivery and preparing outline business cases for transport funding bids.

Adult social care transformation: The adult social care transformation is a clear example of using the co-operative principle of enabling people to take greater control over their services and is now nearing completion. The transformation has received national acclaim, winning the MJ award for “Redefining Quality in Adult Services” in June 2012 and has led to a significant and growing proportion of people using self-directed support and receiving direct payments.

Early Intervention and Prevention: Earlier this year the strategy was launched bringing together re-designed services across Children’s Social Care, Education, Learner and Family Support and Homes and Communities - alongside partners such as schools, health, police and the voluntary and community sector. This co-operative collaboration ensures we meet the needs of families earlier and therefore improve outcomes for children whilst reducing demand for specialist interventions later. Within our overall Early Intervention and Prevention Programme Plan, the ‘Families with a Future’ project is underway and will be addressing the specific needs of families where there is worklessness, absenteeism from school, crime and anti-social behaviour.

Working with other organisations to reduce costs and improve services: Health integration is proceeding now with much closer co-operative working between the council and the new health bodies. Through our new partnerships with Health and others, we are making great strides in improving joint working to support all Plymouth’s residents. Additional effort has

been made to enable the co-location of health and social care staff in our corporate buildings and work is underway to welcome Public Health into the council in April 2013.

In addition the Council has been leading on providing ICT shared services - which are beginning to interest neighbouring authorities. We are now working closely together to build a joint ICT shared service business case ready for signoff by all four authorities in January 2013.

Transforming our working practices and improving customer contacts: As the first stage to applying co-operative principles to how customers access council services, we are undertaking a review of how each department currently works. This work is focusing on areas of our business that have a high demand from customers, are higher cost to deliver than other authorities or are generating complaints and dissatisfaction amongst customers. An update on the business case for this work will be delivered early in 2013.

We are reviewing how the council delivers services and we will develop a new co-operative operating model to cope with less resources, greater demand and the adoption of new technology. We will make sure services are delivered in the best place, at the times convenient to customers by the right people.

DELIVERING OUR PLEDGES

In May 2012, we set out 100 ‘doorstep’ promises to build a better Plymouth. Six months later, 21 commitments had been delivered and work is currently underway to ensure the remainder are delivered as quickly as possible. Each pledge delivered is another demonstration of how we are working differently and how we are delivering the services that Plymouth residents value.

Completed pledges include:

Working Plymouth	<p>Restate our support for the Royal Navy’s presence in Plymouth and the importance of the Royal Marines to our economy.</p> <p>Promote Plymouth as a global centre for marine matters – energy, engineering and science.</p> <p>Boost local purchasing through an overhaul of the way the council procures goods and services from others.</p>
Safer Plymouth	<p>Protect CCTV coverage and streetlights against cuts.</p> <p>Investigate a public transport scheme for New Year’s Eve so we can all celebrate safely and sustainably.</p>
Young Plymouth	<p>Introduce an Annual Youth Challenge to the UK Youth Parliament, working with the youth service to deliver improvements for young people in the city with a delegated budget.</p> <p>Call a Young Persons Travel Summit with bus companies to explore ways of supporting young people to get around the city for study, work and play.</p> <p>Continue to work to keep our children safe, working with partners to build on the success of the Family Intervention Project to identify families who need extra support so they can make positive changes in their lives.</p>
Greener Plymouth	<p>Keep dog waste bins regularly emptied</p>
Moving	<p>Keep the streets clean and keep drains clear.</p>

Plymouth	
Living Plymouth	<p>Work with utility companies to promote the installation of free loft and cavity wall insulation before the Green Deal comes in at the end of the year.</p> <p>Work with the Fire and Rescue Service and private landlords to get more homes installed with hardwired smoke alarms.</p>
Vibrant Plymouth	<p>Show Eurovision and major events on the Big Screen as part of our plans to bring the City Centre to life in the summer.</p> <p>Waive the charges for closing roads to any community wishing to hold a street party to celebrate the Queen's Diamond Jubilee.</p>
Open Plymouth	<p>Introduce 'Paid for by the People of Plymouth' badge on all council services so people know when the Council is being used for the things that matter.</p> <p>Open up City Council meetings by investigating webcasting City Council meetings and make attending council meetings a more enjoyable, welcoming and informative experience for citizens.</p> <p>Publish statistics on how long it takes to respond to Freedom of Information requests.</p> <p>Begin a mass registration of voters across Plymouth so no one loses their right to vote.</p>
Proud Plymouth	<p>Celebrate the rich and proud history of our city with a Plymouth History Month, a multi-media festival to showcase our growing reputation as a powerhouse of creative talent.</p>
Caring Plymouth	<p>Introduce a Charter for older people's care – a list of rights to enjoy a dignified old age. Top of that list will be adult safeguarding.</p> <p>Seek an early meeting with veterans and ex-service personnel associations to ensure that organisations in the City are doing all they can to support those people who put their lives on the line for our country.</p>

The programme of delivery will continue until March 2014 and we will continue to respond to what residents tell us. We want Plymouth City Council to be the place where local people can have their say about what is important to them and where they can change what happens in the area. 'Listening Plymouth – a view from you' was sent to 8,000 random households across Plymouth to ask about how they felt about their local areas as a place to live and their priorities for spending. The survey produced a 36% response rate.

Overall residents have expressed satisfaction with Plymouth and their local areas as a place to live. In addition, the results from this survey showed an increase in satisfaction with how Plymouth City Council runs things. However, whilst many respondents felt that they feel part of their local area fewer people feel that that they can influence local decisions than in 2009. This is a critical area for us and an action plan is now being developed in order to redress this.

The public were also asked about their priorities for spending and to consider the range of services that the Council and partners provide to their household. More people felt that parks and open spaces, tackling criminal damage and ASB, creating and protecting jobs across the city and refuse collection were the most important. Respondents were worried that they or their family would suffer directly from cuts in public spending.

LOOKING FORWARD

We know that we cannot stand still, challenges that were present at the time of writing the Corporate Plan are still panning out and we are only now realising their impact.

Welfare reform is set to have a dramatic impact on our city and our city's income. The changes to housing benefit alone will reduce the city's income by £4.6 million. The localisation of Council Tax will result in a £2.6 million reduction in council tax assistance across the city. While some changes have already begun, most will be phased in over the forthcoming years, starting in April 2013.

The impact of the welfare reform changes on households and services is far reaching and varied and is expected to affect approximately 20% of the city's population. Whilst some of the impacts are apparent and can be calculated, such as reduction in benefit amounts, others are more difficult to identify and quantify and will take some time to filter through to our front line services. Initial analysis shows that financial implications will include:

- Increased customer demand at the front line to deliver new services/benefits
- Increased demand for crisis services such as homelessness
- Increased demand on discretionary pots of funding e.g. Discretionary Housing Payments, Section 17 funding and the new Social Fund replacement.
- Increased customer demand for support from those most impacted by changes via services in Social Care, customer care, social work, police services, health services and children's centres
- Supporting more customers in financial difficulty via commissioned financial inclusion advice and information services
- Income generating services may be impacted as customers have less disposable income and have to prioritise their spending
- Potential increases in non-payment to services such as Council Tax and Parking services
- Impact on ICT in updating and potentially creating new systems to support new services

Delivering growth in the current economic climate will be demanding. Plymouth's economy has faced unprecedented challenges as a result of serious downturn in the national and European economies and high levels of global economic instability caused by banking crises, instability in the Eurozone and changes to the global economic balance of power. Austerity measures introduced in the UK since 2010 have had particular impact on the public sector and therefore a requirement for state spending reductions which, together with rising prices and wage deflation across the population, have led to high levels of unemployment, particularly among young people.

The Plan for Jobs is a local pro-active response to these unprecedented economic times and which focuses on achieving impact within a short period of time in order to create over 2,000 jobs for local people. The plan is being finalised and aims to:

- Create jobs for local people by unlocking or speeding up major development projects including housing;
- Proactively sell the city, its businesses, products and people;
- Unlock finance and provide support to enable jobs growth;
- Create routes to employment for the city's unemployed as well as retain talented graduates;
- Use the Council's assets, influence and buying power to increase jobs including local supply chains and local goods where possible.

If successful, our bid to agree a City Deal for Plymouth and the region will accelerate our plans for growth. We will bring council owned sites forward to support housing delivery and preparing

outline business cases for transport funding bids and will explore ways to promote the city and attract visitors, including through the UK City of Culture competition. The prize for winning cities is to catalyse the development of the cultural economy, and be a significant driver behind economic renaissance and growth

The return of Public Health to the Local Authority will bring additional responsibilities for tackling health inequalities and the life expectancy gap across the city. From April 2013, Plymouth City Council will be a major player in shaping a comprehensive health system and the lead organisation for public health and well-being for Plymouth; there is now a real opportunity to create an efficient and effective public health system geared to improving public health outcomes and general health and well-being for the population of Plymouth.

Transferring the majority of the NHS public health functions to the local authority presents us with a real opportunity in Plymouth to focus on the wider determinants of health as well as to 'join up' health and social care working and to improve health and well-being in our neighbourhoods and communities.

MANAGING THE BUDGET AND BEING A BRILLIANT CO-OPERATIVE COUNCIL

Revenue budget: The City Council continues to face the impact of the on-going economic downturn and needs to address a series of very challenging issues into the medium term. The Government's deep spending cuts are having a drastic impact on our ability to provide the same level of services to local people and support the city's economic growth.

We are budgeting to reduce spending by a further £17.8m in 2013/14, on top of the £20m already taken out in the past two years, bringing the reductions to a cumulative £37.8m over three years. The Government's cuts equate to a £60 per head reduction in funding for every household in Plymouth.

At the same time, the economic situation is increasing budget pressures through reduced income from our car parks and falling income from commercial rents. The downturn has also brought reduced interest rates and therefore reduced income for our treasury investments.

We are facing increasing spending pressures in the future; for example, the complexity of need of some of our children in care who require high cost placements and impact of the growing elderly population on adult social care budgets. We are not unusual in facing these issues and are prepared for the challenge. For example, we have been modelling a year on year real term reduction in our formula grant.

We will need to take some difficult decisions in the period covered in this report about what services we can still provide and to continue to radically change shape over the coming years. Our staffing levels need to be reduced and our aim will be to reduce the need for compulsory redundancies wherever possible, through initiatives such as the voluntary release scheme and not filling posts as they become vacant.

We need to continue to work more closely and harder with other partners in the public and private sector, both in the city and across the region, to provide the best solution for the city. We are working very closely with our partners in health to maximise the opportunity to integrate frontline services where it is sensible to do so. We are aiming to reduce our "back office" costs by sharing our accommodation. For example, key health personnel are moving into Windsor House. This shares overhead costs while providing opportunities to work more closely.

Welfare Reform: As outlined in the previous section, the Government's welfare reform changes will have a deep impact on many Plymouth residents. As part of our response to these changes we have developed and consulted on a local Council Tax Support scheme to address the difficult

challenge of an estimated £2.6m shortfall in funding. This is another example of where we have worked well with our neighbour authorities.

We are working hard to minimise the impact on the most vulnerable residents where we can. For example, under the proposed Council Tax Support scheme, and following consultation with local residents pensioners receiving support through the current Council Tax Benefit scheme will be protected, while we are protecting the single person Council Tax discount and the current support for War Widows and Veterans. We are reducing Council Tax Support for all working age residents by 25 per cent – not by 30 per cent as recommended by the Government.

Business rates: We will make the most of opportunities to lever more cash into the city. We have been working with all councils in Devon explore setting up a Devon wide pooled business rates scheme which would benefit the region. This could help retain £23m in county over the next five years, and a possible £6.5m to Plymouth.

Every council in Devon has now agreed to be part of a Devon wide pool and we are acting as the lead authority. This is an example of our ambition to play a lead role in the region.

Capital: Despite the funding situation and economic downturn, we continue to be ambitious for the investment and growth of the city of Plymouth, with the capital programme for the current year standing at over £57m, rising to £132m by 2015/16.

New schemes include a solar panel scheme to improve energy efficiency of council buildings; investment in buildings to increase capacity needed for 2 year old nursery places; investment in increased primary school places (funding from Government’s free school allocation); investment in council vehicles and plant to improve service and reduce costs.

Becoming a brilliant co-operative council: There are clear financial pressures now and in the future but we are determined to do a better job and to exceed customer expectations. Nationally, as more and more people demand higher levels of service many councils are shifting from traditional activities and structures towards more radical, innovative lower cost solutions. We will need to be very clear about what is core and non-core business and structure ourselves accordingly. We will focus on providing much better value for money and public value **and** much higher quality customer services that are accountable to local people. We will be seen as a *brilliant, efficient, Co-operative Council that seeks to exceed customer expectations and puts customers at the heart of everything we do*.

Performance Management: The council must maintain a strong focus on delivery within finite resources. Performance management is vital in every service. The Council tracks 84 corporate KPIs (spread across all service areas) on a monthly basis, these are monitored against target performance levels and a red/amber/green status is assigned to them on the basis of their proximity to the target. Despite the significant cuts to budget experienced this year our performance against these measures remains consistent with our performance last year. The table below shows the comparative performance for corporate KPIs between October 2011 and October 2012 (this is a sub set of the total KPIs – some of which are quarterly or annually updated).

	Red (Over-due)		Amber		Green (on-time)	
	No.	%	No.	%	No.	%
Performance Measures – Oct 12	1	4.8	7	33.3	13	61.9
Performance Measures – Oct 11	8	20.5	15	38.5	16	41.0

Transformation: We need to innovate and transform how we operate to ensure we deliver alongside residents, service users, staff and partners. We are reviewing how the council operates and we will develop a new operating model to cope with less resources, greater demand and the adoption of new technology. We will make sure services are delivered in the best place, at the times convenient to customers by the right people.

The Customer Transformation programme which started in Autumn 2012 is aiming to deliver a council that is a **'brilliant, efficient, Co-operative Council that seeks to exceed customer expectations and puts customers at the heart of everything we do'**.

The opportunity to transform and deliver savings is based on the premise that:

- Many more calls could be answered through our contact centre
- Too many calls currently are unanswered
- Significantly more transactions could be done online
- Many of our key performance indicators are below the national average
- We could consolidate systems to reduce data duplication and maintenance costs
- Performance management could be driven by dashboards and KPIs automatically populated by core systems

Work is currently underway to perform the first phase of fundamental service reviews in:

- Finance, Efficiencies, Technology and Assets
- Environmental Services
- Customer Services
- Education, Learner and Family Support

These reviews form the first steps of our customer transformation programme and will test the assumptions set out in the outline business case and will act as a pilot for future rollout. The service reviews will be completed by the beginning of FY 2013/14, until then determining the plan and specific nature of the changes will not be possible.

Shared assets / services with partners: The ICT shared service programme has been gathering pace over the last few months. The main emphasis so far has been on engaging with potential partners and investigating the most appropriate model to deliver the ICT shared service. We have had significant interest from neighbouring local authorities, healthcare commissioners and other major public sector bodies. This approach will be a major step forward for the council and its partners in finding alternative and shared solutions.

Partnership Working: This has been an area of strength for the council and has helped us to co-design and co-deliver services to residents. In 2013/14 we plan to take our partnerships even further as we work across the peninsula to set out our goals as a region. We will re-design our partnership structures to exert our collective leadership capacity. We know we can achieve more by working together smartly. New bodies such as the Health and Wellbeing Board will test how we are spending collective resources and really making a difference to everyday lives. We will continue to work with our partners in the voluntary and community sectors, schools and GP practices to improve the everyday lives of Plymouth residents and we will work with local businesses and the University to project a clear ambition for the city's growth.

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The Plymouth (Interim) Report 2012



I. INTRODUCTION

- I.1 The Plymouth Report 2010 became the evidence base for establishing four shared priorities for the city:
- **Deliver growth**
 - **Raise aspirations**
 - **Reduce inequalities**
 - **Provide value for communities**
- I.2 The reduction in the number of priorities was appreciated by all partners and the strong focus on growth welcomed by the business community. These long-term priorities are agreed across the partnership and there is no intention to change them, though more work probably needs to be done to drive them deeply into each partner organisation. Achieving the priorities is the vehicle for delivering the city's ambitious vision to be "one of Europe's finest, most vibrant waterfront cities where an outstanding quality of life can be enjoyed by everyone".
- I.3 The Plymouth (Interim) Report 2012 represents an up-date on the 2010 report. Its purpose is to confirm where the key focus needs to be if the city is to effectively deliver against the four priorities. Each section of the report covers the following:
- **Progress against our stated outcome measures**
 - **Highlight known inequalities**
 - **What are we doing about it?**
- I.4 The main sources of data summarised here are drawn from the crime and child poverty assessments, economic review, annual monitoring report and eleven 'pen portraits' that collectively form the Joint Strategic Needs Assessment. Whilst recognising where things have gone well, the report's bias is towards where further improvements need to be made - this is not a promotional document. As with the original Plymouth Report, this update is aimed at policy and decision-makers, providing them with a performance overview that goes beyond their specific areas of interest.

2. THE ECONOMY

Progress against our outcomes

- 2.1 Plymouth has an ambitious growth agenda to create 42,500 jobs by 2026 from a 2003 base, and 32,000 new homes. These are key components of the plan to grow the city's population to 300,000 by 2026, so that it attains the critical mass to really take off as a regional centre. This growth also allows for additional population increases in the city's surrounding area.
- 2.2 Prior to the recession the city was making good progress with its jobs target, with an increase of 7,000 jobs from 2004-06. However, the impact of the recession has been to see this figure revert to one of no net increase in jobs. In terms of future forecasts, modelling undertaken by Oxford Economics projects increases in the private services and construction sectors, but these will be off-set by losses in manufacturing and public services, with a net effect of little if any job gain by 2030.

- 2.3 In terms of productivity, Plymouth consistently lags behind the national average and other better performing cities. Gross Value Added (GVA) per head, a proxy measure of productivity and one of the key performance measures around the growth agenda for the city, stands at 81 per cent of the national average and at 89 per cent when the London effect is taken out of the equation. However, Table I shows the city is a long way adrift of places like Bristol, Swindon, Derby and Leeds and more akin with Sunderland and Hull. The per-head figure attributes output to the entire resident population and is, therefore, distorted by economic inactivity and commuting patterns. More encouragingly, GVA per hour is 92 per cent and per job 85 per cent of the national average and there has been some improvement here. Improving GVA remains a considerable challenge and the potential reduction in some public sector jobs could further impact on it detrimentally, unless replaced by private sector growth.

Table I GVA and GVA per head, 2009

	GVA (£bn)	GVA/Head (£)	GVA/Head index (UK:100)	2007/8 GVA % ch.	2008/9 GVA % ch.
London	269.7	34,779	173.9	7.3	0.6
Swindon	5.5	27,616	138.1	2.2	-0.1
Bristol	10.9	25,216	126.1	2.7	-0.9
Leeds	17.9	22,671	113.4	5.1	-2.4
Derby	5.5	22,413	112.1	1.3	-1.6
Bournemouth & Poole	6.5	21,142	105.7	3.4	-0.4
Portsmouth	4.1	20,390	102.0	3.4	-0.9
York	4.0	20,221	101.1	1.0	-2.3
UK	1,256.9	20,000	100	2.5	-2.1
Southampton	4.7	19,972	99.9	0.9	-1.7
Liverpool	8.8	19,821	99.1	5.6	-0.4
Birmingham	19.6	19,074	95.4	4.0	-1.7
SW	95.1	18,184	90.9	1.8	-1.9
Sunderland	4.6	16,469	82.3	-0.3	-2.6
Devon	12.2	16,279	81.4	2.1	-2.3
PLYMOUTH	4.2	16,197	81.0	1.1	-2.4
Somerset	8.4	15,988	79.9	0.9	-2.5
HotSW	26.4	15,892	79.5	1.5	-2.4
Hull	4.1	15,546	77.7	0.1	-2.2
Cornwall	7.0	13,129	65.6	2.8	-2.6
Torbay	1.7	12,777	63.9	1.0	-3.5

Source: ONS

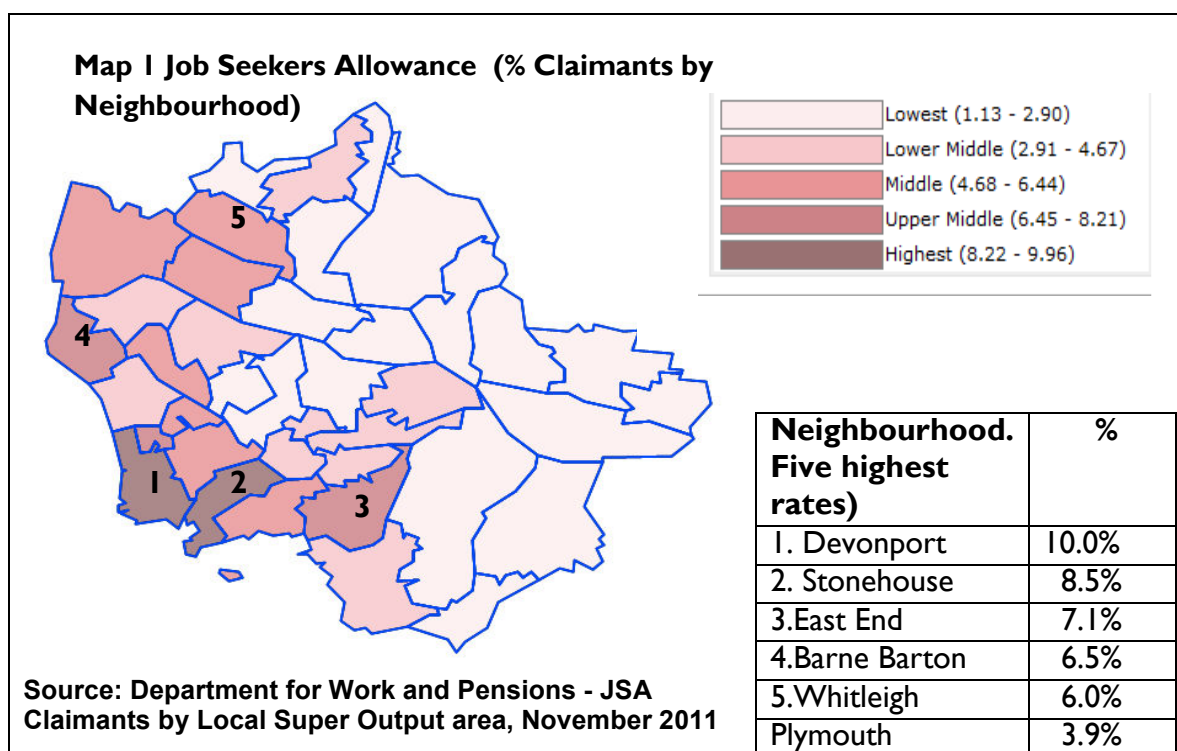
- 2.4 The city's stock of businesses shrank by 4.3 per cent between 2009 and 2010, which was greater than the national average and comparator areas, while growth rates had been surpassing comparator areas prior to the recession. Overall business 'birth rates' in the city are comparatively low, while business 'death rates' tend to be high. The city also ranks poorly in terms of export focused businesses. Plymouth was however in the top ten cities for what are termed 'high-growth' firms from 2007-10 - although overall numbers here are relatively small, it does show the city's potential.

- 2.5 Self-employment on the other hand has increased from 7.6 per cent of those in employment in 2010 to 10.8 per cent in 2012, with a peak of 12.8 per cent in 2011 when it nearly closed what has been an historic gap with the national average, only to fall away again. Unfortunately, we know little about the quality of this employment, but it is likely to be mixed albeit a useful 'bridging' tool keeping people engaged in the labour market. Part-time working has also seen an increase from 26.6 per cent in 2009 to 31.1 per cent in 2011, which compares to a current national average of 25.7 per cent. This figure is likely to include people who want full-time work.
- 2.6 Weekly median average earnings for people working in Plymouth are £467 compared to £453 for the South West and £490 nationally. When analysis is based on residence the picture changes to Plymouth £446.3, South West £460 and £491 nationally indicating some high earning people commuting into Plymouth. Hourly pay levels for part time workers are £6.93 in Plymouth, £7.95 in the South West and £7.85 nationally. Pay levels have shown little change over the last two years, while living costs have risen.
- 2.7 At 67.2 per cent Plymouth currently has a higher working age population (16-64) than the South West (62.8 per cent) and Great Britain (64.8 per cent). The economically active population in the city is 76.6 per cent, compared to 78.5 per cent for the South West and 76.5 per cent for Great Britain. Of these 70.2 per cent are in employment, which is the same as the national figure but below the 73.4 per cent regional one.
- 2.8 The local labour market continues to track national trends with unemployment high relative to pre-recession norms. Plymouth has seen a rise in those claiming Job Seekers' Allowance (JSA) over the last six years from 3,000 to a peak of nearly 7,000 claimants or 3.9 per cent of the working population, compared to 4.1 per cent nationally, however this is significantly less than a number of major cities such as Nottingham (6.3 per cent) Leeds (4.4 per cent) and Manchester (5.6 per cent). Since February 2011 the JSA rate has fallen month on month and now stands at 3.7 per cent compared to 3.8 per cent nationally. On the wider measure that includes those wanting work but not claiming JSA, the city has an 8.1 per cent unemployment rate, which is the same as the national figure.
- 2.9 Youth unemployment accounts for 34 per cent of all JSA claimants in the city compared to 29 per cent nationally. The city continues to have high levels claiming Incapacity Benefits at 8 per cent, or 14,000 people, compared to 6 per cent nationally. Under new welfare changes a number of people in this category are likely to be moved over to JSA.
- 2.10 To achieve its growth agenda and vision the city and its people have to have strong aspirations. Plymouth needs to be a city that people want to visit and invest in, a place where they can make their future and thrive.
- 2.11 In 2011, the city saw an increase in the number of visitor trips, particularly overseas visitors. This was most evident in overnight stays where there was a 39 per cent increase in overseas visitors compared to the previous year. The year saw a total of 2.8 million night stays, an increase of 126,000 over the previous year. There was an 11 per cent rise in the amount visitors spent during 2011 (£135.8M). Significantly, overseas visitors in particular spent 43 per cent more than they did the previous year. Day visitors increased by 12 per cent to 4.1 million, but spent less (£177M) than they did in 2010. Overall, Plymouth saw a 3 per cent increase in visitor spend (£313.8M) with more people visiting

the city. The America's Cup represented a particular success in terms of spectator numbers, spend, the value of national publicity and local companies winning business.

Inequalities

- 2.12 Whilst claimant rates across the city are below the national average Map I shows that rates are more than double in some neighbourhoods and are generally significantly higher in the west and areas within and around the city centre.
- 2.13 Similarly rates of Incapacity Benefit/Employment Support are more than double the city rate in certain neighbourhoods; Stonehouse (17.5 per cent), Devonport (19.4 per cent) and Whitleigh (15.3 per cent) having the highest rates. Current rates have stubbornly remained at these levels for the last decade and partly reflect the impact of long term unemployment on people's health, particularly mental health.



What are we doing about it?

- 2.14 The key to addressing the challenges around achieving our ambitious growth agenda, is clearly intervention that is focused and likely to have a significant impact. The city has an investment record of £1.6b of approved development since 2009. Recent developments include significant investment in the advanced manufacturing sector (Princess Yachts, Kawasaki), the success of business start up programmes (Urban Enterprise, Plymouth University/Western Morning News Growth Fund), plans for the Pavilions and an Ice Rink and the potential for developing the South West Marine Energy Park, will all have a significant impact on job creation.

- 2.15 The city is also trying to rebalance its economy and improve its resilience by moving away from a relative over reliance on public sector employment – with 35.3 per cent of employees in the public sector in Plymouth in 2010 compared to 28.8 per cent nationally; though this does not preclude the city wanting to secure the future of the Naval Base.
- 2.16 Perhaps the biggest change since the production of the Plymouth Report 2010 has been the role of the city as a destination for major national and international events. It has successfully held the America's Cup, British Arts Show and Armed Forces Day, while being included as a venue for the, albeit unsuccessful, national bid to host the World Cup. The more such initiatives can become part of the stable diet of the city, the more it contributes to the 'interventions' necessary to generate jobs and improve the quality of employment. In particular, the city will want to see more visitors, more spend, more business resilience and hopefully more business investment and jobs as a result of such activity.
- 2.17 In terms of overall performance under the growth priority, a significant concern is around the creation of new jobs and the employment of those aged 18-24 in particular. A plan for jobs to get young people back into employment is priority; a task group has been set up composed of influential figureheads and an action plan is being developed. Work is also on-going to lobby government to help unlock the city's growth potential and develop a City Deal similar to those announced for the country's core cities, with improving productivity at its core.

3. TRANSPORT

Progress against our outcomes

- 3.1 Plymouth has been moving forward in developing a transport system to accommodate and stimulate the anticipated growth of the city, although many challenges remain, recognising the closure of the airport and delay in the reissuing of the S.W rail franchise as slowing progress towards the city's connection to the wider UK.
- 3.2 The fastest journey time by rail between Plymouth and London is three hours which is amongst the longest of any of the 36 largest cities in the country. A three hour journey is recognised as the limit to doing 'return travel in a day'.
- 3.3 In common with much of the UK, road traffic has increased by around 15 per cent over the last 15 years. However, the city remains relatively unaffected by traffic congestion, compared to many similar sized cities.
- 3.4 After a steady improvement during the preceding years, punctuality of the city's bus services dropped in 2011/12, with only 80 per cent of services running less than 5 minutes late. This is thought to be due to the problems experienced on the road network throughout the year, but is expected to recover this year when the effects of initiatives such as the East End project begin to be felt. According to a 2010 survey by the Association of Transport Co-ordinating Officers, Plymouth was in the top quartile nationally for bus punctuality.

- 3.5 According to the National Highways and Transport (NHT) survey 2011, satisfaction with transport network management has increased significantly. Partly, this is due to a dip in previous years caused by network disruption, but high satisfaction scores were achieved for the time taken to complete roadworks and efforts to reduce nuisance from roadworks.
- 3.6 Public satisfaction with the condition of roads and pavements has improved slightly, following a programme of resurfacing on many roads during 2011/12. However, it remains low compared to 2008, and is in the bottom quartile nationally.
- 3.7 Satisfaction with bus services in Plymouth has dropped during the last year according to the NHT survey, again a reflection of temporary network conditions. However, the same survey revealed a high level of satisfaction with individual aspects of public transport provision, such as quality of bus stops and ease of boarding buses.
- 3.8 The level of cycling has grown beyond target levels in recent years and is now 32 per cent higher than in 2005/6. This is in some part due to the successful provision of improved facilities for cyclists and public awareness campaigns designed to promote sustainable modes of travel.
- 3.9 The number of serious casualties as a result of road traffic accidents increased significantly during 2011; a total of 74 being recorded. Taken per head of population, this is still the fifth lowest in the South West. However, the number of slight injuries, and the number of casualties overall, remains relatively stable. The increase in serious casualties is largely attributable to a greater number of pedestrian and motorcyclist casualties.

Inequalities

- 3.10 Transport is key to providing better links between and within communities. Transport will need to address inequality in the community. In particular, connecting people in more deprived western parts of the city with more opportunities in the east and centre of Plymouth remains a priority. It will also be important to improve access to community amenities, leisure opportunities and our high quality natural environment by increasing availability of attractive routes for walking, cycling and accessing public transport, as well as reducing the severance effects on communities caused by transport.

What are we doing about it?

- 3.11 The Greater Western Franchise Task Force Group has made representations to both the Department for Transport and potential train operators to press for better rail services to and from Plymouth. Until the franchise process was paused on the 3 October, an early morning arrival in Plymouth before 10am from London was mandated as part of the franchise train service specification. Support has also been given to the campaign for the Western Rail Access to Heathrow Airport. This has now been included in Network Rail's plans to investigate with a view to delivery between 2019 and 2024.
- 3.12 Recent announcements regarding the Highways Agency's Pinch Point Programme will see three schemes that reduce congestion funded and completed on the A38 by 2015: Manadon, Drumbridges Roundabout and the junction of the A38/A380 at Splatford Split.

- 3.13 The Council has been able to make a start on implementing infrastructure that supports the delivery of High Quality Public Transport (HQPT). The East End Transport Scheme was completed in March 2012 and is already delivering benefits in terms of faster journey times and improved bus punctuality to the east of the city, whilst reducing negative effects of transport locally.
- 3.14 Further work (funded by the Local Sustainable Transport Fund) is being undertaken by the Council and external partners to improve cross-city cycle routes, together with better east-west bus links and a comprehensive programme of personalised travel planning to raise awareness of journey opportunities by sustainable transport modes.
- 3.15 A local transport body is being established based on the geography of the Heart of the South West LEP, in partnership with Devon County Council, Torbay Borough Council, Somerset County Council and the Local Enterprise Partnership. It is through this body that the Council will have to bid for funding, devolved from the government's Major Transport Schemes funding pot (2015-2019), for the major corridor based schemes it is promoting.
- 3.16 The highest priority schemes on the Eastern corridor are the remodelling of Pomphlett and Cattedown roundabouts. Similarly, on the Northern Corridor, identified priorities include improvements to the A386 between Derriford Roundabout and William Prance Road, together with a new link Road at Forder Valley and improvements to Forder Valley Road where the latter links with the A38.
- 3.17 Positive relationships have been developed with all the bus companies offering services in the city. The Council has nurtured strong partnership working through a series of both formal and informal meetings and interactions, including the signing up to a Bus Punctuality Improvement Partnership (BPIP) and a joint regional smart ticketing partnership. This is facilitating the delivery of the Council's commitment on New Year's Eve bus services and on holding a Young Persons Travel Summit.
- 3.18 At a neighbourhood level, a programme of Local Safety Schemes, including 20mph advisory areas, within the five communities identified as having the highest number of child pedestrian collisions since 2005, is to be delivered in the short term.
- 3.19 The Transport Capital Programme continues to deliver car-free cycle and walking routes to achieve a network across the whole city. This also responds to, and delivers, improvements in the health of the communities affected to address inequalities in life expectancy found across the city.
- 3.20 In response to public satisfaction with highway condition we have increased the profile of existing pothole repair teams with a move towards undertaking 'first time' permanent repairs.
- 3.21 The Greater Western Franchise will need to be replaced by October 2013 at the latest, or the Department for Transport will need to set out special arrangements by which they, or the existing franchise operator, continue to provide the service until a new franchise is awarded and mobilised. The Cross-Country franchise replacement process will also need to commence soon after, as this is due for renewal in 2016.

4 ATTAINMENT AND SKILLS

Progress against our outcomes

- 4.1 Of great importance for an aspiring city is the presence of a highly educated population and skilled workforce to both help drive growth and attract new investors.
- 4.2 Provisional Early Years Foundation Stage (EYFS) attainment data for 2011/12 show that the percentage of children reaching a 'good level of understanding' has improved in Plymouth on 2010/11. In 2011/12, levels of children achieving a good level of understanding at the EYFS levels in Plymouth were lower than the national and regional average (61 per cent compared to a national and regional average of 64 and 65 per cent respectively) however the attainment at 61 per cent represents an improvement of 5% on last year.
- 4.3 Provisional attainment data for 2011/12 suggests that the attainment of Plymouth's key stage 2 pupils (between the ages of 7 and 11) has shown significant improvement on 2010-11 and is likely to be on a par with national and regional attainment levels in the subjects of English, Reading and Mathematics when national figures are published. Attainment levels were four percentage points lower than the England average for writing.
- 4.4 At secondary education GCSE level (key stage 4) attainment data for 2011/12 has yet to be released. Early indications, notwithstanding results of the legal challenge Plymouth is supporting, show another continued improvement. Again outcomes are likely to be in-line with national averages. More children in Plymouth are achieving five or more A*-C grades at GCSE level than their regional and national counterparts when all subjects are taken into account, though Plymouth falls marginally below the regional and national averages when including Maths and English. However, attainment levels have been improving for a number of years. The percentage of children achieving five A*-C's across all subjects was 80.7 per cent in 2010/11, a rise from 59.8 per cent in 2005/06. A rise has also been seen in attainment including Maths and English, from 42.5 per cent in 2005/06 to 56.5 per cent in 2010/11.
- 4.5 Measuring the number of young people classed as Not in Employment Education and Training (NEET) can be a good measure for both levels of youth unemployment and of post 16 education attendance. In Plymouth the percentage of NEETs has fluctuated since 2004¹, peaking at 8.2 per cent in 2005, with the lowest percentage being recorded last year (2011) at 6.1 per cent. Plymouth has persistently had levels of NEET that are higher than both the national and regional averages; however Plymouth performs better against the average of our statistical neighbours². Plymouth's data is more accurate than most other councils in that the destinations of only 1.7 per cent of post 16's are unknown. This compares to the national average of 5.4 per cent unknown. Apprenticeships are running at about twice the national average with 6.6 per cent of the cohort accessing this post 16 route. Plymouth is widely acknowledged as one of the most successful providers of apprenticeships nationally.

¹ Department for Education, 2011

² Plymouth's statistical neighbourhood for levels of NEET are; Rotherham, Portsmouth, Southend on Sea, Isle of Wight, Telford, Torbay, Bournemouth, Sheffield, Southampton and Peterborough.

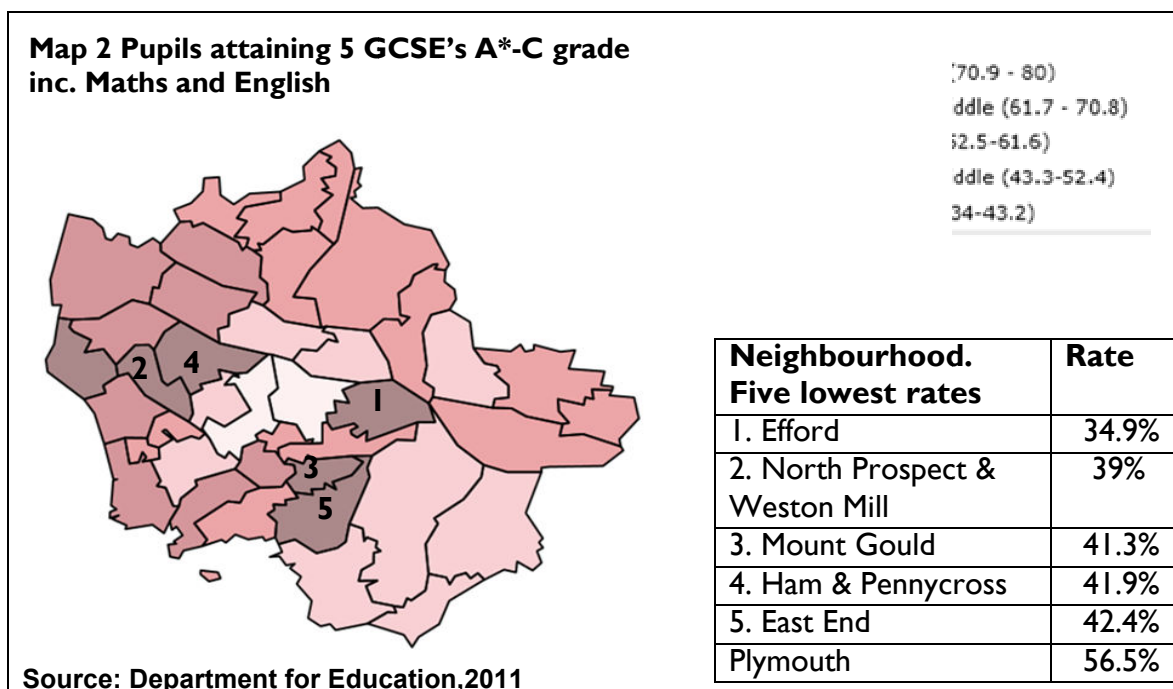
- 4.6 Important for an aspiring city is the presence of a skilled workforce to both help drive growth and attract new investors. Plymouth has some world class infrastructure and skills, particularly around the Naval Base/ Dockyard and within the marine sector and parts of the creative industries. Skill levels in the city have also been consistently rising in recent years across all the categories. For instance, 26.7 per cent of residents aged 16-64 had NVQ4 or above qualifications in 2011, whereas it had only been 18.8 per cent in 2004.
- 4.7 However, the city does not compare so well with regional and national averages at the higher end of the skills range. The 26.7 per cent NVQ4+ or equivalent figure, for example, contrasts with a 32.9 per cent figure for both the region and the country. For NVQ3+ or equivalent the figures are 51.5 per cent, 54.6 per cent and 52.7 per cent for Plymouth, the region and the country respectively. At NVQ2+ Plymouth's 71.1 per cent figure is better than the national rate but slightly below the regional average; while at NVQ1+ the city's 87.6 per cent success rate is better than those regionally and nationally. Plymouth also has less people without a qualification (7.4 per cent) than regionally (8.0 per cent) or nationally (10.6 per cent). Anecdotal evidence suggests that many people looking for work in the city do not possess basic employability skills³ alongside poor numeracy and literacy skills, therefore making it hard for local employers to fill some vacancies.

Inequalities

- 4.8 Within Plymouth there are clear attainment inequality gaps at all levels, from the Early Years Foundation Stage (EYFS) through to Key Stage 4 and post 16 qualifications.
- 4.9 At the Early Years Foundation Stage using 2010/11 data there is an achievement gap, in Plymouth, of 30.9 percentage points between the lowest achieving 20 per cent of children and the median (middle) score. The gap is slightly higher than the regional average but lower than the national average. This gap has closed by a further 1.6 per cent this year. The proportion of children reaching a good level of understanding is also lower in our deprived areas – for example the lowest achievement levels are in the neighbourhoods⁴ of Stonehouse (36 per cent), Kings Tamerton & Weston Mill (40 per cent), North Prospect (41 per cent), East End (43 per cent) and Morice Town (44 per cent).
- 4.10 There are also inequalities in attainment at key stage 2 and key stage 4, particularly influenced by poverty. Using free school meals as a proxy for poverty it is clear that those children from deprived areas are disadvantaged in relation to attainment. The proportion of children eligible for free school meals who achieved level 4 in Maths and English was in 2010/11 17 percentage points lower than those not eligible. At key stage 4 the proportion of eligible children achieving five A*-C grades at GCSE level was 32 per cent lower than those pupils not eligible. In recent years these gaps have been narrowing.

³ Employability skills refer to skills such as time management, team working and communication

⁴ Neighbourhoods are the pre 2011 43 neighbourhoods and not the newly aligned 39 neighbourhoods.



What are we doing about it?

- 4.11 The educational landscape is changing dramatically as the Council moves from providing to a commissioning role. The city has sought to preserve the strong levels of collaboration and partnership working whilst also supporting diversity of provision and choice for parents. This creates tension but system leadership is still being progressed collaboratively. The city has one Teaching School currently, and the Council is a strategic partner in accelerating the development of school to school support models through extra funding.
- 4.12 The Council is seeking to encourage all schools to consider joining together to form cooperative trusts. A citywide Cooperative Trust will be considered later this school year. The Council is a co-sponsor of the new University Technical College (UTC) that is due to open in September 2013 (on an ex-secondary school site in Devonport). This will provide a dynamic employer led curriculum for 14-19 year olds that will focus on advanced engineering and employability skills in particular. The UTC will open at a time when secondary school numbers are decreasing.
- 4.13 We do not underestimate the challenge of increasing the participation of our young people aged 16 and 17 up to the government's ambitious target of 100.
- 4.14 Central government is looking to increase diversity of provision through the introduction of academy chains that are sponsored externally. So far we have found local solutions to improve underperformance. A robust engagement with the Office of the Schools Commissioner has started. Co-location with health colleagues in the new year will add impetus and energy to continue to narrow health inequality gaps as well as improve educational life chances.

5 HOUSING

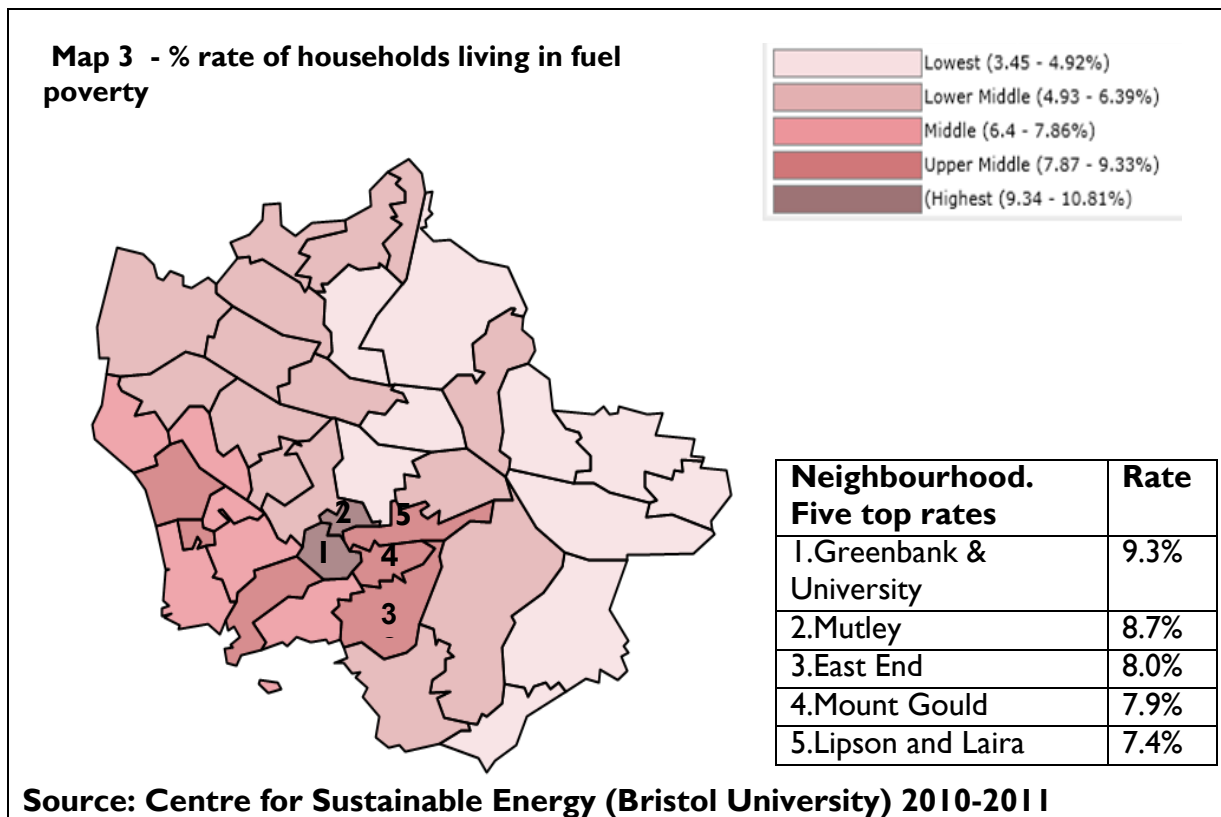
Progress against our outcomes

- 5.1 Most of the city's housing stock is in the private sector. Plymouth has significantly lower than average levels of home ownership but greater amounts of private rented housing. As of 2010, the mix of Plymouth's 112,477 homes was:
- Owner occupied 67,793 dwellings (Plymouth 60.3% - England 67.4%)
 - Privately Rented 22,065 dwellings (Plymouth 19.6%- England 15.6%)
 - and Social Housing 22,619 dwellings (Plymouth 20.1%- England 17.0%).
- 5.2 In 2010 social housing stock amounting to 15,500 properties transferred to Plymouth Community Homes which now operates as a Housing Association managing almost three quarters of Plymouth's social housing. Plymouth Community Homes has received grant funding in order to improve the quality of these homes.
- 5.3 Plymouth's private sector stock is older than the national average with a far higher proportion of medium / large terraced houses (31 per cent compared with 19 per cent nationally). Around 50 per cent of private rented stock is pre 1919 (compared with 40 per cent nationally) and predominates in inner-central neighbourhoods with older, terraced housing.
- 5.4 Approximately 660 private sector dwellings have stood empty for over 6 months. The city's construction sector has been hit hard by the recession. House construction rates are falling from a peak of 1429 in 2006/07 to 557 in 2010/11 of which 60 per cent were affordable. Work has started on a further 777 dwellings while 3,884 homes have planning permission but work is yet to start. The city's housing growth target is, however, challenging and there is a high level of need for good quality accommodation, reflecting the economic downturn.
- 5.5 The city's average house price was £125,400 in March 2012, considerably lower than the South West and national averages of £170,300 and £160,400 – though still six times average earnings in the city.

Inequalities

- 5.6 There are high levels of overcrowding in Plymouth. Of the 9,671 people currently registered for social housing through Devon Home Choice (DHC), 1,951 (20 per cent) lack a bedroom, and 190 (2 per cent) lack two bedrooms. Those that are more overcrowded (i.e. by 2 or more bedrooms) are a higher priority for housing (higher 'band') but if they're large families, they're less likely to access social housing because larger properties (3 bed +) are rarely advertised through DHC.
- 5.7 Over 14,000 households are living in fuel poverty. Map 3 displays the distribution of hotspots across the City and shows significantly higher rates in neighbourhoods containing high levels of private rented properties. Levels of statutory homelessness are increasing and rough sleeping is rising. Levels of homelessness are higher than the national average and nearly twice the regional averages. This is despite the Council effectively tackling homelessness since 2002, achieving year-on-year reductions in rough sleeping and

homelessness, and meeting the government’s target of halving temporary accommodation uptake by 2010.



- 5.8 However, after years of declining trends, 2010 marked the turning point when homelessness again began to rise, and it is likely to rise further in an exceptionally challenging economic and housing market environment⁵. On average, 49 homeless families are bringing up their children in temporary accommodation with an average of 87 children in this situation at any one time. There has also been an increase in B&B as an emergency measure.
- 5.9 There is insufficient social housing to meet demand. Poor housing impacts detrimentally on health and can also affect educational attainment. As with other areas of disadvantage, the problem is particularly prevalent around the western edges of the city.
- 5.10 Although the city has achieved a lot in terms of developments like the East End Village concept, and is currently doing so with the regeneration of Devonport and North Prospect, Plymouth has a number of serious housing problems. There are, for instance, over 12,000 households on the housing register, with over a quarter identified as high priority. There are also 29,930 ‘non-decent’ private sector dwellings, a third of the stock, of which 9,500 are occupied by ‘vulnerable’ residents in receipt of qualifying benefits. The estimated repair cost to achieve the decent standard for these dwellings is £170m. Around a fifth of private sector dwellings have Category I health and safety hazards such as ‘excess cold’, ‘trips and falls’ and gas and electricity safety issues.

⁵ Housing Choices Smarter Solutions Delivery Plan

What are we doing about it?

- 5.11 The housing market is failing many households. Housing affordability problems, rigid lending criteria, restricted mortgage availability and higher deposits are making it harder for first time buyers to get onto the housing ladder. There remains a shortage of affordable housing to rent and buy to meet our increasing housing needs and support economic growth. Waiting lists are growing; our identified housing needs far exceed the supply of housing options.
- 5.12 The Council has identified a number of priority commitments, which include;
- Physical regeneration activity in North Prospect, Devonport and Millbay - creating better balanced housing markets;
 - Exploring new models of investment – securing institutional investment into new homes delivery;
 - Use of the Council's 'ring-fenced' sites to increase and accelerate new homes delivery and quality, including opportunities for self build;
 - Help kick start stalled sites and maintain delivery with significantly less grant or no grant at all.
- 5.13 Work undertaken by the Council supports the delivery of 350 homes annually, with 65 empty homes brought back into use. Performance in this area is currently on target for 2012/13.
- 5.14 The Neighbourhood Renewal Team work in five of the top seven most deprived neighbourhoods of the city: North Prospect, Devonport, Stonehouse, Barne Barton and Whitleigh. The first three are also neighbourhoods in which there are substantial physical regeneration projects. Whitleigh has recently been chosen as one of the 'Big Local' neighbourhoods with funding of £1m over 10 years to help residents make their communities a better place to live.
- 5.15 The financial landscape has changed, government funding through the Homes and Communities is significantly less. Plymouth is feeling the effects of the economic downturn, with inertia and lack of confidence in the housing market and reduced development viability. Against this backdrop the delivery of new and affordable homes and regeneration remains a challenge.

6 ENVIRONMENT

Progress against our outcomes

- 6.1 Plymouth City Council's Environmental Services are a highly visible front line service that provide services to every resident in the city. Performance in this area is measured in the main by customer satisfaction, cost of provision and local, regional and national recognition.
- 6.2 In 2009/10 Plymouth recycled 31.2 per cent of its waste. This was below the unitary average for percentage of household waste collected but by fewer than 2 per cent. In 2011/12 Plymouth had remained almost static increasing just 0.6 per cent to 31.8 per cent whilst the average recycling rate in this time had increased to 40.1 per cent. In year data for 2012/13 indicates that recycling rates are improving with the current rate at 35.3 per cent
- 6.3 Bin collection rates have been maintained at 99.9 per cent following the waste rezoning initiative undertaken in 2009/10.
- 6.4 Customer satisfaction is captured for a number of areas within Environmental Services with the most recent satisfaction levels showing improvements in every area. Over 80 per cent of the population are satisfied with refuse collection (compared with 72 per cent in 2009), 70 per cent of the population are satisfied with doorstep recycling (68 per cent in 2009), and over 80 per cent of residents are satisfied with recycling provision in the city (72 per cent in 2009).
- 6.5 Over the last year the service has been recognised for its excellent provision winning a number of awards including three Green Flag awards for our city's parks, a five star rating for street cleaning, a gold medal for South West in Bloom, 35 neighbourhood awards and a Silver Gilt award in the National Britain in Bloom competition.
- 6.6 The cost of providing these services is benchmarked with the costs of delivering street cleaning; recycling, trading standards and environmental health services are all lower than the unitary average, with the Public Protection service significantly below the unitary average. The cost of waste disposal has increased significantly recently with the increase in Landfill Allowances and Trading Scheme (LATS) charges set to continue for the foreseeable future.

Inequalities

- 6.7 There is no evidence to suggest that the services provided differ in quality or reliability geographically, however there are issues with detritus in areas with a high number of transient population located around the inner urban area of the city.
- 6.8 Recycling and waste minimisation are both performing better in areas of the city that are least deprived with the most deprived areas having significantly lower performance.

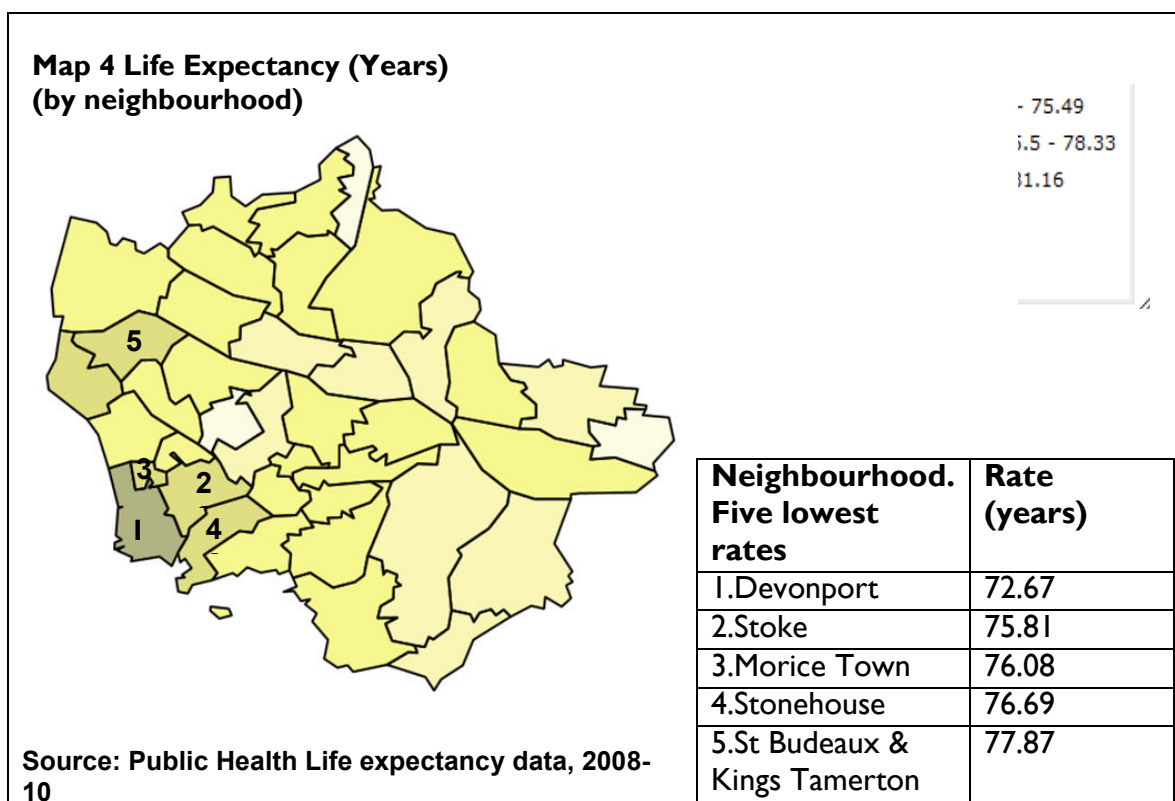
What are we doing about it?

- 6.9 Better usage of depots across the city will allow significant revenue to be generated by leasing parts of the depots to partners in the city. The service has recently re-introduced a capital vehicle replacement programme and is committed to improving revenue generation through services such as trade waste.
- 6.10 The Council has shown its commitment to improving the assets within the service with a number of commitments including investing in improving open spaces by significantly reducing dog mess through investment in technology and increasing the number of tree surgeons in the city. The increased rate in which street furniture will be refurbished and committing to overhauling the network of ageing public toilets will help support Plymouth's visitor offer.
- 6.11 The service will soon embark upon a city recycling challenge to renew interest and promote recycling with an aim of recycling 50 per cent of our waste by 2020. There will be an extension of the garden waste service to a further 20,000 properties and a doorstep glass recycling scheme is being trialled in the city with a view to rolling it out citywide.
- 6.12 Plymouth's long term solution to its waste disposal problem, the Energy from Waste plant, will come into service in 2014/15.
- 6.13 Financially the service faces some major challenges within the next few years. Significant capital investment is needed in refuse collection, recycling, vehicles and plant and the crematoria to enable the service to continue to provide the levels of service it currently provides.
- 6.14 Sustainability remains a key driver for many of the Council's services, with consistent progress being made in both corporate and partnership projects. Sustainable development continues to offer the potential to deliver co-operative solutions to a low carbon city. We have an emerging reputation for 'green' thinking, and our consistent approach is now being recognised as 'groundbreaking' in many ways, with national awards for sustainable design and community involvement recognising the progress being made.
- 6.15 A further award, the SW Carbon Positive Award for best local authority, reflected the partnership approach the Council is taking to reducing its own carbon footprint. Since 2009 Plymouth has reduced its own carbon footprint by 9 per cent. The Council has also encouraged action to reduce the footprints of local public sector partners and over 200 local businesses.
- 6.16 Collective action also resulted in a consistent reduction in the city's overall and per capita (per person) carbon footprints between 2005 and 2009, with only a slight increase, reflecting the very cold winter of 2010, recorded in the most up to date national estimates. We remain on target to achieve Plymouth's emission reduction target of 20 per cent by the end of 2013.

7 HEALTH

Progress against our outcomes

- 7.1 Although health is improving overall in terms of life expectancy, the health of people in Plymouth is generally poor with the city being significantly worse than the national average in 19 of the 32 comparative health categories, reported in annual health profiles.
- 7.2 For example, life expectancy (for the period 2008-10) at 77.6 years for men and 82.0 years for women is slightly lower than the England average of 78.6 years for men and 82.6 years for women. Over the last 10 years, all causes of mortality rates have fallen. Early death rates from cancer, heart disease and stroke have fallen, but the latter is worse than the England average at 80.1 per 100,000 population compared to 70.5 per 100,000 population.
- 7.3 Plymouth has a higher rate of adult smoking than the England average (25.1 per cent compared to 20.7 per cent)⁶ and the rate of children and young people who smoke is slightly higher compared to the national average (5 per cent compared to 4 per cent)⁷. The rate of smoking among adults increased in 2012 compared to 2011 but remains lower than 2010 rates. City rates for smoking related deaths are also increasing rising from 222 in 2010 to 234 in 2012, a rate significantly worse than the England average.



- 7.4 Rates of smoking in pregnancy have reduced minimally year on year over the past three years. However, Plymouth is still significantly worse than the English average (18.6 per cent compared to 13.7 per cent).

⁶ [Plymouth Local Health Profile 2012](#), Public Health Observatory

⁷ Plymouth Child Health Profile 2012, ChiMat

- 7.5 Alcohol and its impacts are a major problem for the city, not just on health but on other areas such as crime and community safety. Alcohol related hospital admissions have more than doubled since 2001, whilst it has been reported that there have been increases in the numbers of people suffering from advanced liver disease. The rate of alcohol related admissions is predicted to rise by 48.9 per cent by 2019-20. It is estimated that over 670,000 bed days are taken up with alcohol related or alcohol induced illness. Plymouth continues to be significantly worse than the England average for hospital stays for alcohol related harm.
- 7.6 Rates of teenage pregnancy (under 18) have fallen over the past years but rates are still significantly worse than the England average (45.8 compared to 38.1).
- 7.7 Breast feeding intentions at delivery are 67 per cent compared to 73.6 per cent nationally. Over the past three years the trend of intention has remained steady, the proportion dropped in 2010 compared to 2009, however it increased again in 2011. The proportion that breastfed at 6-8 weeks trend is upward, in 2011 37 per cent breastfed at 6-8 weeks compared to 33 per cent in 2009.
- 7.8 Around a quarter of the city's population is obese, which is the same as the national picture. Childhood obesity at 9.4 per cent of children in reception year aged 4-5 is not significantly different to the national average; while at year 6, (aged 10 -11), it is at 18.8 per cent, also similar to the national picture.
- 7.9 Male adult obesity stands at 22 per cent, female adult obesity at 24 per cent and it is estimated that obesity rates will double by 2050.
- 7.10 Children's Social Care caseloads (including child protection, looked after children, children in care) are increasing year on year at a rate of around 10 per cent for each of the last five years.
- 7.11 The percentage of adults receiving Self Directed Support/Direct Payments is still below the city's comparator group average at 33.9 per cent compared to 42 but performance of this indicator is anticipated to improve significantly in 2012/13. The number of admissions to residential care has fallen from 386 to 310. A national survey has reported that locally, people tend to have an increasingly positive experience of care and support in Plymouth that is higher than that experienced nationally i.e. 70.3 per cent compared to 63 per cent.
- 7.12 The real challenge facing the city arises as the population changes. For example, it is expected that those aged over 65 with a limiting long term illness will rise from 20,132 in 2010 to 28,960 in 2030; while those in this age group with dementia are predicted to rise from 3,004 to 5,056 over the same period. At the same time there will be an increase of 5,800 people aged 0-14 with the birth rate likely to be highest in the western, more deprived parts of the city.
- 7.13 Not surprisingly, it is predicted that spending on social care will pass 45 per cent of council budgets by 2019/20 which impacts on all the other areas covered in this report.

Inequalities

- 7.14 Across the city there are significant health inequalities, particularly linked to deprivation. On an individual neighbourhood basis, the difference in life expectancy between the neighbourhoods with the highest and lowest life expectancy values is 12.8 years for the period 2008-10. Map 4 shows the range of life expectancy across the city's neighbourhoods with the lowest levels of life expectancy located along the western edges. Across a range of indicators, health outcomes for families and individuals living in the most deprived neighbourhoods are less positive than in the more affluent neighbourhoods for breastfeeding initiations, teenage pregnancy, obesity levels and low birth weights among others.

What are we doing about it?

- 7.15 Health and social care services are facing significant challenges from the implementation of health reforms, welfare reform, the general state of the economy and the changing structure of the population.
- 7.16 In line with government policy, the focus of the agenda for social care is on strategic 'whole system' transformation aiming to shift resources to spend more on:
- Really good, easy to access information, advice and advocacy to help more people to help themselves;
 - Accessible, low level practical help to avoid crisis and maintain independence;
 - People able to self-direct their care or support through personal budgets and direct payments to reduce dependence on statutory services and achieve better outcomes for people and their families
 - Provision for adapting older /disabled people's homes so they can choose to remain at home.
- 7.17 The strategy adopted by the Council is fourfold, working with people, communities and partners to invest in:
- Universal services;
 - Early intervention and prevention;
 - Choice and control;
 - Social capital.
- 7.18 Significant transformation work has already taken place within Adult Social Care, with the Council receiving a national accolade for the progress achieved. This has included a major restructure of staff, systems and processes.
- 7.19 In Children's Social Care significant work is being undertaken in an effort to reduce caseloads through a number of mechanisms, such as partnership working, pre referral/post service support from universal and specialist services and effective workload management.
- 7.20 The Council's commitments are firmly embedded in the service's delivery plans for both Adult and Children's Social Care for the future including:
- Introduce a charter for older people's care;
 - Offer more support to people to stay in their own homes;

- Make sure that tackling health inequalities is top of the list as powers over Public Health are being moved from the NHS to the Council;
- See improvements in the way patients are discharged from hospital to home.

- 7.21 Following the Health and Social Care Act 2012, the Primary Care Trust (PCT) is part way through transition to new structures. The commissioner/provider functions have already split with Plymouth Community Health Care (PCH) delivering primary health care in Plymouth and Devon and Torbay Cluster overseeing commissioning arrangements.
- 7.22 On 1 April 2013, Devon will become a Clinical Commissioning Group (CCG), which will be further split into 3 localities. Plymouth will fit into the Western locality. The CCG will require GPs to register their membership, but will lead to clinically led decision making. The arrangement will put GPs at the heart of decision making.
- 7.23 The Public Health Development Unit is currently in a transition process to become part of the Council. Work is underway to identify which staff will transfer to the local authority. This new arrangement will enable more focussed action on the wider determinants of health.
- 7.24 The Health Improvement Team is moving to Plymouth Community Healthcare. This will enable them to benefit from the expertise that already exists within that organisation and to carry out additional programmes of work with and in the communities with the greatest needs.
- 7.25 The Plymouth Hospital Trust is seeking to gain Foundation status.
- 7.26 From April 2013, the Health and Wellbeing board will provide challenge and oversight for health and social care in the city. Key leaders from the public sector and voluntary and community sector are working together in shadow form to improve the health and wellbeing of the population and reduce health inequalities.

8 INCLUSIVE COMMUNITIES

Progress against our outcomes

- 8.1 The city's current population is 256,600, with an Office for National Statistics (2011) projection of 271,751 by 2021. This trajectory would not result in Plymouth reaching its target of 300,000 residents by 2026. The projection also indicates an increase in the number of children and older people in the city and a large decrease in the proportion of those aged 40 to 54 representing a large cohort of the working age population who are more likely to be higher wage earners. The population aged over 65 is projected to rise by 6,500 or 16 per cent; while there will be an increase of 5,800 people aged 0-14 with the birth rate likely to be highest in the western parts of the city.
- 8.2 Around 40,000 students reside in the city, resulting in generally higher percentage of 20-24 year olds nationally. However, once qualified this age group do not stay in the city to work or start their own business.

Table 2: ONS Projected Population for Plymouth in 2021

Age	Population in 2021	Change from 2011	% Change
0-4 yrs.	17,000	1,600	10.4
5-9 yrs.	16,500	3,400	26.0
10-14 yrs.	14,700	1,100	8.1
15-19 yrs.	15,600	-1,600	-9.3
20-24 yrs	27,500	2,900	11.8
25-29 yrs	22,200	3,200	16.8
30-34 yrs.	17,400	1,800	11.5
35-39 yrs.	15,200	-200	-1.3
40-44 yrs.	13,900	-3,800	-21.5
45-49 yrs.	14,100	-3,500	-19.9
50-54 yrs.	16,500	100	0.6
55-59 yrs.	16,400	2,400	17.1
60-64 yrs.	14,800	-200	-1.3
65-69 yrs.	12,200	200	1.6
70-74 yrs.	12,800	3,000	30.6
75-79 yrs.	10,100	1,900	23.2
80-84 yrs	7,000	1,000	16.7
85+ yrs	6,100	500	8.9
Total Population	271,800	15,200	5.9

- 8.3 93.4 per cent of our population are White. 6.6 per cent are Black and Minority Ethnic (BME). The largest communities are Kurdish Iraqi, (3000); Polish speaking migrant workers (2700); Indian (2500); Chinese (2000); Russian speaking migrant workers (1500); and Black African (1,000).
- 8.4 The Council has 4.1 per cent BME employees and Plymouth NHS 16 per cent. Eight neighbourhoods have a BME population of 15 per cent or more. They are Mutley and Greenbank (30 per cent); East End (20.7 per cent); City Centre (19.8 per cent); Stonehouse (18.8 per cent); Crownhill (17.1 per cent); Derriford (16.0 per cent) and Manadon (15.8). Our Asylum Seeker population is currently less than 200 and make up less than 0.1 per cent of our population. At its peak, there were an estimated 3,500 migrant workers in the city, mainly from Eastern Europe.
- 8.5 There are 13 Gypsy and Travellers families (21 adults, 22 children) at The Ride (Plymstock). In 2010, we had 44 unauthorised encampments in the city with over 200 children living on them⁸.
- 8.6 According to the 2012 Listening Plymouth survey, 53 per cent of people agreed that their local area is a place where people from different ethnic backgrounds get on well together,

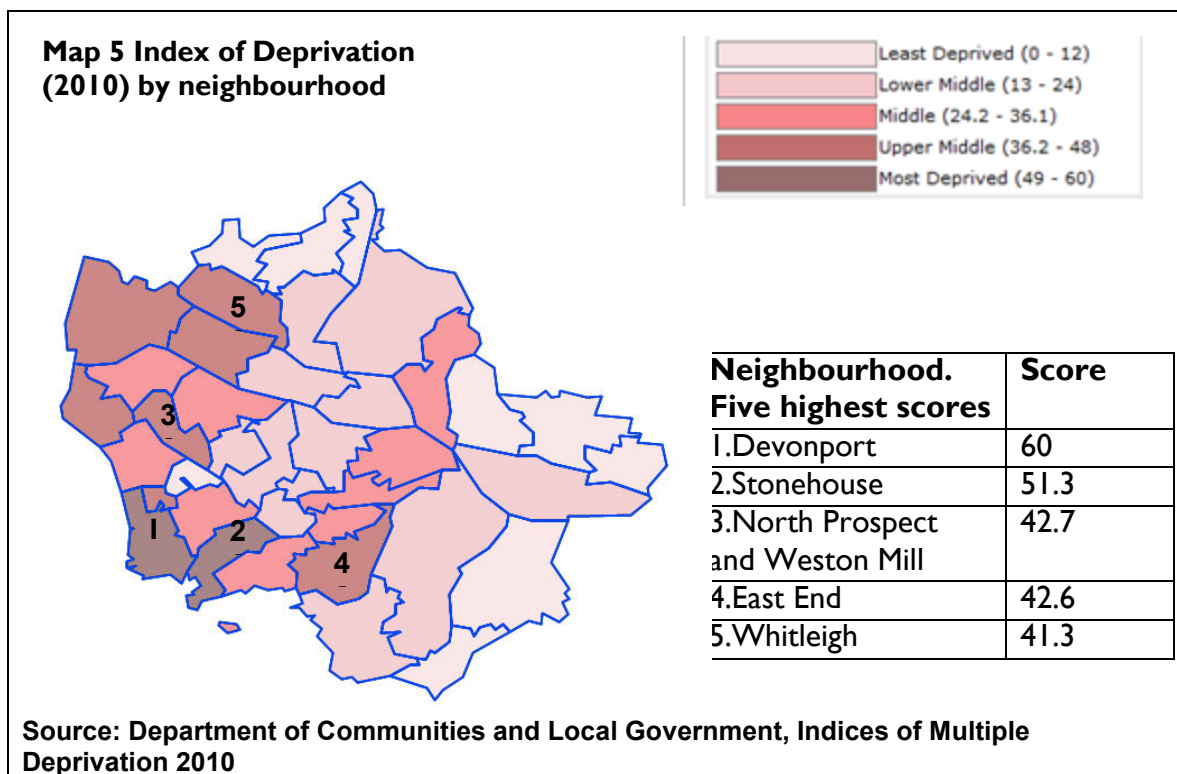
⁸ Based on 2010 health visitor survey gathered by Plymouth City Council Social Inclusion Unit, 2010

while 58 per cent strongly feel they belong to their local area, a slight increase from 55 per cent in 2009.

- 8.7 Overall satisfaction with the local area as a place to live remains the same with 79 per cent of people satisfied. However, those people who feel they can influence decisions in their local area have declined from 24 per cent in 2009 to 19 per cent in 2012. This is someway adrift of most other councils.

Inequalities

- 8.8 According to the national Index of Deprivation (2010), Plymouth is ranked 72nd most deprived out of 326 districts in England. Although this is a slight improvement on the 2007 index, it still means the city is only just above the bottom 20 per cent of districts in the country. The two areas of the index where Plymouth scores worst, are on income deprivation where it is 56th most deprived, and employment deprivation, where it is 45th most deprived. There is a clear divide between the east and west of the city in deprivation terms. Map 5 identifies the most deprived neighbourhoods which have small areas within them that are in the bottom 3 per cent of the most deprived in the country (small areas of Stonehouse are among the 1 per cent most deprived).



- 8.9 Plymouth has 11,700 or 22.1 per cent of children living in poverty compared to 21.2 per cent nationally and 16.5 per cent in the South West. 10,380 of which are aged under 16. There are small areas within Devonport, Stonehouse, City Centre, North Prospect and Weston Mill where more than half the children are in poverty.

- 8.10 There is an increasing number of in-work families that are living close to poverty and accessing services such as the Plymouth Food Bank and debt providers. As at December 2011, over 22,000 families with over 39,000 children were claiming in work tax credits. The data show that families on a low income are spread across the whole city and not just in recognised deprived areas.
- 8.11 Many areas of welfare reform have been identified as having an impact on Plymouth families and the growing difficulty to manage household finance within an already challenging economic climate which has seen the costs of living rise significantly. Five reforms illustrate the extent of this change including:
- Localisation of Council Tax Benefit;
 - Replacement of the Social Fund;
 - Housing Benefit/Local Housing Allowance reforms;
 - The Benefit Cap;
 - Universal Credit.
- 8.12 When assessing the overall loss of benefit income in the city from 2012-13 some assumptions have to be made about where the cuts will fall and which groups of claimants will have benefits restricted. The table overleaf shows that during this time period the amount of benefit income lost to the city is estimated at between £13 and £27million. This calculation does not include changes associated with Universal Credit, Council Tax Scheme, Social Fund replacement, or other factors like increasing levels of sanctions for those claiming out of work benefits. The calculation is based on current levels of benefit claims and does not take into account any potential rise in claimants due to loss of work etc.

Table 3: Anticipated impact of welfare reforms

Welfare change	Numbers Affected	Individual income reduction weekly	Individual income reduction annual	Citywide income reduction annual
New calculation (30th percentile)	6000+ claimants	Average £14.75	Average £766.8	£4,600,800.00
Reduction 5 to 4 bed	30 families	£115.38	£5,999.76	£179,992.80
Incapacity Benefit (IB) to Job Seekers Allowance (JSA)	4255	Average £16.50	Average £858.00	£3,650,790.00
short term low	1418	£3.80	£197.60	£280,196.80
short term high	1418	£17.55	£912.60	£1,294,066.80
long term basic	1419	£28.15	£1,463.80	£2,077,132.20
IB to other/no benefits	3928	Unknown	unknown	potentially £3,370,224.00
Universal Credit	unknown	Unknown	unknown	Unknown
Disability Living Allowance (DLA) removed	2,600 (20%)	Average £49.95	Average £2,597.40	£6,753,240.00
Highest	867	£77.45	£4,027.40	£3,491,755.80
Middle	866	£51.85	£2,696.20	£2,334,909.20
Lowest	867	£20.55	£1,068.60	£926,476.20
Benefit Cap	149 families	n/a	n/a	£1,411,800.00
lose up to £50	75 families	£50	£3,750	£195,000
lose £50 - £100	27 families	£100	£5,200	£270,400
lose £101 - £150	24 families	£150	£7,800	£405,600
lose over £150	21 families	Est. £200	£10,400	£540,800
Council Tax Scheme	18,957 working age	Unknown	unknown	unknown
Social Fund replacement	6880 successful applicants	Unknown	unknown	Unknown
Totals				£20,678,170.40 ⁹

What are we doing about it?

- 8.13 The Council has been working closely with communities to improve cohesion particularly on the western side of the city, Honicknowle, Ernesettle, Barne Barton, North Prospect and St. Budeaux through multicultural events such as World on the Green and engagement with schools. Work with Gypsies and Travellers is on-going with a view to pursuing sites at Broadley Park in the north west of the city and Efford.

⁹ Based on averages where applicable. Minimum £13 million – Maximum £27 million

- 8.14 The most prevalent concerns of residents raised through neighbourhood meetings relate to On Street Parking - in part because of the length of time it has taken to undertake the parking review instigated in September 2010. The Council has been monitoring progress through the Growth and Prosperity Overview and Scrutiny Panel.
- 8.15 The Council is currently leading on the development of a city wide strategy and action plan to tackle child poverty by April 2013. This process will be overseen by a cross party child poverty working group who aim to provide greater visibility and accountability and promote tackling child poverty as everybody's business.
- 8.16 The Council is also working closely with Credit Unions to promote their services and stop the success of loan sharks and pay day loan companies with high interest rate repayments that can create a cycle of debt.
- 8.17 The need to improve the infrastructure and capacity in the Community and Voluntary Sector (CVS) is still recognised, as is the importance of developing more social enterprises and mutual businesses. The Council has acknowledged the importance of this sector through the creation of the Portfolio for Cooperatives and Community Development. Since April 2010, Community and Social Action Plymouth (CASAP) has received funding from the Partnership (£90,000 for FY12/13) administered to Plymouth Guild as the accountable body. CASAP has historically been the vehicle through which the Council and Partnership engage with the CVS.
- 8.18 The Council is also exploring the idea of Libraries as community hubs delivering additional services from the community for the community such as benefits advice. There also plans to create a new community economic development trust in the north of the city as well as seeking to develop more mutual companies.
- 8.19 The first Plymouth Report highlighted the absence of a resource plan that would look at total spend, assets and the deployment of staff across the public and voluntary sectors and indeed relevant parts of the private sector. It was recognised that much good partnership work had taken place and that there were areas of growing co-operation in, for example, shared workforce development programmes.
- 8.20 The intervening two years, however, have seen public agencies in particular focus in on their own budgetary problems and efficiency targets while the city's Plymouth 2020 Partnership has been reconfigured, albeit slowly. The new focus is on stronger implementation boards around growth, health & wellbeing and culture at a top tier level.
- 8.21 There has also been some movement on shared services, the better use of accommodation and understanding of investment in the city. The need to improve capacity in the voluntary and community sector, highlighted in 2010, is still recognised, as is the importance of developing more social enterprises and mutual businesses.
- 8.22 There is a Welfare Reform Strategic group which is leading in raising Council staff awareness around the imminent reforms. Third Tier managers have already received training on the reforms, and will be asked shortly to explain what they have done and the implementation that they have actioned as a result of training on welfare reforms. Another round of training is taking place for front line staff to prepare them for the changes. In

addition to this, an alliance has been formed with Routeways and Citizen Advice Bureau to provide advice and guidance to members of the public affected. In addition to this, work has been conducted with Plymouth credit unions to help people budget and plan for welfare reforms specifically the use of 'jam jar' accounts.

- 8.23 However, all of this work will need to pick up pace significantly if the city is to meet the challenges highlighted in this report and make significant inroads in achieving its highly aspirational vision. At a time when we are living through a recession and operating against the background of austerity, the most effective marshalling of collective resources has never been more important.

9 CRIME AND COMMUNITY SAFETY

Progress against our outcomes

- 9.1 The draft Crime and Community Safety strategic assessment for 2012 outlines four key priority themes for the city. These are:
- Domestic/ Family and Sexual Abuse,
 - Reducing Re-offending,
 - Anti-Social Behaviour (ASB) and
 - Alcohol/ Violence and the night time economy.
- 9.2 These same priorities have also been adopted at a peninsula level as outlined in the draft Peninsula Strategic Assessment.
- 9.3 Levels of overall crime increased in 2011/12 by 679 crimes (+3 per cent) driven by acquisitive crime (non-domestic burglary and other thefts) and serious acquisitive crime (dwelling burglary). Overall, however, Plymouth has relatively low crime rates for a large urban area and is 5th best out of 15 for overall crime levels in its Home Office national comparator group (Plymouth overall crime rate is 81.7 crimes/1000 population compared to a family group average of 91.1/1000 population). Whilst we benchmark well in overall crime and for serious acquisitive crime (2nd best in our family group for 2011/12) we perform less favourably in the areas of violent crime and criminal damage (12th best of 15 and above the family group average in both cases). There are big gaps in our knowledge on how we compare to other areas for domestic abuse and ASB with no benchmarking data available.
- 9.4 The trend for domestic abuse incidents resulting in a recorded crime and non-crime incidents has been steady for a number of years, although peaks in recording have been seen, often driven by specific occasions such as the Christmas holiday period or international football championships.
- 9.5 In 2011/12 the number of domestic abuse crimes fell by 39, equating to a 2 per cent drop. Performance in 2012/13 has caused some concern with levels of domestic related violence with injury showing a 17 per cent (+31 crimes) increase at the end of June 2012.
- 9.6 ASB in Plymouth has seen dramatic reductions over a number of years; further reductions in 2011/12 are in part due to improvements in recording of crimes during ASB incidents

bought about by an inspection by Her Majesty's Inspectorate of Constabulary in autumn 2011. We have consistently over achieved against the ASB level 2 reduction target. As a result the target has been reset for 2012/13 taking into account the new recording standards.

- 9.7 ASB, and in particular the focus on supporting the most vulnerable victims and victims of hate crime remains a city priority supported by a Council commitment to improve the way the Council deals with ASB and recognising hate crime as a priority. Plymouth 2020 has a partnership indicator that focuses on hate crime incidents and the satisfaction of victims. In 2011/12 there were 578 incidents reported to the police or Council, these incidents relate to racist, disablist, homophobic or faith incidents. The satisfaction rate among victims is over 92 per cent. The numbers of incidents reported and satisfaction rates are both achieving targets set.
- 9.8 ASB has consistently been a priority for the public, in particular in relation to inconsiderate parking, speeding vehicles and littering.
- 9.9 Long term trends show a decrease in the adult offender population within Plymouth, falling from 3,652 in 2006/10 to 3,151 in 2010. The proportion of those who reoffend rose year on year between 2006 and 2009, before falling slightly in 2010 – however, the trend is increasing. Acquisitive crime (in particular domestic burglary, non-domestic burglary and petty theft offences) increased in 2011/12 missing our reduction target. Domestic burglary for example increased by 198 crimes (+22 per cent) prompting a considerable partnership response which has resulted in improved performance in 2012/13. Improvement has meant that so far this year we are on target to achieve this year's reduction target.

Inequalities

- 9.10 Levels of crime are higher in more deprived neighbourhoods although there are other influencing factors. Levels of public based violence are most influenced by the evening and night time economy whilst levels of ASB are also highest in these areas, namely neighbourhoods of City Centre, Stonehouse and Greenbank and University. 3358 ASB incidents (23 per cent of city total) in 2011/12 occurred across these three neighbourhoods.
- 9.11 Domestic abuse violent crime reporting is considerably higher in our most deprived neighbourhoods with reporting highest in Morice Town, Stonehouse, City Centre, Devonport and Barne Barton. The ten most deprived neighbourhoods¹¹ in Plymouth accounted for 770 of domestic related crimes (45 per cent of the city total in 2011/12).
- 9.12 Domestic Burglary has persistently been centred on the neighbourhood of Greenbank & University and surrounding neighbourhoods, driven by a mixture of a high volume of vulnerable multi-occupancy residences and students. Greenbank and University, Mutley, Mount Gould and East End accounted for a quarter of domestic burglary in 2011/12. Vehicle related theft and non-domestic burglaries tend to be more spread out but higher in deprived areas.

¹⁰ 12mths ending June (each year)

¹¹ Devonport, Stonehouse, North Prospect & Weston Mill, East End, Whiteleigh, Morice Town, Barne Barton, Honicknowle, Ernesettle and Ham & Pennycross.

What are we doing about it?

- 9.13 Crime and Community Safety priorities are overseen currently by the Safe and Strong strategic board chaired by the Plymouth Police Commander. Responsible to Safe and Strong, are six multi-agency delivery groups covering Domestic Abuse, ASB and Criminal Damage, Violence, Reducing re-offending, Drug and Alcohol Action Team Commissioning group and Preventing Violent Extremism. Each group has action plans based on priorities and has the responsibility of driving the partnership response to key issues facing each area. The Social Inclusion Unit oversees hate crime issues and November 2012 sees the launch of the new Hate Crime action plan for Plymouth.
- 9.14 The Police Reform and Social Responsibility Act 2011 has brought about significant changes for policing, particularly the introduction of Police and Crime Commissioners (PCC) and the abolition of Police Authorities. These changes present risks to Community Safety Partnerships (CSPs), not least of which is the passporting of funding streams from 2013/14 to the PCC that were previously provided by the Home Office directly to CSPs. This will also be the case for smaller funding streams formerly provided directly to the Youth Offending Service and Drug and Alcohol Action Teams (DAATs). PCCs will have a duty to consult victims of crime when developing and setting their crime and police plans, and in the future, they will also have the power and budget to determine local victims' services.
- 9.15 There are, however, also opportunities as PCCs have a statutory duty to work with community safety partners, criminal justice agencies and the voluntary sector to help deliver what's important, locally. It will be vital, therefore, for the Community Safety Partnership to seek and secure a strong relationship and dialogue with the PCC for Devon and Cornwall as soon as they are elected, an ambition reinforced by a manifesto pledge by the current Plymouth administration. The Commissioner will be overseen by a new Police and Crime Panel, which for Devon and Cornwall is being hosted by Plymouth, and which primarily consists of representatives from all 13 Local Authorities and two independent (non-councillor) members.
- 9.16 Across the partnership there is a focus on supporting victims of crime and other community safety issues, particularly Anti-Social behaviour. As a Council, we fund or part fund both victim and perpetrator services that cover areas of domestic abuse, sexual offences, ASB and serious acquisitive crime (Turnaround). Further details on what we as a city are doing to tackle crime and community safety issues can be found in the 2012 Crime Strategic Assessment.
- 9.17 In 2012/13 the city is showing improvement across a range of crime types and for crime in general there are concerns that the full impact of welfare reform has yet to be realised, with fears that dropping incomes and financial pressures will impact negatively on levels of crime, particularly acquisitive crime, violence and domestic abuse.
- 9.18 ASB is one of the key issues in the Families with a Future programme, which locally is in its infancy. It is as yet unknown how the programme will impact on existing service provision in terms of resources and targeting.

10 CONCLUSION

- 10.1 We have stressed that this interim report is far from exhaustive and based on a less than full range of data. Its principle source is the Joint Strategic Needs Assessment and it should be viewed as a high level summary of the mass of needs analysis that form or feed into that document. The report does, however, cover the key issues and we can draw out some pointers for the future, which is the object of this report.
- 10.2 Under Delivering Growth, the evidence tends to point to the importance of key strategic 'interventions' that can bring in and create jobs, particularly for young people, and by implication expand the economically active population of the city and make it more likely that Plymouth attains the critical mass to be an attractive city region centre. The need to provide the necessary road and related infrastructure to ensure job and infrastructure led growth is achieved as a priority. The delivery of required housing units and provision of suitable jobs are key for the city's future prosperity and investment.
- 10.3 Under Raising Aspirations, the evidence tends to point to the need to significantly improve educational attainment and skills levels at the higher end, so that Plymouth can become an internationally competitive city; whilst maintaining, and expanding, the focus on Plymouth as a destination for major events.
- 10.4 Under Reducing Inequalities, the evidence tends to point in the direction of: early intervention, particularly to improve outcomes for potentially disadvantaged children; strong preventative programmes to address health inequalities and the growing needs of an elderly population; multi-disciplinary approaches to alcohol abuse, given its impact on people's lives and public resources; and significant improvements in the availability and quality of housing.
- 10.5 Under Provide Value for Communities, the lack of evidence leads to a focus on much stronger co-operation, with a shared resources plan based on a sound evidence base, so that the city knows what is being spent and where and how efficiently and effectively resources are being used. Far more needs to be done to share assets, strategically manage land disposals, combine or align budgets, align staff and avoid unnecessary duplication across the sectors and within agencies.
- 10.6 The future is very challenging, but the city has a clear vision, a set of shared priorities and a strong track record of delivery in many areas as a base. It now needs to refine its focus into much more targeted and managed programmes to deliver against its four priorities.

Plymouth (Interim) Report 2012 contact:
Policy Performance and Partnerships
Plymouth City Council
October 2012

The figures in this report are drawn from the wealth of data collected for the JSNA and are the latest available at the time of writing.

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LISTENING PLYMOUTH HEADLINE RESULTS

BRIEFING 6 NOVEMBER 2012



1. INTRODUCTION

- 1.1 In July 2012, Marketing Means were commissioned to undertake a household survey on behalf of the Council. The survey 'Listening Plymouth- a view from you' was based on the Place Survey and adapted to incorporate budget consultation, and public perception questions to help monitor progress against performance indicators in our performance management framework.
- 1.2 The survey was sent out to 8,000 random households at the end of August and field work took place throughout September 2012. A total of 2,870 valid surveys were returned, giving a response rate of 36% with a confidence level of +/- 1.8%. The data has now been weighted by age and gender.
- 1.3 Due to the very good response rate we are able to look at the responses at a locality and ward level. This information is not currently available but when released will help us to better understand the gaps in inequalities across Plymouth and identify which areas of the city officers and politicians may wish to focus their efforts.
- 1.4 Currently we are unable to benchmark our performance against other Local Authorities; we must therefore view our performance with caution until we can confidently benchmark our performance. We are one of a number of Councils working with the LGA to share the results of respective household surveys on LG Inform, the LGA's online benchmarking tool.

2. PART A – LOCAL AREA

- 1.1 These questions asked the public to tell us what they thought about their 'local area'. Questions were drawn from the former Place Survey and recommendations made by the Local Government Association (LGA). This will enable an analysis of trends and to benchmark nationally against other local authorities in the future. Where possible we have compared results with 2009 Place Survey, the last comparable survey undertaken in Plymouth. Key results are as follows:
 - 82% of respondents expressed satisfaction with Plymouth as a place to live. 79% of respondents expressed satisfaction with their local area as a place to live. This is the same result as the 2009 interim place survey. (*In terms of the survey, the local area was defined as the area within 15-20 minutes walking distance of their home*)
 - 58% say they feel part of their local area while 52% agree that their local area is one where different ethnic backgrounds get on well together.
 - 53% of respondents express their satisfaction with how Plymouth City Council runs things. This is a significant increase on the 2009 survey when only 34% of respondents were satisfied.
 - 37% agree that Plymouth City Council provides value for money. This is an improvement from 2009 where just 24% agreed.

- On behalf of our partners (Police, Fire and Health services) we asked people for their opinions on how they run services. For Devon & Cornwall Police, 62% of respondents were satisfied compared to 68% in 2009. For Devon & Somerset Fire Service, 81% were satisfied compared to 79% in 2009. For local Health services, 75% were satisfied. However for Health, we do not have comparable data from 2009.
- We see increased satisfaction with waste collection, recycling and keeping public land litter free when compared to 2009. Satisfaction with culture, sport and leisure provision has also increased over 2009. However, people are less satisfied with local transport information and local bus services.
- Less people feel that that they can influence local decisions than in 2009 (19% compared to 24%). This is significant as in 2009 we benchmarked nationally as one of the worst local authorities
- Overall 42% of respondents felt that they were more informed about Plymouth City Council Services, an increase from 2009 when we achieved 36%. This is reflected when it comes to different aspects of the Council including: registering to vote, Council Tax spending, getting involved in local decision making, standards of service, performance, how to complain, and service provision, where we also see an increase.
- Less than half of respondents (45%) feel that Plymouth City Council acts on local residents concerns. This was a new question introduced by the LGA and there is no trend or benchmarking data currently available.
- We included some new questions to find out the degree that residents currently access our online services and what they are likely to access in the future. The purpose of these questions is to enable our Corporate Services to shape future online service provision. The following services saw the greatest interest if they were available online either entirely or to a greater extent:

Service	Currently Use	Would Use in Future
Report highway defects	19%	64%
Report fly tipping or graffiti	12%	56%
Request rubbish clearance or cleansing	16%	59%
Request housing advice	8%	26%
Register birth, death or marriage	10%	41%

1.2 When asked why residents do not access online services 22% of respondents said they do not have a computer – however it should be noted that while not having a computer, these respondents may have access to the internet via other devices such as smart phones or ipads. 34% said they prefer to use other methods, and 26% didn't know they could.

1.3 Residents were also asked about community safety and when comparing results against the 2009 survey: by day, 89% of respondents feel safer than they did in 2009 (85%) and by night, 54% of respondents feel safer than they did in 2009 (47%).

2. PART B – BUDGET CONSULTATION

2.1 The public were also asked about their priorities for spending and to consider the range of services that the Council and partners provide to their household. Respondents were asked to indicate the service / functions that were most important to them and their household.

2.2 Overall, the results provide a clear indication of the services / functions which more people felt to be important:

- Parks and open spaces (88% of respondents)
- Tackling criminal damage and ASB (84% of respondents)
- Creating and protecting jobs across the city (84% of respondents)
- Refuse collection (80% of respondents)

2.3 They also provide a clear indication of those services / functions that less people considered to be important:

- Museums / galleries (14% of respondents)
- Health promotion services e.g. help to stop smoking, get active, lose weight (18% of respondents)
- Fire prevention services (22% of respondents)
- Subsidising adult learning courses (25% of respondents)

2.4 While the difference in the methodology used and slight variation in the questions asked last year in 'Prioritise our Pounds' makes comparison statistically unreliable, it is worthy of note that creating and protecting jobs across the city was a top priority last year, while subsidising adult learning courses and support for preventative health services again remain areas which less people consider to be important.

2.5 In addition, there are several service areas surveyed that link directly to the Council's pledges. More people felt creating and protecting jobs across the city to be important at 84% and this is reflected in the pledges as a priority for Plymouth. However, services that support the pledge relating to tackling health inequalities such as health promotion services, and mental health services were considered by less people to be important.

2.6 The top and bottom three headlines by service (the key pledge areas are shaded in the table below):

Services that more people felt to be important	% of respondents	Services that less people felt to be important	% of respondents
VIBRANT PLYMOUTH			
Parks and open spaces	88	Museums / galleries	14
Sport and leisure facilities	67	Theatres / concert halls	32
Events and tourism	46	Libraries	42
MOVING PLYMOUTH			
Road maintenance	79	Subsidised non-commercial bus services	33
Footway maintenance	52	Car free cycle and walking routes	36
Road safety in residential areas	49	Inconsiderate parking in residential areas	39

YOUNG PLYMOUTH			
Support for vulnerable children, children in care or in need of protection	67	Subsidised adult learning courses	25
Services for young people, such as youth services	56	Tackling child poverty	42
Support for children with special educational needs	51	Early years support, such as child care, children centres	44
GREENER PLYMOUTH			
Refuse collection	80	Public conveniences	31
Keeping public land clear of litter and refuse	70	Environmental regulation, e.g. food safety, trading standards, noise control	35
Doorstep recycling	41	Local tips / household waste recycling	36
LIVING AND WORKING PLYMOUTH			
Creating and protecting jobs across the city	84	Improving the quantity of housing	30
Supporting new businesses to grow	60	Increasing visitor numbers to the city	32
Planning the future shape of the city	46	Improving the quality of housing	36
SAFER PLYMOUTH			
Tackling damage and ASB	84	Fire prevention services	22
Tackling acquisitive crime including burglary and vehicle crime	58	Crime prevention services	33
Tackling violent crime including domestic abuse and sexual offences	57	Targeted work in neighbourhoods with the most crime	38
CARING PLYMOUTH			
Support for older people to live independently	75	Health promotion services e.g. help to stop smoking, get active, lose weight	18
Responsive health services e.g. emergency hospital admissions, medication	67	Mental health services	35
Support for people with disabilities	55	Preventing homelessness and help find homes for those in need	38

- 2.7 The feedback that health prevention is considered by less people to be important is of significant concern given the shared view of the importance of the early intervention and prevention agenda by the Council, Hospitals Trust, Clinical Commissioning Group and Health and Well-being Board. This is also mirrored in the public's perception of crime and fire prevention which are also seen by less people as being important. This may highlight a need to better communicate with the public on the importance and benefits of the early intervention and prevention agenda.
- 2.8 Some services that enhance the city's cultural offer are also perceived by less people as being important such as museums / galleries, theatres / concert halls and increasing visitor numbers to the city. This may have potential implications for the Growth and Culture Boards given Plymouth's ambitious growth agenda and proposals for a History Centre, the Mayflower 2020 celebrations and likely City of Culture bid 2017.
- 2.9 Furthermore, 77% of respondents were worried that they or their family would suffer directly from cuts in public spending.

3. PART C – ABOUT YOU

3.1 Of the 2,870 respondents, the following demographic data was reported:

Category	2012 results	2009 results
Gender:		
- Male	49%	46%
- Female	51%	54%
- Transgender	0.1%	N/A
Age:		
- 34 years and under	22%	29%
- 35-59 years	46%	44%
- 60+ years	32%	27%
Disability:		
- Yes	10%	35%
- No	90%	65%
Ethnicity:		
- White British	95%	95%
- All other ethnicities	5%	5%

- 3.2 The survey also asked respondents to comment on their general health of which 76% reported that their general health is either good or very good. This is a slight improvement over 2009 which reported 73%. In 2012, 17% of respondents said that they are carers for a relative or friend.
- 3.3 This year we asked the additional question around occupational status. The largest proportion of respondents classified themselves as being in a supervisory, clerical, junior management, professional administrative position at 23%. Whereas the smallest group of respondents were from higher managerial, professional, administrative at 8%.

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BUDGET BRIEFING TO CHAMBER OF COMMERCE

19 December 2012



Malcolm Coe (Assistant Director Finance, Efficiency, Technology and Assets) and David Northey (Head of Finance) met with the Chamber of Commerce on 19 December 2012 to run through the proposed Plymouth City Council budget for 2013/14, setting out the national context and the impact on Plymouth. The following areas were considered -

- Changes to the Business Rates and the transfer of risk from central to local government
- Collection rates and impact of appeals
- Non-change to valuation office
- Changes to the Council Tax Support and the impact on the most vulnerable
- The measures we have put in place to “soften the blow” although we have had to pass the £2.6m funding cut on to the public
- one per cent Council Tax Freeze Grant and that this was not viable as it would leave us short of funding in 2013/14 against our MTFS (Medium Term Financial Strategy) but also introduces more uncertainty for the future as it is only guaranteed for two years
- Current collection rate for council tax is 98.5 per cent and our assumption for next year of 97.5%
- Importance of growth as a priority and hence less savings targets set
- Adult Social Care concerns around funding both this year and next
- Cross-cutting delivery plans in particular procurement targets / local spend initiatives / income generation including parking / senior management reductions
- Need for transformation and the project which has been approved; will savings be achieved
- Capital spend and best use of assets
- Working with partners

Two areas were flagged as being of major importance for the scrutiny sessions:

1. They remain unclear as to what has become of the Invest to Save Fund They would like to know how the monies have been expended, by project and amount with an estimate of the return that has been/ will be achieved by these projects.
2. They expect to have a full set of HR data – staff numbers/turnover/sickness – ahead of the scrutiny sessions as a specific area to interrogate.

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To: Pete Aley
Head of Communities – PCC

Dear Pete,

CASAP response to Priorities and Budgets consultation feedback 12/13

In response to the opportunity to respond to the progress you outline in the above document, please find CASAP's reply below:

A Co-operative Council

CASAP welcomes the commitment to this model and looks forward to working with PCC to develop its approach. We similarly look forward to working with you to strengthen the VCS across Plymouth. This will need careful prioritisation of investment, take time and require additional collaborative efforts.

The facilitation of communities shaping its own assets and the growth of VCS organisations at community level will need the deployment of Neighbourhood/Community Development workers, to maximise the prospect of fulfilling potential gains.

Commitment to supporting Social Enterprise Development and transfer of assets to the community

We welcome your stated aim of improving VCS infrastructure and capacity across the City and will look forward to working with you jointly on this.

The transfer of assets to the community will need underpinning by careful planning and full strategic engagement with the sector. This area of work will benefit from assimilation of lessons learnt and good practice from other Councils and sectoral bodies.

Supporting Communities

We acknowledge the progress made in supporting communities, recognising the focus on promoting cohesion, inclusion and removing inequalities. The VCS across Plymouth makes an important contribution to this area of work.

Mitigating Welfare Reform

We value the recognition you give to some of the key VCS 'players' in this area of work and concur with your need to raise staff awareness and profiling of potential impacts. However, this educative process needs to reach small, neighbourhood based groups who play an important role in delivering and/or signposting to Welfare programmes and who deal with large numbers of vulnerable children and adults.

The idea of exploring Libraries as community hubs will benefit from a greater degree of development through the strategic engagement of VCS across the City.

Working in Partnership

CASAP fully supports co-operative and collaborative ways of cross sector working to achieve pan City aims and objectives. Budget scrutiny and clear links to priorities for spend will continue to influence new delivery methods and approaches to delivery, through greater degrees of collectivism.

We would encourage PCC and its wider partners to use CASAP as the vehicle and conduit through which to work with VCS in the City to develop services, structures and delivery methods.

Given the LSP is now moribund, there remains the need to develop a key cross sector strategic way of working across the City. The VCS is keen to make a full contribution to city development.

Improving procurement methods.

CASAP is not convinced that Sell2Plymouth is the most effective, efficient or user friendly way of enabling business to be conducted.

We welcome PCCs obligation to consider Social Value, from January 2013, in its procurement processes and would further highlight the benefits of using local service deliverers to retain skills in the City; develop local expertise; make best use of local intelligence and promote continuity of service.

Many VCS organisations feel that tendering timescales are too short and do not promote and/or enable collaborative approaches. Long term relationships built on trust are beneficial to all parties concerned.

Miscellaneous

CASAP believes the local market economy and VCS continues to benefit from a diversity of funding types. We see the re-instatement and promotion of grant funding (with clear
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Tel: 01752 201766 www.casap.org.uk

Outcomes) as an appropriate way of meeting VCS needs, as well as providing PCC with a rich base of service deliverers. Grant funding complements the commissioning processes to good effect and gives good additionality.

CASAP also recognises the as yet untapped benefits from better co-ordination and planned usage of VCS monies across the City in order to better align with PCC Corporate Plan. It will be keen to develop an approach with PCC to tackle this issue in the coming year.

CASAP would also welcome the opportunity to explore the need for a VCS 'seat' on the Health and Wellbeing Joint Commissioning Board. This would facilitate full engagement with the sector and enable it to contribute to strategic and operational decisions that help shape and inform service delivery.

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BUDGET CHALLENGE BY YOUTH CABINET

12 December 2012



Councillor Lowry Cabinet Member Finance and Gemma Pearce, Team Leader (Democratic Support) met with the Youth Cabinet on Wednesday 12 December 2012 to hear their views on what the City's priorities should be. The following areas were discussed -

- the difference in the amount of money spent on residential care compared to the amount spent on foster care
- cost vs. benefit of parking enforcement
- plans to address £17million budget gap
- level of proposed council tax increase
- number of staff employed by the Chief Executive
- number of staff employed in a management capacity
- the ability to enable the City to grow whilst making service cut backs
- the possibility of using assets to generate income
- new schools
- Life Centre building costs
- Life Centre running costs
- Energy from Waste Plants

Youth Cabinet suggested that the following areas should be considered as part of the budget scrutiny -

1. Maximising opportunity to increase income from the Life Centre
2. Look at alternative care options for those requiring residential care
3. Consider future investment opportunities with regard to energy from waste plants

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D&C Police briefing paper for Plymouth Council Scrutiny panel on 9 Jan 2013**1. Context setting – national requirements and policy drivers**

Central Government policing performance aim – to reduce crime

Comprehensive Spending Review has impacted significantly on police budgets over past 3 years – likely to continue.

New national Strategic Policing requirement (replaced Protective Standards) – national standards for each Force to work with other police forces to prevent and respond to:

- Terrorism
- Threats to public order
- Civil emergencies
- Large-scale cyber incident
- Organised crime
- Major events and incidents, such as the Olympics.

Police authorities were removed as of Nov 2012 and replaced with an elected Police and Crime Commissioner (PCC) and a Police and Crime Panel in each force. The PCC's key aim is to represent public concerns, ensuring the policing needs of communities are met. Through the police and crime plan he will set the direction and budget for policing. This will involve:

- Setting the strategic direction and accountability for policing
- Working with partners to prevent and tackle crime and re-offending
- Invoking the voice of the public, the vulnerable and victims
- Contributing to resourcing of policing response to regional and national threats
- Ensuring value for money.

2. Headline budget messages – key areas of budget reduction and likely impact on partners and service users, performance against high level delivery of efficiency plans.

The Government budget settlement announcement is due on 19 Dec 2012. The Implications of this settlement for Devon and Cornwall Police will then be reviewed against predicted draft budget and options for enabling any further reductions to be developed. There is a national cap set for precept increase of 2% with an option to accept grant of 1% to help with freezing the local precept. The PCC will decide on preferred option and seek agreement at Police and Crime Panel meeting in February 2013.

3. Risks and issues to delivering the city priorities including plans to tackle any underperformance and highlight areas of challenge where dependent on partners to resolve issues.

Current performance for Plymouth for year of 2012/13 –

- Large reduction in total crime of 10% down on 2011/12 with Plymouth being 6th best in its CSP family group of 15.

- Significant reductions in serious acquisitive crime – robbery, domestic burglaries and vehicle crime
- Focus on violence with injury, especially ENTE related, has now lead to almost 4% drop on previous year.
- Reduced levels of ASB, plus opportunities of Families for the Future programme to tackle ASB and youth crime in multi-agency approach.
- Victim satisfaction for victims of crimes, ASB and for BME victims is good, with public confidence and visibility measures both on target
- Main underperformance for the city has been a reduced level of positive outcomes for victims of crime, particularly for serious crimes of violence with injury, domestic abuse and sexual offences. Focus is on increasing proactivity and targeting of offenders and locations, alongside the raising of investigation quality and court file standards. Partnership links are with SARC, DA and sexual offence partnership delivery group and victim services, CPS and courts.
- In addition Plymouth has seen recent rise in reported sexual offences, with almost 11% more than same period last year, a rise of 30 offences since April 2012.

Plymouth City 2020 Partnership priorities to deliver the city vision are growth, aspiration, reducing inequality and value for communities.

Currently the D&C Police Force vision is to be the best rural, coastal and urban police service, with current strategic priorities of reduce crime and bring offenders to justice, improve satisfaction in policing service, maintain visibility, engagement and problem solving in communities and protecting people from harm.

The current Plymouth Geographic Policing business plan for 2012/13 was developed to progress the changes required to support both of these visions and contribute to the City and Force priorities.

A Peninsula Strategic Assessment has been produced and agreed through joined up work with all 8 Community Safety partnerships and the police. This assesses the crime and disorder threats, risk and priorities for the whole peninsula and includes aims and activity to progress the key issues. The peninsula priorities from this document are

- Domestic, family and sexual abuse
- Alcohol, violence and the night time economy
- Anti-Social Behaviour
- Reoffending

These peninsula priorities will inform the new strategic priorities to be set by the Police and Crime Commissioner for 2013/14 and beyond. The PCC draft strategic priorities and plan are being developed and will be placed on the Office of the PCC website for public consultation during January. Other events and engagement methods will take place to ensure that this consultation is as representative as possible. The PCC's police and crime plan will be worked on based on this consultation and It is intended to go to the Police and Crime Panel for agreement in February 2013, at the same time as the decision on the precept and confirmation of the new Chief Constable.

4. Details of planned major changes to service delivery where the changes have the potential to impact on partners and communities e.g. through reduction in spend, significant changes to targets and level of service delivery or location of delivery.

There has been a reduction in police officers and police staff across the Force area and any further reduction will be dependent on budget decisions. However this has been based on principles of dealing effectively with threat, risk and harm to individuals and communities, and maintaining public engagement and reassurance.

There is Force wide work on reducing demand to police by ensuring issues are signposted effectively to partners for appropriate service.

In addition, there are a number of Force wide reviews to improve service delivery within reduced resources, including safeguarding and integrated geographic policing model.

The new police station in Devonport is now open and there is the likely development there of a community hub that extends service provision to community groups (in line with the development of a cooperative council).

There will be a migration out of the current Plympton site into Crownhill and Devonport stations, with an operating base at Plympton replacing current building subject to lease agreements.

Development of Joint commissioning processes may lead to possible changes to who and what service is delivered in the future, but unknown as yet.

5. Critical risks to delivering services provided in partnership; including areas of support required from partners to improve delivery and identification of blockages.

The Local CSP and Peninsula Strategic Assessments identified priorities for whole Force area and for each CSP area, along with recommendations for further assessment/information gathering to ensure that partnership activity addresses those areas of highest risk to individuals and communities.

- Plymouth and Force wide – gaps in mental health services/protocols
- Uncertain SARC funding
- Capacity and funding of Domestic Abuse services
- Alcohol Strategy/Plan
- Capacity of voluntary sector

There is a recognised risk that there will be significant Impact of welfare reforms over next few years. Plymouth has seconded a PCSO to work with the Council for 3 months on developing a plan for addressing any potential risks, and the Force is developing an action plan for tackling potential impact across a number of areas – crime, domestic abuse, vulnerability etc

Chief Superintendent Chris Singer
Commander of Plymouth Geographic Policing
Devon and Cornwall Police

20/12/12

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NHS Planning Assumptions

Everyone Counts: Planning for Patients 2013/14

Background

- 1.1 The need for all public services to improve the quality of what they do is unprecedented, and provides a very real opportunity to do things differently, together, and for the good of those we serve.
- 1.2 Looking at the future financial situation, we need to be realistic and consider whether it would be wiser to do a small number of service changes well or risk the dissipation of any effect through “diffused effort”.
- 1.3 We also need to try and deliver timely impacts for patients and the system as a whole.
- 1.4 Key to our success will be our ability to isolate and agree together the key system issues or “jobs” that need doing in order to deliver high quality care and leave a fantastic legacy for future generations.
- 1.5 This paper sets out our one year plan (2013/14) that should put us on the right path to achieve our ambition.

Why?

“The NHS belongs to the people. It is there to improve our health and wellbeing, supporting us to keep mentally and physically well, to get better when we are ill and when we cannot fully recover, to stay as well as we can to the end of our lives. It works at the limits of science – bringing the highest levels of human knowledge and skill to save lives and improve health. It touches our lives at times of most basic human need, when care and compassion matter most. The NHS is founded on a set of common principles and values that bind together the communities and people it services – patients and the public – and the staff who work for it”

The NHS Constitution

2.1 The Mandate (DH, 2012) is the mechanism through which the Secretary of State of Health, tasks the newly established independent NHS Commissioning Board (NCB) at the same time entrusting the NHS to the Board. The mandate sets out the following objectives for the NCB and therefore, the CCGs.

Prevention of ill-health	<i>Better, early diagnosis of cancer and heart disease</i>
Management of conditions	<i>Dementia, diabetes, depression; ensuring that care feels more joined up – right across GP surgeries, district nurses, midwives, care homes and hospitals</i>
Recovery from episodes of ill health	<i>Reduced emergency admissions including readmissions, improved recovery rates for elective procedures, trauma, injuries and stroke</i>
Improved experience	<i>Better care, not just better treatment</i>
Providing safe care	<i>Clean and safe environments and less risk of NHS or social care acquired infections such as DVT and pressure sores</i>

Doing Things Differently

3.1 Northern, Eastern and Western (NEW) Devon CCG has its vision – *Healthy People, Living Healthy Lives in Healthy Communities*

3.2 It has its mission statement - *We are clear in our aspiration that Northern, Eastern, Western Devon CCG will transform services with the aim of supporting all individuals to have access to high quality sustainable services, that promote their wellbeing and that care for them when they are unwell. We also want to design services that can, whenever possible, be delivered when, where and how people choose.*

3.3 It has its three core strategies –

Ensure the clinical community and the public take joint ownership of the sustainability agenda (Joint clinical and public ownership)

Ensure systems and processes are developed that make the best use of limited resources, every time (Best use of limited resources every time)

Move the focus of commissioning away from treatment and towards a prevention and maintenance approach (Towards prevention and maintenance)

3.4 The CCG, having recently made a series of designate appointments, will drive forward the commissioning and improvement agenda over the next few years, firmly underpinned by the staff designed organisational values of:

- Make sure that we are an organisation that values its' staff and is fit for purpose in our delivery model
- Ensure that we provide the highest possible quality and effectiveness of commissioning to improve and sustain patient care and services
- Demonstrate openness, consistency, honesty and respect in our relationships
- Strive for continual improvement in everything we do through innovation and exploration of best practice
- Have a dynamic, "can do" culture where we embrace challenge and have permission to challenge

3.5 The Western Locality is part of Northern, Eastern and Western Devon Clinical Commissioning Group (CCG). The Locality broadly fits the Plymouth Hospitals NHS Trust footprint and so contains parts of Plymouth, South Hams and West Devon but also has a key partnership/ relationship with Eastern Cornwall.

3.6 The CCG, through the Western Locality, is responsible for commissioning healthcare from providers. We determined to work with our partners to achieve a 'Healthy System' which will result in improved outcomes, productivity and effective allocation of resources. Elements of this drive to a healthy system include:

- A shift away from unplanned treatments, and towards planned care, planned interventions and personalised care
- An increase in prevention and maintenance, funded by reinvesting costs and capacity released through a reduction in treating preventable illnesses and admissions
- Improved waiting times
- An increase in efficiency and a more sustainable cost base through:
 - A significantly increased level of collaborative clinical working to bridge the gap across clinical teams and organisations
 - A focus on reducing the net cost of care, rather than the cost to individual teams and organisations
 - A focus on reducing transaction costs across organisations
 - A focus on equity of care and equity of access, ensuring that funding is targeted at patients with greater health needs and interventions and
 - treatments that are proven to be of greater clinical value
- Getting the pathway right for patients

3.7 As a Locality, we could continue to do the same things again and again. However there are increasingly overwhelming reasons, not least the forthcoming Francis report (Mid Staffordshire NHS Foundation Trust), which will require a real and tangible improvement in how people are cared for in our system. CCGs and the Local Area Team will become far more focussed on acting with and advocating for patients in pursuit of the highest standards of care and services.

3.8 Other factors will be include the need to do more with less (reducing funding available for future years), the growing burden of disease e.g. diabetes as a result of obesity and the increasing use of IT based media that will ultimately transform our lives and therefore, the way we engage with others, the care we need and the services we access.

What We Will Do

4.1 This section sets out **what** we need to do and where we need to focus to deliver the vision, mission and strategies of our CCG which will ultimately ensure that we deliver the objectives set out in The Mandate and the Outcomes Framework.

4.2 In addition *“Everyone Counts: Planning for Patients 2013/14”* sets out the national priorities for the CCG. These include:

- Customer convenience (NHS Services being provided seven days a week)
- Greater transparency on outcomes (publication of consultant outcome data)
- Mechanisms to enhance patient feedback (real-time experience from patients and carers; Friends and Family Test)
- Better data collection for evidence-based medicine
- High professional standards

4.3 Below are our **local** (Western Locality) commissioning intentions for 2013/14:

National Strategy	Locality Action
Prevention of ill health	
CCG Strategy 3	<ul style="list-style-type: none"> • Improved access to drug and alcohol services • Reduced smoking rates • Promotion of anti-coagulation medication to prevent strokes
Long term conditions	
	Mental health including dementia:

<p>CCG Strategies 1, 2 and 3</p>	<ul style="list-style-type: none"> • Improved management by care homes • Increased access to community services • Improved diagnosis • Improved access to CAMHS • Introduction of psychiatric liaison • Increased access and recovery rate for psychological therapies <p>Long term conditions</p> <ul style="list-style-type: none"> • Improved management of medically unexplained symptoms • Increased self-care • Improved education • Shared care and decision making • Improved access to community based services provided by specialists • Improved outcomes from fractured neck of femur and the intervention programme for first fallers <p>Medicines</p> <ul style="list-style-type: none"> • Increased support to patients and carers to empower them to take responsibility for medicines taking; improving compliance and ensuring best outcomes
<p>Recovery from ill health</p>	
<p>CCG Strategies 2 and 3</p>	<ul style="list-style-type: none"> • Improved stroke pathway (access to thrombolysis and a bed) • Greater access to rapid response and re-ablement • Improved access to crisis intervention • Pro-active case management • Increased access to intermediate care services • Improved access to ambulatory care • Improved A&E performance
<p>Improved experience</p>	
<p>CCG Strategies 2 and 3</p>	<ul style="list-style-type: none"> • Patient-centred discharge from hospital • Development of a genuine relationship with patients and learning from their experience • Reduced ambulance handovers • Improved end of life care • Improved referral processes • Reduced cancelled operations
<p>Providing safe care</p>	

CCG Strategies 2 and 3	Reduced: <ul style="list-style-type: none"> • pressure sores • DVTs • health and social care acquired infections • preventable harm caused by medicines
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Financial context

5.1 The annual operating plan for the NHS for 2013/14 was published on 19 December 2012. At the time of writing this report (20 December) detailed financial planning assumptions are uncertain. These will be clearer by the time the Overview and Scrutiny Committee meet on 9 January 2013.

5.2 The NHS will receive an uplift of 2.3% for 2013/14 (0.3% in real terms). A review of future funding allocations has been commissioned by the National Commissioning Board and will inform the 2014/15 allocation process. An allocation to Local Authorities to fund services that benefit both health and social care has been increased by 38% for 2013/14 and was announced earlier in 2012.

5.3 However, the previous year on year increases will cease and the cost of delivering care is growing at a rate that is not sustainable. The cost of moving to providing additional NHS services seven days a week are likely to be significant. In addition, the need and ability to treat illness and extend life through the availability of new drugs, treatments and technology and changes to the age profile and lifestyles of the population, will also continue. Demographic changes driven by an aging population and the increased prevalence of certain conditions will put further demand pressures on healthcare services. In addition, the need and ability to treat illness and extend life through the availability of new drugs, treatments and technology will continue.

5.4 NEW Devon CCG's Medium Term Financial Plan (MTFP) for 2013/14 onwards will set out how resources are to be deployed to invest in meeting demand, improving quality and tackling national and local priorities whilst maintaining or continuing to improve day to day standards of performance.

Plymouth Community Healthcare CIC

Service Challenges 2013-14

Introduction

This paper has been produced in response to the invitation to present our main developments and challenges facing Plymouth Community Healthcare CIC during 2013/14, to the Overview and Scrutiny Management Board of Plymouth City Council.

Context Setting

Plymouth Community Healthcare is one of the largest Right to Request Social Enterprise organisation in the UK. We employ just over 2200 staff, with an annual turnover in the region of £90m.

The general direction of recent NHS changes has been to place more emphasis on the delivery of services away from hospital settings, reducing lengths of stay and ensuring that quality remains the focus on service delivery. As the main provider of Mental Health Services and General Community services for Plymouth, there is a very clear requirement for our services to work closely with those procured and operated by the City Council and with colleagues at Plymouth Hospitals NHS Trust.

Provision of comprehensive services over 24 hours, 7 days a week is a clear direction of travel, whilst we have a sound base from which to build, there are further developments to achieve this across every service.

Financial Delivery

There is an ongoing requirement for all NHS funded services to achieve an annual efficiency requirement of at least 4%. Although this is anticipated to be offset by an inflationary allowance there will still be a net reduction in income.

PCH are also required to fund any unavoidable inflationary pressures and achieve any non recurrent savings on a recurrent basis. The proposed split of the CRES (Cash Releasing Efficiency Savings) programme is based upon past experience and future opportunities. As can be seen the programme for the 2013/14 financial year is higher than that required to deliver a £0.9 million surplus. This is because some elements of the plan is of a higher risk than in subsequent years.

Planned Service Changes

There are number of programmes which are anticipated to be delivered during 2013/14. Some of the larger schemes already have financial plans in place, with income assumptions and agreements in place. These include:

- Reduction in Inpatient Mental Health Recovery beds, as reported in the recent consultation. This will see an increase in community staff to support people in their own homes and in supported accommodation
- Refurbishment of Glenbourne Unit, with a small reduction in beds
- Provision of a Place of Safety at Glenbourne for people detained under section 136 of Mental Health Act
- Provision of Liaison Psychiatry for Plymouth Hospitals NHS Trust

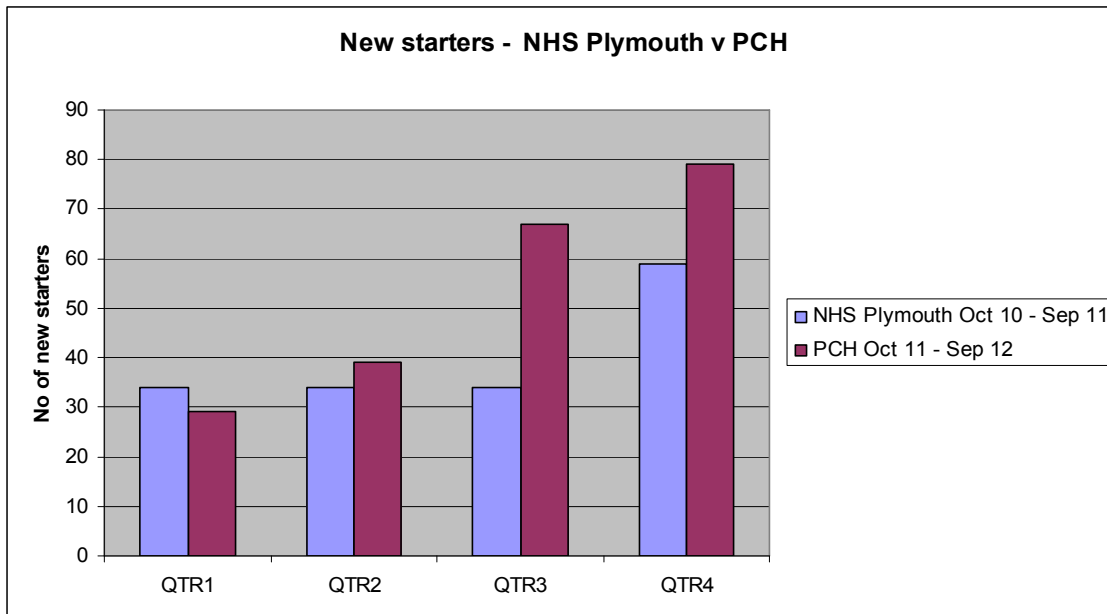
PCH anticipates that it will be required to demonstrate over £4m of QIPP (Quality, Innovation, Productivity and Prevention) efficiencies during 2013/14. Whilst the majority of these savings will be targeted for reinvestment into its own services i.e. the reduction of inpatient beds being facilitated by an investment in community based services, the scale of the overall change is still significant.

Other changes include:

- Changes to be implemented as a result of consultation on redesign of Childrens Mental Health Services
- Implementation of City-wide Rapid Access to Reablement and Crisis Support – ICE Support of access to 24hour domiciliary care support is integral to this scheme which will facilitate people staying in their own homes instead of entering into care homes and also facilitate early discharge from hospital care. **This area is critical to the smooth operation of Health – acute and community and social care**
- Extension of community delivered intravenous medication administration
- Implementation of additional Primary Care provision within Devonport
- Increase in Health Visitor numbers as part of the national plan

Contribution to City as a Major Employer

Recruitment and retention, plus our ability to offer a range of roles, from apprenticeships to qualified healthcare staff is critical to our service delivery and to the economy as a whole. Our track record over the past 12 months has been encouraging – see diagram below:



However, the ability to recruit highly experienced staff will be enhanced through the development of an Academic Health Partnership with the University of Plymouth, enabling us to offer potential portfolio careers in areas such as Primary Care, therapy and Nursing.

Equally, we are rolling forward the work established within the Options team to help facilitate return to employment by working with the Job Centres in the City.

We will expand our opportunities to provide career advice within schools and academies to help students make informed decisions regarding careers, this will include additional work experience opportunities.

Internal work streams

The following areas relate to some of the key challenges being addressed within PCH.

Workforce Planning

As the majority of the organisations costs and inflationary pressures relate to our employees, it can be expected that the CRES programme would focus the most significant element of its financial savings in this area. Conversely, it is also the most difficult area to deliver recurrent savings from in a manner that doesn't impact on the quality of patient care. There will be a clear requirement for all future plans to have this element as a core part of the future workforce design. Each Locality/Directorate manager will be provided with a customised spend profile for their area and a proposed CRES plan for the delivery of workforce savings. A high level analysis of this is includes:

- Implementing further skill mix reviews, recruitment to 80 Assistant Practitioner roles, replacing other roles within existing structures, through natural turnover etc
- Increase in efficiency within community teams through mobile technology, etc
- Constant review of management overhead costs

Reduction in Sickness Levels

Plymouth Community Healthcare currently set a target of allowable sickness level of 3.5%. Unfortunately, the current level of achievement is significantly in excess of this and has not changed since the inception of the organisation.

This CRES programme is therefore focused on the improvement in the level of sickness within the organisation, down to the required 3.5% over the next 3 years. Again, this will be a significant challenge for the organisation as it has not managed sickness to this level previously. This will include ensuring access to Occupational Health is appropriate, ensuring that all policies are reviewed and that additional training and support is given to managers in the appropriate management of sickness.

Review of Temporary Staffing

The use of temporary staffing (whether through NHS Professionals or other Staffing Agencies) will always be a requirement in order to allow for unplanned staff absences and to provide short term cover for specific service issues. As part of skill mix reviews and in reviewing contracts for temporary staffing, we aim to reverse the current trend in increased costs.

Reduction in Corporate Costs

There is an ongoing commitment by PCH that it will continue to reduce its corporate costs as part of its focus on the delivery of high quality clinical services. This will mean that these areas are expected to deliver a significantly higher proportion of savings compared to their actual turnover.

The Finance function of PCH has already delivered in excess of £1m of savings through the redesign of the Facilities, Estates and Business Development functions. Therefore the

future plans require a commensurate reduction in the Workforce Development and Governance directorates.

Rationalisation of Estates

The rationalisation of PCH's estate has been identified as a priority. This savings programme is based upon the proposed changes with the assumption that any revisions will provide savings. PCH already shares properties with other agencies and further opportunities to share facilities with other agencies are being explored. The proposed changes will require both a review of the way services are provided within the community and the more intensive use of the remaining estate.

Procurement Review

This scheme has been carried forward from the previous financial year as its implementation was delayed due to a lack of support from PCH's external procurement specialists. An independent consultant has now been appointed to work with the Prosthetics and Orthotics in order to reduce the overall amount of money spent in purchasing these items.

Reduction in Pharmacy Expenditure

Plymouth Community Healthcare currently spends over £1.5m on the supply of drugs to patients as part of its provision of healthcare. This programme will be required to focus on the level of spend on this area and reduce it overall through the improved management of drugs spend based upon an approved formulary basis.

Capital Programme and Leases

Plymouth Community Healthcare currently undertakes a capital programme on behalf of its primary commissioners, NHS Plymouth. The PCT owns all of the assets used by PCH and the capital programme therefore supports the maintenance and improvement of its Buildings, Land and Equipment.

The Department of Health have now established a new private property company to own and manage all of the estate currently on the PCT's balance sheet. It is anticipated that these assets will transfer to the new company 'PropCo' on the 1st April 2013 and this will therefore change the current relationship with regards to the management of both leases and the capital programme. Arrangements have yet to be fully clarified in respect of the operational aspects of this change.

Summary

In the delivery of our own service changes, there have been a number of assumptions, based upon discussions with senior managers from a number of agencies. These include:

- Continued support in the delivery of the ICE model of reablement and crisis support, including access to appropriate domiciliary care
- A requirement to ensure that service shifts from acute care are appropriately resourced
- Continued reinvestment of Mental Health resources into the delivery of the revised Recovery Model, revised acute care pathway and POS arrangements.

Stephen Waite
Chief Executive
December 2012

Briefing Note for Plymouth City Council (Scrutiny Committee).

Details of planned major changes to service delivery where the changes have the potential to impact on partners and communities e.g. through reduction in spend, significant changes to targets and level of service delivery or location of delivery.

The DSFRS finance settlement for 2013/14 and 2014/15 was only announced yesterday (19th December 2012). Due to timing issues, the proposals for 2013/14 and 2014/15 are not yet agreed or in the public domain. Members of the Fire Authority will be considering options for change at their meeting on the 18th January 2013. This will then lead in a full public consultation before any decisions are made. However, it is clear from the reduction in grant outlined above that changes will need to be made in order to meet the revised budget. These will be prepared with a view to minimise the impact on the public and any changes will be evidence based and subject to public consultation and engagement with staff.

Context setting – national requirements and policy drivers

The Service draws funding from two main sources - Government grant and local Council Tax precept, in broadly equal proportions. Two years ago it was announced that the grant element for FRs was to be reduced by 25% over four years. This has been applied to date by means of a formula, rather than being equally shared, with 13% of the reduction to be applied over the next two years.

The Government announced in December 2012 that the Government Grant for Devon & Somerset Fire and Rescue Service will be reduced by 10.3% in 2013 and a further 7.3% in 2014. We are acutely aware that the Chancellor of the Exchequer has also extended the period of austerity until 2018 so the financial outlook for us as a service is challenging. Whilst we do not know what savings will be applied in 2015-2018, we know that we will have to operate with a reduced budget.

In response, we have three main options to solve the gap in funding announced: (1) We meet the shortfall by just putting up council tax (this could equate to as much as a 24% increase) which we are not recommending (2) We close fire stations and make staff redundant or (3) We look to do what many other organisations are doing and reform what we do and in the process aim to minimise the negative impact on the public and our staff whilst meeting the savings target at the same time. Our planning considerations focus on option (3).

We have already shown how we can improve public safety and reduce costs through the recent introduction of a Light Rescue Pump into Greenbank fire station, Plymouth which will mean we get these fire engines to you more quickly whilst at the same time saving £70k per vehicle over a more traditional fire engine. These have been well received by staff in rural and urban communities alike.

We do not plan on making redundancies at this stage as we will use our reserves to fund the salaries of staff until such times as people retire. We have worked hard over the last few years to hold vacancies and if our options are agreed in July following the consultation period, we will simply not fill these and will wait until staff naturally leave the organisation. So unlike many other private and public organisations, we are able to not force any existing member of staff on a permanent contract with us to leave.

We will however need to change the way we do business and we will engage staff and trade unions in the process. This will mean greater use of 'on call' staff, many of which are whole time fire-fighters who take out a secondary contract to respond to calls on an 'as and when' needed basis.

It is important to stress that there has been a significant decrease in fire deaths in Devon & Somerset in the last 10 years as a direct result of more prevention activity/legislation, not faster fire engines or more fire-fighters. We will always need highly trained, competent, professional and committed fire-fighters to respond to fires and emergencies when prevention activities fail but the number of fires has also fallen significantly whilst the number of fire-fighters and fire stations has remained essentially the same. However, we are simply unable to continue the same level of resourcing in some areas within a shrinking budget.

In addition, we will be able to use fire-fighters and junior officers to provide even greater support towards our emphasis on targeting those most vulnerable in society - those most at risk of dying in a fire have high risk factors such as drug/alcohol dependencies and mobility/ill health problems. Many of these people are known to other agencies and by us working more closely with police, social services and health agencies, we will be able to focus time, effort and money into protecting those most at risk.

We plan to hold a series of road shows across Devon & Somerset to better outline our thinking, to listen to your concerns and alternative suggestions and to inform a subsequent decision by the Fire Authority in the Summer.

The options being considered support a reshaped service that we believe can still provide a long term resilient and sustainable emergency service. It will mean changes for local communities and also for staff. In moving forward, we are proposing changes to the way we match our resources to community risk. At the same time our ambition remains to avoid compulsory redundancies.

Headline budget messages – key areas of budget reduction and likely impact on partners and service users, performance against high level delivery of efficiency plans.

All public services need to make considerable savings and Devon & Somerset is no exception. We have worked hard over the last few years to avoid having to make compulsory redundancies and have held vacancies, only filling necessary posts with staff on fixed term contracts – some of which we will now cease. We have managed down budgets and have been able to put considerable sums of money into our reserves which will now act as a buffer to again assist us not making compulsory redundancies.

We are also progressing our income generation approach which is making money and this will be used to support our rebuilding/repair our fire stations in the future.

Risks and issues to delivering the city priorities including plans to tackle any underperformance and highlight areas of challenge where dependent on partners to resolve issues.

Our current resource distribution and provision is based upon national standards of fire cover devised between the two world wars. This means that the service has the same number of fire engines and fire stations largely in the same places as they have been for over 60 years. Over the following years successive governments have introduced legislation and regulations that have had a positive impact on community safety by greatly reducing the number of fire deaths e.g. the introduction of: fire safety law; foam furniture regulations; building regulations that provide a safe period of time for escape; and more recently, the need for smoke alarms.

In the last ten years alone there has been a 48% reduction in the number of fires nationally, and fire deaths have been reduced to a new low nationally of 304 in 2011/12. This improved level of community safety is to be celebrated as a success story. It also highlights that it is time to reconsider the distribution of resources committed to providing our service when incidents are reducing, especially when costs have risen over the same period and we don't always have the right resources in the right place. For illustration, in 2011/12, 71% of our stations had two or less incidents per week. One of our whole time stations attended 120 incidents on its station ground in that year. Our new 'on call' staff availability management system (Gartan) identified in a 12 month period that several fire stations did not have sufficient crew to respond during the day on a regular basis and that the total amount of time when on call stations were not available for emergency response was 51,525 hours, which equates to 6 fire engines permanently unavailable.

By making some changes, we aim to improve public safety (as we will have more staff doing prevention work and our experience has shown that increases in prevention activity is the best way to save lives) and ensure that we don't make staff redundant. We will also be able to provide guaranteed cover on some fire stations that are often not available and in doing so will improve our operational performance standards.

Our operational and prevention based analysis has been recognised nationally and staff involved received prestigious national awards earlier this year which further validates our underpinning data and approach. We have also used a Government provided computer modelling tool which has been used for many years by the vast majority of fire services.

Critical risks to delivering services provided in partnership; including areas of support required from partners to improve delivery and identification of blockages.

DSFRS has seconded an officer to the Plymouth and Devon Race Equality Council in order to assist us focus our time, effort and advice in those areas where people are most at risk, including migrant workers and those who do not have English as their first language.

We intend to further enhance our cross cutting work with each of our constituent authorities to ensure that those who are most at risk are protected as best we can by working better together. We do not plan on reducing our prevention services.

We will be able to use fire-fighters and junior officers to provide even greater support towards our emphasis on targeting those most vulnerable in society - those most at risk of dying in a fire have high risk factors such as drug/alcohol dependencies and mobility/ill health problems. Many of these people are known to other agencies and by us working more closely with police, social services and health agencies, we will be able to focus time, effort and money into protecting those most at risk.

To effectively and efficiently promote community safety, the Authority works to engage with communities, understand their values and the services they need. We work in partnership with agencies and organisations who represent vulnerable groups in the community most at risk from an emergency. The range of community safety prevention activities includes: schools fire safety education; home safety visits; arson reduction programmes; youth inclusion programmes; investigation of fires to identify cause and impact, including hate crime; reduction of unwanted fire signals and road traffic incident reduction.