

Public Document Pack



Tracey Lee
Chief Executive

Plymouth City Council
Civic Centre
Plymouth PL1 2AA

Please ask for Nicola Kirby, Democratic
Support
T 01752 304867
E nicola.kirby@plymouth.gov.uk
www.plymouth.gov.uk/democracy
5 November 2012

CABINET

Tuesday 13 November 2012
2 pm
Council House (Next to the Civic Centre), Plymouth

Members:

Councillor Evans, Chair
Councillor Peter Smith, Vice Chair
Councillors Coker, Lowry, McDonald, Penberthy, Vincent and Williams.

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

This agenda acts as notice that Cabinet will be considering business in private if items are included in Part II of the agenda.

Tracey Lee
Chief Executive

CABINET

NOTICE

FURTHER NOTICE OF INTENTION TO CONDUCT BUSINESS IN
PRIVATE

(Pages 1 - 2)

AGENDA

PART I (PUBLIC MEETING)

1. APOLOGIES

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

2. DECLARATIONS OF INTEREST

(Pages 3 - 4)

Cabinet Members will be asked to make any declarations of interest in respect of items on this agenda. A flowchart providing guidance on member interests is attached to assist councillors.

3. MINUTES

(Pages 5 - 12)

To sign and confirm as a correct record the minutes of the meeting held on 16 October 2012.

4. QUESTIONS FROM THE PUBLIC

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

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

5. CHAIR'S URGENT BUSINESS

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

6. TRADED SERVICES WITH SCHOOLS (MAINTAINED SCHOOLS AND ACADEMIES)

(Pages 13 - 26)

The Director for People and the Director for Corporate Services will submit a report on an analysis of the services offered to schools in the light of the changing educational landscape and further delegation of funding to schools directed through national school funding reform. This will inform the prospectus of Service 4 Schools which must be published in December 2012 for the period April 2013 to March 2014.

7. GAMBLING ACT 2005 - THREE YEAR REVIEW OF THE STATEMENT OF PRINCIPLES (Pages 27 - 72)

The Director for Place will submit a report on the three year review of the City Council's Gambling Act Statement of Licensing Policy and recommending that the City Council adopts the draft policy to commence from 31 January 2013.

8. ROYAL WILLIAM YARD - COAST PATH LINK (Pages 73 - 78)

The Director for Place will submit a report following the offer of a grant by Natural England to facilitate the delivery of a project to re-route the South West Coast Path through Devil's Point Park to connect this area to the Royal William Yard.

9. LOCAL TRANSPORT BODIES AND MAJOR SCHEME FUNDING (Pages 79 - 82)

The Director for Place will submit a report on the devolution of transport major scheme funding to new Local Transport Bodies and to ask Cabinet to nominate Plymouth City Council's representative on the Heart of the South-West Local Transport Body.

10. REVENUES AND BENEFITS PERFORMANCE UPDATE (Pages 83 - 90)

The Director for Corporate Services will submit a report providing an update on the performance of the Revenues and Benefits service.

11. FINANCE - CAPITAL AND REVENUE MONITORING REPORT (INCLUDING ADDITIONS TO THE CAPITAL PROGRAMME TO BE APPROVED AT COUNCIL) (Pages 91 - 114)

The Corporate Management Team will submit a report outlining the financial position of the Council as at the end of September 2012 and will recommend further actions to address the projected overspend in order to achieve a balanced budget at year end. The report will also detail a number of new capital schemes for approval.

12. POOLING OF BUSINESS RATES IN DEVON FOR 2013/14 (Pages 115 - 122)

The Director for Corporate Services will submit a report on the new business rates retention scheme and the business rates pooling proposal for the Devon region.

13. CAPITAL INVESTMENT FOR THE REPLACEMENT OF MINIBUSES (Pages 123 - 138)

The Director for Place and the Director for People will submit a report seeking approval to implement Phase 2 of the Council's Strategic Vehicle, Plant and Specialist Equipment Replacement Programme relating to the purchase of 26 minibuses for adult social care, home to school transport and special schools. The report will also recommend that the City Council adds the project to the capital programme 2013-15. A separate private report will also be submitted (item 16 below refers).

14. CAPITAL INVESTMENT FOR THE REPLACEMENT OF PLANT AND EQUIPMENT (Pages 139 - 148)

The Director for Place will submit a report seeking approval to implement Phase 3 of the Council's Strategic Vehicle, Plant and Specialist Equipment Replacement Programme to renew equipment used by the Street Scene Services and cemeteries. The report will also recommend that the City Council adds the project to the capital programme 2013-15. A separate private report will also be submitted (item 17 below refers).

15. 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 items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

(Members of the public to note that, if agreed, you will be asked to leave the meeting).

PART II (PRIVATE MEETING)

16. CAPITAL INVESTMENT FOR THE REPLACEMENT OF MINIBUSES (E3) (Pages 149 - 154)

Further to item 13, the Director for Place and the Director for People will submit a report on the cost benefit analysis relating to Phase 2 of the Council's Strategic Vehicle, Plant and Specialist Equipment Replacement Programme relating to the purchase of minibuses for adult social care, home to school transport and special schools.

17. CAPITAL INVESTMENT FOR THE REPLACEMENT OF PLANT AND EQUIPMENT (E3) (Pages 155 - 162)

Further to item 14, the Director for Place will submit a report on the cost benefit analysis relating to Phase 3 of the Council's Strategic Vehicle, Plant and Specialist Equipment Replacement Programme to renew equipment used by Street Scene Services and cemeteries.

18. EDUCATION CATERING SERVICE - THE CONTINUED PROVISION OF A CITY-WIDE SCHOOL MEALS SERVICE POST SCHOOL FUNDING REFORM (E3) (Pages 163 - 182)

The Director for People will submit a report on the options available to the Council in relation to the future provision of a school meals' service in the light of school finding reforms.

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FURTHER NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE



5 NOVEMBER 2012

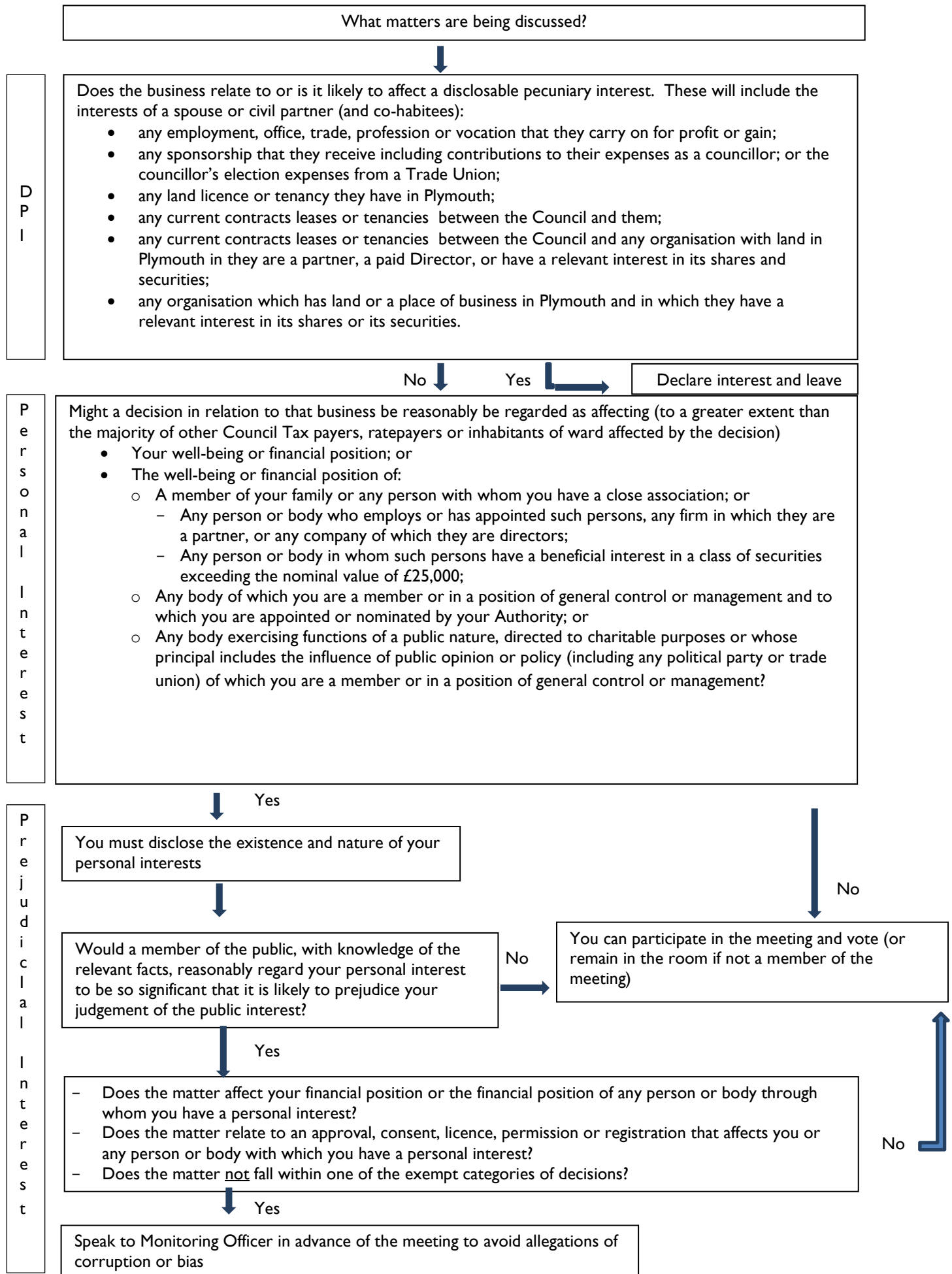
REGULATION 5 OF THE LOCAL AUTHORITIES (EXECUTIVE ARRANGEMENTS) (ACCESS TO INFORMATION) (ENGLAND) REGULATIONS 2012

A Notice was published on 15 October 2012 indicating that the Cabinet meeting on 13 November 2012 is likely to move into private session to consider the following decisions under Section 100A(4) of the Local Government Act 1972 where the press and public may be excluded from the meeting on the grounds that it/they may involve the likely disclosure of exempt information in accordance with Part 1 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

No representations have been received in respect of the following -

Title	Exemption Paragraph
Education Catering Service – the continued provision of a city-wide school meals' service post school funding reform	Paragraph 3
Capital investment for replacement of minibuses	Paragraph 3
Capital investment for replacement of plant and equipment (Street Scene Services)	Paragraph 3

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Cabinet

Tuesday 16 October 2012

PRESENT:

Councillor Evans, in the Chair.
Councillor Peter Smith, Vice Chair.
Councillors Coker, McDonald, Penberthy and Vincent.

Also in attendance: Tracey Lee (Chief Executive), Bob Coomber (Interim Chief Executive), Adam Broome (Director for Corporate Services), Anthony Payne (Director for Place), Tim Howes (Assistant Director for Democracy and Governance), Anita Martin (Group Accountant), John Searson (Principal Adviser (Schools and Settings)), Chris Trevitt (Head of Capital and Assets), Jackie Young (Sustainability Manager), Richard Longford (Head of Communications) and Nicola Kirby (Senior Democratic Support Officer (Cabinet)).

Apologies for absence: Councillors Lowry and Williams.

The meeting started at 2 pm and finished at 3.05 pm.

Note: At a future meeting, the Cabinet will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

68. **TRACEY LEE, CHIEF EXECUTIVE**

The Leader welcomed Tracey Lee, the newly appointed Chief Executive, to this her first meeting of Cabinet.

69. **DECLARATIONS OF INTEREST**

In accordance with the code of conduct, there were no declarations of interest made by members in relation to items under consideration at the meeting.

70. **MINUTES**

Agreed the minutes of the meeting held on 11 September 2012, subject to the correction of the spelling of William Woyka in minute 59.

71. **QUESTIONS FROM THE PUBLIC**

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

The question and the response were circulated and in the absence of Mr Sharpe, the written response would be sent to him.

Question No	Question By	Cabinet Member	Subject
Q9 (12/13)	Mr F E Sharpe	Councillor Vincent	Downham School Site
Please could residents of the two Plymstock wards be asked what they would like to see built on the site of the recently closed Downham School site on Horn Lane Plymstock.			
Response: I can confirm that any consultation on disposal of Downham School site would be through the planning process.			

CHAIR'S URGENT BUSINESS

72. Challenge to English GCSE Results 2012

The Director for People submitted a written report indicating that a request had been received from the Leaders of Leeds, Lewisham and Manchester City Councils to join a consortium to legally challenge the decisions of Ofqual and the examination boards Edexcel and AQA in respect of the June 2012 English GCSE results and recommending that Plymouth City Council also becomes a party to these proceedings.

The report advised Members that the Council would be liable to part fund the costs of Counsel representing the consortium, with total likely costs between approximately £65,000, and £420,000 depending on the outcome of the challenge and the final number of members of the consortium. At present nine Councils and two other authorities had agreed to become a party to the proceedings and two other parties had agreed to make a financial contribution to the costs of the consortium. A further 36 Councils had already indicated their support and were seeking ratification through their democratic process, decreasing the potential liability significantly.

Cabinet Members were advised that a sum of £24,000 had been set aside in the school intervention budget for this purpose.

Cabinet was asked to deal with this matter as an urgent decision because Counsel needed to know which Councils would be parties to the proceedings in order to be able to lodge the court papers with the court. This needed to happen as soon as possible to be able to comply with the court time limits. Councillor Mrs Aspinall, Chair of the Overview and Scrutiny Management Board, had given her approval to the urgent decision.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed that –

- (1) the Council becomes a party to the Judicial Review of the decisions of Ofqual, Edexcel and AQA in respect of the June 2012 English GCSE results;
- (2) the London Borough of Lewisham leads the legal action;
- (3) the Head of Law of the London Borough of Lewisham will act on behalf of the Council in connection with this Judicial Review;
- (4) the Council understands and accepts the costs and consequences of participating in these proceedings.

Note: This item has been designated as urgent in accordance with the provisions of the Constitution and is not subject to the call in procedure.

73. **Jubilee Investigation**

Councillor Evans (Leader) reported on the circumstances where a number of people from Plymouth and Bristol were taken to London during the Jubilee celebrations, as part of a work experience programme organised by Tomorrow's People, and were subsequently abandoned. The Interim Chief Executive and the Leader had met with Baroness Stedman Scott to voice the Council's concerns and as a result, an investigation report had been prepared on the incident. The report recognised failures in some of the systems for contractors and sub-contractors, recognised that practices would need to change in the future and indicated that events would need to be risk managed.

The Cabinet welcomed the fact that the Council's concerns had been taken seriously and that there had been an acknowledgement of the failure of the arrangements put in place. As a result, contractors and the employees had been reminded of their duties.

Councillor Evans asked officers to publish the report on the Council's website.

74. **Boundary Commission Review**

Councillor Evans (Leader) advised Cabinet Members that proposals for parliamentary constituencies had been published by the Boundary Commission and that the matter would be discussed at the next meeting of the City Council on 3 December 2012.

(In accordance with Section 100(B)(4)(b) of the Local Government Act, 1972, the Chair brought forward the above items for urgent consideration because of the need for a Cabinet decision (minute 72 refers), to advise Cabinet Members of the outcome of the investigation (minute 73 refers) and to advise Cabinet Members of the publication of the proposals (minute 74 refers).

75. **RENEWAL OF THE CITY'S FAIRTRADE CITY STATUS**

The Director for Place submitted a written report –

- (a) indicating that the Fairtrade Foundation had introduced a new renewals process requiring the Council to produce an action plan with five goals –
 - Council commitment;

- retail and catering;
 - workplace and community links;
 - media links;
 - ‘making it happen’.
- (b) advising that the city’s draft Fairtrade Action Plan had been in development in partnership with the Fairtrade Plymouth Network since March 2012 and final commitment was sought before inclusion in the renewal application;
- (c) indicating that goal 1 required the Cabinet to adopt an agreement that supported the promotion and use of Fairtrade products wherever possible in the Council and supported the renewal of the Fairtrade City status;
- (d) informing members that the renewed commitment to the principles of Fairtrade was considered to be fundamental to the Council’s broader aspirations for cooperative action, with local opportunity and global implications underpinning much of the delivery of its agenda for change;
- (e) on the proposed Cabinet agreement recommended by the Fairtrade Plymouth Steering Group;
- (f) indicating that Councillor Penberthy had been identified as the Council’s representative on the Fairtrade Steering Group.

Councillor Penberthy (Cabinet Member for Cooperatives and Community Development) presented the proposals and indicated that following approval of the action plan by the Fairtrade Plymouth Network, an equality impact assessment had been developed and submitted for approval to the Social Inclusion Unit.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed that the Fairtrade Agreement is adopted, as recommended.

76. **SCHOOL FUNDING REFORM**

The Director for People submitted a written report indicating that –

- (a) the local authority determined the local schools formula to ensure equitable distribution of the Dedicated Schools Grant across all schools, in consultation with the Schools Forum;
- (b) the Department for Education had published its third consultation on the future of school funding titled Next Steps Towards a Fairer System. The national funding reform required local authorities to simplify the formula used and proposed significant change to the funding of high need pupils in both mainstream and special schools;

- (c) the report set out the recommendations of the Schools Forum following consultation with all schools;
- (d) a number of local authority school related functions were currently funded by the central element of the Dedicated Schools Grant. From April 2013, £4.3m of the grant supporting those services would be delegated to schools. For some services, maintained schools had opted to return the resources for the authority to run the services on their behalf. For other services, the authority would either replace the funding by charging or refocus services in line with the reducing requirement to deliver services on behalf of schools;
- (e) as part of the funding reform, local authorities must submit a pro-forma to the Education Funding Agency by 31 October 2012 setting out how schools and early years settings in Plymouth would be funded from April 2013.

Cabinet Members were advised that further work was being undertaken on the implications for high need pupils including those with very complex needs. Officers were also seeking agreement with other local authorities with regard to payments for children receiving education in neighbouring areas.

Alternative options and reason for the decision –

As set out in the report.

Agreed that the recommendations from the Schools Forum are accepted as follows –

- (1) the current funding formula will be reallocated across the factors permitted within the simplified approach as set out in the Plymouth schools funding pro-forma. The pro-forma to be submitted to the Education Funding Agency before 31 October 2012 detailing the formula which will be used to fund Plymouth schools from April 2013;
- (2) early years funding from April 2013 will be allocated in accordance with the early years pro-forma which to be submitted to the Education Funding Agency before 31 October 2012;
- (3) a fund of £0.350m will be retained in 2013/14 to support the coordinated approach to pupil number growth related to basic need;
- (4) the future delivery of central services as set out in paragraph 2.5 of the written report;
- (5) of the funding released from transferring high needs pupils to top-up funding, £0.750m will be retained within the high needs block to support schools with exceptionally high cohorts levels of SEN pupils.
- (6) a Single Banding Framework will be introduced for funded specialist provision from April 2013.

77. **COMMUNITY RIGHT TO CHALLENGE**

With reference to minute 33, the Director for Corporate Services submitted a written report recommending the detailed process for the administration of expressions of interest under the community right to challenge, following consideration by the Overview and Scrutiny Management Board on 5 September 2012.

Councillor Penberthy (Cabinet Member for Cooperatives and Community Development) presented the proposals and reported that the Overview and Scrutiny Management Board had asked for the scheme to be reviewed in 12 months' time.

Alternative options considered and reason for decision -

As set out in the report.

Agreed that, in considering expressions of interest under the community right to challenge -

- (1) the Council receives expressions of interest for any service twice a year (in the months of February and August);
- (2) the expressions of interest are approved, rejected or amended by the Monitoring Officer in consultation with the Cabinet member for Cooperatives and Community Development. Where the expression of interest has a particular impact on a specific ward, then the ward councillors should also be consulted;
- (3) the expression of interest should include the following additional requests for information:
 - (a) explain how a local (city based) workforce would be maintained and guaranteed;
 - (b) identify what are the positive impacts to be brought to the local economy;
 - (c) state where the contract would be managed from;
 - (d) advise how the bid would ensure compliance with the Public Services (Social Value) Act 2012;
 - (e) explain how the Council's corporate plan and vision for the City would be supported;
- (4) the maximum response time for responding to expressions of interest will be 30 days from the end of February/August.
- (5) in setting the time for the commencement of the procurement exercise, the Council will follow its current procurement rules which are appropriate for the particular expression of interest.

78. **TO PROCURE A FRAMEWORK FOR EMERGENCY REPAIRS AND STATUTORY COMPLIANCE FOR PLYMOUTH CITY COUNCIL CORPORATE PROPERTY**

The Director for Corporate Services submitted a report on a proposal to procure a framework for the provision of emergency repairs and statutory compliance for Plymouth City Council Corporate Property which would also be made available to schools as required.

It was anticipated that £150,000 annual savings would be made by utilising the economies of scale by packaging works into framework lots. Additionally, process savings of £20,000 would be made if the proposals were adopted. There was potential for further savings to be made in the Transaction Centre which would be reviewed as a wider piece of work.

Cabinet Members asked officers to ensure that the procurement documents complied with the Public Services (Social Value) Act 2012 and were advised that the decision on the contract award would be made by Cabinet following the procurement process.

Alternative options and reason for the decision –

As set out in the report.

Agreed the procurement of a framework for emergency repairs and statutory compliance services, for a maximum term of four years, with a break clause at year three. The framework will be split into appropriate lots related to discipline: building repairs, mechanical repairs, electrical repairs, mechanical and electrical compliance works, security and fire services, water hygiene compliance, catering equipment and specialist services (lift maintenance) with reduced maintenance and process costs of £170,000 per annum.

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PLYMOUTH CITY COUNCIL

Subject:	Traded Services with Schools (Maintained schools and academies)
Committee:	Cabinet
Date:	13 November 2012
Cabinet Member:	Councillor Williams and Councillor Lowry
CMT Member:	Carole Burgoyne (Director for People) and Adam Broome (Director for Corporate Services)
Author:	Anita Martin, Group Accountant (Education, Learning and Family Support)
Contact:	Tel: 01752 307433 email: anita.martin@plymouth.gov.uk
Ref:	
Key Decision:	Yes
Part:	I

Purpose of the report:

The Services 4 Schools directory formerly known as Trading Fair is the reference source of traded services for headteachers and governing bodies. It lays out details of services that the Council offers to support leadership, management and raising attainment in schools. The directory, which is prepared annually, also includes services which can be subscribed to for a three-year contract period.

With the changing educational landscape and further delegation of funding to schools directed through national school funding reform, an analysis of the services offered to schools is necessary to ensure that the services the Council offers can demonstrate value for money, generate significant income and/or have strategic benefit for the Authority.

The prospectus of Service 4 Schools must be published in December 2012 to enable the Authority to enter into an increasingly competitive market for the period April 2013 to March 2014.

Corporate Plan 2012-2015:**Provide Value for Communities:**

The review will lead to better value services being delivered by driving improved internal efficiencies and generating income in line with cost to ensure the Council does not inappropriately subsidise services offered to schools.

Deliver Growth:

Traded services with schools directly supports the employment of more than 80 full time equivalent staff in the Council. Expanding the services outside of the City boundaries has the potential to generate additional income for the City and create additional employment opportunities.

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

Offering traded services to schools currently generates income in excess of £3.6m per annum and directly employs more than 80 full time equivalent staff in the Council. Whilst the majority of services generate adequate income to cover the direct cost and make a contribution to the Council's overheads, some services are currently operating at a loss. Continuing to offer services to schools, in line with the agreed charging policy, will help to secure this significant source of income and employment opportunities whilst ensuring that the Council does not inappropriately subsidise the services offered.

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

None known

1. Recommendations & Reasons for recommended action:

1. The principle of continuing to offer services to schools through the Prospectus of Services 4 Schools should be agreed.
2. The prospectus should be simplified to cover a core offer of services which provide value for money, generate significant income and/or have strategic benefit for the Council. Other services could still be offered direct to schools on a pay as you go basis and should be priced appropriately using a full cost recovery rate according to the work required.
3. A charging policy should be agreed which expects services to cover the marginal cost of selling services to schools and make a contribution towards the Council's fixed costs wherever possible. The relevant Director should review and approve exceptions to this policy if the service is considered to have significant strategic benefit to the Council or where a robust business plan indicates that an incremental charging policy is required to support the longer term viability of the service.
4. Services which cannot recover cost and do not have significant strategic benefit to the Council should be discontinued.
5. The Council should maximise the value of good quality and efficient services by expanding the offer outside of the City boundaries.
6. The simplified prospectus of services covering the period April 2013-March 2014 should be published in December 2012 to enable the Council to fully establish its position in the market.
7. The proposed core offer, pay as you go options, commercially available services which will be signposted from the prospectus and services which will be removed from the prospectus shown in Annex A should be agreed. Cabinet note the risk and mitigating action for each service.

Alternative options considered and reasons for recommended action:

The alternative option would be to discontinue offering all services to schools which would have a significant impact on the Council and its employees and schools.

Background papers:

Services 4 Schools – Analysis of local authority services traded with schools (Confidential – exemption paragraph 3 applies)

Sign off:

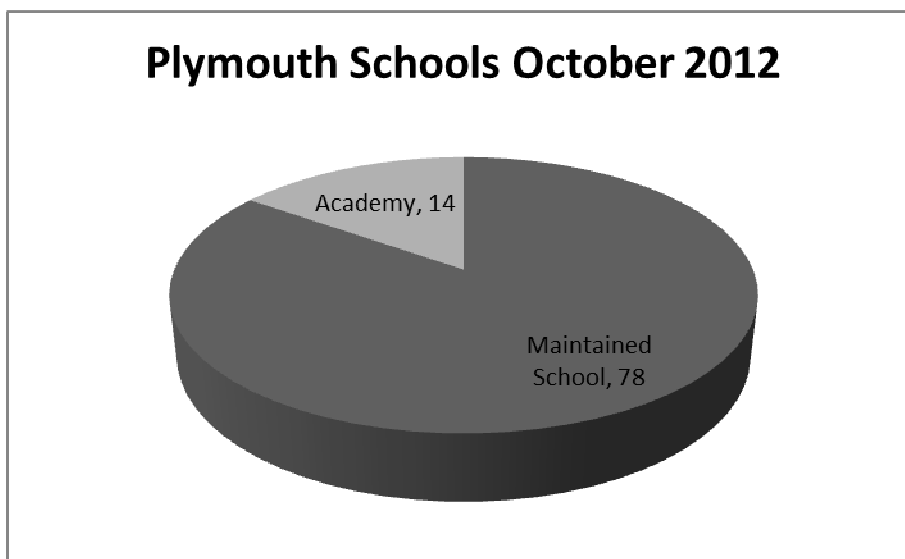
Financ e	People FEC12 I3009 SA 251012	Leg	LTI 5948	HR		Corp Prop		IT		Strat Proc	
Originating SMT Member Maggie Carter											
Have you consulted the Cabinet Member(s) named on the report? Yes											

1.0 Introduction

- 1.1 The Services 4 Schools directory formerly known as Trading Fair is the reference source of traded services for headteachers and governing bodies. It lays out details of services that the Council offers to support leadership, management and raising attainment in schools. The directory, which is prepared annually, also includes services which can be subscribed to for a three-year contract period.
- 1.2 With the changing educational landscape and further delegation of funding to schools directed through national school funding reform, an analysis of the services offered to schools is necessary to ensure that the services the Council offers can demonstrate value for money, generate significant income and/or have strategic benefit for the Authority.

2.0 Plymouth Schools Context

- 2.1 In 2008, Plymouth set in place its policy direction for all schools to develop autonomy, either through the formation of a trust or academy status. This strategy for change, known as Investment for Children, outlined the Council's plans for maintaining the school estate. The strategy was adopted by Full Council in December 2008 and it remains the Council's policy for all schools to develop independence through vertical networks of schools serving their localities.
- 2.2 Since 2008 the school estate has changed significantly by the conversion of schools to academy status and the transfer to charitable trust.



- 2.3 Despite these changes, which are expected to continue over the next few years, Plymouth has treated all schools as part of the 'family' irrespective of their category as the vast majority of schools teach Plymouth children.

3.0 Trading Position 2012/13

Service	Projected Income (2012/13) £m	No of Maintained School Customers	No of Academy Customers
Building Cleaning and Caretaking	1.088	21	0
Risk Management and Insurance	0.883	78	11
HR&OD – Payroll and Pensions	0.243	77	7
HR&OD – Advisory Services	0.199	77	0
HR&OD – Health and Safety/Other	0.027	21	2
Schools Library Service	0.371	65	9
Schools Accountancy Team	0.192	78	2
Education Welfare (Academy only)	0.124	0	12
Copyright and other licences	0.099	78	14
Transactions Centre – Creditor Payments	0.048	77	0
Transactions Centre – Cash Collection	0.040	71	0
Transactions Centre – Income and Debt Recovery	0.007	77	0
Plymouth Leadership Advisors	0.085	47	4
Governor Development Team	0.057	78	12
Devon Audit Partnership	0.051	77	0
Plymouth Life Education Centre	0.048	41	3
Legal Services	0.042	73	3
School Admissions (Academy only)	0.025	0	12
Corporate Communications	0.018	55	4
Plymouth Centre for Faiths & Cultural Diversity	0.017	49	9
Fischer Family Trust Data Subscription	0.017	68	13
Early Years Advisory Service	0.012	33	2
Smaller services generating less than £0.010m	0.028		
Total Traded Services Income	3.721		

4.0 Streamlining of Traded Services Offer

4.1 Currently in excess of 94 services are offered through the Prospectus of Services 4 Schools. Of the 94 services offered:

- 22 services have more than 50% take-up by maintained schools
- 16 services are collecting less than £5,000 income per annum
- 49 services have no annual subscription income but could be charging schools outside of the prospectus arrangements

- 4.2 The prospectus is over complicated and includes services which have no or little buyback. The current offer creates an unnecessary administrative burden and causes confusion for schools as the customer.
- 4.3 Consideration has been given to how the prospectus could be simplified to cover a core offer of services which provide value for money, generate significant income and/or have strategic benefit for the Council. Other services could still be offered direct to schools on a pay as you go basis and priced appropriately using a full cost recovery rate according to the work required.
- 4.4 The proposed core offer, pay as you go options, commercially available services which will be signposted from the prospectus and services which will be removed from the prospectus are shown in Annex A.

5.0 Analysis of Top Services

- 5.1 A detailed review of the top services which are generating income in excess of £0.045m per annum has been undertaken which included:

- a) Overview of the service offered to schools
- b) Take-up rates
- c) Summary of income, expenditure and staffing
- d) Contribution to the Councils overheads
- e) Strategic value
- f) Competitor/market evaluation
- g) Proposals for the 2013/14 service offer

The review of each service is included in the report titled: Service 4 Schools – Analysis of local authority services traded with schools. The detailed review will be expanded to cover services generating income below £0.045m as part of finalising the 2013/14 offer.

- 5.2 The summary of the income, expenditure and staffing of the services analysed is shown in the table below:

	£m
Expenditure	3.503
Income	3.653
Trading Surplus/ (Deficit)	0.150
Full Time Equivalent (FTE) Staff Employed	80.00

- 5.3 The Council offers a number of good quality services to schools which is evidenced by the buyback levels and the income generated in an increasingly competitive market.
- 5.4 Many of the services offered have a strategic benefit for the Council. Without the traded service element it would be increasingly difficult for the Council to carry out its statutory and regulatory duties.
- 5.5 Whilst the majority of services are charged on a full cost recovery basis, some services are currently making a loss.

- 5.6 Other local authorities and commercial entities are actively promoting their services to Plymouth Schools. Good quality and efficient services could be expanded outside of the City boundaries.

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Service	Sub-Service Area	Directorate	Risk and Mitigation
Core Services			
Building Caretaking and Cleaning Services	Not applicable	Corporate Services	Reducing school buyback and impact on overhead recovery. Options appraisal for future service delivery and overhead apportionment
Children's University	Not applicable	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/13
City Youth Council and Junior Life Skills/Model United Nations	Not applicable	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
Communication Skills Resource Bank (CSRB) and Dyspraxia Resource Base (DRB)	Not applicable	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
Copyright and other Licences	Not applicable	People	None assessed
Corporate Communications	Not applicable	Executive Office	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
Devon Audit Partnership Financial Services	Internal Audit	Corporate Services	None assessed
Early Years' Service Advisory Support, Childcare 0 - 19 and Children's Centres	Not applicable	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
Education Welfare	Academies only	People	Service not yet recovering cost. Review statutory responsibilities for academy pupils and amend pricing accordingly
Ethnic Minority Achievement Team Support	Not applicable	People	New service offer to be developed in line with school funding reform. Buyback levels will determine staff restructuring and possible redundancies
Fischer Family Trust (FFT) Data Subscription Offer	Not applicable	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/13
Governor Development Team	Governor Development	People	None assessed
	Clerking Service	People	Service not yet recovering cost. Develop business plan to show the viability of the service and discontinue if necessary
Human Resources and Organisational Development	Payroll and Pensions	Corporate Services	True overhead costs not yet established. Service currently makes a small contribution to overhead costs. Future pricing to be reviewed.
	Advisory Services	Corporate Services	
Legal Services	Not applicable	Corporate Services	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/13
Plymouth Centre for Faiths and Cultural Diversity	Not applicable	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/13

Service	Sub-Service Area	Directorate	Risk and Mitigation
Plymouth Leadership Advisers – Leadership Offer	Not applicable	People	Prices will be increased to cover estimated shortfall. Risk that schools will not pay increased fee which could lead to service reductions. Trading outside of city boundary will also be explored
Plymouth Life Education Centre	Not applicable	People	Service not yet recovering cost. Prices will be increased. Explore opportunities to work with public health to expand offer to more schools
Plymouth Schools Library Service	Not applicable	People	None assessed
Plymouth Youth Music Service	Not applicable	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
Risk Management and Insurance	Balance of Risks Insurance for Maintained Schools	Corporate Services	None assessed
	Main Programme for Maintained	Corporate Services	None assessed
	Playground Inspection Service for Maintained Schools	Corporate Services	None assessed
	Motor Insurance Maintained Schools	Corporate Services	None assessed
	Brokering and claims management for Academies	Corporate Services	None assessed
School Accountancy Team	Not applicable	Corporate Services	None assessed
School Admissions	Academies only	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
School Meals	Free School Meals Eligibility Checking - Academies	People	None assessed
	School Meals Service	People	School buyback will impact on overhead recovery.
Transaction Centre	Cash Collection and Processing Service – Cashier Service	Corporate Services	None assessed
	Cash Collection and Processing Service – G4S	Corporate Services	Service is currently not recovering the G4S collection charges. Assess options to reduce the G4S cost or increase charges to schools
	Creditors Payments Services	Corporate Services	None assessed
	Debt Collection	Corporate Services	None assessed

Service	Sub-Service Area	Directorate	Risk and Mitigation
Pay as you go			
Armed services schools – pre-school settings and cadet groups	Not applicable	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
Building Surveying	Not applicable	Place	None assessed
Carbon Management	Not applicable	Corporate Services	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
Children's Integrated Disability Service (ChIDS)	Not applicable	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
Coaching to Improve Teaching and Learning	Not applicable	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
Consortium of Local Education Authorities for the Provision of Science Services (CLEAPSS) - Academies	Not applicable	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
Diggin' It in the park	Not applicable	External	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
Human Resources and Organisational Development	Equal Pay Audit Toolkit - Academies	Corporate Services	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14. Some pay as you go services support the Council to fulfil its statutory and regulatory duties
	Equality Toolkit - Academies	Corporate Services	
	Occupational Health	Corporate Services	
	Recruitment and Retention	Corporate Services	
	Reward and Remuneration	Corporate Services	
	Wellbeing	Corporate Services	
Outdoor Education Advisory Service - Academies	Not applicable	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
Outdoor Education Advisory Service - Maintained Schools	Not applicable	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
Plymouth Music Zone (PMZ)	Not applicable	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
Plymouth Psychology Service	Not applicable	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
Plymouth Schools Healthy Child Quality Mark	Not applicable	People	Service currently not recovering cost but working with health to improve viability in 13/14 or discontinue if necessary
Project Services	Not applicable	Place	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
Raising Aspiration and Achievement across the Arts and Linking to Value in the Community	Not applicable	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
Safeguarding Business Team	Not applicable	People	financial review. Complete prior to setting prices for 2013/14

Service	Sub-Service Area	Directorate	Risk and Mitigation
School Admission Appeals	Not applicable	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14
School Exclusion Appeals	Not applicable	People	Smaller service not yet subject to full financial review. Complete prior to setting prices for 2013/14

Commercially Available Services (Signposted from Prospectus)			
Design Studio	Not applicable	Executive Office	None assessed
Events Team	Not applicable	Place	None assessed
Mount Batten Centre	Not applicable	External	None assessed
Parks Services	Not applicable	Place	None assessed
Plymouth Adult and Community Learning Service	Not applicable	People	None assessed
Plymouth Community Homes Services	Not applicable	External	None assessed
Plymouth Transport and Highways	Not applicable	Place	None assessed
Print and Document Services	Not applicable	Executive Office	None assessed
Public Buildings and Conference Facilities	Not applicable	Place	None assessed
Recruitment and Other Advertising – Euro RSCG Riley	Not applicable	External	None assessed
Waste Collection Service	Not applicable	Place	None assessed

Service	Sub-Service Area	Directorate	Risk and Mitigation
Services to be removed from prospectus			
Architectural Design	Not applicable	Place	None assessed
Assessment Advice and Support	Not applicable	People	None assessed
Corporate Premises - Fire Safety Advice and Training	Not applicable	Place	None assessed
Curriculum Development – Primary Support	Not applicable	People	None assessed
Customer Relations Team	Not applicable	Corporate Services	None assessed
E-Learning and E-Safety	Not applicable	People	None assessed
Facilities Management Training, Advisory and Consultancy Services	Not applicable	People	None assessed
Human Resources and Organisational Development – Online Recruitment Toolkit	Not applicable	Corporate Services	None assessed
International Education	Not applicable	People	None assessed
Premises Legislation Compliance	Not applicable	Place	None assessed
Primary Support to Improve Teaching and Learning	Not applicable	People	None assessed
Teaching and Learning in Religious Education	Not applicable	People	None assessed
Disabilities (SEND) – School Improvement Service	Not applicable	People	None assessed
Strategic Capital and Buildings	Not applicable	Place	None assessed
Strategic Property Services	Not applicable	Place	None assessed
Subject Leader Network Support – Modern Foreign Languages	Not applicable	People	None assessed
Support for Positive Play	Not applicable	People	None assessed
Sustainable Development	Not applicable	Place	None assessed
Translate Plymouth	Not applicable	People	None assessed
Workforce Development	Not applicable	People	None assessed

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PLYMOUTH CITY COUNCIL

Subject:	Gambling Act 2005 – Three Year Review of the Statement of Principles
Committee:	Cabinet
Date:	13 November 2012
Cabinet Member:	Councillor Vincent
CMT Member:	Anthony Payne (Director for Place)
Author:	Andy Netherton, Unit Manager, Safety, Health and Licensing Unit
Contact:	Tel: 01752 304742 Email: andy.netherton@plymouth.gov.uk
Ref:	GA2012/AN/I
Key Decision:	No
Part:	I

Purpose of the report:

The report provides details of the 3 year review of the City Councils Gambling Act Statement of Licensing Policy and contains a draft policy to commence from 31st January 2013. The Statement of Licensing Policy is specified within the Council's Policy Framework, therefore, Full Council is required to consider and formally adopt the revised policy prior to the expiry of the current policy on the 30th January 2013.

The Gambling Act 2005 (the Act) creates the regulatory system that governs the provision of all gambling in Great Britain, other than for the National Lottery and spread betting. The regulation of gambling aims to promote the following licensing objectives:

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime
- Ensuring that gambling is conducted in a fair and open way, and
- Protecting children and other vulnerable persons from being harmed or exploited by gambling.

Plymouth City Council is designated as a licensing authority for the purposes of the Gambling Act 2005 and is responsible for granting premises licenses within its administrative district. Gambling premises would include casinos, bingo halls, betting shops, adult gaming centres and family entertainment centres. The Gambling Commission regulate the operators of gambling activities and how gambling is undertaken.

The Act requires the Council to review and publish a Statement of Licensing Policy every 3 years on how we will exercise our functions over the three year period to which it applies. The Council's existing Statement of Licensing Policy is due to expire on the 30 January 2013, therefore the current review must be completed and the revised policy in place by the 31 January 2013 in order for the Council to be able to continue to administer this legislative function.

The Council's revised policy is divided into three parts.

- Part A sets out a **statement of principles** of how the Council, as the licensing authority, will discharge its functions, its policy on the exchange of information and the better regulation principles that will be applied;
- Part B sets out the **general principles of how the Council will consider applications**, its relationship with other agencies and the relevance of licensing conditions;
- Part C sets out **how the Council will issue gaming machine permits**.

A summary of the main changes to the existing policy is contained in Appendix A and the revised three-year policy to be effective from the 31 January 2013 is contained in Appendix B of this report.

The main changes are as follows:

- Additional requirements (adequate physical separation, screens and barriers) to limit the sub-division of premises which in turn will control the numbers of high-value gaming machines allowed.
- additional measures concerning the layout of individual premises. These are intended to reduce the risk of children being able to access age-restricted gambling activities.
- confirming the Council's position that non-payment of fees will result in the revocation of the licence.

These amendments are introduced as a consequence of revised guidance issued by the Gambling Commission and as a result of test purchase operations undertaken by the Public Protection Service.

Corporate Plan 2012 – 2015:

Deliver Growth – Gambling is a part of the local leisure and entertainment industry offered within the City. This revised policy will provide businesses with a consistent and transparent view of how the Council will consider premises licence applications in respect to the design, layout and operation of premises used for gambling activities

Reduce Inequalities – Gambling activities could negatively affect a participant's welfare. This revised policy and the licensing system will assist in minimising the risk of negative impact as far as the law allows. The statutory controls via the Gambling Commission and Local Authorities will assist in excluding children and young persons from accessing age-restricted activities, or those with any gambling addiction. The trade also operates various voluntary schemes to tackle and assist those with gambling addictions.

Value for Communities – The licensing system must be operated to minimise burdens on business, allow for communities to influence and allow for full cost recovery for the costs of administering the licensing system.

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

None

The Gambling (Premises Licence) Fees (England and Wales) Regulations 2007 sets out the standards to be followed in the setting of gambling fees and charges. The regulations do not set a specific fee that the authority must charge but set a maximum that cannot be exceeded.

The Council Constitution Scheme of Delegation has delegated responsibility for setting fees to the Licensing Committee, who have determined that its fees should be set at the maximum level to secure full cost recovery in carrying out its regulatory functions as specified in the Act.

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

Members should be aware that Section 17 of the Crime and Disorder Act 1998 puts a statutory duty on every Local Authority to exercise its various functions with due regard to the need to do all that it reasonably can do to prevent crime and disorder in its area.

The Equalities Impact Assessment concluded that the new Statement of Licensing Policy would promote equality. It is a statutory requirement that no persons under the age of eighteen shall be permitted entry to age-restricted licensed premises for the purposes of gambling, although there is no upper limit. There are no restrictions that apply to any of the other protected characteristics i.e. disability, gender, race and sexual orientation. Problem gambling can cause significant social and health problems, irrespective of socioeconomic status. The adverse impacts on family members, including children, are also clear (40% of callers to Gamcare reported gambling affected the family, friend or partner). Problem gambling can exacerbate child poverty. Parents who have a gambling problem may adversely affect their children's well-being; they are less likely to parent well; they will have less money to spend to meet their family's needs; and they may be less able to work.

According to the British Gambling Prevalence Survey 2010, overall 73% of the adult population (aged 16 and over) participated in some form of gambling in Great Britain in the past year. Problem gambling prevalence in 2010 equated to around 451,000 adults aged 16 and over in Britain. Problem gamblers were more likely to be male, younger, have parents who gambled regularly and had experience problems with their gambling behaviour and be a current cigarette smoker.

The report highlights the requirements of the policy that protect children and vulnerable persons and identifies where further work on this topic is required

The policy seeks to allow licensed premises the legitimate opportunity to undertake licensed gambling activities providing that they are lawful and within their licensing requirements, in particular in respect to the protection of young persons and other vulnerable persons.

Recommendations & Reasons for recommended action:

That Members consider this report and to:

Recommend to the City Council that the Gambling Act Statement of Licensing Policy contained in Appendix B is adopted

Alternative options considered and reasons for recommended action:

No alternative options are available

In order to comply with statutory requirements the Policy must be considered and adopted by City Council at the meeting set for 3 December 2012. There is a statutory requirement to publish the revised policy, at least four weeks before the date on which it comes into effect. Failure to meet these timescales would result in the Council not being able to process any applications after the 31 January 2013 until a new policy statement had been formally approved.

Background papers:

[Gambling Act 2005](#)

[Gambling Commission Guidance to Local Authorities](#)

[Plymouth City Council - Gambling Act Statement of Principles 2010 to 2013](#)

Sign off:

Fin	PlaceFE SC1213 003	Leg	15607/ag /1.11.12	HR		Corp Prop		IT		Strat Proc	
Originating SMT Member Anthony Payne											
Have you consulted the Cabinet Member(s) named on the report? Yes											

1.0 BACKGROUND

- 1.1 The Gambling Act 2005 (the Act) contains the regulatory system that governs the provision of all gambling in Great Britain, other than for the National Lottery and spread betting.
- The Gambling Commission is responsible for the granting of operating and personal licenses for commercial gambling operators and personnel working in the industry.
- 1.2 Plymouth City Council is designated as a 'licensing authority' for the purposes of the Gambling Act 2005 and is therefore responsible for granting premises licenses within its administrative district in respect of;
- Casino premises;
 - Bingo premises;
 - Betting premises, including tracks;
 - Adult Gaming Centres;
 - Family Entertainment Centres.
- 1.3 The Gambling Commission regulates gaming and certain lotteries. They are responsible for issuing new operating licences under the Act to organisations and individuals who are providing facilities for gambling and personal licences to certain categories of people working in the gambling industry. In general the Gambling Commission regulate the operation of the gambling activities, whilst the Licensing Authority regulates the environment in which the gambling activity takes place, such as the building.
- 1.4 The Gambling (Premises Licence) Fees (England and Wales) Regulations 2007 sets out the standards to be followed in the setting of gambling fees and charges. The regulations do not set a specific fee that the authority must charge but set a maximum that cannot be exceeded. The Council Constitution Scheme of Delegation has delegated responsibility for setting fees to the Licensing Committee, who has determined that fees should be set at the maximum level to secure full cost recovery in carrying out its regulatory functions as specified by the Act.
- 1.5 The Gambling Act Statement of Licensing Policy is specified within the Council's Policy Framework. In accordance with the Constitution the Cabinet Member for Environment referred the draft Policy to the Overview and Scrutiny Management Board for consultation. The Chair, having considered the nature of the changes and the level of consultation with other interested parties, did not wish it to be discussed by the Board.

2.0 STATEMENT OF LICENSING POLICY

- 2.1 The Act requires the Council to prepare and publish a Statement of Licensing Policy of how they will exercise their functions over the three-year period to which it applies and how it undertakes its licensing functions in a manner, which is consistent with three licensing objectives. The licensing objectives are:
- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime
 - Ensuring that gambling is conducted in a fair and open way, and

- Protecting children and other vulnerable persons from being harmed or exploited by gambling.

The Council's existing Statement of Licensing Policy is due to expire on the 30 January 2013, therefore the current review must be completed and the revised policy in place by this date in order for the Council to continue to be able to administer this legislative function.

2.2 The Council's revised policy is divided into three parts.

- Part A sets out a **statement of principles** of how the Council, as the licensing authority, will discharge its functions, its policy on the exchange of information and the better regulation principles that will be applied;
- Part B sets out the **general principles of how the Council will consider applications**, its relationship with other agencies and the relevance of licensing conditions;
- Part C sets out **how the Council will issue gaming machine permits**.

2.3 Inequalities and the protection of children and vulnerable persons is a priority for the City. The adverse impacts on family members, including children, are also clear (40% of callers to Gamcare reported gambling affected the family, friend or partner). Problem gambling can exacerbate child poverty. Parents who have a gambling problem may adversely affect their children's well-being; they are less likely to parent well; they will have less money to spend to meet their family's needs; and they may be less able to work.

2.4 The policy includes controls on all forms of gambling premises that will assist in reducing addiction and access to children. This includes;

- Preventing the location of gambling premises near unsuitable locations such as schools, youth clubs etc
- Restricting both deliberate and inadvertent access to gambling for those under 18 years old
- Ensure the physical layout and environment allows staff to identify under age persons
- Promote good practice for under age challenge schemes and ensure adequate staff training
- Promotes and supports schemes to prevent addiction or assist those with an addiction, such as through self exclusion schemes. This includes having information available on support services.

2.5 In addition every application is scrutinised by the Child Protection Team for comment. This may result in objections to the application or the requirement of additional conditions to protect children.

- 2.6 The Public Protection Team also proactively undertakes monitoring of licensed premises through test purchase operations to ensure that persons under age are denied access. Further test purchase operations are planned to test whether improvements put in place have been effective in preventing children and young persons from accessing age-restricted gambling activities which will contribute to reducing child poverty. We will also continue to work with the trade and the Gambling Commission to promote voluntary schemes, such as self-barring, to prevent and reduce gambling addiction.

3.0 PUBLIC CONSULTATION

- 3.1 The Council is required to consult publicly with stakeholders affected by the administration of its functions under the Act. A 12 week public consultation exercise was undertaken between the July and September of this year, which included writing to the following interested parties:

- Citizen's Advice Bureau
- Crime and Disorder Reduction Partnership
- Devon and Cornwall Constabulary
- Plymouth City Council Social Services / Education Department
- Devon & Somerset Fire and Rescue Service
- Environmental Health
- Gambling welfare support organisations
- Gambling Commission
- Local businesses groups
- Local faith groups
- Local residents groups
- NSPCC
- Primary Care Trust
- Existing licence-holders
- Voluntary & Community organisations working with children & young people
- Ward Councillors
- Team Plymouth

- 3.2 Two public responses were received. The Stonehouse Residents Association who suggested no alterations, but acknowledged that the current system was satisfactory. The Spiritual Assembly of the Baha'is of Plymouth acknowledged the commitment of the Council in ensuring the safety and wellbeing of its citizens, however they were gravely concerned about the detrimental effects that gambling may have on the social and long-term economic wellbeing of communities in Plymouth and in particular the impact gambling may have on the spiritual and intellectual development of the younger generations. The limited response is likely to be due to the lack of any significant changes and the non-contentious nature of the policy.

4.0 PROPOSED CHANGES

- 4.1 This three year review has resulted in some minor changes to the previous policy, a summary of the main changes is attached marked Appendix A.

The main changes are as follows:

- Additional requirements (adequate physical separation, screens and barriers) to limit the sub-division of premises which in turn will control the numbers of high-value gaming machines allowed.
- additional measures concerning the layout of individual premises. These are intended to reduce the risk of children being able to access age-restricted gambling activities.
- confirming the Council's position that non-payment of fees will result in the revocation of the licence.

- 4.2 Changes to the layout of premises were added following test purchase exercises undertaken by the Public Protection Service that highlighted deficiencies in individual premises that affected the ability of employees to be able to challenge patrons who were likely to be under-age (18 years old).

- 4.3 The revised policy needs to be considered and adopted by Full Council at the meeting set for 3 December 2012 in order to meet a statutory requirement to publish the revised policy at least four weeks prior to the expiry of the existing policy on the 30 January 2013.

5.0 Future Reviews of Policy

- 5.1 During the process of developing this policy it became apparent that very little data is available in relation to the effect gambling has on our population, particularly those on low income and links with child poverty. Further work by the Council is planned that will try to identify the scale and nature of how the negative aspects of gambling effects the City. This research will inform a variety of strategies, including the City's Child Poverty Strategy.

- 5.2 Where evidence from the research identifies the need to change our policy then a further review will be undertaken to ensure the licensing policy protects children and other vulnerable persons from being harmed or exploited by gambling.

Appendix A

SUMMARY OF CHANGES

This is a summary of the main changes to the revised Statement of Licensing Policy to be effective from 31 January 2013, for a three-year period, as required by the Gambling Act 2005.

Part A Statement of Principles	Brief Description of Change
1. Introduction	New detail added regarding the role of the Gambling Commission so that the division of responsibilities is clearer.
2. Licensing Objectives	Clarification of the factors that should and should not be considered when deciding to reject an application. The Council as the licensing authority should only rely on reasons that demonstrate that the licensing objectives are not being, or are unlikely to be met when making decisions. Other considerations such as moral or ethical objections to gambling, or demand, are not valid reasons to refuse an application for premises licenses.
4. Statement of Principles	<p>Additional detail regarding when and how the Council will review the policy under the Gambling Act 2005.</p> <p>It details how the current review was completed and how comments can be made about the policy once in place.</p> <p>Confirms that the Council has had due regard to Licensing Objectives and Gambling Commission guidance when reviewing and drafting the policy</p>
5. Fees	<p>The Gambling Act sets out the standards to be followed in the setting of gambling fees and charges. The Act does not set a specific fee that a licensing authority can charge but sets a maximum that cannot be exceeded.</p> <p>The Council's Constitution Scheme of Delegation has delegated responsibility for setting fees to the Licensing Committee. The Committee last considered the fees on the 22 February 2011 and resolved that the fees should remain at the maximum to secure full cost recovery in carrying out its regulatory functions as specified in the Act.</p> <p>Confirmation that licences will be revoked where annual fees are not paid</p>

8. Interested Parties	<p>Interested parties can make representations about licence applications. An interested party is defined as a person who lives sufficiently close to the premises, or has business interests that are likely to be affected by the grant of an application.</p> <p>The definition of 'business interests' has been clarified and should be given its widest possible interpretation to include, for example, partnerships, charities, faith groups and medical practices.</p>
9. Exchange of Information	<p>The policy sets out in greater detail how the Council as the licensing authority will work closely with the police, responsible authorities and the Gambling Commission. Where there is a need for the exchange of information the Council will have regard to the provisions of the Act and the Data Protection Act 1998.</p> <p>The policy also clarifies how privacy of those making representations will be respected, but it may be necessary for the identity of those making representations to be passed on to responsible authorities and the Gambling Commission for the purpose of determining licensing applications.</p> <p>The Council as the licensing authority will maintain a public register that is available online on the Council's web site.</p>
11. Licensing Authority Functions	<p>Clarification that the Council is not involved in the regulation of remote gambling (which is regulated by the Gambling Commission), the National Lottery (the National Lottery Commission) or spread betting (the Financial Services Authority).</p>
Part B Consideration of Applications	
1. General Principles	<p>A loop hole existed that allowed operators to sub-divide their premises, which in turn allowed increased numbers of high-value machines. The Gambling Commission have closed this 'loop-hole' by clarifying its guidance.</p> <p>The revised policy states that where multiple licences may have been granted, licences may be reviewed if the licence holder fails to abide by the licensing objectives in respect to the protection of children and vulnerable persons, for example barriers that were in place to physically separate premises may be altered.</p> <p>In addition the Council as the licensing authority reserves the right in re-inspect premises to consider the separation control measures in place having regard to the licensing objectives.</p>

2 Adult Gaming Centres	<p>The revised policy now includes recognition that the design and layout of adult gaming centres will vary, therefore additional factors will be taken into consideration to ensure that staff can properly monitor and regulate the use of age-restricted gaming machines on the premises.</p> <p>These additional factors include line of sight, re-location of gaming machines, door buzzers, training and any other relevant factors.</p>
6. Betting Premises	<p>The revised policy now includes recognition that the design and layout of betting premises will vary, therefore additional factors will be taken into consideration to ensure that staff can properly monitor and regulate the use of age-restricted gaming machines on the premises.</p> <p>These additional factors include line of sight, re-location of gaming machines, door buzzers, training and any other relevant factors</p>
7. Tracks	<p>Although there are no tracks currently licence future applications may be received and so the policy must continue to contain this policy area.</p> <p>The revised policy now includes recognition that the design and layout of tracks will vary, therefore additional factors will be taken into consideration to ensure that staff can properly monitor and regulate the use of age-restricted gaming machines on the premises.</p> <p>These additional factors include line of sight, re-location of gaming machines, door buzzers, training and any other relevant factors</p>
Part C Permits	
1. Unlicensed Family Entertainment Centres	Includes a definition of an unlicensed family entertainment centre to mean ‘a premises which provides low value gaming machines along with other amusements such as computer games and penny pushers’.
2. Alcohol Licensed Premises (Gaming machine permits)	Clarification that a plan must accompany an application indicating where and what type of gambling machines are to be provided.
6. Small Society Lotteries	Links to the Gambling Commission guidance on the definition of small society lotteries is included.

Please note: That minor alterations including dates/grammar and formatting etc. made to the revised policy are not included in this summary.

Appendix B

Gambling Act 2005 Statement of Licensing Policy Effective from 31st January 2013 for 3 years

Part A - Statement of Principles

I. Introduction

- I.1 The Gambling Commission was set up under the Gambling Act 2005 (The Act) to regulate gambling in Great Britain in partnership with licensing authorities. The Commission is an independent non-departmental public body sponsored by the Department for Culture, Media and Sport (DCMS) whose work is funded by fees set by DCMS and paid by the organisations and individuals whom the Commission licenses.

The Commission issues permits for gambling and, through effective regulation and public engagement, ensures that crime is kept out of gambling; that gambling is fair and open; and that children and the vulnerable are protected.

The Commission works closely with other regulators, including licensing authorities, and with bodies such as police and HM Revenue and Customs to regulate the gambling industry. (Gambling Commission: Who are and what we do; April 2011)

The Commission has issued guidance in accordance with Section 25 of the 2005 Act about the manner in which licensing authorities exercise their licensing functions under the Act and, in particular, the principles to be applied.

The Commission will also issue Codes of Practice under Section 24 about the way in which facilities for gambling is provided, which may also include provisions about the advertising of gambling facilities.

The Gambling Commission can be contacted at:

Gambling Commission,
Victoria Square House,
Victoria Square,
BIRMINGHAM,
B2 4BP

www.gamblingcommission.gov.uk

Email: info@gamblingcommission.gov.uk

- I.2 Plymouth City Council is designated as a 'licensing authority' for the purposes of the Gambling Act 2005 and is therefore responsible for granting premises licenses within its district in respect of;

- Casino premises;
- Bingo premises;
- Betting premises, including tracks;
- Adult Gaming Centres;
- Family Entertainment Centres.

The Act requires the Council to prepare and publish a Statement of Licensing Policy that sets out the policies that the Council will generally apply to promote the Licensing Objectives when making decisions on applications made under the Act.

The policy will come into effect on the date of adoption by the Council and will be reviewed as necessary, and at least every three years from the date of adoption.

2. The Licensing Objectives

- 2.1 The Licensing Authority has a duty under the Gambling Act 2005 (from now on referred to as the Act) to carry out its licensing functions in a manner, which is consistent with three licensing objectives. The relevant licensing objectives are:
- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime
 - Ensuring that gambling is conducted in a fair and open way, and
 - Protecting children and other vulnerable persons from being harmed or exploited by gambling
- 2.2 In discharging its responsibilities under the Act and in making decisions in relation to premises licences and temporary use notices (S.153), this Licensing Authority will aim to permit the use of premises for gambling in so far as it thinks that its use will be:
- In accordance with any relevant code of practice issued by the Gambling Commission,
 - In accordance with any relevant guidance issued by the Gambling Commission,
 - Reasonably consistent with the licensing objectives,
 - In accordance with this Licensing Authorities Statement of Principles
- 2.3 This Licensing Authority particularly notes the Gambling Commission's latest guidance to Local Authorities (4th Edition – September 2012) (from now on referred to as the Gambling Commission's Guidance).
- "In deciding to reject an application, a licensing authority should rely on reasons that demonstrate that the licensing objectives are not being, or are unlikely to be met. Licensing authorities should be aware that other considerations such as moral or ethical objections to gambling are not a valid reason to reject applications for premises licences. This is because such objections do not relate to the licensing objectives. An authority's decision cannot be based on dislike of gambling, or a general notion that it is undesirable to allow gambling premises in an area (with the exception of the casino resolution powers.)"
- 2.4 Each case will be considered on its merits
- 2.5 In deciding whether or not to grant a licence, this Licensing Authority does not have regard to the expected demand for the facilities that are the subject of the application.

3. The Geographical Area

- 3.1 Plymouth is the second largest City in the South West with a residential population in the region of 256,400 (Census data 2011). Plymouth has a rich combination of heritage and natural beauty in what is a thriving maritime city that attracts millions of visitors.
- 3.2 The City is located in an area of outstanding beauty, with the Dartmoor National Park to the north, the natural harbour of Plymouth Sound to the south and the rivers Plym and Tamar on either side. Plymouth's rich history and maritime heritage, combines the advantages of city living with the benefits of having the diverse countryside and coastline of Devon and Cornwall on its doorstep.

- 3.3 It is likely that over the next twenty years it is reasonable to expect that the population of Plymouth could rise to between 300,000 - 350,000 due to urban expansion (Mackay Vision 2003).
- 3.4 This Licensing Authority recognises that the provision of entertainment is a major contributor to the economy of the City, attracting tourists and visitors, making for a vibrant City, which in turn continues to be a major employer. Commercial occupiers of premises have a legitimate expectation of an environment that is attractive and sustainable for their businesses.



4. Statement of Principles

- 4.1 Licensing authorities are required by the Act to publish a statement of the principles which they propose to apply when exercising their functions. This statement must be published at least every three years (or alternate time period as may be imposed by statutory provision). The statement must also be reviewed from “time to time” and any amended parts re-consulted upon. The statement must be then re-published.

This Statement of Principles is written to conform to the provisions of the Act and its associated regulations. The Gambling Commission’s Guidance issued under S.25 of the Act by the Gambling Commission outlines the way that this Licensing Authority will deal with applications for a range of premises licences, permits and enforcement of the Act.

- 4.2 This Statement or Principles is effective from the 31st January 2013 for a three-year period (or alternate time period as may be imposed by statutory provision) after which time it will be the subject of a further public consultation. The Statement of Principles may also be reviewed from time to time where there are significant changes in government guidance at which point an appropriate public consultation will be undertaken prior to any amendments being re-published.

The Statement of Principles can be seen in the Councils website
<http://www.plymouth.gov.uk/homepage/business/licensing/gambling/gamblingpolicy.htm>

Copies are available for viewing at the Council Offices, Civic Centre, Armada Way, Plymouth, PL1 2AA, by appointment.

Should you have comments regarding this Statement of Principles please write to the Public Protection Service Manager at the above address or email to licensing@plymouth.gov.uk

It should be noted that this Statement of Principles will not override the right of any person to make an application, make representations about an application, or apply for a review of a licence, as each will be considered on its own merits and according to the statutory requirements of the Act.

Review Procedures

- 4.3 The Act requires that the following parties are consulted by licensing authorities:
- The Chief Officer of Police;
 - One or more persons who appear to the Authority to represent the interests of persons carrying on gambling businesses in the Authority's area;
 - One or more persons who appear to the Authority to represent the interests of persons who are likely to be affected by the exercise of the Authority's functions under the Act.
- 4.4 This Authority will also consult relevant organisations and interested parties who it considers have a relevant legal or professional interest to comment, and consider any other contribution from any other person, business or organisation that it considers as relevant.

Organisations and Interested Parties

This Authority may consult the following organisations /persons as part of any public consultation;

- Citizen's Advice Bureau
- Crime and Disorder Reduction Partnership
- Devon and Cornwall Constabulary
- Plymouth City Council Social Services / Education Department
- Devon & Somerset Fire and Rescue Service
- Environmental Health
- Gambling welfare support organisations
- Gambling Commission
- Local businesses groups
- Local faith groups
- Local residents groups
- NSPCC

- Primary Care Trust
- Existing licence-holders
- Voluntary & Community organisations working with children & young people
- Ward Councillors
- Team Plymouth

- 4.5 Proper weight will be given to the views of all those who have been consulted prior to the date of implementation of the Statement of Principles.

Our most recent public consultation closed on the 28 September 2012 after a 12 week period.

- 4.6 In producing the published Statement of Principles, this Licensing Authority declares that it has had regard to the licensing objectives of the Act, the Gambling Commission's Guidance and any responses from those consulted on the statement.

5. Fees

- 5.1 The Gambling (Premises Licence) Fees (England and Wales) Regulations 2007 sets out the standards to be followed in the setting of gambling fees and charges. The regulations do not set a specific fee that the authority must charge but set a maximum that cannot be exceeded.

The Council Constitution Scheme of Delegation has delegated responsibility for setting fees to the Licensing Committee.

- 5.2 This Licensing Authority takes the matter of non-payment of annual licence fees seriously and in accordance with Section 193 of the Gambling Act 2005 where an operator fails to pay, without reasonable excuse, the annual fees the Licensing Authority shall revoke the premises licence.

When dealing with public money the Council has a duty to secure prompt payment as any delay in settling debt can undermine the effective operation of services within the city. Prompt payment of bills will avoid possible imposition of late payment charges.

The same principles will apply to permits and this Licensing Authority will exercise its powers under Schedule 13 paragraph 17 of the Gambling Act and cancel the permit.

Each case will be treated on its own merits and consideration may be given to mitigating circumstances.

6. Relationship with Other Legislation

- 6.1 This Licensing Authority will seek to avoid any duplication with other statutory or regulatory systems where possible, including planning. This Authority will not consider whether a licence application is likely to be awarded planning permission or building regulations approval, in its consideration of it.

- 6.2 The grant of a licence does not imply the approval of other legislative requirements.

Applicants for Premises Licences for Casinos, Bingo Halls, Adult or Family Entertainment Centres (licensed or unlicensed) or Permits are advised to speak to the Planning Department of this Council before making a formal application to the Licensing Authority. The Planning Department can be contacted at;

Plymouth City Council,

Civic Centre,
Armada Way,
Plymouth.
PL1 2AA.
Tel: 01752 304366
Email: - planningconsents@plymouth.gov.uk

7. Responsible Authorities

- 7.1 Responsible authorities are those public bodies, as specified by the Act, which must be notified of applications for premises licences. Such bodies are entitled to make representations to the Licensing Authority in relation to the applications. All representations made by responsible authorities are likely to be relevant representations if they relate to the licensing objectives (Para 8.1). The responsible authorities are detailed in Appendix A.
- 7.2 This Licensing Authority is required by regulation to state the principles it will apply in exercising its powers under Section 157(h) of the Act to designate, in writing, a body which is competent to advise the authority about the protection of children from harm. The principles are:
- The need for the body to be responsible for an area covering the whole of the Licensing Authority's area; and
 - The need for the body to be answerable to democratically elected persons, rather than any particular vested interest group.
- 7.3 In accordance with the Gambling Commission's Guidance this Authority designates the **Children's Social Care, Safeguarding Team, Plymouth City Council** for this purpose.

8. Interested Parties

- 8.1 Interested parties can make representations about licence applications, or apply for a review of an existing licence. These parties are defined in the Act as follows;
- “For the purposes of this part a person is an interested party in relation to an application for or in respect of a premises licence if, in the opinion of the Licensing Authority which issues the licence or to which the applications is made, the person -
- Lives sufficiently close to the premises to be likely to be affected by the authorised activities
 - Has business interests that might be affected by the authorised activities, or
 - Represents persons who satisfy paragraph (a) or (b)” (S.158)
- 8.2 This Licensing Authority is required by regulations to state the principles it will apply in exercising its powers under the Act to determine whether a person is an interested party. The principles that this Licensing Authority will apply are that:
- Each case will be decided upon its merits.
 - Will not apply a rigid rule to its decision-making.
 - It will consider the examples of considerations provided in the Gambling Commission's Guidance.

These examples include interested parties who may be democratically elected councillors and MPs; people living close to the premises; the nature and scope of

business interests that could be affected; and people who may represent those in the above categories.

Other than these the licensing authority will generally require written evidence that a person/body (e.g. an advocate/relative) 'represents' someone who either lives sufficiently close to the premises to be likely to be affected by the authorised activities and/or has business interests that might be affected by the authorised activities. A letter from one of these persons, requesting the representation is sufficient.

- 8.3 This Licensing Authority will also consider the Gambling Commission's Guidance that 'business interests' should be given the widest possible interpretation and include, for example partnerships, charities, faith groups and medical practices .

9. Exchange of Information

- 9.1 This Licensing Authority is required to include in their Statement of Principles the procedure to be applied in exercising the functions under S.29 and 30 of the Act in respect to the exchange of information with the Gambling Commission. The functions under S.350 of the Act with the respect to the exchange of information with persons and bodies are listed in Schedule 6 to the Act.
- 9.2 This Licensing Authority will apply the provisions of the Gambling Act 2005 in its exchange of information, which includes the provision that the Data Protection Act 1998 will not be contravened. In addition this Licensing Authority will also have regard to any Guidance issued by the Gambling Commission, as well as any relevant regulations issued by the Secretary of State under the powers provided in the Act.
- 9.3 This Licensing Authority will work closely with the Gambling Commission, Devon and Cornwall Police and with Responsible Authorities where there is a need to exchange information on specific premises. Should any protocols be established as regards the exchange of information with other bodies then they will be made available.
- 9.4 The privacy of those making representations will be respected, but it may be necessary for the identity of those making representations to be passed on to Responsible Authorities and the Gambling Commission for the purpose of determining licensing applications or in any subsequent appeal that may be made.
- 9.5 This Licensing Authority will maintain a Licensing Register of all premises licences and permits issued and this will be available on the Council's web site at <http://www.plymouth.gov.uk/licensingregister.htm>

10. Enforcement

- 10.1 Licensing Authorities are required by regulation under the Act to state the principles to be applied by the authority in exercising the functions under Part 15 of the Act with respect to the inspection of premises; and the powers under S.346 of the Act to institute criminal proceedings in respect of the offences specified.
- 10.2 This Licensing Authority's compliance and enforcement functions will be guided by the Gambling Commission's Guidance, Regulators Compliance Code, Better Regulation principles and the Public Protection Service Enforcement Policy in that the following guiding principles should apply;

- **Proportionality:** - regulators should only intervene when necessary: Remedies should be appropriate to the risk posed, and costs identified and minimised;
- **Accountability:** - regulators must be able to justify decisions, and be subject to public scrutiny;
- **Fairness and Consistency:** - rules and standards must be joined up and implemented fairly;
- **Openness and Transparency:** - regulators should be open, and keep regulations simple and user friendly; and
- **Targeted Enforcement:** - regulation should be focused on the problem, and minimise side effects.

10.3 In line with the Gambling Commission's Guidance this Licensing Authority will endeavour to avoid duplication with other regulatory regimes so far as reasonably possible.

10.4 This Licensing Authority has adopted and implemented a risk-based inspection programme based on;

- The Licensing Objectives
- Relevant codes of practice
- Guidance issued by the Gambling Commission, in particular at Part 36
- Public Protection Service Enforcement Policy
- The principles set out in this statement of principles

10.5 The enforcement and compliance role for this Licensing Authority in terms of the Gambling Act 2005 is to ensure compliance with the Premises Licences and other permissions, which it authorises.

Plymouth City Council enforcement policy is available upon request from the:

Licensing Section,
Public Protection Service,
Plymouth City Council,
Civic Centre,
Armada Way,
Plymouth,
PL1 2AA.

Tel: 01752 304141

Email: - licensing@plymouth.gov.uk.

11. Licensing Authority Functions

11.1 Licensing Authorities have a duty under the Act to;

- Issue premises licences where gambling activities are to take place
- Issue Provisional Statements where gambling activities are to take place
- Regulate members' clubs and miners' welfare institutes who wish to undertake certain gaming activities by issuing Club Gaming Permits and/or Club Machine Permits
- Issue Club Machine Permits to Commercial Clubs

- Grant permits for the use of certain lower stake gaming machines at unlicensed Family Entertainment Centres
- Receive notifications from premises licensed under the Licensing Act 2003 for the use of up to two gaming machines on the premises
- Grant Licensed Premises Gaming Machine Permits for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where there are more than two machines on the premises
- Register small society lotteries below prescribed thresholds
- Issue Prize Gaming Permits
- Receive and Endorse Temporary Use Notices
- Receive Occasional Use Notices
- Provide information to the Gambling Commission
- Maintain registers of the permits and licences that are issued

Local licensing authorities are not involved in licensing remote gambling, which is regulated by the Gambling Commission via operating licences. The National Lottery is regulated by the National Lottery Commission, Remote Gambling is dealt with by the Gambling Commission and Spread Betting is regulated by the Financial Services Authority.

12. The Licensing Process

- 12.1 A Licensing Committee, a Licensing Sub-Committee, or an officer acting under delegated authority may carry out the powers of the Licensing Authority under the Act.
- 12.2 Many of the licensing procedures are largely administrative in nature. In the interests of efficiency, non-contentious procedures are delegated to licensing officers.
- 12.3 This Licensing Authority will ensure that all Licensing Officers and Members of the Licensing Committee receive adequate training to enable them to undertake their role under the Act.
- 12.4 Where admissible and relevant representations are received in relation to an application for a premises licence, or in relation to the review of a premises licence, a Licensing Sub-Committee is delegated to hear the matter.

Part B - Premises Licences - Consideration of Applications

I. General Principles

Introduction

- I.1 Premises Licences are subject to the requirements set out in the Act and associated regulations, as well as specific mandatory and default conditions, which are detailed in regulations issued by the Secretary of State. Licensing Authorities are able to exclude default conditions and also attach others, where it is believed to be appropriate.
- I.2 This Licensing Authority is aware that in its decision-making about premises licences it should aim to permit the use of premises for gambling in so far as it thinks it is;
- In accordance with any relevant code of practice or guidance issued by the Gambling Commission
 - Reasonably consistent with the licensing objectives
 - In accordance with the Licensing Authority's Statement of Principles.

It is appreciated that in line with the Gambling Commission's Guidance **“moral objections to gambling are not a valid reason to reject applications for premises licences”** (except as regards to any 'no casino resolution' - see section on Casinos below).

The absence of unmet demand is not a criterion for a licensing authority in considering an application for a premises licence under the Gambling Act. Each application must be considered on its merits without regard to demand.

Definition of "Premises"

- I.3 This Licensing Authority will have regard to the definition of 'premises' as set out in the Section 152 of the Act to include 'any place'. In addition that the intention of Section 152 is to prevent more than one premises licence applying to any place.

A single building could be subject to more than one premises licence, provided they are for different parts of the building and the different parts of the building can be reasonably regarded as being different premises. This approach has been taken to allow large, multiple unit premises such as a pleasure park, pier, track or shopping mall to obtain discrete premises licences, where appropriate safeguards are in place. Particular attention will be given to the sub-division of a single building or plot to ensure that mandatory conditions relating to access between premises are observed.

Multiple Licences

- I.4 This licensing Authority will have regard to the Gambling Commission's Guidance that states 'In most cases the expectation is that a single building / plot will be the subject of an application for a licence, for example, 32 High Street. But, that does not mean 32 High Street cannot be the subject of separate premises licences for the basement and ground floor, if they are configured acceptably. Whether different parts of a building can properly be regarded as being separate premises will depend on the circumstances. The location of the premises will clearly be an important consideration and the suitability of the division is likely to be a matter for discussion between the operator and the licensing officer. However, the Commission does not consider that areas of a building that are artificially or temporarily separated, for example by ropes or moveable partitions, can properly be regarded as different premises."

- I.5 This Licensing Authority will have regard to the clarification of guidance issued by the Gambling Commission in respect to any premises granted multiple licences. These premises may be inspected to reconsider the separation control measures put in place; any material changes noted since the granting of the application and the relevance of all these factors having regard to the promotion of the licensing objectives, in particular to the protection of children and vulnerable persons from being harmed or exploited from gambling.
- I.6 This Licensing Authority takes particular note of the Gambling Commission's Guidance, which states that Licensing Authorities should take particular care in considering applications for multiple licences for a building and those relating to a discrete part of a building used for other (non-gambling) purposes. In particular they should be aware of the following.
- The third licensing objective seeks to protect children from being harmed by gambling. In practice, that means not only preventing them from taking part in gambling but also preventing them from being in close proximity to gambling. Therefore premises should be configured so that children are not invited to participate in, have accidental access to, or closely observe gambling where they are prohibited from participating
 - Entrances to and exits from parts of a building covered by one or more premises licences should be separate and identifiable so that the separation of different premises is not compromised and people do not '**drift**' into a gambling area. In this context it should normally be possible to access the premises without going through another licensed premises or premises with a permit
 - Customers should be able to participate in the activity named on the premises licence
- I.7 This Licensing Authority may consider the following questions as relevant factors to in its decision-making, depending on all the circumstances of the case.
- Do the premises have a separate registration for business rates?
 - Is the premises' neighbouring premises owned by the same person or someone else?
 - Can each of the premises be accessed from the street or a public passageway?
 - Can the premises only be accessed from any other gambling premises?

This Licensing Authority will have regard to the Gambling Commission's Guidance on relevant access provisions for each premises type

Casinos

- The principal access entrance to the premises must be from a street
- No entrance to a casino must be from premises that are used wholly or mainly by children and/or young persons
- No customer must be able to enter a casino directly from any other premises which holds a gambling premises licence

Adult Gaming Centre

- No customer must be able to access the premises directly from any other licensed gambling premises

Betting Shops

- Access must be from a street or from another premises with a betting premises licence
- No direct access from a betting shop to another premises used for the retail sale of merchandise or services. In effect there cannot be an entrance to a betting shop from a shop of any kind and you could not have a betting shop at the back of a café – the whole area would have to be licensed.

Tracks

- No customer should be able to access the premises directly from:
 - A casino
 - An adult gaming centre

Bingo Premises

- No customer must be able to access the premise directly from:
 - A casino
 - An adult gaming centre
 - A betting premises, other than a track

Family Entertainment Centre

- No customer must be able to access the premises directly from
 - A casino
 - An adult gaming centre
 - A betting premises, other than a track

Part 7 of the Gambling Commission's Guidance also contains further guidance on this issue, which this authority will also take into account in its decision-making.

Provisional Statements

- 1.8 This Licensing Authority will have regard to the Gambling Commission's Guidance that a licence to use premises for gambling should only be issued in relation to premises where the licensing authority can be satisfied that the premises are going to be **ready to be used for gambling** in the reasonably near future, consistent with the scale of building or alterations required before the premises are brought into use.

If the construction of a premises is not yet complete, or if they need alteration, or if the applicant does not yet have a right to occupy them, then an application for a provisional statement should be made instead.

In deciding whether a premises licence can be granted where there are outstanding construction or alteration works at a premises, this authority will determine applications on their merits, applying a two stage consideration process:-

- First, whether the premises ought to be permitted to be used for gambling
- Second, whether appropriate conditions can be put in place to cater for the situation that the premises are not yet in the state in which they ought to be before gambling takes place.

- 1.9 This Licensing Authority is entitled to decide that it is appropriate to grant a licence subject to conditions, but it is not obliged to grant such a licence and will have regard

to the detailed examples of the circumstances in which such a licence may be granted set out in the Gambling Commission's Guidance.

Location of Premises

- 1.10 This Licensing Authority is aware that demand issues cannot be considered with regard to the "location of premises" but that considerations in terms of the licensing objectives are relevant to its decision-making. This Licensing Authority will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling in addition to issues of crime and disorder.

This Licensing Authority will have regard to any further guidance as regards areas where gambling premises should not be located although the existence of any policy does not preclude any application being made and each application will be decided on its merits, with the onus upon the applicant showing how potential concerns can be overcome.

In determining whether a premises location is suitable for the grant of a licence, this Licensing Authority will have particular regard to the following factors:-

- The proximity of the premises to any school, centre or establishment for the education, training or care of young and/or vulnerable persons
- The proximity of the premises to leisure centres used for sporting and similar activities by young and/or vulnerable persons
- The proximity of the premises to any youth club or similar establishment, and
- The proximity of the premises to any community, ecclesiastical, welfare, health or similar establishments used specifically, or to a large extent, by young and /or vulnerable persons
- The proximity of any other area or location where young and / or vulnerable persons could congregate

Relationship with Other Agencies

- 1.11 This Licensing Authority is aware of the overlap with planning, building regulations in the granting of a premises licence. In determining applications this Licensing Authority has a duty to take into consideration all relevant matters and not to take into consideration any irrelevant matters, i.e. those not related to gambling and the licensing objectives. One example of an irrelevant matter would be the likelihood of the applicant obtaining planning permission or building regulations approval for their proposal.

When dealing with a premises licence application for finished buildings, the licensing authority should not take into account whether those buildings have to comply with the necessary planning or building consents. Nor should fire or health and safety risks be taken into account. Those matters should be dealt with under relevant planning control, building and other regulations, and must not form part of the consideration for the premises licence. Section 210 of the Act prevents licensing authorities taking into account the likelihood of the proposal by the applicant obtaining planning or building consent when considering a premises licence application. Equally, the grant of a gambling premises licence does not prejudice or prevent any action that may be appropriate under the law relating to planning or building

Crime and Disorder

- I.12 This Licensing Authority is aware that the Gambling Commission takes a leading role in preventing gambling from being a source of crime or being used to support crime and will pay attention to the proposed location of gambling premises in terms of this licensing objective. Where evidence is submitted that an area has known high levels of organised crime this Authority will consider carefully whether gambling premises are suitable to be located there and whether conditions may be suitable such as the provision of door supervisors.

This Licensing Authority is aware of the distinction between disorder and nuisance and will consider factors such as whether police assistance was required and how threatening the behaviour was to those who could see it will be taken into account.

Openness

- I.13 This Licensing Authority is aware that the Gambling Commission has responsibility for ensuring that gambling is conducted in a fair and open way via operating and personal licences. The Licensing Authority will need to consider this objective in detail and may add conditions in situations where an operating licence is not in place, such as in the licensing of tracks.

Children and Vulnerable Persons

- I.14 This Licensing Authority has noted the Gambling Commission's Guidance to protect children and other vulnerable persons from being harmed or exploited by gambling. This objective means preventing children from taking part in gambling (as well as restriction of advertising so that gambling products are not aimed at or are, particularly attractive to children). This Licensing Authority will therefore consider whether specific measures are required at particular premises, with regard to this licensing objective. Appropriate measures may include supervision of entrances/machines, segregation of areas etc.

This Licensing Authority is also aware of the Gambling Commission Codes of Practice as regards this licensing objective, in relation to specific premises.

This Licensing Authority recognises that the Gambling Commission does not seek to offer a definition of the term "vulnerable persons" but that "it does for regulatory purposes assume that this group includes people who gamble more than they want to; people who gamble beyond their means; and people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, alcohol or drugs".

Where physical barriers are required to separate activities due to differing age restrictions the applicant must provide sufficient information with regards to the height, transparency and materials to be used. The licensing authority will require barriers to be designed and constructed to prevent inadvertent access and viewing of restricted areas. Adequate supervision within these areas must also be maintained.

Licensing Conditions That May Be Imposed

- I.15 This Licensing Authority will consider the imposition of conditions on a case-by-case basis. Any conditions attached to licences will be proportionate and will be:

- Relevant to the need to make the proposed building suitable as a gambling facility
- Directly related to the premises and the type of licence applied for;
- Fairly and reasonably related to the scale and type of premises: and
- Reasonable in all other respects.

This Licensing Authority will also expect the licence applicant to offer his/her own suggestions as to the ways in which the licensing objectives can be met effectively when making their application e.g. the use of supervisors, appropriate signage for adult only areas etc.

- 1.16 This Licensing Authority will also consider specific measures, which may be required for buildings, which are subject to multiple premises licences. Such measures may include the supervision of entrances; segregation of gambling from non-gambling areas frequented by children; and the supervision of gaming machines in non-restricted premises in order to pursue the licensing objectives.

This Licensing Authority will also ensure that where category C or above machines are on offer in premises to which children are admitted that the following measures are considered.

- All such machines are located in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
- Only adults are admitted to the area where these machines are located;
- Access to the area where the machines are located is supervised;
- The area where these machines are located is arranged so that it can be observed by the staff or the licence holder; and
- At the entrance to and inside any such areas there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

These considerations will apply to premises including buildings where multiple premises licences are applicable.

- 1.17 This Licensing Authority is aware that tracks may be subject to more than one premises licence, provided each licence relates to a specified area of the track. In line with the Gambling Commission's Guidance, this Licensing Authority will consider the impact upon the third licensing objective and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

Conditions That May Not Be Imposed

- 1.18 This Licensing Authority will not attach conditions to premises licences, which;
- are impossible to comply with as an operating licence condition;
 - relate to gaming machine categories, numbers, or method of operation;
 - provide that membership of a club or body be required (the Gambling Act 2005 specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated); and
 - are in relation to stakes, fees, winning or prizes

Door Supervisors

- 1.19 Where premises may attract disorder or be subject to attempts at unauthorised access (for example by children and young persons) then this Licensing Authority may require that the entrances to the premises are controlled by a door supervisor and is entitled to attach such conditions to the premises licence.

Where it is decided that supervision of entrances/machines is appropriate for particular cases, a consideration of whether these need to be SIA licensed or not will be necessary. It will not be automatically assumed that they need to be licensed.

2. Adult Gaming Centres

- 2.1 This Licensing Authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the premises.

Appropriate licence conditions may cover issues such as:

- CCTV
- Door supervisors
- Location of entry
- Notices / signage
- Physical separation of areas
- Proof of age schemes
- Provision information leaflets helpline numbers for organisations such as

GamCare

- Self –barring schemes
- Specific opening hours
- Supervision of entrances / machine areas

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

- 2.2 This Licensing Authority recognises that the design and layout of adult gaming centres will vary. It will have particular regard to the siting of age restricted gaming machines within each individual premises to ensure, so far as is reasonably practicable, that staff properly monitor the use of these machines by children and young persons. This Licensing Authority reserve the right to request that gaming machines are re-positioned where circumstances demonstrate that it is appropriate to do so.

Additional factors to be taken into consideration will include to following:

- Visual observation
- Re-location of the machines
- Door buzzers
- Remote cut off switches
- Training provision

- Any other factor considered relevant

2.3 This Licensing Authority will have regard to any relevant additional guidance that may be issued by the Gambling Commission in respect to adult gaming centre applications in any decision-making.

2.4 This Licensing Authority accepts that there must be no direct entry from one adult gaming centre into another and will have regard to any relevant guidance issued by the Gambling Commission in respect to such applications.

3. **(Licensed) Family Entertainment Centres**

3.1 This Licensing Authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machine areas that may be present.

3.2 This Licensing Authority will expect applicants to offer their own measures to meet the licensing objectives however appropriate measures/licence conditions may cover issues such as:

- CCTV
- Door supervisors
- Location of entry
- Measures / training for staff on how to deal with suspected truant school children on the premises
- Notices / signage
- Physical separation of areas
- Proof of age schemes
- Provision of information leaflets / helpline numbers for organisations such as GamCare
- Self-barring schemes
- Specific opening hours
- Supervision of entrances / machine areas

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

3.3 This Licensing Authority recommends applicants consider the adoption of BACTA's voluntary Code of Social Responsibility and Good Practice in respect to Adult Gaming Centres and Family Entertainment Centres.

4. **Casinos**

Casino – Local Policy

4.1 This Licensing Authority has not passed a '**no casino**' resolution under Section 166 of the Gaming Act 2005, but is aware that it has the power to do so. Should this Licensing Authority decide in the future to pass such a resolution, it will update this policy statement with details of that resolution. Any such decision will be made by the Full Council. Similarly, a resolution will not affect the ability of the casinos with

preserved entitlements from the 1968 Gaming Act from continuing to operate as casinos.

- 4.2 This Licensing Authority will attach conditions to casino premises licences according to the principles set out in the Gambling Commission's Guidance, bearing in mind the mandatory conditions listed, and the Licence Conditions and Codes of Practice published by the Gambling Commission.
- 4.3 This Licensing Authority will take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator wants to offer.

5. **Bingo premises**

- 5.1 This Licensing Authority notes that the Gambling Commission's Guidance that it should take steps to satisfy themselves that bingo can be played in any bingo premises for which they issue a premises licence. This will be a relevant consideration where the operator of an existing bingo premises applies to vary their licence to exclude an area of the existing premises from its ambit and then applies for a new premises licence, or multiple licences, for those excluded areas.
- 5.2 This Licensing Authority will consider it an unusual circumstance in which the **splitting of pre-existing premises** into two adjacent premises might be permitted. In these cases this Licensing Authority will have particular regard to the Gambling Commission Guidance on the 'meaning of premises' and how it relates to the primary gambling activity.
- 5.3 Children and young people are allowed into bingo premises, however they are not permitted to participate in the bingo and if category B or C machines are made available for use these must be separated from areas where children and young people are allowed.

Section 177 of the Act does not prevent the licensee from permitting the installation of cash dispensers (ATMs) on the premises. Such machines may accept credit cards (and debit cards) and the arrangement is subject to a requirement that the licensee has no other commercial connection in relation to gambling (aside from the agreement to site the machines) with the service-provider and does not profit from the arrangement, not make any payment in connection with the machines. This Licensing Authority will also take note of any restrictions and requirements on the Operating Licences for betting premises as regards credit.

6. **Betting premises**

- 6.1 This Licensing Authority will consider whether it is appropriate to restrict the number of betting machines, their nature and the circumstances in which they are made available by way of licence condition for betting or casino premises licence (where betting is permitted in the casino). When considering whether to impose a condition to restrict the number of betting machines in a particular premises, this Licensing Authority, amongst other things, will take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable persons."

- 6.2 This Licensing Authority recognises that the design and layout of betting premises (or any other premises including tracks) will vary. It will have particular regard to the siting of age restricted gaming machines within each individual premises to ensure, so far as is reasonably practicable, that staff properly monitor the use of these machines by children and young persons. This Licensing Authority reserve the right to request that gaming machines are re-positioned where circumstances demonstrate that it is appropriate to do so.

Factors to be taken into consideration will include to following:

- CCTV
- Visual observation
- Re-location of the machines
- Door buzzers
- Remote cut off switches
- Training provision
- Any other factor considered relevant

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

7. Tracks

- 7.1 This Licensing Authority is aware that tracks may be subject to more than one premises licence, provided each licence relates to a specified area of the track. As per the Gambling Commission's Guidance, this Licensing Authority will especially consider the impact upon the third licensing objective (that is the protection of children and vulnerable persons from being harmed or exploited by gambling) and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.
- 7.2 This Licensing Authority will therefore expect the premises licence applicant to demonstrate suitable measures to ensure that children do not have access to adult only gaming facilities. It is noted that children and young persons will be permitted to enter track areas where facilities for betting are provided on days when dog-racing and/or horse racing takes place, but that they are still prevented from entering areas where gaming machines (other than category D machines) are provided.
- 7.3 This Licensing Authority will expect applicants to offer their own measures to meet the licensing objectives however appropriate measures/licence conditions may cover issues such as:
- CCTV
 - Location of entry
 - Notices / signage
 - Physical separation of areas
 - Proof of age schemes
 - Provision of information leaflets / helpline numbers for organisations such as GamCare
 - Self-barring schemes

- Specific opening hours
- Supervision of entrances / machine areas

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

Gaming Machines

- 7.4 Where the applicant holds a pool betting operating licence and is going to use the entitlement to four gaming machines, machines (other than category D machines) should be located in areas from which children are excluded.

Applicants are advised to consult the Gambling Commission's Guidance on where gaming machines may be located on tracks and any special considerations that should apply in relation, for example, to supervision of the machines and preventing children from playing them. This Licensing Authority will take note of this guidance. This Licensing Authority will also, in line with the Gambling Commission's Guidance, consider the location of gaming machines at tracks.

Betting Machines

- 7.5 This Licensing Authority will, as per part 6 of the Gambling Commission's Guidance, take into account the size of the premises and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator proposes to offer.

On tracks where the potential space for such machines may be considerable, bringing with it significant problems in relation to the proliferation of such machines, the ability of track staff to supervise them if they are scattered around the track and the ability of the track operator to comply with the law and prevent children betting on the machines, this Licensing Authority will generally consider restricting the number and location of betting machines, in the light of the circumstances of each application for a track betting premises licence.

Applications and Plans

- 7.6 Section 51 of the Act requires applicants to submit plans of the premises with their application, in order to ensure that the licensing authority has the necessary information to make an informed judgement about whether the premises are fit for gambling. The plan will also be used to plan future premises inspection activity.

Plans for tracks do not need to be in a particular scale, but should be drawn to scale and should be sufficiently detailed to include the information required by regulations.

- 7.7 Some tracks may be situated on agricultural land where the perimeter is not defined by virtue of an outer wall or fence, such as point-to-point racetracks. In such instances, where an entry fee is levied, track premises licence holders may erect temporary structures to restrict access to premises.

In the rare cases where the outer perimeter cannot be defined, it is likely that the track in question will not be specifically designed for the frequent holding of sporting events or races. In such cases betting facilities may be better provided through occasional use notices where the boundary premises do not need to be defined.

- 7.8 This authority appreciates that it is sometimes difficult to define the precise location of betting areas on tracks. The precise location of where betting facilities are provided is not required to be shown on track plans, both by virtue of the fact that

betting is permitted anywhere on the premises and because of the difficulties associated with pinpointing exact locations for some types of track. Applicants should provide sufficient information that this authority can satisfy itself that the plan indicates the main areas where betting might take place. For racecourses in particular, any betting areas subject to the “five times rule” (commonly known as betting rings) must be indicated on the plan.

8. Travelling Fairs

8.1 Where category D machines and/or equal chance prize gaming without a permit are available for use at travelling fairs, this Licensing Authority is responsible for deciding whether the facilities for gambling are no more than an ancillary amusement at the fair.

8.2 This Licensing Authority will also consider whether the applicant falls within the statutory definition of a travelling fair.

It is noted that the 27-day statutory maximum for the land being used as a fair, applies on a per calendar year basis, and that it applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. This Licensing Authority will work with its neighbouring Authorities to ensure that land, which crosses our boundaries, is monitored so that the statutory limits are not exceeded.

9. Provisional Statements

9.1 Developers may wish to apply to this authority for provisional statements before entering into a contract to buy or lease property or land to judge whether a development is worth taking forward in light of the need to obtain a premises licence. There is no need for the applicant to hold an operating licence in order to apply for a provisional statement.

9.2 S.204 of the Act provides for a person to make an application to the licensing authority for a provisional statement in respect of premises that he or she:

- Expects to be constructed;
- Expects to be altered; or
- Expects to acquire a right to occupy.

9.3 The process for considering an application for a provisional statement is the same as that for a premises licence application. The applicant is obliged to give notice of the application in the same way as applying for a premises licence. Responsible authorities and interested parties may make representations and there are rights of appeal.

9.4 In contrast to the premises licence application, the applicant does not have to hold or have applied for an operating licence from the Gambling Commission (except in the case of a track) and they do not have to have a right to occupy the premises in respect of which their provisional application is made.

9.5 The holder of a provisional statement may then apply for a premises licence once the premises are constructed, altered or acquired. The licensing authority will be constrained in the matters it can consider when determining the premises licence application, and in terms of representations about premises licence applications that follow the grant of a provisional statement, no further representations from relevant authorities or interested parties can be taken into account unless:

- They concern matters which could not have been addressed at the provisional statement stage, or
- They reflect a change in the applicant's circumstances.

9.6 In addition, the authority may refuse the premises licence (or grant it on terms different to those attached to the provisional statement) only by reference to matters:

- Which could not have been raised by objectors at the provisional statement stage;
- Which in the authority's opinion reflect a change in the operator's circumstances; or
- Where the premises have not been constructed in accordance with the plan submitted with the application. This must be a substantial change to the plan and this licensing authority notes that it can discuss any concerns it has with the applicant before making a decision.

9.7 Once an operator has completed a building, the licensing authority will be able to consider a premises licence application for it. Requiring the building to be complete ensures that the authority can inspect it fully, as can other responsible Authorities with inspection rights under Part 15 of the Act. Inspection will allow Authorities to check that gambling facilities comply with all necessary legal requirements, for example, that Category C and D machines in a licensed family entertainment centre are situated so that people under 18 do not have access to the category C machines. The physical location of the machines will be an important part of this, and inspection will allow the authority to check that the layout complies with the operator's proposals and the legal requirements.

10. Reviews

10.1 Requests for a review of a premises licence can be made by interested parties or responsible authorities however it is for this Licensing Authority to decide whether the review is to be carried-out. This will be on the basis of whether the request for the review is relevant to the matters listed below;

- In accordance with any relevant code of practice issued by the Gambling Commission;
- In accordance with any relevant guidance issued by the Gambling Commission;
- Reasonably consistent with the licensing objectives; and
- In accordance with the Licensing Authority's Statement of Principles.

10.2 The request for the review will also be subject to the consideration by the authority as to whether the request is frivolous, vexatious, or whether it will certainly not cause this authority to wish to alter/revoke/suspend the licence, or whether it is substantially the same as previous representations or requests for review.

10.3 This Licensing Authority can also initiate a review of a particular premises licence or a particular class of premises licence on the basis of any reason, which it thinks is appropriate.

10.4 Once a valid application for a review has been received, representations can be made by responsible authorities and interested parties during a 28 day period. This period

begins 7 days after the application was received by the licensing authority, who will publish notice of the application within 7 days of receipt.

- 10.5 The licensing authority must carry out the review as soon as possible after the 28 day period for making representations has passed.
- 10.6 The purpose of the review will be to determine whether the licensing authority should take any action in relation to the licence. If action is justified, the options open to the licensing authority are;
- Add, remove or amend a licence condition imposed by the licensing authority;
 - Exclude a default condition imposed by the Secretary of State (e.g. opening hours) or remove or amend such an exclusion;
 - Suspend the premises licence for a period not exceeding three months; and
 - Revoke the premises licence.
- 10.7 In determining what action, if any, should be taken following a review, this Licensing Authority will have regard to the principles set out in S.153 of the Act, as well as any relevant representations.

In particular, this Licensing Authority may also initiate a review of a premises licence on the grounds that a premises licence holder has not provided facilities for gambling at the premises. This is to prevent people from applying for licences in a speculative manner without intending to use them.

Once the review has been completed, the licensing authority will, as soon as possible, notify its decision to:

- The licence holder
- The applicant for review (if any)
- The Commission
- Any person who made representations
- The chief officer of police or chief constable; and
- Her Majesty's Commissioners for Revenue and Customs

Part C - Permits/Temporary & Occasional Use Notices

I. **Unlicensed Family Entertainment Centres (Gaming Machine Permits)**

- I.1 The term **'unlicensed family entertainment centre'** (uFECs) is one defined in the Act and refers to a premises which provides category D gaming machines along with various other amusements, such as computer games and penny-pushers. The premises is 'unlicensed' in that it does not require a premises licence, but does require a permit to be able to provide its category D gaming machines. It should not be confused with a 'licensed family entertainment centre' which does require a premises licence because it contains both category C and D gaming machines.

uFECs will be most commonly located at seaside resorts, in airports and at motorway style service centres, and will cater for families, including unaccompanied children and young persons.

This Licensing Authority will only grant an uFEC gaming machine permit where it is satisfied that the premises will be operated as a bonafide uFEC.

In line with the Act, while this Licensing Authority will not attach conditions to this type of permit it can refuse applications if not satisfied that issues raised in this Statement of Principles have been addressed in the application.

- I.2 Where an establishment does not hold a Premises Licence but wishes to provide gaming machines, it may apply to the licensing authority for this permit. It should be noted that the applicant must show that the premises will be wholly or mainly used for making gaming machines available for use (S.238 of the Act).
- I.3 This Licensing Authority notes the Gambling Commission's Guidance which states that 'An application for a permit may be granted only if the Licensing Authority is satisfied that the premises will be used as an unlicensed Family Entertainment Centre and if the Chief Officer of Police has been consulted on the application...' and will consider asking the applicant to demonstrate;
- A full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed Family Entertainment Centres;
 - That the applicant has no relevant convictions (those that are set out in Schedule 7 of the Act; and
 - That staff are, or will be trained to have a full understanding of the maximum stakes and prizes
- I.5 This Licensing Authority will not attach conditions to this type of permit.
- I.6 This Licensing Authority Statement of Principles clarifies the measures that this licensing authority will expect applicants to demonstrate when applying for a permit for an unlicensed family entertainment centre. This will allow this licensing authority to better determine the suitability of the applicant and the premises for a permit.
- I.7 Within this process this Licensing Authority will aim to grant the permit where the applicant is able to demonstrate that:
- They are a fit and proper person to hold the permit
 - They have considered and are proposing suitable measures to promote the licensing objectives, and
 - They have a legal right to occupy the premises to which the permit is sought.

The measures suggested in this Statement of Licensing Policy should be read as guidance only and this Licensing Authority will consider any alternative measures suggested by the applicant, not included, and to substitute measures as appropriate

- I.8 This Licensing Authority will require the following **supporting documents** to be served with all uFEC gaming machine permit applications:
- Proof of age - a certified copy or sight of an original birth certificate, a photo style driving licence, or passport – all applicants for these permits must be aged 18 or over)
 - Proof that the applicant has the right to occupy the premises - acceptable evidence would be a copy of any lease, a copy of the property's deeds or a similar document
 - A criminal records disclosure check issued within the previous month. This will be used to check that the applicant has no relevant convictions as defined in Schedule 7 of the Act.
 - Evidence that the machines to be provided are or were supplied by a legitimate gambling machine supplier or manufacturer who holds a valid gaming machine technical operating licence issued by the Gambling Commission
 - A plan of the premises for which the permit is sought showing the following items:
 - (i) The boundary of the building with any external or internal walls, entrances and exits to the building and any internal doorways
 - (ii) Where any category D gaming machines are positioned and the particular type of machines to be provided (e.g. slot machines, penny-falls, cranes)
 - (iii) The positioning and types of any other amusement machines on the premises
 - (iv) The location of any fixed or semi-fixed counters, booths or offices on the premises whereby staff monitor the customer floor area
 - (v) The location of any ATM/cash machines or change machines
 - (vi) The location of any fixed or temporary structures such as columns or pillars
 - (vii) The location and height of any stages in the premises; any steps, stairs, elevators, balconies or lifts in the premises
 - (viii) The location of any public toilets in the building

Unless otherwise agreed, the plan should be drawn to a standard scale with a key showing the items mentioned above. The standard scale is 1:100.

- I.9 This Licensing Authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machine areas that may be present.

Harm in this context is not limited to harm from gambling, but includes wider child protection considerations. The council will consider these policies and procedures

on their merits but should (depending on the particular permit being applied for) include appropriate measures/training for staff having regard to the following:

- Maintain contact details for any local schools and or the education authority so that any truant children can be reported
- Employ policies to address problems associated with truant children who may attempt to gain access to the premises and to gamble when they should be at school
- Employ policies to address any problems that may arise when there is an increased likelihood that children may frequent the premises in greater numbers, such as half terms and summer holidays
- Maintain information at the premises of the term times of any local schools in the vicinity and to review staffing levels during these times
- Display posters with the 'Child Line' phone number in discreet locations throughout the premises e.g. toilets, corridors
- Maintain a register of any incidents that arise on and around the premises related to children i.e. children gambling excessively, truant children, children being unruly or young unaccompanied children entering the premises. The register can be used to detect any trends which require action by the management of the premises.
- Take steps to ensure all young children are accompanied by a responsible adult.
- Maintain policies to deal with any young children who enter the premises unaccompanied
- Undertake satisfactory disclosure checks (criminal records checks) for all staff who will be working with children.

NB: Any supporting evidence of the above measures e.g. training manuals or other similar documents/written statements should be attached to the application.

- 1.10 This Licensing Authority will expect the applicant to show that there are policies and procedures in place to **protect vulnerable persons**. This Licensing Authority will assess the submitted policies and procedures on their merits, but (depending on the particular permit being applied for) should include appropriate measures/training for staff relating to the following:

- Display Gamcare helpline stickers on all gaming machines
- Display Gamcare posters in prominent locations on the premises
- Training for staff members which focuses on building an employee's ability to maintain a sense of awareness of how much (e.g. how long) customers are gambling, as part of measures to detect persons who may be vulnerable
- Consider appropriate positioning of ATM and change machines, including the display of Gamcare stickers on any such machines.

NB: Any supporting evidence of the above measures e.g. training manuals or other similar documents/written statements should be attached to the application.

- 1.11 The applicant should also be mindful of the following possible control measures (depending on the particular permit being applied for) to minimise crime and disorder and the possibility of public nuisance:

- Maintain an effective CCTV system to monitor the interior and exterior of the premises
- Keep the exterior of the premises clean and tidy
- Ensure that external lighting is suitably positioned and operated so as not to cause nuisance to neighbouring or adjoining premises
- Consider the design and layout of the outside of the premises to deter the congregation of children and youths.

NB: Any supporting evidence of the above measures e.g. training manuals or other similar documents/written statements should be attached to the application.

2. (Alcohol) Licensed Premises (Gaming Machine Permits)

Automatic Entitlement: 2 Machines

2.1 There is provision in the Act for premises licensed to sell alcohol for consumption on the premises, to automatically have 2 gaming machines, of categories C and/or D. The premises merely need to notify the licensing authority. The Licensing Authority will consider removing an automatic authorisation in respect of any particular premises if:

- Provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
- Gaming has taken place on the premises that breaches a condition of section 282 of the Act (i.e. the gaming machines have been made available in a way that does not comply with requirements on the location and operation of gaming machines)
- The premises are mainly used for gaming; or
- An offence under the Act has been committed on the premises

Permit: 3 or More Machines

2.2 If a premises wishes to have more than 2 machines, then it needs to apply for a permit and the licensing authority must consider that application based upon the licensing objectives, any guidance issued by the Gambling Commission issued under Section 25 of the Act, and “other such matters as the Authority think relevant.” This Licensing Authority considers that “such matters” will be decided on a case by case basis but generally there will be regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machines. Measures which will satisfy the licensing authority that there will be no access may include the adult machines being in sight of the bar, or in the sight of staff that will monitor that the machines are not being used by those under 18, or suitable Challenge scheme. Notices and signage may also be helpful. As regards the protection of vulnerable persons, applicants may wish to consider the provision of information leaflets/helpline numbers for organisations such as GamCare.

2.3 It is recognised that some alcohol-licensed premises may apply for a premises licence for their non-alcohol licensed areas. Any such application would most likely need to be applied for, and dealt with as an Adult Gaming Centre premises licence. It should be noted that the licensing authority can decide to grant the application with a

smaller number of machines and/or a different category of machines than that applied for but conditions (other than these) cannot be attached.

- 2.4 It should also be noted that the holder of a permit must comply with any Code of Practice issued by the Gambling Commission about the location and operation of the machine.
- 2.5 A plan must accompany applications indicating where and what type of gambling machines are to be provided. This plan may take the form of an amendment to the plan attached to the Premises Licence issued under the Licensing Act 2003.
- 2.6 Applicants should be aware that only those premises which have a 'bar' (server) at which alcohol is sold for consumption on the premises will be eligible for a machine in the bar area of the premises. This means that premises such as restaurants, which do not have a bar for serving drinks or can only, sell alcoholic drinks as an ancillary to food will no longer automatically qualify for two machines.

3. Prize Gaming Permits

- 3.1 The Act states that a licensing authority must prepare a Statement of Licensing Policy that they propose to apply in exercising their functions under this Schedule which 'may, in particular, specify matters that the Licensing Authority proposes to consider in determining the suitability of the applicant for a permit'.
- 3.2 This Licensing Authority will expect the applicant to set out the types of gaming that he or she is intending to offer and that the applicant should be able to demonstrate:
 - That they understand the limits to stakes and prizes that are set out in Regulations; and
 - That the gaming offered is within the law
 - Clear policies that outline the steps to be taken to protect children from harm
- 3.3 In making its decision on an application for this permit the Licensing Authority does not need but may have regard to the licensing objectives but must have regard to any Gambling Commission's Guidance (Schedule 14 and Para 8.3).
- 3.4 It should be noted that there are conditions in the Act by which the permit holder must comply, but that the Licensing Authority cannot attach conditions.

The conditions in the Act are:

- The limits on participation fees, as set out in regulations, must be complied with;
- All chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played;
- The prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if non-monetary prize); and
- Participation in the gaming must not entitle the player to take part in any other gambling.

4. Club Gaming and Club Machines Permits

- 4.1 Member's Clubs (but not Commercial Clubs) may apply for a Club Gaming Permit or a Clubs Gaming machines permit. The Club Gaming Permit will enable the premises

to provide gaming machines (3 machines of categories B, C or D), equal chance gaming and games of chance as set out in forthcoming regulations. A Club Gaming machine permit will enable the premises to provide gaming machines (3 machines of categories B, C or D).

4.2 Gambling Commission Guidance states: 'Members clubs must have at least 25 members and be established and conducted 'wholly or mainly' for purposes other than gaming, unless the gaming is permitted by separate regulations. The Secretary of State has made regulation and these cover bridge and whist clubs, which replicates the position under the Gaming Act 1968. A members' club must be permanent in nature, not established to make commercial profit, and controlled by its members equally. Examples include working men's clubs, branches of Royal British Legion and clubs with political affiliations'.

4.3 The Commission Guidance also notes that licensing authorities may only refuse an application on the grounds that:

- (a) The applicant does not fulfil the requirements for a members' or commercial club or miners' welfare institute and therefore is not entitled to receive the type of permit for which it has applied;
- (b) The applicant's premises are used wholly or mainly by children and/or young persons;
- (c) An offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities;
- (d) A permit held by the applicant has been cancelled in the previous ten years; or
- (e) An objection has been lodged by the Commission or by the police.

4.4 There is also a **'fast-track' procedure** available under the Act for premises, which hold a Club Premises Certificate under the Licensing Act 2003 (Schedule 12 paragraph 10). As the Gambling Commission's Guidance to licensing authorities states: 'Under the fast-track procedure there is no opportunity for objections to be made by the Commission or the police and the ground upon which an Authority can refuse a permit are reduced' and

'The grounds on which an application under the process may be refused are:

- (a) That the club is established primarily for gaming, other than gaming prescribed under schedule 12;
- (b) That in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
- (c) That a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled'.

4.5 There are statutory conditions on club gaming permits that no child uses a category B or C machine on the premises and that the holder complies with any relevant provision of a code of practice about the location and operation of gaming machines.

5. Temporary Use Notices

5.1 Temporary use notices allow the use of premises for gambling where there is no premises licence but where a gambling operator wishes to use the premises temporarily for providing facilities for gambling. Premises that might be suitable for a temporary use notice, according to the Gambling Commission, would include hotels, conference centres and sporting venues.

- 5.2 This Licensing Authority will only grant a temporary use notice to a person or company holding a relevant operating licence, i.e. a non-remote casino operating licence.

The Secretary of State has the power to determine what form of gambling can be authorised by temporary use notices, and at the time of writing this Statement the relevant regulations (SI no 3157: The Act (Temporary Use Notices Regulations 2007) state that temporary use notices can only be used to permit the provision of facilities or equal chance gaming, where the gaming is intended to produce a single winner, which in practice means poker tournaments.

There are a number of statutory limits as regards temporary use notices. The meaning of 'premises' in Part 8 of the Act is discussed in Part 7 of the Gambling Commission's Guidance. As with 'premises' the definition of 'a set of premises' will be a question of fact, in the particular circumstances of each notice that is given. In the Act 'premises' is defined as including 'any place'.

In considering whether a place falls within the definition of 'a set of premises', the licensing authority needs to look at, amongst other things, the ownership/occupation and control of the premises.

- 5.3 This licensing authority expects to object to notices where it appears that their effect would be to permit regular gambling in a place that could be described as one set of premises, as recommended in the Gambling Commission's Guidance.

6. Small Society Lotteries

- 6.1 Under the Act a lottery is unlawful unless it runs under an operating licence or is an exempt lottery. This Licensing Authority will register and administer small society lotteries as defined under the Act. Promoting or facilitating a lottery will fall into two categories.

- Licensed lotteries (requiring an operating licence from the Gambling Commission)
- Exempt lotteries (including small society lotteries registered with Plymouth City Council)

Exempt lotteries are lotteries permitted to run without a licence from the Gambling Commission and are defined as:

- Small society lotteries;
- Incidental non-commercial lotteries;
- Private lotteries;
- Private society lottery;
- Work lottery;
- Residents' lottery;
- Customers' lottery.

Advice regarding the definitions of the above exempt lotteries is available from the Gambling Commission guidance and their website:

http://www.gamblingcommission.gov.uk/gambling_sectors/lotteries/getting_a_licence-what_you_need_to_do_i_need_a_licence/circumstances_in_which_you_do.aspx

7. Occasional Use Notices

- 7.1 This Licensing Authority has very little discretion as regards these notices aside from ensuring that the statutory limit of 8 days in a calendar year is not exceeded. This Licensing Authority will consider the definition of a 'track' and whether the applicant is permitted to avail him/herself of the notice.
- 7.2 This Licensing Authority will consider any guidance issued by the Gambling Commission or any other statutory agency (please refer to the glossary at the end of this document) regarding non-commercial betting and race nights of how their activities can be regulated within the Act. Similarly, for gaming activities such as poker played in licensed premises, further details are set out in the glossary at the end of this document.

8. Vessels

- 8.1 This Licensing Authority when considering applications for premises licences in respect of vessels will give particular weight to the views of the Maritime and Coastguard Agency in respect of promoting the licensing objectives. Where in the opinion of the Licensing Authority any of the three objectives are undermined, and this cannot be resolved through the imposition of conditions, the application will be refused.
- 8.2 Where a premises licence is sought in connection with a vessel which will be navigated whilst licensable activities take place, the licensing authority will be concerned following the receipt of relevant representations, with the promotion of the licensing objectives on-board the vessel. The licensing authority will not focus on matters relating to safe navigation or operation of the vessel, the general safety of passengers or emergency provisions, all of which are subject to regulations, which must be met before the vessel is issued with a Passenger Certificate and Safety Management Certificate. It is expected that if the Maritime and Coastguard Agency is satisfied that the vessel complies with Merchant Shipping standards for a passenger ship, the premises will normally be accepted as meeting the public safety objectives. In respect of other public safety aspects, representations made to the licensing authority by the Maritime and Coastguard Agency will be given particular weight.

Disclaimer: This Licensing Authority wishes to make clear that the Gambling Commission's Guidance to Local Authorities (4th Edition – Sept 2012) was the most recent information available at the time of writing and can be the subject of change within the period that this statement of principles is in force. This Licensing Authority will therefore have regard to changes in legislation, court judgements and any updated guidance issued by the Gambling Commission where it is appropriate to the application under consideration.

Appendix A - Responsible Authorities Contacts (non emergency calls only)

Licensing Authority

Licensing Office
Public Protection Service
Plymouth City Council
Civic Centre
Plymouth, PL1 2AA

Tel: 01752 304141
Fax: 01752 226314
Email: licensing@plymouth.gov.uk

The Gambling Commission

Victoria Square House
Victoria Square
Birmingham, B2 4BP

Tel: 0121 230 6666
Fax: 0121 230 6720
Email: - info@gamblingcommission.gov.uk

H M Revenue & Customs

The Apex
2 Brest Road
Derriford Business Park
Plymouth
Devon
PL6 5XS

Tel: 0845 300 626

Child Protection

Child Protection Team,
Social Services,
Midland House,
Notte Street,
Plymouth,
PL1 2EG

Tel: 01752 306340
Email: childprotect@plymouth.gov.uk

Devon & Cornwall Police

Licensing Department,
Launceston Police Station,
Moorland Road,
Launceston,
Cornwall,
PL15 7HY

Tel: 01566 771309 Fax: 01566 771388
Email: licensingwest@devonandcornwall.pnn.police.uk

Devon & Somerset Fire and Rescue Service

West Devon Headquarters,
Glen Road,
Plympton,
Plymouth,
PL7 3XT

Tel: 01752 333600 Fax: 01752 333640
Email: westfiresafety@devfire.gov.uk

Public Protection Service

Public Protection Service
Plymouth City Council
Civic Centre
Armada Way
Plymouth, PL1 2AA

Tel: 01752 304141; Fax: 01752 226314
E-mail: public.protection@plymouth.gov.uk

Planning & Regeneration

Planning Consents
Plymouth City Council
Civic Centre
Plymouth, PL1 2AA

Tel: 01752 304366;
Fax: 01752 305523
E-mail: planningconsents@plymouth.gov.uk

Maritime & Coastguard Agency (Boats only)

Plymouth Marine Office
New Fish Market
Sutton Harbour
Plymouth, PL4 0LH

Tel: 01752 266211
Fax: 01752 225826
Email: plymouthmo@mcga.gov.uk

References

DCMS - Department of Culture, Media, and Sport

<http://www.culture.gov.uk/whatwedo/gamblingandracing/3305.aspx>

Race Nights under the Gambling Act 2005

Poker under the Gambling Act 2005

Factsheets – bingo, casino nights, poker, race nights, arcades, gaming machines in pubs and clubs, etc

LACORS - The Local Authority Coordinators of Regulatory Services

Gambling Commission – Documents

<http://www.gamblingcommission.gov.uk/>

Poker in Pubs - Advice on allowing poker in alcohol licensed premises (July 2009)

Advice on Gaming in clubs and alcohol licensed premises: Gambling Act 2005 (Sept 2008)

Note – Specific guidance on activities such as **poker in pubs, race nights and lotteries** may be obtained by visiting the above-mentioned web sites

Glossary

An Interested Party – is a person, in the opinion of the Licensing Authority who:

- a) Lives sufficiently close to the premises to be likely to be affected by the authorised activities,
- b) Has business interests that might be affected by the authorised activities, or
- c) Represents persons who satisfy paragraph (a) or (b)

Responsible Authority –

- (i) The Licensing Authority
- (ii) The Gambling Commissioner
- (iii) The Chief Officer of Devon & Cornwall Constabulary
- (iv) The Devon and Somerset Fire & Rescue Service.
- (v) The local planning authority within the meaning given by the Town and Country Planning act 1990 (c.8) for any area in which the premises are wholly or partly situated
- (vi) The local authority by which statutory functions are exercisable in any area in which the premises are wholly or partly situated in relation to minimising or preventing the risk of pollution of the environment or of harm to human health
- (vi) A body, which is designated in writing for the purpose of this paragraph, by the Licensing Authority for an area in which the premises are wholly or partly situated, as competent to advise the authority about the protection of children from harm:
- (vii) And any other person prescribed by regulations by the Secretary of State.

PLYMOUTH CITY COUNCIL

Subject: Royal William Yard Coast Path Link
Committee: Cabinet
Date: 13 November 2012
Cabinet Member: Councillor Vincent
CMT Member: Anthony Payne (Director for Place)
Author: Kathryn Deeney, Green Infrastructure Team Leader
Contact: Tel: 01752 304351
email: kathryn.deeney@plymouth.gov.uk
Ref: KD/RWY
Key Decision: No
Part: I

Purpose of the report:

Plymouth City Council has been offered a grant of £237,000 by Natural England to facilitate the delivery of a project to re-route the South West Coast Path (SWCP) through Devil's Point Park to connect this area to the nationally important Grade I Listed Royal William Yard (RWY). Delivering the important link between RWY and the Park will involve constructing a stairway into the Yard that will enable the SWCP to be connected all the way around the peninsula on which the Park and the RWY are situated. Providing this complete route around the peninsula will deliver a long held aspiration to connect these two popular features, enable communities to be directly linked to the attractions within RWY and enable greater use of the Park.

Constructing the staircase and re-routing the SWCP around the headland will enable better use of the outstanding natural and historical assets of both the Park and the Yard and promote the economic and cultural vitality of the area. It will also provide a stunning new visitor attraction for the SWCP that will enhance the visitor experience within this part of Plymouth. The multiple benefits that would result from the delivery of the project are the reason that Natural England have offered to fund the works as part of their role to improve and promote a network of National Trails. The excellent working relationship developed with Natural England as part of the Plymouth Green Infrastructure Project has helped to secure the funding for Plymouth rather than it being spent in other areas of the country.

The funding would be provided by Natural England as a grant payable on delivery of the project and the access link must be in place by the end of this financial year. This places a very challenging time scale on the delivery of the works.

To enable the project to be completed within the specified time scales it is proposed that we utilise Urban Splash as a contractor to deliver the works. Urban Splash has already secured planning permission and listed building consent for the coast path link and has produced design work for the project. As the developers of the RWY and having previously developed the proposals for the access link, Urban Splash are in a unique position to support delivery of the works. They are also very supportive of the proposal as it would open up a new route into the Yard and enable them to support the local community's aspirations for the area.

As the full amount of funding needed to deliver the project is being provided by external sources the Council will not have to contribute financial to the project. The role the Council will play is to facilitate delivery of the project and manage the grant funding. Plymouth City Council would retain ownership of the new asset (the stairway and new section of coast path) but these features would be added to the existing lease the Council has with Urban Splash so they would be responsible for maintenance.

The delivery of this new access link would provide economic, social and environmental benefits and would deliver a long held aspiration of the local community. In the current situation the Council is the only organisation that can facilitate delivery of this exciting project.

Corporate Plan 2012-2015:

This project directly supports the City Vision by enhancing the waterfront and enabling residents and visitors to have greater opportunities to access the exceptional natural and historic assets the area offers.

Delivery of the coast path link supports Plymouth City Council's Corporate Plan. The delivery of high quality access routes that link key natural and built attractions and provide sustainable transport opportunities supports the delivery of the growth agenda and the development of sustainable communities.

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

The total cost of delivering the new coast path link is £250k. The Council will not be required to support the project financially but will be required to manage the grant that will be provided by Natural England and ensure compliance with the grant conditions. The risk of not being able to claim the grant, due to non delivery of the project within the time scales detailed in the grant conditions, will be passed to Urban Splash, as the delivery agent, within the contractual agreements.

Natural England has offered to contribute £237k towards the project with the remaining funding provided by the SWCP Association (£10k) and the Friends of Devils Point Park (£3K).

The Council will also need to commit Officer time to support the coordination of the works and the management of the grant. The Green Infrastructure and Waterfront Teams based within Planning Services and Project Delivery Team within Transport and Infrastructure will provide this resource.

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

Delivery and maintenance of high quality access routes that link natural and historic assets will help to create sustainable communities and enhance people's quality of life. Delivery of this access link has been an aspiration of the local community for a long time.

Unfortunately due to the topography and site constraints it is not possible to create an access link that is accessible for all. It will however open up this area and enable more people to experience the attractions that both the Yard and Park offer.

Recommendations & Reasons for recommended action:

It is recommended that the Cabinet:

1. Amend the Capital Programme to include the Royal William Yard Coast Path Link Project.

Reason: To enable the delivery of the project Plymouth City Council must administer the grant and the project therefore needs to be added to the Capital Programme.

2. Agree to accept a grant from Natural England to the value of £237,000 to enable delivery of the Coast Path link.

Reason: Plymouth City Council is the only organisation to whom Natural England will provide the grant funding to enable this project to be delivered.

3. Agree to the inclusion of the new staircase and section of SWCP onto the Council's asset register and instruct officers to add this asset to the existing lease agreement between Plymouth City Council and Urban Splash.

Reason: The grant will deliver a new asset on Plymouth City Council land and therefore needs to be added to the asset register. However, to ensure the Council does not incur an increased maintenance liability as a result of the project it is proposed that the asset is added to the existing lease the Council has with Urban Splash for the RWY area.

4. Agree the procurement strategy for delivering the project and provide delegated authority to enable the signing of the contracts.

Reason: It is proposed that Urban Splash is utilised as a contractor for the works as a single source supplier due to their unique position to enable the project to be delivered in the time scales required. The detailed contracts are being drawn up and delegated authority is sought for the Assistant Director of Development to sign these contracts when they are complete in consultation with the Portfolio Holder for the Environment.

Alternative options considered and reasons for recommended action:

If the Council does not agree to accept the grant from Natural England and facilitate the delivery of the coast path link to RWY this project will not happen. Natural England has made it clear that it will only provide the grant funding to Plymouth City Council. There is a long held aspiration to deliver the coast path link but there is currently no alternative delivery mechanism available other than that detailed in this report. Any delay in making a decision on this matter will also result in the project being undeliverable due to the very tight delivery time scales imposed by Natural England.

Background papers

None

Sign off:

Fin	PlaceF PC121 3 009	Leg	JAR/1 5980	HR		Corp Prop		IT		Strat Proc	
Originating SMT Member											
Have you consulted the Cabinet Member(s) named on the report? Yes											

I Background

- 1.1 Royal William Yard and Devil's Point Park form two halves of a narrow peninsula extending out into Plymouth Sound, however there is a high defensive wall around the Yard and no current link between these two areas. As a result, rather than being able to walk around the peninsula, there are two dead end spur paths off the South West Coast Path (SWCP) route and an impassable barrier between two attractions that should complement, support and promote each other.
- 1.2 Both Royal William Yard and Devil's Point Park are fantastic assets and providing a connection between them would unlock their potential to enhance the peninsula's offer to City residents and visitors as well as supporting local businesses. The Royal William Yard is an outstanding historical asset. Designated as Grade I Listed feature, the former victualling depot for the Royal Navy, designed by the architect John Rennie, is a key part of Britain's naval heritage. It is an outstanding feature that does not currently form part of the SWCP. Providing a coastal link to the site has been a long held aspiration, but the opportunity to do this has only recently been achievable as result of the redevelopment of the yard, which now includes cafés, bars, restaurants, a museum, art galleries, offices and flats. A significant proportion of this redevelopment was funded by SWRDA in recognition of the economic impact the development would have for Plymouth. It is therefore easy to conclude that delivering better access to the site with links to other City initiatives like the Waterfront Walk Way would also support economic growth.
- 1.3 Devil's Point Park has superb natural and historical assets overlooking the Cornwall Area of Outstanding Natural Beauty (AONB) and Plymouth Sound. Part of the Park is a geological SSSI (Western King), the staircase and proposed path are outside of the SSSI boundary. The site adjoins the Plymouth Sound and Estuaries European Marine site which is one of the best dive sites in the UK. The site also provides one of the best vantage points for watching departing and arriving naval ships. The new access route will remove a physical barrier to accessing the area and will encourage more people to enjoy the views, natural heritage and links to the sea this waterfront green space provides. Delivering the SWCP link forms a key element in the wider vision for Devil's Point Park.

2 Funding the New Access Route

- 2.1 Natural England has offered a grant to Plymouth City Council of £237k to facilitate the delivery of the new Coast Path link. This is part of a series of works Natural England are leading to enhance National Trails across the Country. The project to link the SWCP around Devil's Point Park and through into Royal William Yard has been raised as a high priority because it will not only provide an excellent addition to the trail network, it will also provide significant benefits for local communities and the economic vitality of the area. The main condition on the funding is that it must be spent by the end of the financial year.
- 2.2 The complete cost of the project is £250k. The remaining £13k to deliver the project is being provided by the SWCP Association (£10k) and the Friends of Devil's Point Park (£3K).

3 Delivering the New Access Link

- 3.1 To enable a new access link between the Royal William Yard and Devil's Point Park, there would need to be a new section of path linking the existing SWCP to a new gateway. A new gateway will be made in the existing defensive wall around RWY and a new staircase will be installed down the wall into the Yard.

- 3.2 Urban Splash has already secured planning permission (application number 10/02094/FUL) and listed building consent (application number 10/02095/LBC) for the access link. There are planning conditions on both these permissions that still need to be discharged which relate to the design detail of the staircase i.e. finish, colour, handrail, completion of an archaeological investigation and details of the new footpath on Devil's Point Park. The work required to discharge these conditions will form part of the 5 month project to deliver the Coast Path link.
- 3.3 To deliver the new access link by the end of the financial year the following delivery programme will be followed:
- **November & December** – Detailed design work for the stairway, access through the wall and the footpath. The archaeological survey will also be completed. This work will enable the planning conditions to be discharged.
 - **December** – Order placed for the new staircase.
 - **January to March** – Delivery works including; installation of the staircase, creation of the access link in the wall and the construction of the new section of footpath.

4 Procurement Process

- 4.1 It is recommended that the Council utilises Urban Splash as a contractor for these works. They are in a unique position to deliver the project within the very tight time scales as they hold the lease for the land, they have already secured planning permission and listed building consent for the works and have some design work already complete. They have also previously tendered for the works for the Coast Path link and can therefore very quickly progress to delivery. Due to this specific situation the Council could procure Urban Splash as a single source supplier which would enable the project to progress quickly to ensure deadlines are met.

5 Long Term Maintenance

- 5.1 To ensure that the new coast path link remains an asset for the area in the long term it is important to secure high quality maintenance of the feature. To ensure this happens without increasing the maintenance liability for the Council, it is recommended that the staircase is added to the Council's asset register (as we own the freehold on the land), but that the asset is then added to the existing lease between Plymouth City Council and Urban Splash. This will ensure that Urban Splash maintain the coast path link to a high quality in the future.

6 Conclusion

- 6.1 The grant funding offered by Natural England provides a unique opportunity to deliver the Coast Path link between Royal William Yard and Devil's Point Park. This has been a long held aspiration and would provide benefits for the local community, the businesses within the Yard, would enhance visitor experience and improve an important City asset. Plymouth City Council has a key role to play in facilitating the successful delivery of the coast path link and will ensure that the dual attractions of the Park and Yard will in the future support and promote each other to improve the offer of the whole area.

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PLYMOUTH CITY COUNCIL

Subject: Local Transport Bodies and Major Scheme Funding
Committee: Cabinet
Date: 13 November 2012
Cabinet Member: Councillor Coker
CMT Member: Anthony Payne (Director for Place)
Author: Juli Wileman, Major Schemes Project Manager
Contact: Tel: 01752 307703
Email: juli.wileman@plymouth.gov.uk
Ref:
Key Decision: No
Part: I

Purpose of the report:

To update Cabinet Members on the devolution of Transport Major Scheme Funding to new Local Transport Bodies and to nominate Plymouth City Council's representative on the Heart of the South-West Local Transport Body.

Corporate Plan 2012 – 2015:

Significant growth is proposed on both the Northern and Eastern Corridors over the next fifteen years and improvements to the transport infrastructure along these corridors will be required to enable these developments to come forward. These improvements will help create the conditions for investment in quality homes, jobs and infrastructure and they will benefit all road users, including bus passengers, cyclists and pedestrians. They will improve public transport reliability and increase the range of travel options available to all. Potential funding sources to enable the delivery of these improvements include the Transport Major Scheme Funding, which is being devolved to the Heart-of the South-West Local Transport Body.

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

Implications on the Medium Term Financial Plan will not be known until the Heart of the South-West Local Transport Board has agreed its shortlist of Major Transport Schemes, including those being promoted by Plymouth.

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

None

Recommendations & Reasons for recommended action:

Members note the update on the devolution of Major Scheme Transport Funding to new Local Transport Bodies and nominate the Portfolio Member for Transport to be Plymouth City Council's member on the Heart of the South-West Local Transport Body.

Alternative options considered and reasons for recommended action:

None

Background papers:

DfT consultation paper "Devolving Local Major Transport Schemes", January 2012
<http://assets.dft.gov.uk/consultations/dft-2012-04/main-document1.pdf>

DfT "Devolving Local Major Transport Schemes: Next Steps", September 2012
<http://assets.dft.gov.uk/consultations/dft-2012-04/next-steps.pdf>

Sign off:

Fin	SG. Plac eFT C12 130 02.2 210 12	Leg	JAR/ 1583 2	HR		Corp Prop		IT		Strat Proc	
Originating SMT Member: Clive Perkin, Assistant Director for Transport and Infrastructure											
Have you consulted the Cabinet Member(s) named on the report? Yes											

1.0 Background

- 1.1 Local major transport schemes have traditionally been approved and funded individually by Central Government under a centralised bidding process. In 2005/6 a Regional Funding Allocation (RFA) process was introduced for schemes over £5 million, which took the initial scheme prioritisation away from Whitehall and giving that responsibility to the then Regional Transport Board, but business cases for those individual schemes were still scrutinised by the Department for Transport (DfT) prior to the Secretary of State giving final approval to release the funding.
- 1.2 Through this RFA process Plymouth City Council had been allocated £77.2 million, between 2014/15 and 2018/19, for the Eastern Corridor High Quality Public Transport Scheme and £72 million for the Northern Corridor High Quality Public Transport Scheme, between 2018/19 and 2025/26. However following the creation of the Coalition Government in 2010 this RFA funding was withdrawn.
- 1.3 As part of its localism agenda, the Coalition Government is now proposing to give local communities and businesses real control for decisions affecting local transport in their areas. In January 2012 Government consulted on proposals for a new system which would devolve capital funding for local major transport schemes to democratically accountable Local Transport Bodies (LTB). These LTBs would have responsibility for making decisions on which schemes would be allocated devolved funding and ensuring that there are effective delivery and accountability arrangements in place.
- 1.4 In August 2012 DfT asked Local Transport Authorities (LTAs) and Local Enterprise Partnerships (LEPs) to consider the most appropriate make up for these LTBs. Plymouth City Council's preference was for a LTB based on a joint Cornwall and Heart of the South-West (HotSW) LEP geography, as this best reflects our transport network and travel to work area. However agreement with the other LTAs could not be reached on this arrangement, so instead Plymouth City Council has entered into a LTB based on the HotSW LEP geography, together with Devon County Council, Somerset County Council and Torbay Borough Council. This arrangement was confirmed to DfT in a letter at the end of September 2012, which was signed by all four LTAs and the HotSW LEP. DfT intends to confirm with each LTB that they are in agreement with their proposals, but confirmation has not yet been received.
- 1.5 In September 2012, DfT provided guidance on the next steps towards devolving local major transport schemes and this report provides the details of what these are.

2. Assurance Framework for the HotSW Local Transport Body

- 2.1 In return for greater devolution, central government needs assurances that each LTB has in place effective governance, financial management and accountability to enable the achievement of value for money. They are proposing to provide guidance on their assurance framework requirements in mid-October 2012 and they will require the HotSW LTB to provide detail on its governance arrangements and assurance framework by the end of December 2012. In preparation for this, Terms of Reference have been drafted by officers from the four HotSW LTAs, with input from the HotSW LEP, for the establishment of the HotSW LTB Board. The assurance framework requirements are also currently being considered and developed by officers of the four LTAs and the HotSW LEP.
- 2.2 These Terms of Reference propose that one member from each LTA, together with one from the LEP, will be the only members with voting rights. The Highways Agency and Network Rail will be invited to be Board members but they will not have voting rights. Advice has been

sought from DfT as to the balance between private and public sector representation and they have advised that LTAs should form the majority of LTB voting members, with the LEP taking as active a role as possible.

- 2.3 The proposed Terms of Reference for the Board is to be reviewed by a “Shadow Board” of prospective LTB voting members prior to formal establishment. It is proposed that a LTB Technical Officer Group is also established, providing guidance and advice to the Board. It is proposed that the “Shadow Board” members meet in early November.
- 2.4 It is proposed that the Portfolio Member for Transport is nominated to be Plymouth City Council’s member on the HotSW LTB.

3. Major Scheme Funding and Prioritisation

- 3.1 DfT proposes to provide LTBs with their indicative funding allocations by mid October, but these won’t be confirmed until announcements on the next Comprehensive Spending Review are made towards the end of 2014. These funding allocations will be for the period 2015/16 to 2018/19 and will be based upon a 2017 forecast population based formula. It is anticipated that the HotSW LTB will receive approximately £40 million over the four year period.
- 3.2 DfT has asked LTBs to provide them with their agreed list of prioritised schemes by April 2013, which will then become the list of approved schemes to receive Major Scheme funding. A further report will be presented to Cabinet outlining the prioritisation process and detailing the schemes that Plymouth City Council wishes to be considered for Major Scheme funding between 2015/16 and 2018/2019.

PLYMOUTH CITY COUNCIL

Subject: Revenues and Benefits Performance Update

Committee: Cabinet

Date: 13 November 2012

Cabinet Member: Councillor Lowry

CMT Member: Adam Broome (Director for Corporate Services)

Author: Martine Collins (Strategic Manager Revs and Benefits)

Contact: Tel: 01752 304118
email: martine.collins@plymouth.gov.uk

Ref:

Key Decision: No

Part: I

Purpose of the report:

To provide Cabinet with an update on the performance of the Revenues and Benefits service.

Corporate Plan 2012-2015:

The Revenues and Benefits service significantly contributes to the Inequalities Agenda ensuring that the most vulnerable residents of Plymouth receive the appropriate benefit entitlement. Also strong links into Value for Communities.

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

The Revenues and Benefits service undertook a major restructure in 2011/12 which reduced overall funding by c.£1m and fundamentally changed working practices. The Council administers Housing Benefit subsidy of c.£100m per annum and processes Council Tax Benefit of circa £22m

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

- An effective Revenues and Benefits service helps address inequalities through ensuring that vulnerable residents receive appropriate benefit entitlement.
- The service undertakes annual benefit take up campaigns which are targeted to areas of greatest need.

Recommendations & Reasons for recommended action:

Cabinet are asked to note the progress made by the service since the implementation of a new structure in November 2011. The service now benchmarks as being 'below average' costs with improving service delivery.

Alternative options considered and reasons for recommended action:

The restructure of the Revenues and Benefits service was undertaken in response to benchmarking information which demonstrated that the service was performing below standard and above cost.

Background papers:

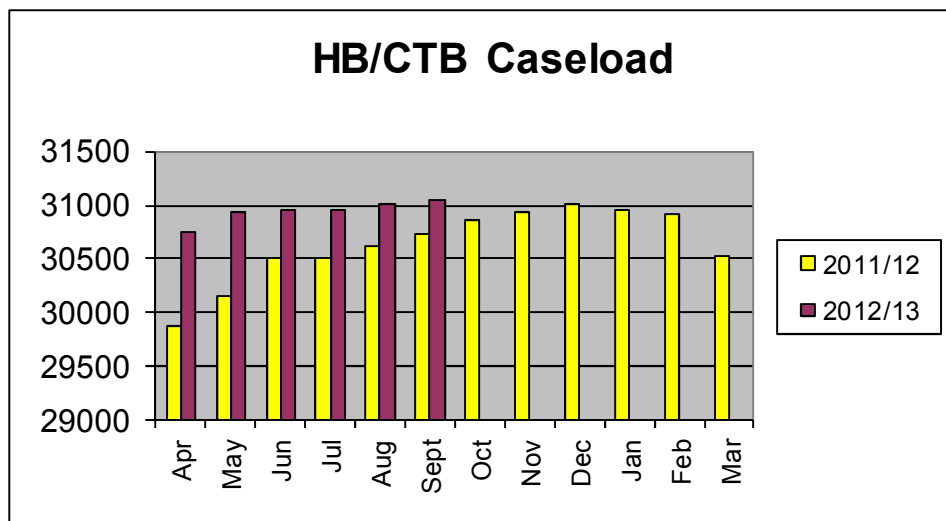
None

Sign off:

Fin	MC 1213. 016	Leg	TH 0059	HR		Corp Prop		IT		Strat Proc	
Originating SMT Member: Malcolm Coe											
Have you consulted the Cabinet Member(s) named on the report? Yes											

Housing Benefit

Number of Housing Benefit and Council Tax Benefit claimants:



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2012/13	30754	30945	30953	30952	31015	31040						
2011/12	29879	30165	30505	30504	30621	30737	30853	30929	31004	30952	30923	30528

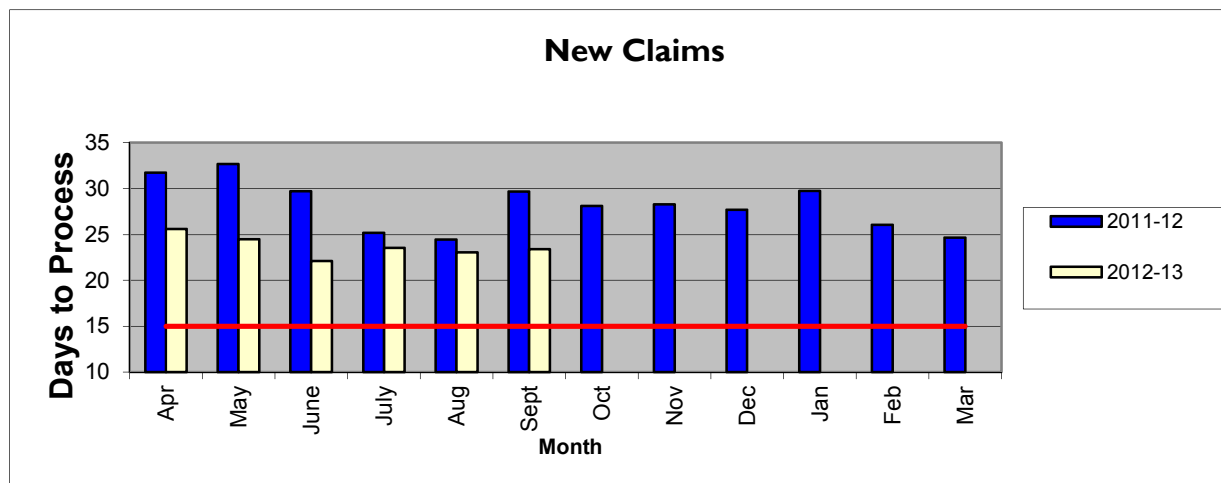
Caseload figures continue to rise. The average caseload per Plymouth City Council FTE staff member is now more than 1,000 which is above average compared with other Councils (Appendix A)

Processing times New Claims



Target 15 days

The average time to process new claims in September 2012 was 23.73 days (23.05 Aug). This is in line with the figure as projected in the August '12 report. CIPFA 2012 benchmarking verifies that our performance is now in line with Council average. This compares with an historical figure of 30+ days which the service has performed at for many years. There is still further progress to be made, but overall there is a notable improvement in performance.



	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
2012	25.62	24.49	22.09	23.54	23.05	23.73	22.00	21.00	20.00	22.00	20.00	18.00
2011	31.74	32.70	29.74	25.19	24.47	29.70	28.13	27.71	27.71	29.77	26.05	24.68

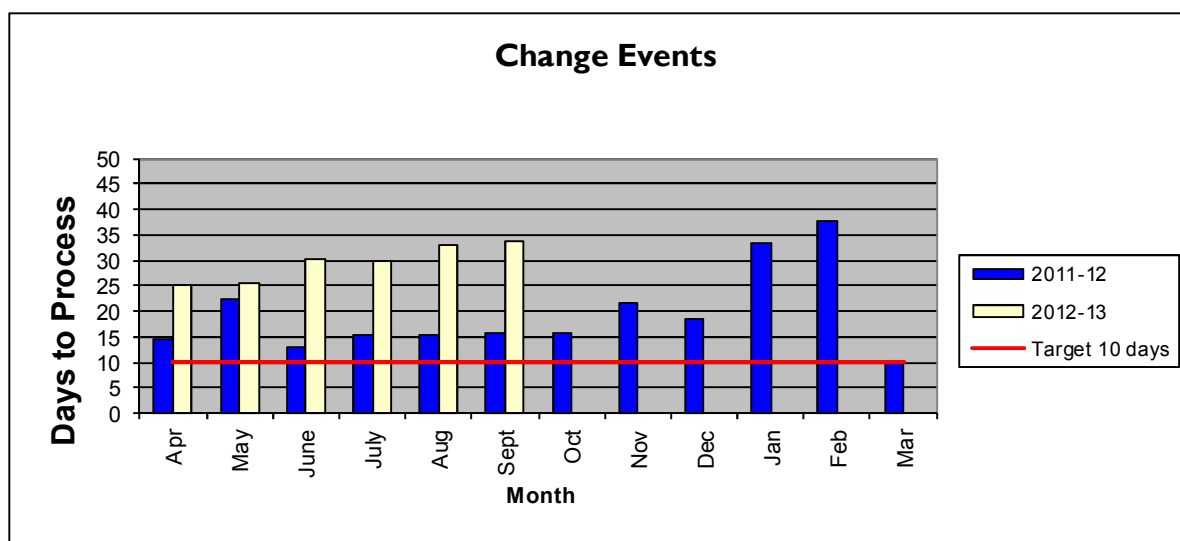
Forecast Processing Times (new claims)

The build-up of claims throughout the summer continued to be cleared during September. Processing times have remained stable and are in line with forecasted outturns. We are confident that processing times will continue to improve over the coming months through the introduction of new processes and wider system functionality. Self-service continues to be rolled out which will provide clearer information to claimants earlier in the process and reduce the volume of low complexity queries to the service.

Processing times - Change Events

Target 10 days

The processing times for September were in line with forecasted outturns and as we clear the oldest ATLAS work the processing times will begin to reduce over the coming weeks.



	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
2012	25.05	25.41	30.23	29.73	33.08	33.86	29.00	26.00	24.00	22.00	19.00	15.00
2011	14.58	22.57	12.94	12.12	15.15	15.62	15.73	18.34	18.34	33.36	37.82	25

Forecast Processing Times (change events)

Throughout September there have been on-going problems downloading ATLAS files from the DWP which have impacted on overall processing times for changes.

Issues surrounding these files are an on-going national issue with processing times for 'changes in circumstances' significantly increasing, (in the short term), across all authorities. The official national housing benefit information website states that delays of between 6 to 8 weeks are common due to pressures brought about by ATLAS.

A dedicated team has been set up to clear the backlog of ATLAS files, clearance plans are in place and progress is being monitored weekly. Staff have engaged in initiatives to drive improved performance and tackle backlog volume. For example, approx. 20 volunteers have recently participated in an after hours evening club – focussed on clearing ‘changes in circumstances’ cases combined into a team building environment which ran up to midnight on a Friday evening. Feedback from this event was very positive and it is possible that we will re-run this again in the near future.

Income Collection Rates

Council Tax

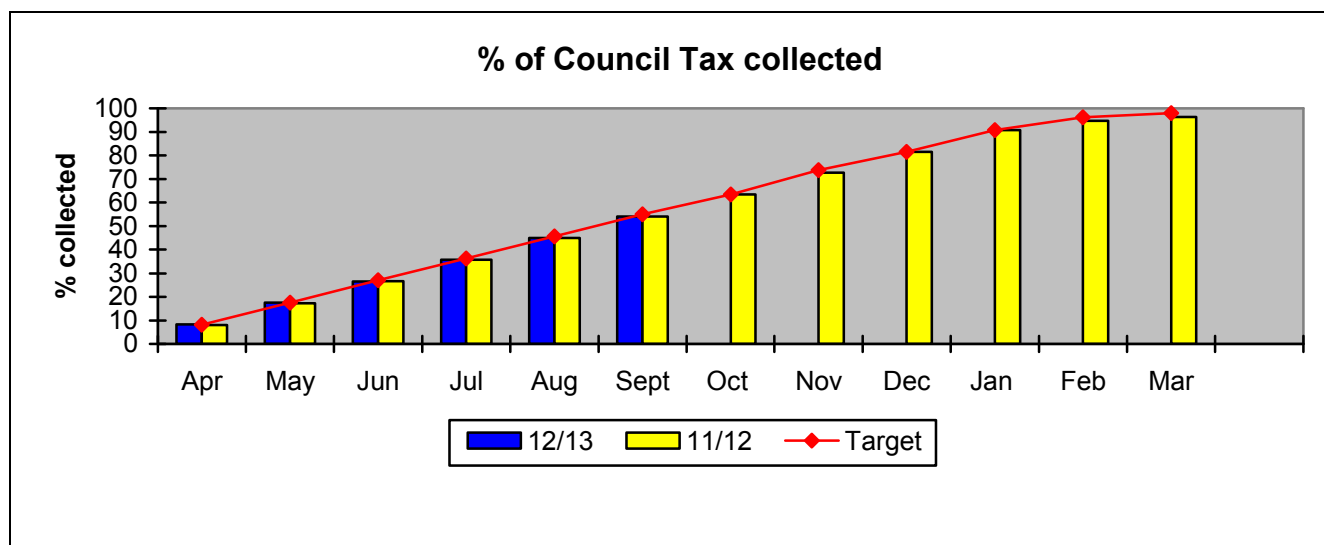


- Net Collectable Debt 2012/13 £93,653m
- Collection Target 2012/13 98.00%

Monthly Target = 54.90%

Collection Rate = 54.07%

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
12/13	8.25	17.53	26.53	35.70	44.95	54.07	63.38	72.72	81.68	90.91	94.93	96.6%
11/12	8.07	17.31	26.62	35.61	44.85	54.04	63.34	72.60	81.54	90.71	94.68	96.30
Target	8.22	17.61	27.06	36.19	45.57	54.90	63.34	73.74	81.54	90.71	96.24	98.00



Council Tax collection rates have continued to improve at 54.07% for September against a collection rate of 54.04% for the same point last year. This is slightly under the target of 54.90%.

To maximise collection and in preparation for welfare reform changes, staff have received updated training in collection techniques. The aim of this is to connect with the customer earlier to avoid court action and bailiff action and maximise payments to the Council earlier in the process.

The percentage of payers who pay by DD has increased to 66.65% from 60.58% at the same point last year. Our trend in improving income collection is positive compared to other authorities. However, maintaining this upward trend will be a significant challenge with the introduction of welfare reform changes (such as localised Council Tax Support scheme)

National Non Domestic Rates



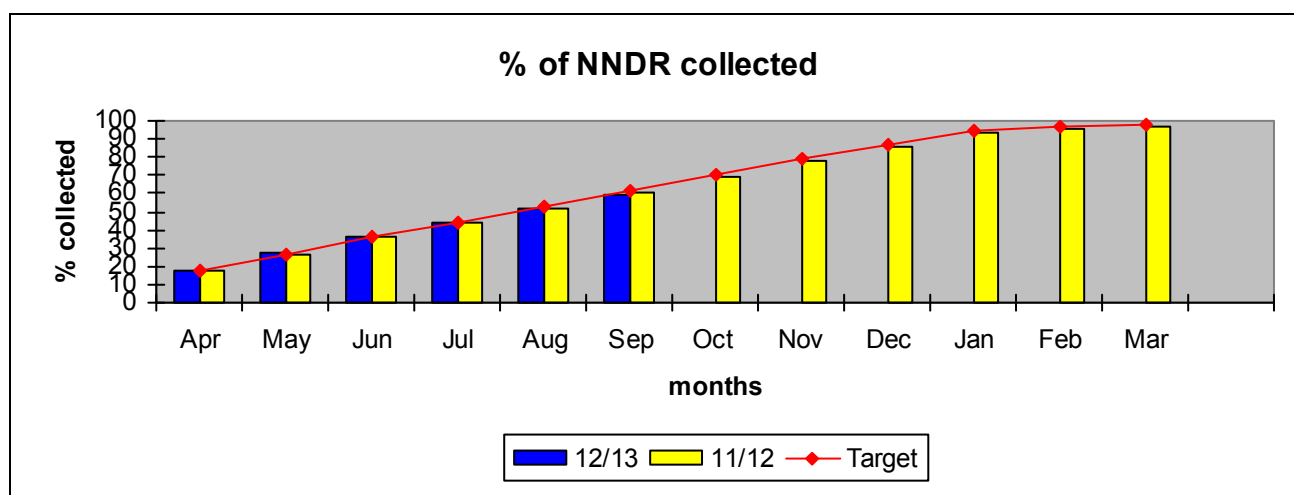
- Net Collectable Debt 2012/13 £88,024m
- Collection Target 2012/13 96.90%

Monthly Target = 61.31%

Collection Rate = 59.66%

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
12/13	17.82	27.46	36.11	43.95	51.20	59.66	68.85	77.92	86.13	95.42	95.75	96.63
11/12	17.63	26.48	36.17	43.80	51.84	60.85	69.23	78.14	86.19	93.52	95.49	96.21
Target	17.74	26.69	36.48	44.22	52.28	61.31	69.73	78.66	86.73	94.09	96.08	96.90

NOTE: Target of 96.90% is a revision from 97.50% after taking into account the business rates deferral scheme where businesses can defer payment of their rates for 2 years.



Business Rates collection has shown a slight drop at 59.66% for September, against 60.85% for the same point last year.

Many authorities are seeing a reduction in collection due to local businesses looking at options to avoid paying rates. In Plymouth we are experiencing difficulties collecting empty property rates from landlords where properties become vacant. Where properties become vacant landlords are entitled to 3 months exemption and then the full charge becomes due. Landlords are now signing leases over longer periods and making tenants liable, therefore when a property becomes empty the tenant is remaining liable but may be in receipt of benefits impacting on collection.

In order to improve collection we have revised our recovery timetable to ensure the recovery process is taken through to conclusion more quickly.



Benefits Administration Benchmarking Club 2012

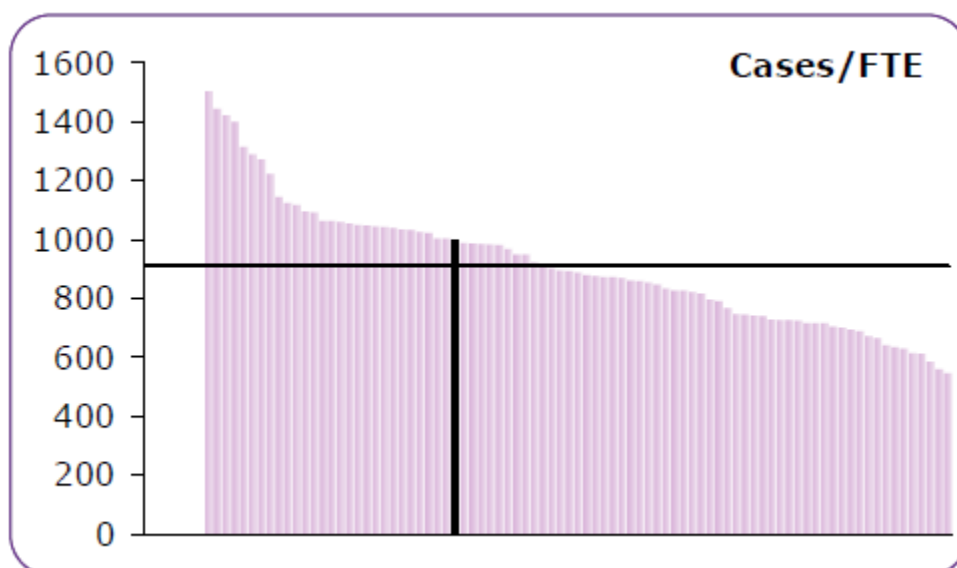
Plymouth City Council

compared with

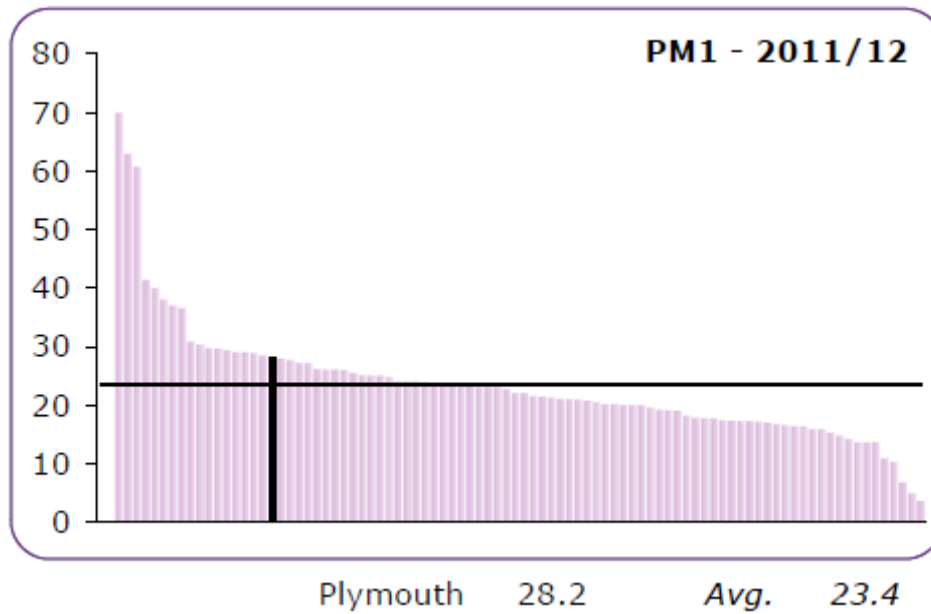
91 other club members

The following graphs, extracted from CIPFA 2012 benchmarking, shows the relative performance of Plymouth City Council:

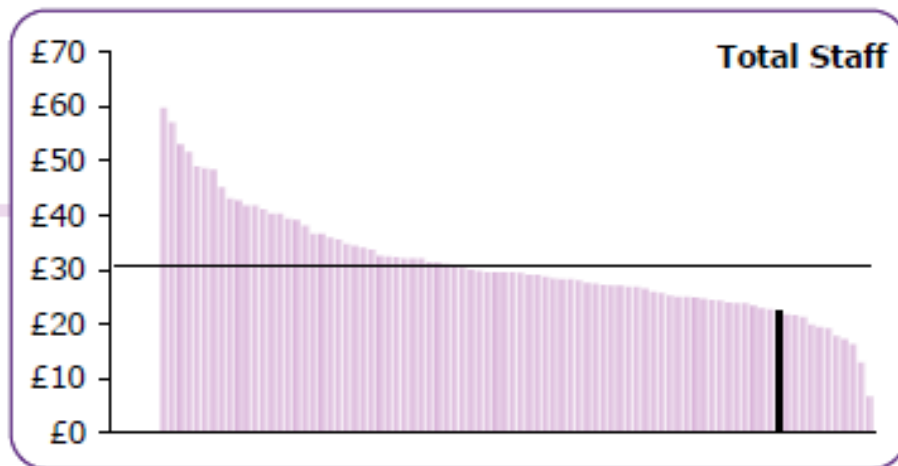
1. Average number of cases per Full Time Equivalent post



2. Number of days taken to process new Housing Benefit claims



3. Total Staff Cost – Gross cost per weighted caseload



Subject: Finance – Capital and Revenue Monitoring Report (including additions to the capital programme to be approved at Council)

Committee: Cabinet

Date: 13 November 2012

Cabinet Member: Councillor Lowry

CMT Member: CMT

Author: David Northey, Head of Finance

Contact: Tel: 01752 305428
e-mail: david.northey@plymouth.gov.uk

Ref: fin/

Key Decision: No

Part: I

Purpose of the Report:

This report is the second quarterly monitoring report for 2012/13 and outlines the finance monitoring position of the Council as at the end of September 2012.

The primary purpose of this report is to detail how the Council is delivering against its financial measures using its capital and revenue resources, and to approve relevant revenue and capital budget variations and virements, and the inclusion of new schemes to the capital programme where required.

The estimated revenue overspend is now showing as £3.221m, an increase of £1.432m in this quarter. The current estimated position shows an overspend of £3.215m across the People Directorate; an overspend of £0.863m in the Place Directorate; an overspend of £0.253m across the Corporate Services Directorate. These overspends are offset in part by a small saving within the Chief Executive Office of £0.010m and £1.1m of savings from Corporate Items. Full details are contained within the report.

The main reasons for the overspend within the People Directorate are pressures totalling £3.151m in Adult Social Care (ASC) linked to demographic changes, increased demand for supported living and reduced income from a number of sources. Plymouth is not alone in facing these additional budget pressures. Adult Social Care services across the country are facing severe funding shortages as demand increases due to the aging population, with people living longer with disabilities or illness.

Recommendations within this report include further actions to be taken by Directors and Portfolio Holders to address overspends within their areas, together with initiatives engaging all staff across all areas to reduce the projected overspend and try to deliver a balanced budget position by the end of March.

In line with their manifesto, the New Administration 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 £60m, rising to £132m by 2015/16. There are a number of new capital schemes detailed in this report either for noting or approval. These 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) and investment in council vehicles and plant to improve service and reduce costs.

Finance summary - Revenue

The Council is currently forecasting a revenue over spend at year end of £3.221m against a net revenue budget of £203.766m. This equates to a net spend of £206.987m which is a variance of 1.6%. This includes corrective actions where identified to date, officers are still tasked with working with the relevant portfolio holders to identify further options for delivering a balanced budget

Table 1 End of year revenue forecast

	Latest Approved Budget £000	Forecast Outturn £000	Variance £000
Total General Fund Budget	203,766	206,987	3,221

Finance summary – Revenue Delivery Plans

Work continues to progress the revenue delivery plans set out for 2012/13, with details within each directorate section of the report. The £3.221m forecast overspend includes recognition that at this stage there are some delivery plans (RAG rated red in the delivery plan sections) that are unlikely to be achieved.

Finance summary - Capital

In the budget report taken to full Council in Feb 2012, the 2012/13 Capital Programme stood at £51.121m. Following approval of new schemes, re-profiling and variations, the capital programme for 2012/13 was £60.481m following September Council. The latest forecast at the end of September 2012, is now £57.390m, which assumes approval of the recommendations for new schemes etc on this report and considered in other reports on the 13 November Cabinet agenda. Full details are contained in Appendix B. Cabinet will be asked to recommend to Full Council the new capital schemes over £0.500m for investment as detailed in Table 14 amounting to £11.772m (in the period 2012/13 – 2015/16)

Corporate Plan 2012-2015:

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

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

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

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

The reducing revenue and capital resources across the public sector has been identified as a key risk within our Strategic Risk register. Equality Impact Assessments have been undertaken on the Delivery Plans that underpin the 2012/13 budget.

Recommendations & Reasons for recommended action:

That Cabinet:-

1. Note the forecasted overspend for the year against budget of £3.221m, and ensure Portfolio Holders and Officers continue to work closely together to take corrective action to deliver a balanced budget position by March.
 2. Note that, in light of the emerging pressure in ASC, the new Chief Executive has commissioned a full review of all demographic pressures across the council.
 3. Approve the revenue budget virements as detailed in table 11 of the report.
 4. Approve the re-profiling and variations (reductions) of (£5.097m) in 2012/13 and £3.422m for future years to capital spend as detailed in Appendix B.
 5. Recommend to Full Council the new capital schemes over £0.500m for investment as detailed in Table 14 amounting to £11.772m.
-

Alternative options considered and reasons for recommended action:

Actions are recommended in response to specific variances in finances identified throughout the report.

Background papers:

- 2012 Plymouth City Council Corporate Plan
http://www.plymouth.gov.uk/corporate_plan.pdf
- 2012/13 Budget Setting papers published in December 2011
<http://www.plymouth.gov.uk/mgInternet/documents/s33811/2012.13%20Indicative%20Budget%20Revenue%20and%20Capital%20allocated%20to%20corporate%20priorities.pdf>
- 2012/13 Revenue & Capital Budget – February 2012
<http://www.plymouth.gov.uk/mgInternet/documents/s36493/Updated%20report%20on%20Corporate%20Plan%202012-15,%20revenue%20and%20capital%20budget%202012.13%20and%20proposed%20Council%20tax%20levels.pdf>
- 1st Quarter Joint Performance and Finance Report – September 2012
<http://www.plymouth.gov.uk/mgInternet/documents/s41185/CABINET%20MINUTE%2060%20OF%2011%20SEPTEMBER%202012.pdf>

Sign off:

Fin	MC121 3.005	Leg	16007/ DVS	HR	n/a	Corp Prop	n/a	IT	n/a	Strat Proc	n/a
Originating SMT Member M Coe											

SECTION A – REVENUE MONITORING

I. General Fund Revenue Budget

- I.1 Council approved a net revenue budget of £203.766m for 2012/13 at its meeting on 27 February 2012. At the end of the second quarter, to the end of September 2012, we are reporting an over spend of £3.221m. Table 2 below shows the forecast year end position across directorates.

Table 2 End of year revenue forecasts

DIRECTORATE	Council Approved Budget Feb '12 £000	Budget Virements £000	Latest Approved Budget £000	Forecast Outturn £000	Monitoring Variation to 30 September 2012 £000
PEOPLE	122,620	1,543	124,162	127,377	3,215
PLACE	42,460	606	43,066	43,929	863
CORPORATE SERVICES	30,296	41	30,337	30,590	253
CHIEF EXECUTIVE'S OFFICE	1,901	514	2,415	2,405	(10)
CORPORATE ITEMS	6,489	(2,704)	3,786	2,686	(1,100)
TOTAL NET BUDGET	203,766	0	203,766	206,987	3,221

- I.2 Further details of the variations are outlined in the individual Directors reports in Section B of this report.

Recommendation

- I. Cabinet note the forecasted overspend for the year against budget of £3.221m, and ensure Portfolio Holders and Officers continue to work closely together to take corrective action to deliver a balanced budget position.

I.3 Delivery Plans

In setting the budget for 2012/13, departmental delivery plans were agreed in order to achieve a balanced budget. Overall, progress has been made across the majority of these plans. The Red / Amber / Green (RAG) rating applied in this report have been robustly challenged.

Inevitably, throughout the year, original Delivery Plans will change due to changes in circumstances. Where such variations occur, initially it is the responsibility of the sponsoring department to develop and implement alternative budget delivery plans and actions. Only where there is no planned remedial action to address a non performing delivery plan will a forecasted overspend be reported.

Major variations to delivery plans will be reported within individual departmental sections. It is imperative that Cabinet Members continue to challenge all Directors.

2. People Directorate

2.1 Finance General Fund Revenue Forecast is an overspend £3.215m

Responsible Officers: Maggie Carter / Pam Marsden / John Searson / Dave Simpkins / Stuart Palmer / Tony Hopwood

- 2.2 The revenue position is shown in the table below with the detail shown in Appendix A. Headline explanations then follow. The current year end forecast overspend is £3.215m (2.6%)

Table 3 End of year revenue forecasts by department

Service	Latest Approved Budget £000	Forecast Year End Position £000	Variation at Sept 2012 £000
Children's Social Care	27,003	27,332	0,329
Joint Commissioning & Adult Health and Social Care	67,874	71,025	3,151
Education, Learning & Family Support	15,942	15,856	(86)
Homes & Communities	9,602	9,423	(179)
Programmes Director Projects	3,394	3,394	-
Management and Support	347	347	-
Total	124,162	127,377	3,215

2.3 Children's Social Care

Children's Social Care is projecting a year end adverse variation of £0.329m. The Service continues to drive down the projected overspend with an improved variation of (£0.191m) in the quarter. A full review of all expenditure has taken place by the Acting Assistant Director in order to drive out savings. The current overspend on Independent Sector Placements is being offset by savings within the In-House Foster Care Service, the increased placement cost of £0.614m in the quarter is due to the complexity of the specific young people placed. Delivery Plans are in place to reduce the Children in Care Service dependency on the Independent Sector as the number of In-House carers grows.

Delivery Plans are under constant review and the Division has achieved £0.820m of the £1.284m target within this quarter, with plans in place for the remaining £0.464m to be realised by year end.

2.4 Joint Commissioning & Adult Health and Social Care

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

The transformation programme covers everything we do and 2012/13 is a critical stage of implementation and is the transition year from the old system to the new operating model. The Assessment and Care Management Service completed the full implementation of the new personalised operating system in July which has involved a complete management restructure, introduction of a new IT system including the “paperless” office and mobile working for all front line staff; plus a new, free, up-front offer for all clients of a short term period of reablement to delay or avoid entry into long term care. The new systems offers personal budgets for all people eligible for on- going Council support.

The service continues to operate with an underlying level of risk around potential service pressures, linked to demographic and demand pressures plus the loss of national funding. Implementation of the new care management system is on track and we will continue to shift commissioned services to personal budgets, allocating resources based on needs not the cost of services. However, there are still pressures in the system linked to demographic changes, increased demand for supported living and reduces income from a number of sources.

- 2.5 The mid-year point was always going to be critical in determining the likely year end position and based on the current expenditure trends it is now forecast for an overspend of £3.151m in the current year. The direction of travel of increasing personal budgets and reducing residential and nursing costs continues. In addition, further reviews of service spending will continue in order to limit the impact of any further financial pressure within the year.

2.6 Education, Learning and Family Support

Education, Learning and Family Support is projecting a year end favourable variance of £0.087m. Pressures identified on the catering budget in relation to the increased cost and usage of food has been offset by additional vacancy savings and the maximisation of grants.

2.7 Homes & Communities

Homes & Communities reported quarterly underspend (£0.179m). We will continue to seek further efficiencies through to the end of the year, however some budgets i.e. homelessness temporary accommodation costs are volatile but remain under scrutiny.

Delivery Plans have been put in place in order achieve the target of £0.067m. Close monitoring of the high risk areas such as Bed & Breakfast payments and changes to income levels from Service Level Agreements to spot purchasing arrangements within the ‘Family Intervention Service’.

2.8 Programme Director Projects and Management & Support

There are no financial variations to report.

2.9 Delivery Plans

The People Directorate Delivery Plans total **£7.044m** for 2012/13. The following table shows the summary position by Red Amber and Green rating (RAG).

Table 4 People Directorate Delivery Plans 2012/13

Service	£000	£000	000	£000
	RED	AMBER	GREEN	Grand Total
Adult Health & Social Care	3,151		1,450	4,601
Children Social Care	237	227	820	1,284
Education, Learning & Family Support		125	868	993
Homes & Communities - Safer Communities			27	27
Homes & Communities - Strategic Housing			39	39
Other	100			100
Grand Total	3,488	352	3,204	7,044

2.10 The value of the red delivery plans totalling £3.488m, shown in the table, has now been included in the overall monitoring position for the directorate of £3.215m.

2.11 The Dedicated Schools Grant (DSG) position is reported to the Schools Forum each time that they meet. The latest forecast shows a projected monitoring underspend of £0.597m for DSG funded activities. The projected underspend can be broken down into £0.469m on Direct School Expenditure and £0.128m on Central Expenditure.

2.12 Risks and issues

1. Adult Social Care demographics, high cost packages and the increasing cost of care within the Nursing and Residential Sectors
2. Transformation of Adult Social Care operating model in a transitional year which will need careful financial management
3. Timing of redundancies relating to the delegation of funding to schools and the potential discontinuation of some services
4. Looked after children numbers increasing could result in higher costs of care if the early intervention and prevention strategy does not deliver change

5. Home Office transfer of financial responsibility for young offenders remanded to the local authority will have an impact on resources particularly around social worker and independent reviewing officer time.
6. Increasing cost pressures based on increasing demand and volume of people who are at risk of homeless or have significant housing needs
7. Utility costs relating to the Life Centre may be more than budgeted for and under the Leisure Management contract the Council would need to review performance.
8. Impact of Welfare reform on the ability to place homeless families is already starting to occur
9. Grants within the department need careful management to plan for potential reductions in future government spending reviews

2.13 Medium Term Issues

1. Reducing resources against increasing expectations, demands and costs
2. Changes to schools formula funding and the delegation of centrally held resources to schools
3. The impact of Welfare reform
4. Level of grants and other sources of funding available
5. The ability to transform services

Recommendation

2. Note that, in light of the emerging pressure in ASC, the new Chief Executive has commissioned a full review of all demographic pressures across the council.

3. Place Directorate

3.1 Finance General Fund Revenue Forecast is an overspend £0.863m

Responsible Officers: Jayne Donovan / David Draffan / Paul Barnard / Clive Perkin

- 3.2 This report sets out the Finance position for the Place Directorate, forecasting the year end position as at September 2012.
- 3.3 The revenue position is shown in the table below with the current year end forecast of £0.863m overspend (2.0% of net budget)

Table 5 End of year revenue forecasts by department

Service	Latest Approved Budget £000	Forecast Year End Position £000	Variation at Sept 2012 £000
Economic Development	2,266	2,368	102
Planning	1,752	1,860	108
Transport & Infrastructure	14,079	14,379	300
Environmental Services	24,812	25,095	283
Strategic Waste	305	275	(30)
Business Support	(626)	(626)	-
Management and Support	578	578	-
Place Budget Savings	(100)	-	100
Total	43,066	43,929	863

3.4 Economic Development - £0.102m adverse variation

Commercial rent income has reduced, due to vacating tenants and empty properties around city centre shops (Includes city centre ground rent pressures). There are further pressures from costs associated with Commercial Activities at Derriford with various legal and professional fees relating to this work. Museums have not reported any major issues and are currently working to budget.

3.5 Planning - £0.108m adverse variation

About £0.150m relates to professional and legal costs associated with Public Inquiries. In addition, a shortfall of fees against budget of about £0.115m is currently projected given the continuation of the adverse economic climate, the impact of which is reduced by projected savings elsewhere. However favourable variations in relation to salaries and general office costs have been also achieved through vacancy savings and efficiencies which offset some of the above pressures.

3.6 Transport & Infrastructure - £0.300m adverse variation

The first six months has seen a number of increasing budget pressures, which include £0.150m from increased highway maintenance on pot hole repairs (additional DfT monies not forthcoming), £0.150m from rising street lighting energy costs, The period has also seen a drop in anticipated income from Parking of £0.100m due to poor economic climate and bad weather, although this is being offset from road safety income. The department is projecting other potential risks that are currently being reviewed to analyse the value of this impact.

3.7 Environmental Services - £0.283m adverse variation

There is a £0.280m reported pressure from a reduction in income from recycling materials due to a considerable fall in market rates in the last month, and it is not clear how long this will continue. There are further pressures in disposal costs due to increased tonnage. These pressures are being partly offset by staff vacancy savings.

3.8 Delivery Plans 2012/13

The Place Directorate Delivery Plan totals **£1.4m** for 2012/13. The following table shows the summary position by Red Amber and Green rating (RAG).

Table 6 Place Directorate Delivery Plans 2012/13

Service	£ 000's	£ 000's	£ 000's	£ 000's
	RED	AMBER	GREEN	Grand Total
Transport & infrastructure			300	300
Other	100		1,000	1,100
Grand Total	100	0	1,300	1,400

3.9 The following issues are assumed within the Delivery plan.

- The £1.000m green rated delivery plans against other refers to the Accommodation Strategy Phase 1 that includes Civic Centre. The Introduction of Phase 2 has reduced part of the pressure from the delivery plan. The Council has set aside an accommodation reserve to cover maintenance issues around the Civic Centre and any pressures on the Accommodation Strategy project. This will need to be utilised to address at least some of this pressure.
- The £0.100m red rated delivery plan refers to a new action to review Customer Contact Centre.

3.10 Risks and Issues

- The department is currently facing risks from achieving consistent levels of External Income from Car Parking, Planning Fee Income and commercial Rent. This is impacting on Service Delivery.
- There are also pressures from the Public Enquiry linked to North West Quadrant.
- Environmental Services are currently proposing replacement mini-bus replacements and any delay in this could have a consequential effect on the amount of savings anticipated to achieve service delivery plans for the current year.

3.11 Medium Term Issues

The economic climate provides continuing challenges to Income targets for the departments within Place, in order for it to achieve future commitments. Rising energy prices will continue to add pressures for street lighting, whilst premises costs continue to rise. Increasing waste disposal costs have been projected for the next few years as the cost of tonnage increases.

4. Corporate Services

4.1 Finance General Fund Revenue Forecast is an overspend £0.253m

Responsible Officers: Malcolm Coe / Dave Saunders / Mark Grimley / Tim Howes

4.2 This report sets out the Finance position for the Corporate Services Directorate, forecasting the year end position as at September 2012.

4.3 The revenue position is shown in the table below with the current year end forecast of £0.253m overspend (0.8% of net budget)

Table 7 End of year revenue forecasts by department

Service	Latest Approved Budget £000	Forecast Year End Position £000	Variation at September 2012 £000
Finance, Efficiencies, Technology & Assets	18,931	18,781	(150)
Democracy & Governance	5,078	5,124	46
Customer Services	4,759	4,759	-
Human Resources & Organisational Development	3,232	3,327	95
Departmental Management	270	270	-
Corporate Services Budget Savings	(1,933)	(1,670)	263
Total	30,337	30,590	253

4.4 Finance, Efficiencies, Technology & Assets

Overall the department is forecasting an under spend against budget for the year, and actions will continue looking at delivering further savings.

4.5 Democracy & Governance

Overall the department is within 1% tolerance level to achieve target budget. Various pressures have been offset by reported savings elsewhere.

4.6 Human Resources and Organisational Development

The delays in the implementation of the SAP replacement have reduced the costs of borrowing to the service for 2012/13, however at this stage the remaining costs will still result in a pressure of £0.095m until the system is implemented and any savings from business process changes can be realised to offset them.

4.7 Customer Services

Savings from libraries on purchase of materials and vacancy savings along with staff savings in customer services are being used to offset the £0.200m delivery plan for customer contact centre

The Corporate Services Directorate Delivery Plan totals **£3.257m** for 2012/13. The following table shows the summary position by Red Amber and Green rating (RAG).

Table 8 Corporate Services Directorate Delivery Plans 2012/13

Service	£ 000's	£ 000's	£ 000's	£ 000's
	RED	AMBER	GREEN	Grand Total
Finance, Efficiencies, Technology & Assets			1,450	1,450
Customer Services			480	480
HR & OD		627	300	927
Change Office / Cross Cutting	100		300	400
Grand Total	100	627	2,530	3,257

4.9 The following significant risks are assumed within the Delivery plan.

- The £0.527m amber rated delivery plan against 3rd and 4th Tier Management Restructure is subject to clear costings and implementation across Directorates. At this stage Corporate Management Team anticipate that some of this delivery plan will be achieved through restructures by the year end. The delivery plan will be achieved for future years, and officers are reviewing the level of vacancies that could offset this delivery plan in the current year, at this point 50% achievement has been estimated.
- The £0.100m red rated delivery plan against business support is not being achieved and will form part of the customer transformation project

4.10 Risks and Issues

- Welfare reforms
- Procurement delivery plans

4.11 Medium Term Issues

- Welfare reforms
- Changes to business rates and housing benefit administration
- Realisation of benefits from IT/Customer project

5. Chief Executive's Office

5.1 Finance General Fund Revenue Forecast is a forecast underspend of (£0.010m)

Responsible Officers: Giles Perritt / Richard Longford

5.2 This report sets out the Finance position for the Chief Executive's Office, forecasting the year end position as at September 2012.

- 5.3 The revenue position is shown in the table below with the current year end forecast of (£0.010m) underspend (0.4%).

Table 9 End of year revenue forecasts by department

Service	Latest Approved Budget £000	Forecast Year End Position £000	Variation at September 2012 £000
Policy Performance and Partnerships	1,303	1,299	(4)
Corporate Communications	568	584	16
Departmental Management	644	622	(22)
Delivery Plans	(100)	(100)	-
Total	2,415	2,405	(10)

5.4 Executive Office Context

The rationalisation of Policy, Performance and Partnerships is now completed and the service is now at full establishment. There are minor underspends in staffing, supplies and services, and training which are offsetting reduced income from the design team.

The Executive Office continues to drive reductions in cross cutting costs such as consultations, print, publicity and advertising and the production of corporate publications.

5.5 Delivery Plans 2012/13

The Executive Office Delivery Plan of **£0.100m** for 2012/13 is current rated Amber.

Table 10 Chief Executive's Office Delivery Plans 2012/13

Service	£ 000's	£ 000's	£ 000's	£ 000's
	RED	AMBER	GREEN	Grand Total
Executive Office (Rationalise Printing, Publicity and Advertising)	0	100	0	100
Grand Total	0	100	0	100

5.6 Risks and Issues

- Legacy commitments (particularly to Adult Social Care and Children's Services) continue to dominate our resource allocation
- No audit of statutory requirements for policies leaves PCC exposed for inspections

- Poor quality assurance and concerns about the accuracy of data undermine the confidence stakeholders have in reports
- Technology fails to automate manual data manipulation

6. Corporate Items and Cross Cutting Issues

6.1 Revenue budget forecasted out-turn – forecast underspend of (£1.100m)

For this second quarter report, we are reporting a (£1.100m) underspend against the budget for the year. This includes releasing the £0.5m contingency to offset some of the overall financial pressures, a reduced payment relating to a prior year estimate for carbon allowances of £0.1m and releasing accrued savings from treasury management activities of £0.5m.

6.2 Capital Financing Budget /Treasury Management

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

- **Debt Rescheduling & Investments**

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

- **Icelandic Bank Update**

Glitnir - received £5,033,247.31 (principal £4,742,018.12 and interest £291,229.19) amounting to 79.03% of our agreed claim leaving a balance yet to be recovered of £1,335,240.36.

Landsbanki – received £1,993,537.27(principal £1,887,758.90 and interest £105,778.37) amounting to 47.19% of our agreed claim. The amount received includes £246,162.37 received in 12/13 (Oct) leaving a balance yet to be recovered of £2,230,598.07.

Heritable – received £2,350,910.81 (principal £2,236,861.87 and interest £114,048.94) amounting to 74.56% of our claim. This includes £209,365.25 received in 12-13 (April and July) made up of principal of £199,208.37 and interest of £10,156.88 leaving a balance of £802,047.56 yet to be recovered.

6.3 Budget Virements

- 6.4 The Council's net budget requirement was set by Council at its meeting on 27 February 2012 at £203.766m. Amendments to this overall budget can only be made by Full Council. During the year there will be several movements in budget allocations across services/departments as part of the delivery of the day to day business of the Council. Movements in the budget are continually tracked and an audit trail held for budget control purposes. In addition, Financial Regulations require all budget virements in excess of £100,000 to be approved by Cabinet.

- 6.5 Cabinet are now requested to approve the budget virements detailed in Table 11. All of these virements balance to zero with the overall council net revenue budget remaining at £203.766m

Table 11 – Virements over £100,000 for Cabinet Approval

Virements over £100,000	£000's		
DIRECTORATE	Revenue Grant Carry Forward/ Allocations	Budget transfers re restructures	Total virements >£100k
PEOPLE	446	(118)	328
PLACE	70	108	178
CORPORATE SERVICES	0	(288)	288
CHIEF EXECUTIVE'S OFFICE	(151)	298	147
CORPORATE ITEMS	(365)	0	(365)
TOTAL	0	0	0

A brief explanation of these virements is as follows:

6.6 Revenue Grant Carry Forward / Allocations

Revenue Grant Carry-Forwards as agreed by CMT including the Performance Reward Grant £0.151m, Pooled Budget for Youth Offending Service £0.189m, LSSG grant for extended rights to free travel £0.176m.

6.7 Other Budgets Transfers

Centralisation of PA support following rationalisation £0.298m, transfer of project resources for IT shared services £0.110m, transfer of capital strategy team and resources £0.407m to economic development, reallocation of business support activities and plans within childrens social care and education £0.220m, restructure of corporate real estate surveyors under economic development from Corporate Services £0.200m

6.8 Virements per Table 2

The total virements shown in Table 2 of this report, although still netting to zero, include virements done during the first quarter of the financial year already approved at September 2012 cabinet and those adjustments which individually are <£100k and therefore do not require cabinet approval.

Recommendation

3. Cabinet approve the budget virements as detailed in Table 11.

SECTION B – CAPITAL MONITORING

7. Capital Programme

- 7.1 In the budget report taken to full Council in September 2012, the 2012/13 Capital Programme stood at £59.943m. At the same meeting, two further reports were tabled that recommended additions to the capital programme which took the 2012/13 capital programme to £60.481m (see table 12 below). The estimate for the 2012/13 capital programme is now £57.390m and how this is made up is shown in table 15 below.

Table 12 – Approved Capital Spend at September 2012 Council Meeting

	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	Total £000
Q1 Capital Monitoring	59,943	36,355	16,153	2,832	115,283
Theatre Royal Report	538	1,457	0	0	1,995
Investment in Customer Transformation Report	0	1,500	0	0	1,500
Revised Capital Programme Approved Sept 2012	60,481	39,312	16,153	2,832	118,778

- 7.2 Due to timing around the delivery of capital spend, and variations due to project slippage, changes in priorities, contractor performance, ability to achieve capital receipt etc. we are now reporting the following changes to the timing of capital spend over the next four financial years. It should also be noted that schemes are often included in the capital programme at early stages in project development when detailed estimates and feasibility work has not been completed to determine the detailed cashflow forecasts. The largest single re-profile was for the value of £1.9m which was due to re-profiling to allow the project programme to align building phases to the term time decants of a school.

Table 13 – Recommended Re-profiling and Variations to Capital Spend

2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	Re-Profiling / Other Variations
(5,212)	4,026	1,314	(128)	See Appendix B for details of reprofiling
115	(740)	(300)	(750)	See Appendix B for details of variations
(5,097)	3,286	1,014	(878)	Total Re-Profiling / Other Variations

Table 14 – New Scheme to Capital Programme

£000	£000	£000	£000	
12/13	13/14	14/15	15/16	
26	0	0	0	Purchase of dog fouling cleaning equipment
168	0	0	0	Solar PV
194	0	0	0	Schemes already approved through delegated powers
87	700	963	0	2 Year Old Nursery Places *
121	872	334	0	Coastal Communities – funding bid in place that includes an element that would need to be spent in 2012/13 *
0	0	0	4,829	Estimated figure for LTP funding added based on 2014/15 allocation * included for consistency
500	3,366	0	0	Marine Academy Primary Free School Places *
708	4,938	1,297	4,829	Schemes to be recommended through this report for approval at 3 December 2012 Council
250	0	0	0	Royal William Yard Steps
854	853	0	0	Plant & Equipment Replacement
0	810	170	0	Minibus Replacement
1,104	1,663	170	0	Schemes being considered by other reports on this cabinet agenda (projects more than £0.5m will go forward for approval at 3 December 2012 Council)
2,006	6,601	1,467	4,829	Total of new Schemes

* These schemes have been subject to verbal discussions in principal at capital delivery board and detailed governance paperwork will be considered in future

7.3 The following table shows the movement in estimated capital expenditure for 2012/13 from the approved programme at September 12 Council, and reflects the recommendations in this report.

Table 15 – Movement in 12/13 programme

	£000
Programme following approvals at Full Council September 12	60,481
Re-profiling for approval (Appendix B)	(5,212)
Variations / Virements for approval (Appendix B)	115
New Schemes to be considered on this report recommending approval at 3 December Council (Table 14)	708
Schemes considered in other reports at 13 November Cabinet recommended for approval at 3 December Council	1,104
New schemes already approved through delegated powers	194
Revised (Latest Forecast)	57,390

Capital Expenditure to Date

- 7.4 To date, we have accrued actual spend of £17.176m which equates to 30% spend against the revised estimated annual spend of £57.390m. Departments are confident that they will be able to deliver the vast majority of the approved capital programme in year however further amendments will be considered by the Capital Delivery Board, submitted to Cabinet and recommended to Full Council, as appropriate.

Recommendations:

4. Cabinet approve the re-profiling and variations to capital spend as detailed in Appendix B totalling (£5.097m) in 2012/13 and £3.421m in future years.
5. Cabinet recommend to Full Council the new capital schemes for investment over £0.500m as detailed in Table 6 totalling £11.772m.

Capital Receipts

- 7.5 There has been pressure on the council's ability to generate capital receipts over the last couple of years due to falling property and land prices. The capital programme review that has been undertaken during the summer of 2012 identified a number of schemes which were no longer a priority or required and these are shown in the variations in Appendix B. They have been replaced with other schemes of a higher priority or where pressures were identified. The assumed requirement for capital receipts linked to these deleted schemes has not been transferred to fund these new or increased schemes due to the growing gap between receipt requirements and estimated receipts. It is felt more prudent to fund them by a mixture of reallocated grants and unsupported borrowing.
- 7.6 The current Medium Term capital programme assumes generation of £15.625m receipts up to, and including, 2015/16, which is a reduction of approximately £1m. The estimated capital receipts now available to fund the programme (RAG rated) from the disposal of land and buildings are as follows:

Disposal of Land / Buildings	£000
2011/12 B/fwd	2,176
2012/13 Estimated Receipts	4,875
2013/14 Estimated Receipts	4,110
2014/15 Estimated Receipts	1,628
2015/16 Estimated Receipts	39
Total	12,828

- 7.7 The Council uses capital receipts as part of its funding streams however the timing of when the capital receipts are paid into the Council does not always match up with when we wish to apply them to schemes. This mismatch on timing between capital receipts generated and capital receipts requirement has been flagged up consistently in previous reports. As such, any temporary shortfall of required capital receipts will need to be funded by short-term unsupported borrowing that would be financed from the Capital Finance Reserve or the working balance, until such time as additional capital receipts are generated. Officers will be reviewing this position as part of the 2013/14 budget setting process to determine whether this is the best use of resources, or whether longer term borrowing would be more beneficial.

Capital Medium Term Forecast

- 7.8 Projecting forward the above changes across the next three financial years provides an initial capital programme as detailed in Table 16. This is the programme based on known projects and funding streams. The council will remain proactive at optimising external grant funding wherever possible in order to continue significant capital investment in the city. The Council has adopted a four year Capital MTFF aligning it with the number of years over which the revenue MTFF is based. . The programme includes estimates of un-ring-fenced grant so is in part a projected programme of the councils affordable position of capital investments, However the programme does not include potential funds which are to be bid for. The programme may therefore grow in future years when the council is successful in accessing other funding streams.

Table 16 – Capital Medium Term Forecast & Funding

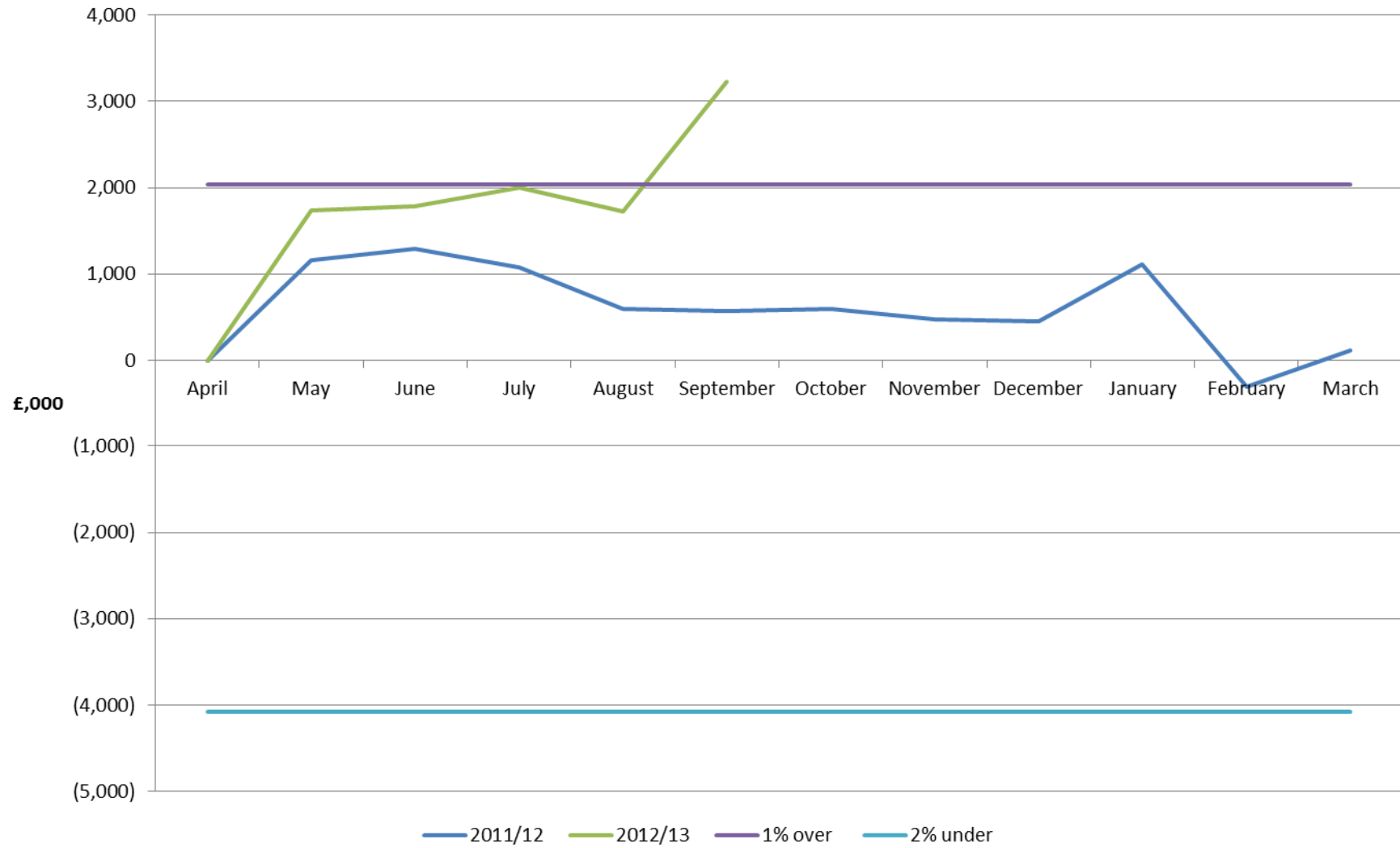
	2012/13 Revised £000	2013/14 Revised £000	2014/15 Revised £000	2015/16 Revised £000	Total £000
People	35,666	30,343	8,861	1,369	76,239
Place	14,416	15,891	8,344	4,929	43,580
Corporate Services	7,308	2,966	1,427	485	12,186
	57,390	49,200	18,632	6,783	132,005

Funding Source	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	Total £000
Capital Receipts	7,645	6,480	1,500	0	15,625
Unsupported Borrowing	6,898	6,708	2,310	485	16,401
Supported Borrowing	107	0	0	0	107
Grants & Contributions	38,404	34,409	13,735	6,298	92,846
SI06 / Tariff	1,169	173	750	0	2,092
Revenue & Funds	3167	1430	337	0	4934
Total	57,390	49,200	18,632	6,783	132,005

SECTION C - CONCLUDING REMARKS

- 8.1 With diminishing financial resources, it is fundamentally important that the Council maintains a clear focus on delivering progress against the identified corporate and city priorities, and the new administration pledges.
- 8.2 This budget monitoring report, which sets out the Council's budget position at the end of the second quarter of the financial year, with a projected overspend of £3.221m. Departments will continue to address this overspend as we continue to target an on-budget outturn in March 2013.
- 8.3 The biggest element of the predicted overspend is due to demographic pressures and demand for Adult Social Care services. Other pressures include children's social care, particularly the rise in costs of children in care with complex needs.
- 8.4 We are now reporting for year two of our three year budget, in which we set out our plans to achieve budget savings of £30m by 2013/14. The shortfall identified in the Cabinet report is on top of the Council's three year £30m savings target.
- 8.5 All areas of the Council departments need to keep delivering tough budget saving delivery plans to reduce this serious overspend.
- 8.6 In light of the emerging pressure in ASC, the new Chief Executive has commissioned a full review of all demographic pressures across the council.

General Fund Monitoring Comparison 2011/12 & 2012/13



Recommended Re-profiling and Variations to Capital Programme

2012/13	2013/14	2014/15	2015/16	Re-Profiling / Other Variations
£000	£000	£000	£000	
				Re-profiling
(374)	374	0	0	Saltram Countryside Park
0	(300)	300	0	Plymouth Natural Networks
(124)	124	0	0	Various Traffic Schemes
(200)	200	0	0	MRF upgrade project
387	207	(466)	(128)	Schools - Basic Need Schemes
(1,923)	1,764	159	0	All Saints Academy Plymouth
(179)	179	0	0	University Technical College
(713)	104	594	15	Broadley Park – Traveller Site
(107)	107	0	0	Devolved Formula capital
(458)	458	0	0	Other School Projects
300	(300)	0	0	Data Centre Fit-out
(800)	138	677	(15)	Customer Transformation
(1,053)	1,003	50	0	Accommodation Strategy
32	(32)	0	0	Other Reprofiling
(5,212)	4,026	1,314	(128)	Total Reprofiling
				Other Variations
140	0	0	0	Additional aiming high / short breaks grant
(37)	0	0	0	Savings on refuse vehicle replacement
(289)	(900)	(300)	(750)	Capital Programme review – reallocation of budgets from LTP, Accom Strategy, ICT, Condition works and Data Centre
250	0	0	0	Road re-surfacing and pothole repair – part of Capital Programme review reallocation
0	200	0	0	Corporate Support Transformation (HR & OD) – part of Capital Programme review reallocation
43	0	0	0	Accommodation Strategy
8	(40)	0	0	Other Variations
115	(740)	(300)	(750)	Total Variations
(5,097)	3,286	1,014	(878)	Total Re-Profiling / Other Variations

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PLYMOUTH CITY COUNCIL

Subject: Pooling of Business Rates in Devon for 2013/14
Committee: Cabinet
Date: 13 November 2012
Cabinet Member: Councillor Lowry
CMT Member: Adam Broome (Director for Corporate Services)
Author: Sue Buddell, Group Accountant- Projects
Contact: Tel: 01752 304839
email: sue.buddell@plymouth.gov.uk

Ref:

Key Decision: No

Part: I

Purpose of the report:

This report provides background information on the new business rates retention scheme and the business rates pooling proposal for the Devon region. It recommends Plymouth City Council becoming a member of a Devon wide pool for 2013/14 and that it acts as Lead authority for the Pool.

Corporate Plan 2012 – 2015:

This initiative links to our growth agenda

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

The basis of distribution of Central Government funding to local authorities is changing radically from April 2013, pooling of business rates has the potential to increase central government funding to each local authority within Devon. As lead authority, Plymouth City Council will need to resource the additional work, however funding for this has been agreed as the first call on the funds generated from the pool.

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

Not applicable

Recommendations & Reasons for recommended action:

It is recommended that

1. The Council enter the Devon business rate pooling scheme for 2013/14, subject to the Director for Corporate Services and Chief Executive being satisfied that it is in the Council's financial interests to do so.
2. Subject to recommendation 1, the Council agree to offer to be the lead authority for the scheme.

Alternative options considered and reasons for recommended action:

The option of not forming a Devon wide pool has been considered, however based on current information it appears to be in the Council's interest to become a member of a Devon wide Pool.

Background papers:

None

Sign off:

Fin	DJN 121 3.01 2	Leg	TH0 058	HR	N/A	Corp Prop	N/A	IT	N/A	Strat Proc	N/A
Originating SMT Member - Malcolm Coe											
Have you consulted the Cabinet Member(s) named on the report? Yes / No											

1.0 Introduction

- 1.1 This report provides information on the new Business Rates Retention scheme and the Business Rates Pooling proposal for the Devon region.
- 1.2 At this stage the Council is committing to becoming a member of the Devon wide pool for 1 year only.

2.0 Localisation of Business Rates

2.1 Background

- 2.1.1 Business Rates retention has been confirmed as one of the features of the Local Government Finance Bill, to be implemented in April 2013. There are many aspects of the scheme, but fundamentally, it is the retention of a proportion of the business rates revenue generated in a local area by the relevant local authority. It is intended to provide incentives for local authorities to drive economic growth, as authorities will be able to retain a share of any growth that is generated in Business Rates revenue in their areas, as opposed to the current system where all Business Rates go to central Government for distribution.

- 2.1.2 The proposals do not include any changes to the current system of business rates i.e. liability, billing and collection, so businesses will not see any change to the way that the business rates are set or how they pay.

- 2.1.3 Although full working details of the scheme are not yet known, it is expected that Government funding for 2013/14 under the new scheme will be broadly in line with what the Council would have received under the previous formula grant regime i.e. revenue support grant plus a share of redistributed business rates. This is however within the constraints of the Government's spending control totals for Local Government. The Government has also stated that for 2013/14 a number of specific grants will be rolled into the baseline funding level. The funding outcome for each Local Authority will be set out in the draft Local Government Finance Report (settlement) which is expected in late December.

2.2 How the business rates retention system will work

- 2.2.1 Essentially, local authorities will retain 50% of the business rates generated in their area and receive Revenue Support Grant to fund their remaining spending needs.
- 2.2.2 The reality is that some authorities earn more in business rates than they currently receive from the formula grant, so their business rates baseline will be greater than they need, while there are other authorities who earn much less, the Government intends to deal with this through a mixture of "top-ups" and "tariffs."
- 2.2.3 In the main, district councils will be "tariff" authorities, as their business rates baseline is as a general rule, greater than their spending needs. Whereas local authorities with County and Unitary functions will generally be "Top-Up" Authorities, as their business rates baselines will not generally be enough to fund these additional functions. This is reflected in the mix within Devon, where Devon County Council, Plymouth and Torbay will be 'Top Up' Authorities but all of the districts e.g. Exeter, Torridge, East Devon etc. will be "tariff" authorities.

3.0 Pooling Arrangements for Business Rates

3.1 Pooling Background

- 3.1.2 The Local Government Finance Bill allows local authorities to form pools for the purposes of business rates retention. It is expected that pooling will offer many local authorities an opportunity to retain more of the business rates generated in their areas by paying a reduced levy and to use that revenue more effectively to drive economic growth. A pool will run for one year at a time.
- 3.1.3 When authorities decide to enter into a pooling arrangement, Central government views the pool as a single authority and hence a single funding baseline and single business rates baseline will be calculated for the whole pool. This results in a combined top up or tariff and levy being applied to the pool's business rates revenue as opposed to this being applied to each individual authority.
- 3.1.4 Under the proposed system, tariff local authorities with increasing business rates revenues from NDR tax base growth will be required to pay a levy. As Plymouth is a top up authority, under the current proposals it will not pay a levy on business rates growth. However it could gain financially from pooling within Devon.
- 3.1.5 Under pooling the entitlement to safety net payments is withdrawn.

3.2 The impact of Pooling in Devon

- 3.2.1 All authorities in Devon jointly engaged the consultancy firm; LG Futures to examine the implications of pooling for the Devon Region, with the initial results indicating that it could be financially beneficial to form a pool. Following this report, Plymouth along with all other local authorities in Devon submitted an expression of interest in forming a Devon wide pool to DCLG. This was submitted on the understanding that any or all of the authorities involved may decide not to finally commit to the arrangement should further information arise that shows it would not be in their best interests.
- 3.2.2 The members of the Devon pool consist of the following authorities:
- East Devon
 - Exeter
 - Mid Devon
 - North Devon
 - South Hams
 - Teignbridge
 - Torridge
 - West Devon
 - Plymouth
 - Torbay
- 3.2.3 At this stage, their membership is also subject to the outcome of the settlement.
- 3.2.4 A Devon wide pooling working group was set up and further analysis was undertaken to determine what the implications of pooling would be for the Devon region. The key conclusions from the modelling are explained below.

- 3.2.5 If all Devon authorities acted as one single pool, it would be a top up authority overall by £18.6m. This means under the business rates retention scheme the amount of NDR retained in the Devon region is less than the level of need (Baseline Funding). This results in a **0% levy rate** for the region as a whole if pooled. This is shown in Table 1.
- 3.2.6 However, if Devon authorities acted alone, then the levy rates on business rates growth shown in the table will need to be paid to Central Government. As an example, based on current information for every £100 growth in the NDR baseline in Exeter, a levy would be paid to Central Government of £85, hence only £15 would be retained.

Table 1
Forecast top up/tariff status of the pooling authorities, and the resulting levy rate, using a 1:1 proportional levy

Local Authority	Top up/Tariff	Baseline Funding £m	NDR Baseline £m	Top up/Tariff £m	Levy %
Devon	Top up	89.728	21.175	68.553	0%
East Devon	Tariff	2.741	12.531	(9.790)	78%
Exeter	Tariff	4.326	29.640	(25.314)	85%
Mid Devon	Tariff	2.184	5.938	(3.754)	63%
North Devon	Tariff	2.994	12.821	(9.827)	77%
South Hams	Tariff	1.912	11.920	(10.009)	84%
Teignbridge	Tariff	3.411	12.504	(9.093)	73%
Torridge	Tariff	2.437	4.277	(1.841)	43%
West Devon	Tariff	1.558	4.482	(2.923)	65%
Plymouth	Top up	55.106	44.131	10.975	0%
Torbay	Tariff	30.342	18.710	11.632	0%
TOTAL	Top Up	196.739	178.129	18.609	0%

3.3 Results of the Analysis

- 3.3.1 The analysis work modelled three scenarios in relation to business rates growth forecasts, these were the “most likely”, “lower” and “higher” estimates of business rates growth. All of these scenarios indicated that the Devon authorities would benefit financially by acting as a pool. The forecast business rates growth under the “most likely estimate” has been estimated by each authority and ranges from between 0% and 5% pa over the 5 year period.
- 3.3.2 Under each of these three pooling scenarios, the analysis found that a higher level of resources would be received by the pool, than if the authorities had acted individually.
- 3.3.3 Based on the different levels of growth modelled, the analysis found that pooling could potentially increase the level of NDR income retained in Devon by between £5.8m and £23.1m in the 5 year period from 2013/14 to 2017/18. Clearly, the greater the degree of growth there is in the district areas the greater the gain from pooling.
- 3.3.4 A further benefit of pooling would be that it significantly reduces each Authority’s exposure to Business Rates income volatility through loss of direct income if businesses go into decline as these risks are spread across a much larger pool, hence smoothing out any such volatility.

3.4 The Impact of negative growth on the Pool

- 3.4.1 Further modelling was undertaken to understand the tipping point i.e. the impact of negative growth on the pool and at what point would the pool run into a negative funding situation. This would happen if there was negative growth in an area over and above a certain level. As a pool there would be no entitlement to safety net funding.
- 3.4.2 The negative growth that would be required to reach the tipping point has been assessed and is not considered to be a significant risk to pooling in year 1.

3.5 Distribution across the pool of additional resources

- 3.5.1 The Government has stated that “it is for pools themselves to decide how to distribute aggregate revenues within the pool”.
- 3.5.2 The Devon pool’s proposal is to apply a “**no worse off approach**” whereby in the first instance each local authority would receive the same amount that it would have if it had acted individually, with the additional funds generated through pooling being distributed across the pool based on, for example baseline funding levels or business rates baseline or a combination of both
- 3.5.3 It has been well documented that the timetable for setting up a Pool is very tight, so it is proposed that in Year 1 the distribution method is kept as simple as possible. A simple and fair basis can be set by taking an average of the baseline funding level and the business rates baseline for each authority.
- 3.5.4 Based on the higher estimate of growth, Plymouth could therefore see a gain of between £5.7m and £6.5m over the 5 year period and under the lower estimate between £1.4m and £4.6m. For 2013/14, Plymouth’s share is estimated to be in the region of £0.7m.
- 3.5.5 These projected figures are based on current guidelines but it should be noted that the operation of the scheme has not yet been fully set out by Central Government.

3.6 Lead Authority

- 3.6.1 One authority will need to act as the Lead Authority to cover governance, administration and payment arrangements. Details are awaited but it would appear that the Government would pay the pooled business rates funding (combined top ups and tariffs) to the lead authority. The lead authority would then be required to distribute business rates top ups and tariffs amongst the pool members on the agreed distribution method. There is also the possibility that the Government’s central share of Business Rates will need to flow through the Lead Authority, which in practice would mean total cash payments to the pool could be excessive for the district authorities in Devon to deal with in terms of treasury management and cash flow processes.
- 3.6.2 It would therefore follow that the lead authority would need to be one of the larger authorities in Devon i.e. Devon County, Torbay or Plymouth City Council and it would also follow, that it would be beneficial for the lead authority to be a billing authority. With this in mind it has been proposed that Plymouth be the lead authority for the Devon Pool, subject to being able to recover the costs of administration as a first call on the pool resources.
- 3.6.3 At the Devon Local Government Steering Group on 19th October, all Devon authorities agreed that they were willing to sign up as a designated member of the Devon Pool for the financial year 2013/14, subject to the settlement announcement in December and it was agreed that Plymouth City Council would act as Lead Authority.

3.7 Key Dates

- 3.7.1 The next formal step in this process is the submission of a pooling proposal, signed by each Chief Executive and s151 officer, to be submitted to CLG by the 9th November (recently extended from 19th October). This must include the names of the lead authority and each individual member and detailed governance arrangements. Dependent on the national funding implications of pooling, CLG will then decide whether to agree to designate the Pool. It is expected that Pools will be notified of this decision in November, ahead of the publication of the settlement.
- 3.7.2 Once the draft settlement is published in December then there is a 28 day “cooling off period” which allows local authorities to opt out of the pool following sight of its settlement figures. However if a local authority opts out at this stage it would result in the whole pool being dissolved as there is no mechanism within the Local Government Finance Bill to change designations after the publication of the draft settlement.

4 Conclusions

- 4.1 The changes to local government funding from April 2013 will be radical and the full impact cannot yet be quantified, it is however expected that the funding PCC will receive in the first year of the operation of the scheme will be broadly in line with its current resources.
- 4.2 For the first time, funding in future years will be dependent to a certain extent on the level of business rates growth that each local authority gains.
- 4.3 Due to the mix of District, County and Unitary authorities in Devon, there is the potential for substantial additional funding to be retained in Devon by forming a pool. This has been estimated over a 5 year period of between £5.8m and £23.1m for the county
- 4.4 If Plymouth were to join a Devon wide pool for business rates retention, its share of the gain would be in the region of between £1.4m and £6.5m over a 5 year period. In 2013/14 this is estimated to be in the region of £0.7m
- 4.5 If the Council was to enter a pool then there would be no entitlement to safety net funding should a high degree of negative growth be experienced. Current modelling anticipates that business rates growth in Devon will not reach the levels required to put the Pool into a negative funding situation.
- 4.6 There is a cooling off period to allow authorities to withdraw from pooling, within 28 days following the draft Local Government Finance settlement.

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PLYMOUTH CITY COUNCIL

Subject:	Capital investment for Replacement of Minibuses
Committee:	Cabinet
Date:	13 November 2012
Cabinet Member:	Councillors Vincent, Williams and McDonald
CMT Member:	Anthony Payne (Director for Place) and Carole Burgoyne (Director for People)
Author:	Garry Stainer, Fleet and Garage Manager, Julie Roantree, Transport and Allowances Officer
Contact:	Tel: 01752 304682 email: garry.stainer@plymouth.gov.uk
Ref:	
Key Decision:	Yes
Part:	I

Purpose of Report :

This joint report from the Directorate of People and Place seeks approval to implement Phase 2 of the Council's Strategic Vehicle, Plant and Specialist Equipment Replacement Programme approved by the Capital Programme Board in July 2011.

This phase relates to the purchase of **26 minibuses** used for Adult Social Care, Home to School Transport and Special Schools to replace the existing aged and unreliable fleet.

Approval is sought for the **expenditure of £0.980million**, of which £810k will be utilised in 2013/14 and £170k will be needed in 2014/15. The majority of investment in year one will allow for the reduction in the fleet of 4 minibuses and also offer immediate savings on repairs and hire charges representing a 13% reduction without impacting on service delivery. **A revenue saving** (Net Present Value NPV) of **£807k** will be made over **7 years**. The **cost benefit analysis** in **Appendix F** (Part II background paper) demonstrates the savings of £807k (NPV) for procuring replacement vehicles over maintaining the existing fleet. The savings are based on the reduction in repairs needed over the life of the vehicle and the elimination of the need of 'spot hire'. This saving is based on current use of the minibuses and does not reflect any future opportunities for savings that may be realised through working with the third sector.

The expenditure will be funded from unsupported borrowing.

As front line services and schools are already funding the existing aged vehicles the monthly charges can be met within existing services revenue budget and are expected to fall slightly due to the anticipated savings in maintenance, leasing and hire charges.

The old and worn out minibuses have been placing an increasing budget pressure on the end user services and has an adverse effect on front line delivery. The purchase of new minibuses is required as:

- There is a need for expensive 'spot hire' replacement minibuses whilst repairs are undertaken.
- There is increased cost of repair and maintenance.
- Interruptions to service delivery due to high incidents of breakdown and unreliability are a regular occurrence.
- Extensions of long term leases exist.
- Long term hire arrangements paying short term rates replacing vehicles that have become unroadworthy is expensive.

A review of the Council's fleet and plant was undertaken by Price Waterhouse Coopers in 2007 and the recommendation was to implement a five year rolling vehicle replacement program to address the inefficiencies and effects of an aging fleet. Although part of the refuse fleet was replaced in 2007/2008 the rolling programme was not acted upon due to budget pressures on capital and revenue accounts which restricted progress.

In 2010 a strategic approach was taken by officers to analyse the current state of the fleet and plant and determine the most cost effective solution to resolving the major problems Plymouth City Council was experiencing associated in operating an aging fleet.

The strategic approach was to ensure that any investment initially targeted the areas costing the Council the most money (e.g. expensive spot hire). Furthermore vehicles/plant were clustered around service delivery so that decisions about vehicle replacement could be taken alongside any transformation or review of services. This reduces the risk of decisions about vehicles and plant being taken in isolation of the wider services they are used to support.

Four phases were established:

Phase 1	Refuse Vehicles (Waste Service) This was completed in 11/12 with the purchase of 15 vehicles
Phase 2	Minibuses (CYP, ASC and schools Services)
Phase 3	Plant & Equipment (Street Cleansing and Parks)
Phase 4	Other dilapidated or expensive Vehicles (various Services)

The lack of a rolling programme to date and the poor condition of the majority of the existing Vehicles, Plant and Equipment identified in **Phase 2 and Phase 3** means that an investment of over £2.68 million (over 2 years) is now sought. Following this a

budget of approximately £1.3 million per annum would be needed to assist in a 'rolling programme' of replacement of the Councils current fleet and plant requirements over an 8 to 10 year period.

As the front line services are already paying for the existing vehicles they use through monthly charges whether hired, leased or purchased there will be no adverse revenue implications on services in acquiring replacement fleet.

Each service has received a robust and strong challenge on its future needs for vehicles and plant. Research has also been undertaken on the most economical acquisition e.g. purchasing or leasing in each phase. **Phase 2 minibuses now needs approval to be implemented.**

Plymouth City Council currently operates 33 minibuses of which 29 are used by services (Adult Social Care, Special Schools and Home to School Transport) and 4 are 'spare' vehicles kept by the garage. **Appendix A** details the current profile of minibuses. The current lease / purchase and age profile of these minibuses are detailed in **Appendix B**. In summary the majority of leased vehicles are well over 10 years old and the majority purchased vehicles are over 7 years of age.

A strategic approach has been taken to analyse the minibuses usage across services and determine the most cost effective solution for a replacement programme.

A robust challenge was undertaken with service users and a utilisation analysis concluded that the number of minibuses **could reduce from 33 to 29**.

This would mean the **procurement of 26 replacement minibuses** (The 4 minibuses which are used by the garage as 'spares' will be replaced with 3 currently owned minibuses from the existing fleet).

Service users (Special Schools, School Transport and Adult Social Care) have been instrumental in reviewing the minibuses replacement programme. The number of Minibuses is based on current requirements. However on going budget discussions may impact on the number of minibuses required in the future and if this is the case adjustments will be made to the purchasing schedule to align with future needs. In line with good practice a final review will be undertaken with service users to confirm requirements prior to purchase as the timescale between this Cabinet Report and future procurement can be up to 6 months.

These 26 vehicles are to be procured over 2 years **Appendix D** details the replacement items and quantity.

A cost comparison between the alternative options of funding this phase of the replacement programme (borrowing, finance lease, leasing long term) is detailed in **Appendix C** with **purchasing through unsupported borrowing** being the most cost effective option which is therefore the preferred option.

The purchase represents an opportunity to put into practise the principles of a Cooperative Council by considering the needs not just of the Council but also those of the community and voluntary sector in the city to maximise the effectiveness of the spend and multi-agency utilisation of the vehicles. Two options have been given consideration.

Option 1 - This option would take the consolidated spend of PCC plus the community and voluntary sector on minibuses to a procurement process. The procurement would ask bidders to establish a hire company in Plymouth supporting these customers with costs subsidised by the capital that would otherwise be spent on purchasing the minibuses. This option would require delaying the purchase by an estimated 12 months whilst requirements are gathered and a complex procurement is undertaken. This delay is estimated to cost around £280k in additional maintenance and extra hire costs to PCC alone. The costs of the project (assuming use of external resources) could be in the region of £200k.

Option 2 – This option would proceed with the purchase based on the immediate requirements of Plymouth City Council and, in parallel, investigate making the vehicles available to community groups.

Work will need to be undertaken to: gain a better understanding of the demand within the community for the use of the minibuses; get communities' ideas for taking this forward and; address challenges including insurance, maintenance, fuel management, health and safety issues, administration and the use of specialist/adapted vehicles. To start with this can be done via CASAP (Community & Social Action Plymouth) and wider networks e.g. neighbourhood organisations and our "Have Your Say" Neighbourhood meetings and activity. In the slightly longer term, this could be formalised by being included in commissioning and or joint ventures with the voluntary and community sector. This option would also leave open the possibility of future transfer of some or all of the minibuses bought by the Council to community groups in the future.

Given the cost and potential delay associated with option 1, and the future flexibility of option 2, option 2 is recommended to Cabinet for approval.

A third option is that of finding another organisation that may make the purchase on behalf of the Council and hire them out to PCC. This option was discounted after investigating local suppliers of minibuses, unfortunately the vehicles PCC requires have specialist adaptations and suppliers do not have suitable capacity within their fleets to offer such a service. Therefore the purchase option is the only option that will ensure that that our statutory requirements are met.

The option of joint procurement of minibuses for this phase of the replacement programme was explored with the University of Plymouth and members of the Devon Procurement Partnership. Organisations confirmed that they had no requirement to purchase minibuses at this time.

Corporate Plan 2012-2015:

To provide value for money for communities in delivering an efficient Service

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

The replacement of minibus vehicles has a total estimated cost of **£0.980m** and will be incurred over the period 2013 – 15. These costs will be funded from unsupported borrowing, to be taken over 7 years, with the repayment charges being met from within the existing service budgets. The 7 year NPV savings estimate resulting from this spend is expected to be **£807k**. These savings are based on current use of the minibuses and does not reflect any future opportunities for savings that may be realised through working with the third sector.

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

- The risk of accidents and injury to the passengers and to staff is significantly reduced with newer more efficient vehicles especially with regards to the electric tail lifts.
- Improvements and new vehicles will improve the service delivered to people with disabilities
- Transfer of asset –The assets and liability can be transferred and will be under -written within a formal contracts at the time of transfer to any School trust or Academy.

Recommendations & Reasons for recommended action:

- That Cabinet approves the purchase of the 26 minibuses at a cost of £0.98m
- That Cabinet recommends to the Full Council to add this £0.98m project to the Capital Programme 2013 - 15

Following the replacement programme the anticipated benefits are as follows:

- Eliminate short-term hire costs
- Reduce the instances of breakdowns and maintain service delivery

- Eliminate extended long term leases on vehicles.

Alternative options considered and reasons for recommended action:

Do nothing

To do nothing would result in further cost increases and potentially significant disruption to services due to the increasing need to maintain the vehicles. This would also increase the Health and Safety risk of staff and public utilising these vehicles.

Purchase or lease/hire vehicles

A comparison between purchase and lease/hire costs for minibuses has been carried out, the results of which show that the purchasing option offers better value for money.

Background papers:

Part II Cabinet Paper (exemption paragraph 3 applies)

Sign off:

Fin AF	SG/PlaceFesc1213003.02.08.12	Leg	15176. SC	HR	N/A	Corp Prop	N/A	IT	N/A	Strat Proc	286 JK
Originating SMT Member ; Jayne Donovan											
Have you consulted the Cabinet Member(s) named on the report? Yes											

BACKGROUND REPORT

1.0 Brief Description

This report follows on from the CPAF (Capital Programme Approval Form) that was approved in July 2011 for the Vehicle & Plant Replacement Programme. The subject of that CPAF was Phase 1 – Refuse Collection Vehicles. The CPAF also made reference to phases 2 to 4:

- Phase 2 – Minibuses (CSC, ASC and School Services)
- Phase 3 – Plant and Equipment (Street Cleansing and Parks)
- Phase 4 – Other dilapidated or expensive vehicles (various services)

The subject of this report is Phase 2 – Minibuses. The Council's current use for minibuses is by Children's Social Care, Adult Social Care and Schools.

2.0 Background

- 2.1** Plymouth City Council utilises a fleet of approximately 350 vehicles as well as over 950 items of plant and specialist equipment over a wide range of front line services. The overall value of vehicles, plant and specialist equipment currently used by the Council is around £12 million. The lack of a rolling annual replacement program means that many services are now operating old and worn fleet and plant.
- 2.2** A review of the Council's fleet and plant was undertaken by Price Waterhouse Coopers in 2007 and the recommendation was to implement a five year rolling vehicle replacement program to address the inefficiencies and effects of an aging fleet. Although part of the refuse fleet was replaced in 2007/2008 the rolling programme was not acted upon due to the budget pressures on capital and revenue accounts.
- 2.3** In 2010 a strategic approach was taken by officers to analyse the current state of the fleet and plant and determine the most cost effective solution to resolving the major problems Plymouth City Council was experiencing associated in operating an aging fleet. These were;
- Increased costs of repair and maintenance.
 - The need for expensive 'spot hire' of replacement vehicles whilst repairs are undertaken.
 - Interruption to service delivery due to high incidence of breakdown and unreliability.
 - Long term hire arrangements paying short time rates as an annual replacement programme had not been implemented.

- 2.4** The strategic approach was to ensure that any investment initially targeted the areas costing the Council the most money (e.g. expensive spot hire). Furthermore vehicles/plant were clustered around service delivery so that decisions about vehicle replacement could be taken alongside any transformation or review of services. This reduces the risk of decisions about vehicles and plant being taken in isolation of the wider services they are used to support.

Four phases were established:

Phase 1 Refuse Vehicles (Waste Service) **This was completed in 11/12 with the purchase of 15 vehicles**

Phase 2 Minibuses (CYP, ASC and schools Services)

Phase 3 Plant & Equipment (Street Cleansing and Parks)

Phase 4 Other dilapidated or expensive Vehicles (various Services)

The lack of a rolling programme to date and the poor condition of the majority of the existing Vehicles, Plant and Equipment identified in **Phase 2 and Phase 3** and the increasing cost associated with this ageing fleet has meant that an immediate investment of over £2.68 million is now needed. Following this a budget of approximately £1.3 million per annum would be needed to assist in a 'rolling programme' of replacement of the Councils current fleet and plant requirements over an 8 to 10 year period.

- 2.5** Front line services already have funding for the existing vehicles they use through monthly charges (whether hired, leased or purchased) so there will be no adverse revenue implications on services.

Each service has received a robust and strong challenge on its future needs for vehicles and plant. Research has also been undertaken on the most economical acquisition e.g. purchasing or leasing in each phase.

- 2.6** The options of joint procurement of minibuses for this phase of the replacement programme was explored with the University of Plymouth and members of the Devon Procurement Partnership. Organisations confirmed that they had no requirement to purchase minibuses at this time.

3.0 Minibus Needs Analysis

- 3.1** Plymouth City Council currently operates 33 minibuses of which 29 are either owned or on long term leases (7yrs or more) and 4 are on short term hire arrangements. The current lease / purchase and age profile of these minibuses are detailed in **Appendix B**.

3.2 In summary all leased vehicles (but 3) are well over 7 years old (some are over 13 years old) .These leased vehicles have long reached the end of the original lease contracts and are now on extended leases. There are escalating service and maintenance costs for these minibuses. Most of the purchased vehicles are also over 7 years of age.

3.3 The impact of the aging minibuses fleet is that:

- Services are operating old and worn out minibuses.
- Increased costs of repair and maintenance.
- High incidence of breakdown and unreliability.
- Difficulty in obtaining 'special adaptations' minibuses for 'spot hire' / short term hire and both are expensive.
- Difficulty in obtaining replacement parts for old minibuses.

3.4 The current profile of the 33 minibuses is detailed in **Appendix A**. A robust challenge was undertaken with service users and a utilisation analysis indentified that the number of minibuses required could reduce from 33 to 29 (representing a 13% reduction without impacting on service delivery). This will mean the purchase of 26 new minibuses with 3 minibuses being kept from the existing fleet as 'spare' vehicles.

3.5 A breakdown of the new requirement per service is as follows:

Service Area	Number of Mini-Buses
Special Schools	5
Home to School Transport / Special Schools	7
Adult Social Care	14

3.6 Electric vehicles were considered. However these vehicles have a limited range of miles that can be covered by one full battery charge and it then takes 6-8 hours to re-charge the battery so were not deemed suitable for the requirements of the respective services.

4.0 School Arrangements

4.1 There is a statutory duty to provide transport to and from special school for certain pupils with special educational needs.

4.2 The seven minibuses that are used by the Home to School transport services are made available to the special schools during the day. Each school is charged £3,918 per annum for the use of the bus (equates to £20.62 per day for 190 teaching days). The Home to School Transport team also provides £500 fuel allowance per annum per bus to the schools.

4.3 This income of around £28k per annum offsets the home to school transport costs and is also a cost effective way of having minibuses available to schools, rather than hiring in private vehicles.

- 4.4 There are five minibuses that are owned, hired or leased by the Special Schools solely for their own use and funded by the schools directly although the budgets are still within the remit of the Council.
- 4.5 Minibuses currently used by schools or organisations where the budgets are outside the control of the Council are not included as part of the replacement programme (Eggbuckland Community College, Notre Dame RC School, Pembroke Street EMB, Sir John Hunt Community College, St Paul's RC Primary School and Tor Bridge High).
- 4.6 Mini buses used by academies are also outside the scope (Coombe Dean School, Heles School and Lipson Community College) of the programme.

5.0 Adult Social Care Arrangements (Woodfield, REATCH and St George)

- 5.1 The vehicles used within these services range from standard 16 seater buses with and without tail lift facilities as well as a range of smaller vehicles including standard people carriers. The vehicles are used between 8.00am to 17.30pm and are used for the collection and drop off of service users both morning and afternoon and are also used to undertake a range of community based activities during the day.

A small number of the vehicles are used during the evenings and at weekends by Colwill Lodge (Short Breaks Service) to enable people to access the community during their stay.

The vehicles provide a facility for people that would not ordinarily be able to travel on public transport due to their level of disability and support requirements.

- 5.2 There is currently no specific charge that people using the transport are required to pay. The budget for the lease of the current vehicles, their fuel and service and maintenance costs are identified within the individual services budget lines and are managed by the responsible budget holder.

6.0 Cooperative Model

- 6.1 The purchase of 26 minibuses represents an opportunity to put into practice the principles of a Cooperative Council. By considering the needs of the wider community and voluntary sector, as well as the Council's core business, and giving communities a bigger say in the way minibuses are deployed, there is an opportunity to promote community involvement and maximise the effectiveness of the spend.
- 6.2 However, to establish a completely new model to run minibus usage across Plymouth City council and the community and voluntary sector, would delay the purchasing of badly needed new minibuses, and would incur significant project costs.

It is therefore proposed that we proceed with the purchase based on immediate requirements of Plymouth City Council and, in parallel, investigate making the vehicles available to community groups.

- 6.3** Work will need to be undertaken to: gain a better understanding of the demand within the community for the use of minibuses: get communities' ideas for taking this forward and: address challenges including insurance, maintenance, fuel management, health and safety issues, administration and the use of specialist/adapted vehicles. To start with this can be done via CASAP (Community & Social Action Plymouth) and wider networks e.g. neighbourhood organisations and "Have Your say" Neighbourhood meetings and activity. In the slightly longer term, this could be formalised by being included in commissioning and/or joint venture with the voluntary community sector. This would also leave open the possibility of future transfer of some or all of the minibuses bought by the Council to community groups in the future.

7.0 Cost / Benefit Analysis and Affordability For Procurement of New minibuses

- 7.1** Due to the ageing profile of the current minibus fleet, servicing and maintenance costs are increasing year on year.

A cost benefit analysis of replacing the minibuses has been completed and can be found at **Appendix E (Part II Background Papers – Appendices). The anticipated savings over 7 years is £807K.** These savings are based on current use of the minibuses and does not reflect any future opportunities for savings that may be realised through working with the third sector.

- 7.2** A further cost comparison between the alternative options of funding this phase of the replacement programme (borrowing, finance lease, leasing long term) is detailed in **Appendix C** with **unsupported borrowing** being the most cost effective option. Therefore the preferred option is **to purchase** the items identified. Purchasing means the Council will pay less overall than through a lease or contract hire agreement and is less complex to manage. In addition the Council would fully own the asset which allows flexibility.

- To extend the useable life (sweat the assets)
- To respond to alternative delivery models (e.g. outsourcing/partnership arrangements)
- To dispose of the asset (e.g. Sell/transfer)

Following the replacement programme the anticipated benefits are as follows:

- The elimination of short-term hire costs.
- The elimination of current extended long-term leasing arrangements (with old vehicles).
- Improve service delivery.

7.3 The reduction in minibuses from 33 to 29 is reflected below.

Minibuses	Current Profile	New Profile
Standard minibuses	11	9
Tail lift minibuses	15	12
People Carriers	7	8

7.4 Service users have been consulted and have been instrumental in reviewing the minibus replacement programme and have provided comments and feedback. The number of Minibuses is based on current requirements. However on going budget discussions may impact on the number of minibuses required in the future and if this is the case adjustments will be made to the purchasing schedule to align with future needs. It is good practice that before procurement activity is commenced a final review will take place with users to confirm requirements (as there is always a time gap between cabinet reports and procurement).

8.0 Phased Approach

8.1 The recommendation is to purchase the 26 minibuses over the two year minibus replacement programme

8.2 The full list of minibuses to be purchased is listed in **Appendix D**. A phased approach has been proposed to spread of the capital cost over a period of two years.

Year 1 replacements include vehicles on long term leases over 7 years old.

Year 2 replacements include the remaining vehicles.

APPENDICES FOR PHASE 2 – MINIBUSES**Appendix A – Current profile of minibuses**

Location	Service type	Type of vehicle	Purchased/leased/hired	Registration	Current mileage (miles)
ACE Service	School	People carrier	Leased	59 (2009)	Unknown
		People carrier	Leased	59 (2009)	Unknown
		Standard minibus	Leased	08 (2008)	Unknown
		Standard minibus	Purchased	09 (2009)	Unknown
Fleet	Garage (spares)	Tail lift minibus	Leased	V (1999)	87268
		Standard minibus	Leased	V (1999)	97352
		Tail lift minibus	Leased	V (1999)	70301
		Tail lift minibus	Leased	V (1999)	118861
Home to school transport	Education/special needs	Tail lift minibus	Leased	WV (2000)	68295
		Standard minibus	Purchased	54 (2004)	46685
H to S transport / Brook Green Centre for Learning	School – special needs (disability)	Tail lift minibus	Leased	V (1999)	108000
H to S transport / Courtlands School	School – moderate learning difficulties	Standard minibus	Leased	51 (2001)	78000
H to S transport / Downham School	School – physical disabilities	Tail lift minibus	Purchased	54 (2004)	83000
H to S transport / Longcause School	Special needs	Standard minibus	Leased	V (1999)	167000 km
H to S transport / Millford School	School – learning difficulties	Tail lift minibus	Leased	WV (2000)	85000
H to S transport / Millford School	School – learning difficulties	Standard minibus	Leased	53 (2003)	144767
H to S transport / Mount Tamar School	School – emotional behavioural difficulties	Standard minibus	Leased	V (1999)	166000 km
H to S transport / Woodlands		Tail lift minibus	Leased	05 (2005)	165000

Mount Tamar School	School – emotional behavioural difficulties	People carrier	Hired	10 (2010)	Hired
Reatch Centre	Adult Social Care – physical disability & sensory impairment	People carrier	Purchased	56 (2006)	40059
		People carrier	Purchased	56 (2006)	37000
		Tail lift minibus	Leased	W (2000)	144640
		Tail lift minibus	Purchased	54 (2004)	116397
St George's CRC	Adult Social Care – learning difficulties, some sensory impairment	Standard minibus	Purchased	54 (2004)	57909
		Minibus with ramp	Purchased	52 (2002)	149603
		Tail lift minibus	Leased	X (2000)	89077
		Tail lift minibus	Leased	Y (2001)	77444
Woodfield	Adult Social Care – physical & learning difficulties	Standard minibus	Hired	60 (2010)	Hired
		People carrier	Hired	59 (2009)	Hired
		People carrier	Hired	10 (2010)	Hired
		Tail lift minibus	Purchased	05 (2005)	70106
		Tail lift minibus	Leased	05 (2005)	95613
		Tail lift minibus	Leased	02 (2002)	63270

Appendix B – Summary of current leased and purchased minibuses

All leased vehicles have reached the end of the original lease contracts. A summary has been provided below:

- 8 vehicles with leases over 13 years
- 5 vehicles with leases over 12 years
- 2 vehicles with leases over 11 years
- 2 vehicles with leases over 10 years
- 3 vehicles with leases over 7 years
- 3 vehicles with leases under 4 years

With the vehicles which have been purchased the age profile is as follows:

- 7 vehicles over 7 years of age
- 2 vehicles over 5 years of age
- 1 vehicle 3 years of age

Appendix C - Comparator between borrowing and leasing options

Rates for £0.98m Minibus purchase	
	%
Cost of Borrowing	Between 2.7 - 3
Finance lease	6.5
Leasing long-term	5.0

Appendix D – Replacement items and quantity

	2013/14 (Year 1)	2014/15 (Year 2)	2015/16 (Year 3)	2016/17 (Year 4)	Total
Standard minibus	6	2			8
Tail lift minibus	10	0			10
People carrier	4	4			8
Total	20	6			26

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PLYMOUTH CITY COUNCIL

Subject: Capital Investment for Replacement of Plant and Equipment (Street Scene Services)

Committee: Cabinet

Date: 13 November 2012

Cabinet Member: Councillor Vincent

CMT Member: Anthony Payne (Director for Place)

Author: Fleet and Garage Manager Garry Stainer

Contact: Tel: 01752 304682
Email: garry.stainer@plymouth.gov.uk

Ref:

Key Decision: Yes

Part: I

Purpose of Report :

This report seeks approval to implement Phase 3 of the Council's Strategic Vehicles, Plant and Specialist Equipment Replacement Programme (approved by the Capital Programme Board in July 2011) to renew the old and unreliable equipment used by Street Scene Services (Parks and Street Cleaning) and Cemeteries which is adversely affecting the service delivery of two highly visible front line services. Only 4 of the items included are for Cemeteries Services.

Approval is sought for the expenditure of **£1.7 million** phased over two years. These costs will be funded from unsupported borrowing and this will offer an anticipated saving (Net present value – NPV) of **£544k over 7 years**. As front line services are already paying for the existing vehicles and plant the monthly charges can be met by services within their existing revenue budgets.

A review of the Council's fleet and plant was undertaken by Price Waterhouse Coopers in 2007 and although the recommendation was to implement a five year rolling vehicle replacement program to address the inefficiencies and effects of an aging fleet, the budget pressures on capital and revenue accounts restricted progress. However part of the refuse fleet was replaced in 2007/2008.

In 2010 a strategic approach was taken to analyse the current state of the fleet and plant and determine the most cost effective solution to resolving the major problems Plymouth City Council was experiencing associated in operating an aging fleet.

These problems can be summarised as:

- Increased costs of repair and maintenance.
- The need for expensive 'spot hire' of replacement vehicles whilst repairs are undertaken.
- Interruption to service delivery due to high incidence of breakdown and unreliability.
- Long term hire arrangements paying short time rates as an annual replacement programme had not been implemented.

The strategic approach was to ensure that any investment initially targeted the areas costing the Council the most money (e.g. expensive spot hire). Furthermore vehicles/plant were clustered around service delivery so that decisions about vehicle replacement could be taken alongside any transformation or review of services. This reduces the risk of decisions about vehicles and plant being taken in isolation of the wider services they are used to support.

Four phases were established:

Phase 1	Refuse Vehicles (Waste Service) This has been completed in 11/12 with the purchase of 15 vehicles
Phase 2	Minibuses (CYP, ASC and schools Services)
Phase 3	Plant & Equipment (Street Cleansing and Parks)
Phase 4	Other dilapidated or expensive Vehicles (various Services)

The lack of a rolling programme to date and the poor condition of the majority of the existing Vehicles, Plant and Equipment identified in **Phase 2 and Phase 3** means that an investment of over £2.68 million (over 2 years) is now sought. Following this a budget of approximately £1.3 million per annum would be needed to assist in a 'rolling programme' of replacement of the Councils current fleet and plant requirements over an 8 to 10 year period.

As the front line services are already paying for the existing vehicles they use through monthly charges whether hired, leased or purchased there should be no adverse revenue implications on services.

Each service has received a robust and strong challenge on its future needs for vehicles and plant. Research has also been undertaken on the most economical acquisition e.g. purchasing or leasing in each case. **Phase 3 now needs approval to be implemented.**

Parks Services are operating old and unreliable plant which is adversely affecting service delivery and leading to increased costs. All of the large plant are passed their life expectancy and plant items are frequently breaking down and are therefore driving the need for 'spot hire' replacement on expensive short term hire rates.

The option of joint procurement of plant equipment for this phase of the replacement programme was explored with Plymouth Community Homes and Exeter City Council, University of Plymouth and members of the Devon Procurement Partnership. All organisations confirmed they wished to procure their plant and vehicles independently of Plymouth or that they had no requirement to do so.

Plymouth Community Homes also confirmed that at present and for the foreseeable future they were unable to take on any additional work on behalf of Plymouth City Council or for Plymouth City Council to undertake any of their work.

Therefore Plymouth City Council will need to procure vehicles for their own use. The items proposed for replacement include ride on mowers, tractors, pedestrian mowers, diggers, wood chippers, hoppers and specialist vehicles. The full list of items to be purchased is listed at **Appendix A**.

Following the replacement programme the anticipated benefits are as follows:

- Eliminate short-term hire costs
- Reduce operating costs with the replacement of the 3.5T vans and trailers
- Reduce the instances of breakdowns and maintain service delivery

A cost benefit analysis of replacing the vehicles, plant and equipment has been provided at **Appendix B (Part II Paper)**. **The anticipated savings over 7 years is £544k.** A comparison between whether to purchase or hire was undertaken on a sample of the plant and vehicles see **Appendix C (Part II Paper)**.

The preferred option is **to purchase** the items identified. Purchasing means the Council will pay less overall than through a lease or contract hire agreement and is less complex to manage. In addition the Council would fully own the asset which allows flexibility.

- To extend the useable life (sweat the assets)
- To respond to alternative delivery models (e.g. outsourcing/partnership arrangements)
- To dispose of the asset (e.g. Sell/transfer)

Corporate Plan 2012-2015:

To provide value for money for communities in delivering an efficient and value for money Parks Service.

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

The replacement of vehicles and plant has a total **estimated cost of £1.707m**. These costs will be funded from unsupported borrowing, to be taken over the life of the asset up to 7 years. The related borrowing charges will be met from within the existing service user revenue budgets. There is an anticipated savings of **£544 K over 7years**. In addition, it is expected that service efficiencies can be gained through the use of more suitable, modern and reliable plant and equipment, resulting in further budget savings and improved service delivery.

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

- Risk of reduction to grass cutting services. Budget setting for 2013-4 could possibly identify a reduction for future years of grass cutting of open spaces and grounds maintenance within the City. The budget setting will enable officers to identify the reduction of grass cutting equipment required and will enable a reduced requirement from year 2 of this replacement program.
- The risk of accidents and serious injury to the public and to staff is significantly reduced with newer more efficient machinery, plant and vehicles.
- The new equipment / plant are to be used to maintain areas on the highways and walkways of Plymouth to ensure safe visibility for drivers and pedestrians.

Recommendations & Reasons for recommended action:

That Cabinet approve the purchase of the plant equipment and vehicles as detailed in the report.

That Cabinet recommend to full Council to add this project of £1.707m to the Capital programme 2013-15.

Following the replacement programme the anticipated benefits are as follows:

- Eliminate short-term hire costs
- Reduce operating costs with the replacement of the 3.5T vans and trailers
- Reduce the instances of breakdowns and maintain service delivery

Alternative options considered and reasons for recommended action:

I. Do nothing

To do nothing is not an acceptable option, this would result in further cost increases and potentially significant disruption to services due to the increasing need to maintain or replace dilapidated equipment. The large majority of equipment has already been discontinued with and disposed of. An increased health and safety risk is also created when operating older machinery.

2. Purchase option appraisal.

A comparison between purchase and hire cost for plant has been carried out, the results of which show that the purchasing option gives better value for money.

3. Joint procurement option to include Plymouth Community Homes.

Plymouth Community Homes have confirmed that they wish to continue to procure independantly as they use a mix of lease and purchase options. They also confirmed that they mainly use small plant items and the potential for economies of scale are very limited.

4. Option for Plymouth Community Homes to consider taking on other work.

Plymouth Community Homes confirmed that at present and for the foreseeable future that they are unable to commit to other work as they wish to ensure that their own core business and customer services are to the highest standard and running smoothly.

Background papers

None

Sign off:

Fin AF	SG/place F ESC1213 004.0609 12	Leg	1516 8. SC	HR	N/A	Corp Prop	N/A	IT	N/A	Strat Proc	JK/SP U/CP/ 283/0 712
Originating SMT Member: Jayne Donovan											
Have you consulted the Cabinet Member(s) named on the report? Yes											

BACKGROUND REPORT

1.0 Introduction

- 1.1** This report follows on from the CPAF (Capital Programme Approval Form) that was approved in July 2011 for the Vehicle & Plant Replacement Programme. The subject of that CPAF was Phase 1 – Refuse Collection Vehicles. The CPAF also made reference to phases 2 to 4:

Phase 2 – Minibuses (CYP, ASC and School Services)

Phase 3 – Plant and Equipment (Parks services/Street Services)

Phase 4 – Other dilapidated or expensive vehicles (various services)

The subject of this report is Phase 3 – Plant and Equipment. (Parks and Street services)

2.0 Background

- 2.1** Plymouth City Council utilises a fleet of approximately 350 vehicles as well as over 950 items of plant and specialist equipment over a wide range of front line services. The value of vehicles, plant and specialist equipment currently used by the Council is around £12 million. The lack of a rolling annual replacement program means that many services are now operating old and worn fleet and plant.
- 2.2** A review of the Council's fleet and plant was undertaken by Price Waterhouse Coopers in 2007 and although the recommendation was to implement a five year rolling vehicle replacement program to address the inefficiencies and effects of an aging fleet, the budget pressures on capital and revenue accounts restricted progress. However part of the refuse fleet was replaced in 2007/2008.
- 2.3** In 2010 a strategic approach was taken to analyse the current state of the fleet and plant and determine the most cost effective solution to resolving the major problems Plymouth City Council was experiencing associated in operating an aging fleet.

These can be summarised as:

- Increased costs of repair and maintenance.
- The need for expensive 'spot hire' of replacement vehicles whilst repairs are undertaken.
- Interruption to service delivery due to high incidence of breakdown and unreliability.
- Long term hire arrangements paying short time rates as an annual replacement programme had not been implemented.

- 2.4** The strategic approach was to ensure that any investment initially targeted the areas costing the Council the most money (e.g. expensive spot hire). Furthermore vehicles/plant were clustered around service delivery so that decisions about vehicle replacement could be taken alongside any transformation or review of services. This reduces the risk of decisions about vehicles and plant being taken in isolation of the wider services they are used to support.

Four phases were established:

Phase 1	Refuse Vehicles (Waste Service) This was completed in 11/12 with the purchase of 15 vehicles
Phase 2	Minibuses (CYP, ASC and schools Services)
Phase 3	Plant & Equipment (Street Cleansing and Parks)
Phase 4	Other dilapidated or expensive Vehicles (various Services)

The lack of a rolling programme to date and the poor condition of the majority of the existing Vehicles, Plant and Equipment identified in **Phase 2 and Phase 3** means that an investment of over £2.68 million (over 2 years) is now required. Following this a budget of approximately £1.3 million per annum would be needed to assist in a 'rolling programme' of replacement of the Councils current fleet and plant requirements over an 8 to 10 year period.

- 2.5** As the front line services are already paying for the existing vehicles they use through monthly charges whether hired, leased or purchased there should be no adverse revenue implications on services.
- Each service has received a robust and strong challenge on its future needs for vehicles and plant. Research has also been undertaken on the most economical acquisition e.g. purchasing or leasing in each case.

3.0 Alternative Delivery Models

- 3.1** The options of joint procurement of plant and equipment was discussed with Plymouth Community Homes and Exeter City Council, University of Plymouth and members of the Devon Procurement Partnership. Plymouth Community Homes confirmed that they wished to procure independently as they mainly use small plant items and the potential for economies of scale was limited.
- Sharing of equipment was not feasible as organisations would need equipment at the same time. Exeter City Council have an established rolling programme of replacement plant and were not procuring in quantities that would involve any economies of scale. This was similar to the University of Plymouth and members of the Devon Procurement Partnership.
- 3.2** Plymouth Community Homes confirmed that at present and for the foreseeable future they were unable to commit to take on any additional work on behalf of Plymouth City Council.

- 3.3** Budget setting for 2013/14 could possibly identify a reduction for future years of grass cutting of verges and some open spaces within the City. Any reduction in grass cutting frequencies that impact on the machinery required will enable a reduced requirement in year 2 of the replacement program.

4.0 Project Details

The Environmental Services Business Plan 2011-14 identified major challenges, with significant capital investment required in vehicles and plant.

A Council priority was identified of providing value for communities through Environmental Services Transformation with major investment in new vehicles and plant.

- 4.1** The current profile of plant and equipment in Parks / Street Scene Services contains a number of large plant items which have either been purchased and are now well past their life expectancy period or are on long-term hire as well as a large proportion of small plant which are purchased on a regular replacement basis.
- 4.2** The larger plant items are the basis of this report. These items are ride on mowers, tractors, pedestrian mowers, wood chippers and toppers (**Appendix A**).

The Council also currently utilises 11 beavertail trailers, which were purchased by the Council in 1994. These trailers are used with nine 3.5T vans. The staff who drive these vehicles with trailers are required to have a specific driver training tests, the vehicles can be difficult to get on site and have high maintenance requirements, These vehicles also form the basis of this business case as it is proposed to replace these vehicles with the purchase of 9 purpose built vehicles that have the ability to transport plant and equipment to and from site.

The purpose built vehicles are classed as HGV's and will require more regular servicing than the current arrangement but this will be tempered by:

- Reduced repair costs on trailers
 - Able to get drivers trained much easier (training to pull a trailer can cost up to £2K per driver)
 - Better access to locations on site (no trailer)
 - If the beaver tail body's are galvanised steel they can be taken off and put onto new vans when they need replacing, thereby extending the life and cost over 2 van cycles
 - Reduced fuel costs (vans will not be towing trailers)
 - Reduced tyre costs, always replacing trailer tyres
 - More efficient way of working (the industry are already using this type of van)
- 4.3** The small plant items are managed through each department's budget. It is proposed to continue to purchase small plant on an annual basis. (These items do not form part of this purchase but have been assessed as part of a full review).

- 4.4** The majority of the old and worn plant and equipment is leased. Any Council owned assets are normally sent to auction. Donation and transfer of assets to local groups can be considered although there are considerable health and safety risks in using the equipment which requires specialist training to operate.

5.0 Cost / Benefit Analysis

- 5.1** Following the replacement programme the anticipated benefits are as follows:

- Eliminate short-term hire costs
- Reduce operating costs with the replacement of the 3.5T vans and trailers
- Reduce the instances of breakdowns and maintain service delivery

- 5.2** A cost benefit analysis of replacing the vehicles, plant and equipment has been provided at **Appendix B (Part II Paper)**. **The anticipated savings (NPV) over 7 years is £544k.**

A comparison between whether to purchase or hire was undertaken on a sample of the plant and vehicles. See **Appendix C (Part II Paper)**.

- 5.3** The preferred option is **to purchase** the items identified. Purchasing means the Council will pay less overall than through a lease or contract hire agreement and is less complex to manage. In addition the Council would fully own the asset which allows flexibility.

- To extend the useable life (sweat the assets)
- To respond to alternative delivery models (e.g. outsourcing/partnership arrangements)
- To dispose of the asset (e.g. Sell/transfer)

The full list of items to be purchased are listed at **Appendix A**.

Appendix A – Replacement Items quantity

Year 1	2012/13 Year 1	2013/14 Year 2
Item		
Ride on mowers: Ransomes x11 Digger X1		12
Ride on mowers: Grillo FDI500	1	
Tractors x5	5	
Pedestrian mower: Scag 32" x23 – Scag 48"with flails x2 trailer x1- compressor x 1- Aebis mowers x2	4	25
Pedestrian mower: Ransomes super certes	3	
Sit on mower: Etesia mower X1 Pedestrian mower Great Dane X1	2	
Purpose built vehicles X9	9	
Other items: Power Washer for depot X1 Spearheads X3 Wood Chippers X3 Bail Trailer X1 Verti Drainer X1 Roto Rake X1 Hay Knife X1 Side Arm Flail (Swing both ways) X1 Sisis Autorake X1 Digger yr 1 X1	various	various

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