

Cabinet

Tuesday 12 February 2013

PRESENT:

Councillor Evans, in the Chair.

Councillor Peter Smith, Vice Chair.

Councillors Coker, Lowry, McDonald, Penberthy, Vincent and Williams.

Also in attendance: Tracey Lee (Chief Executive), Adam Broome (Director for Corporate Services), Anthony Payne (Director for Place), Malcolm Coe (Assistant Director for Finance, Efficiencies, Technology and Assets), John Dixon (Planning Delivery Manager), Alex Hurth (Carbon Manager), David Northey (Head of Finance), Clive Perkin (Assistant Director for Transport and Infrastructure), Maria Schingen (Product Portfolio Manager), Gareth Simmons (Acting Head of Capital Strategy), Juli Wileman (Major Schemes Project Manager) and Nicola Kirby (Senior Democratic Support Officer (Cabinet)).

The meeting started at 1.00 pm and finished at 1.50 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.

133. DECLARATIONS OF INTEREST

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

134. MINUTES

Agreed the minutes of the meeting held on 11 December 2012.

135. QUESTIONS FROM THE PUBLIC

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

Mrs Prince attended the meeting to ask her question and Councillor McDonald responded as set out below -

Question No	Question By	Cabinet Member	Subject
12 (12/13)	Mrs A M Prince	Councillor McDonald, Cabinet Member for Public Health and Adult Social Care	Modernisation of adult social care services

With regard to the proposed modernisation of adult social care services; what measures will the council take to ensure that any decision which is taken by them will not ignore a clearly expressed opposition from a majority of disabled individuals and their carers?

Response:

The modernisation of adult social care services includes a wide ranging set of proposals, which will deliver similar, or where possible, even better services. They build on the measures put in place over the last few years which have seen an increase in customer satisfaction and services that are better designed to fit the particular circumstances of individual service users.

The new proposed arrangements have been designed to take account of feedback received from current service users and their carers including individuals with a disability and their carers. We will continue to seek further detailed feedback from a range of interested parties as part of the consultation process. This will include individual discussions with service users and carers where appropriate, as well as meetings. The results of the various consultations will be taken into account and as far as practicable, changes will be made to reflect the views and concerns of those affected.

136. **CHAIR'S URGENT BUSINESS**

There was no Chair's urgent business.

SCRUTINY REPORTS

137. **Budget and Corporate Plan Scrutiny Report 2013/14**

The report of the Overview and Scrutiny Management Board on the Budget and Corporate Plan Scrutiny 2013/14 and Cabinet's response to the recommendations made by the board following its consideration of the council's budget for 2013/14 were submitted.

Councillor Mrs Aspinall (Chair of the Overview and Scrutiny Management Board) presented the report and advised Cabinet Members that –

- (a) the scrutiny exercise had been undertaken over three days in January 2013;
- (b) as far as was known, the authority had been the first to webcast its budget scrutiny meeting and to date she did not know how many people had viewed the meeting but would be interested to know;
- (c) the board shared the concerns of Cabinet and partners on the level of the budget and indicated that careful monitoring would be essential during the year;

- (d) with regard to recommendation 9, the board was misled in relation to the Sexual Assault Referral Centre in Plymouth which she now knew was a regional centre funded by national health monies;
- (e) her thanks were extended to the scrutiny officers and Democratic Support Team for their contributions and support;
- (f) she welcomed the response;
- (g) as the Chair of the Health and Adult Social Care Overview and Scrutiny Panel, she had concerns on the need to respond to the Francis Report on hospital standards and holding Derriford Hospital to account.

The Chair thanked Councillor Mrs Aspinall, the Management Board and advisers for their considerable amount of work and felt that the sessions had been challenging.

Agreed the responses, as submitted, to the recommendations of the Overview and Scrutiny Management Board.

138. **Subsidised Routes and through Ticketing Scrutiny Report**

The report of the Growth and Prosperity Overview and Scrutiny Panel Task and Finish Group on subsidised bus routes and through ticketing was submitted.

Councillor Nicholson (Chair of the Growth and Prosperity Overview and Scrutiny Panel Task and Finish Group) presented the report and advised Cabinet Members that -

- (a) the panel had heard from a number of stakeholders including bus operators, Travel Watch South West and representatives of the Youth Cabinet and Senior Citizen's Forum;
- (b) the recommendations of the task and finish group were submitted for consideration and drew attention to those concerning the Plymouth Green Travel Pass Scheme, the need for greater certainty with three yearly contracts and best practice of Oxford City Council;

Councillor Nicholson expressed his gratitude to the members of the task and finish group for their contributions.

Councillor Coker (Cabinet Member for Transport) indicated that this was a valuable piece of scrutiny work and that he and an officer had made arrangements to visit Oxford City Council.

The Chair and Councillor Coker thanked Councillor Nicholson, members of the task and finish group and advisers for the quality of their work which demonstrated the value of pre-decision scrutiny.

(See also minute 139 below)

139. **RESPONSE TO THE GROWTH AND PROSPERITY OVERVIEW AND SCRUTINY PANEL TASK AND FINISH GROUP REPORT ON SUBSIDISED BUS ROUTES AND THROUGH TICKETING**

Further to minute 138 above, the Director for Place submitted a written report on the response to the recommendations in the Growth and Prosperity Overview and Scrutiny Panel Task and Finish Group Scrutiny Report on subsidised bus routes and through ticketing.

The recommendations were supported with the exception of Through Ticketing Recommendation 3 where operators would be asked to adopt a technological platform and incorporate ITSO compliant ticket machines on all buses by the end of the financial year 2012/13. First Devon and Cornwall had advised that it would not be able to commit to the undertaking before March 2014 and it was therefore proposed to amend this recommendation.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed –

- (1) the scrutiny recommendations of the Growth and Prosperity Overview and Scrutiny Panel Task and Finish Group, with the exception of Through Ticketing Recommendation 3;
- (2) Through Ticketing Recommendation 3 subject to the amendment of the financial year from '2012-2013' to '2013-14'.

140. **CORPORATE PLAN 2012-15 UPDATE**

The Chief Executive submitted a written report setting out the council's update against the Corporate Plan 2012-15.

The report set out –

- (a) the steps the council would take in 2013/14 towards becoming a brilliant co-operative council and to engage with communities around the co-design and co-production of services;
- (b) how the council would transform how it worked to exceed customer expectations and put customers at the heart of everything the council does;
- (c) the projects that had been completed or were underway to ensure that citizens got the best possible deal;
- (d) the work with partners in the private sector and with neighbouring councils to get people into employment and apprenticeships and to develop the City Deal;

- (e) the progress on the delivery of 100 pledges made in May 2012 to make a difference to everyday lives in Plymouth. In less than nine months, 31 had been delivered with many nearing completion;
- (f) the pressures that the council and the city would face in the coming year including welfare reform.

The Chief Executive reported that a fundamental review of the plan would be undertaken in the late spring and would subsequently be submitted to Cabinet and the City Council.

Alternative options considered and reasons for the decision –

As set out in the report.

Cabinet noted the “Corporate Plan 2012-15 An Update” setting out the priorities to be a brilliant co-operative council.

The City Council is Recommended to note the “Corporate Plan 2012-15 An Update” and its implications on the revenue and capital budget.

141. **BUILDING FOR JOBS - PLYMOUTH INVESTMENT FUND**

The Director for Place submitted a written report seeking approval to set up Building for Jobs: an Investment Fund for Plymouth. The fund’s key objective would be to help the city create the right conditions for growth, supporting projects which specifically create jobs during a time of global economic uncertainty.

A sum of £20 million was being sought to enable the fund to make investments across a range of schemes that would create much needed jobs in Plymouth. In addition, £500,000 revenue was required to support specific projects in the Plan for Jobs, and the proposals had been included in the 2013/14 Revenue and Capital Budget.

Alternative options considered and reasons for the decision –

As set out in the report.

Cabinet noted the inclusion of the revenue and capital implications within the 2013/14 Revenue and Capital Budget.

The City Council is Recommended to include in the 2013/14 – 2015/16 Capital Programme an Investment Fund for Plymouth (Building for Jobs) of £20 million, based upon the key objectives of creating jobs and supporting the economy, and the four criteria of impact, value for money, long term sustainability, and deliverability.

142. **CAPITAL INVESTMENT FOR STREET LIGHTING, SOLAR PV AND BOILER REPLACEMENT**

The Directors for Place and Corporate Services submitted a written report seeking approval for a £13.25 million capital investment as part of an energy and carbon saving programme, to

-

- replace the authority's high pressure sodium street lamps with light emitting diode (LED) street lamps;
- install solar photovoltaic (PV) panels on 14 council owned buildings (see Annex 1 for buildings)
- replace boilers that are past their usable life in 16 council properties (see Annex 2 for properties).

Councillor Lowry (Cabinet Member for Finance) presented the report.

Councillor Coker (Cabinet Member for Transport) thanked the officers for their work on the proposals which would make the council greener and guarantee the provision of street lights to make the city safer.

Alternative options considered and reasons for the decision –

As set out in the report.

Cabinet noted the inclusion of the revenue and capital implications within the 2013/14 Revenue and Capital Budget.

Agreed that subject to the City Council's approval of the capital investment, the proposals for street lighting, solar pv panels and boiler replacements are approved.

(See also minute 142a below)

142a **Capital Investment for Street Lighting, Solar PV and Street Lighting: Recommendation to the City Council**

Further to minute 142 above,

The City Council is Recommended to approve a £13.25 million capital investment to –

- (1) replace the authority's high pressure sodium street lamps with light emitting diode (LED) street lamps;
- (2) install solar photovoltaic (PV) panels on 14 council owned buildings (see Annex 1 for buildings);
- (3) replace boilers that are past their usable life in 16 council properties (see Annex 2 for properties).

143. **2013/14 BUDGET (REVENUE AND CAPITAL) ALLOCATED TO CORPORATE PRIORITIES**

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

- (a) the report built on the Indicative Budget signed off by Cabinet on 11 December 2012 and the impact of the December settlement on the revenue assumptions. At the time of publishing the December Indicative Budget report, the council was still awaiting notification of its Government settlement for 2013/14 along with details of any significant changes anticipated to specific grants;
- (b) the settlement was broadly in line with the officer's predictions and therefore it was not necessary to make major adjustments to the original budget assumptions. However, the net revenue resources had "increased" from the original report due to the government rolling specific service grants into the core funding;
- (c) settlement figures quoted in this report were still subject to final approval by the Government and the decision was expected in early February 2013;
- (d) the Treasury Management Strategy, Appendix C of the report, outlined the council's strategy and the inherent risks within the treasury management function. It also outlined how the management function contributed to the council's overall policy objectives.

Councillor Lowry (Cabinet Member for Finance) presented the report and advised Cabinet Members that -

- (e) a press release would be made following consideration of the item;
- (f) he would like to thank the Finance Team for their work, including Adam Broome (Director for Corporate Services), Malcolm Coe (Assistant Director for Finance, Efficiencies, Technology and Assets), David Northey (Head of Finance), Chris Randall (Strategic Finance Manager) and Simon Arthurs (Strategic Finance Manager).

The Chair thanked Councillor Lowry for his work with Cabinet Members and to all the staff involved with the budget.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed that a final version of the Revenue and Capital Budget for 2013/14 is presented for sign off to the City Council on 25 February 2013.

(See also minute 143a below)

143a 2013/14 Budget (Revenue and Capital) Allocated to Corporate Priorities: Recommendations to the City Council

Further to minute 143 above,

The City Council is Recommended -

- (1) that additional income from the core council tax base of £0.200m is allocated to offset the shortfall from the indicative budget;
- (2) that £0.268m from additional New Homes Bonus is allocated to a revenue contingency held within corporate items;
- (3) to approve an increase of two per cent (2%) in council tax for 2013/14;
- (4) that specific grants subsumed into formula grant for 2013/14 are pass-ported to the relevant directorate to which the spending commitments relate;
- (5) that the combined additional funding and spend reduction in Early Intervention Grant of £1.9m is pass-ported into the People Directorate as a contingency for the 2013/14 financial year only;
- (6) that the £0.200m MTFF allocation for the impact of school transfer and the £0.300m allocation for forecasted shortfall on council income is moved into a revenue contingency;
- (7) that a new allocation of £0.250m is made to the People Directorate to reflect loss of income from the Plymouth Life Centre naming rights;
- (8) that the three additional delivery plans of Terms and Conditions £0.100m; Treasury Management Property Investment fund £0.250m; and Treasury Management day-to-day investment return £0.0250m are approved.
- (9) to utilise £7m of the Housing Stock Transfer (VAT Shelter) Receipts (£4m received to date plus £3m anticipated) to fund the overall capital programme.
- (10) to utilise £0.5m of the Revenue Reserve for capital financing to support the Plan for Jobs revenue initiatives, and a further £0.475m to fund the overall Capital Programme 2012/13 – 2015/16.
- (11) to draw-down £0.800m against the Waste Management Reserve in 2013/14 to address the anticipated funding shortfall on waste disposal (increased landfill tax liability);
- (12) that £1.000m from the NNDR calculation is held as a technical reform contingency within corporate items;
- (13) that £0.900m of the council tax income calculation is held as a technical reform contingency within corporate items;
- (14) to approve the capital programme as detailed in Figure 5 and Appendix B;

- (15) to approve the proposed net revenue budget requirement for 2013/14 of £212.563m;
- (16) using the council tax base for 2013/14 as 66,958 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the “Act”)]; to calculate that the **council tax requirement** for the council’s own purposes for 2013/14 is £85,007,402;
- (17) that the following amounts are calculated for the year 2013/14 in accordance with Sections 31 to 36 of the Act:
- (a) £554,191,254 being the aggregate of the amounts which the council estimates for the items set out in Section 31A(2) of the Act **(Gross Expenditure and Transfers to Reserves)**;
 - (b) £469,183,852 being the aggregate of the amounts which the council estimates for the items set out in Section 31A(3) of the Act **(Gross Income and Transfers from Reserves)**;
 - (c) £85,007,402 being the amount by which the aggregate at 9(a) above exceeds the aggregate at 9(b) above, calculated by the council in accordance with Section 31A(4) of the Act as its **council tax requirement** for the year. (Item R in the formula in section 31B of the Act);
 - (d) £1,269.56 being the amount at 9(c) above (Item R), all divided by Item T (7 above), calculated by the council, in accordance with Section 31B of the Act, as the **basic amount of its council tax** for the year;
- (18) to note that the Police Authority and the Fire and Rescue Authority have not at present issued precepts to the council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the council’s area. Once confirmed these will be included in the tables below;
- (19) the council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, will set the indicative aggregate amounts shown in the tables below as the amounts of council tax for 2013/14 for each part of its area and for each of the categories of dwellings –

Plymouth City Council after two per cent increase

A	B	C	D
£846.38	£987.44	£1128.50	£1269.56
E	F	G	H
£1551.69	£1833.82	£2115.94	£2539.13

Devon and Cornwall Police Authority at 2012/13 level

A	B	C	D
£106.49	£124.23	£141.98	£159.73
E	F	G	H
£195.23	£230.72	£266.22	£319.46

Devon and Somerset Fire Authority at 2012/13 level

A	B	C	D
£49.28	£57.49	£65.71	£73.92
E	F	G	H
£90.35	£106.77	£123.20	£147.84

Aggregate of Council Tax Requirements prior to Police and Fire Authority announcements

A	B	C	D
£1002.15	£1169.16	£1336.19	£1503.21
E	F	G	H
£1837.27	£2171.31	£2505.36	£3001.43

(20) to approve -

- (a) the Treasury Management Strategy Statement for 2013/14;
- (b) the Investment Strategy for 2013/14 set out in Sections 8 and 9 of the report including the use of Specified and Non-Specified Investments;
- (c) the lending organisations and counterparty limits set out in Appendix C;
- (d) the Prudential Indicators set out in the report covering the revised indicators/limits for 2012/13 and the forecasts/limits for 2013/14 to 2015/16;
- (e) the authorised borrowing limits of £310m, £301m and £285m for the period 2013/14 to 2015/16;
- (f) the operational boundary of £289m, £280m and £270m for 2013/14 to 2015/16;
- (g) the Minimum Revenue Provision (MRP) Policy for 2013/14.

144. **JOINT FINANCE AND PERFORMANCE , CAPITAL AND REVENUE MONITORING REPORT**

The Director for Corporate Services submitted a written report on the third quarterly monitoring report for 2012/13 and outlining the joint finance and performance monitoring position of the council as at the end of December 2012.

The report detailed how the council was delivering against its financial and performance measures using its capital and revenue resources, the relevant revenue and capital budget variations and virements, and the inclusion of new schemes to the capital programme where required. The report also included the headline Human Resources data relating to attendance.

Further action would 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 to try to deliver a balanced budget position by the end of March.

All changes to the capital programme had been included in the 2013/14 Budget (Revenue and Capital) report referred to in minute 143.

Alternative options considered and reasons for the decision –

As set out in the report.

Cabinet noted the joint finance and performance report.

145. **REVENUES AND BENEFITS PERFORMANCE UPDATE**

The Director for Corporate Services submitted a written report updating Cabinet Members on the performance of the Revenues and Benefits Service.

Councillor Lowry (Cabinet Member for Finance) presented the update.

Alternative options considered and reasons for the decision –

As set out in the report.

The progress made by the service since the implementation of a new structure, was noted.

146. **WELFARE REFORM RESOURCE PLANNING**

The Director for Corporate Services submitted a written report providing an overview of the plans to respond to the anticipated increase in customer demand as a result of changes to welfare reform.

The report indicated -

- (a) the work undertaken so far on the design and development of the Social Fund, Council Tax Support Scheme, and changes to Council Tax discounts, Local Housing Allowance, Employment Support Allowance and other benefits adjustments in preparation for the introduction of the bigger welfare changes;
- (b) the changes to be implemented in 2013/4 -
 - Council Tax Support
 - Social Fund
 - changes to council tax discounts and exemption
 - benefit cap
 - under- occupancy of social housing
- (c) that the second phase of the changes was focussed on implementation and resource planning to respond to the anticipated additional customer demand that this would generate.

Councillor Lowry (Cabinet Member for Finance) presented the report.

Councillor Penberthy indicated that most partners had acknowledged that welfare reform was a major risk and appreciated the work being undertaken by the council. He thanked the partners and voluntary and community organisations for their work with the council and on communications. He asked that organisations were encouraged to think about their responsibilities and actively to participate to minimise the impact of welfare reform.

The Chair welcomed the work being undertaken and thanked staff for their contributions. Officers were asked to provide updates to Cabinet Members on the position.

Alternative options considered and reasons for the decision –

As set out in the report.

The action plans and departmental responses were noted.

147. **ICT SHARED SERVICES INITIAL BUSINESS CASE**

The Director for Corporate Services submitted a written report indicating that as part of the Co-operative Council approach, new delivery models would be developed including social enterprises and mutual bodies and that this report was a step in delivering that new way of working.

The report provided the initial business case for ICT shared services, covering –

- programme progress to date;
- current partners;
- scope of the ICT service;
- proposed company set up;
- the financial and non-financial benefits;
- the risks involved in the delivery of the shared service; and

- the next steps required to proceed to the detailed business case gateway in June where the final business case would be presented alongside operational details.

Councillor Peter Smith (Deputy Leader) presented the report.

Councillor Penberthy congratulated officers for encouraging smaller organisations to join the partnership and expressed his wish for the partnership to develop into a co-operative or mutual organisation.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed –

- (1) this outline business case and formally to commit to the next Gateway review in June 2013;
- (2) to commit the necessary resources as identified within the project plan to deliver the detailed business case by June 2013;
- (3) to commit the specific, partner identifiable, financial contribution;
- (4) to establish the necessary governance arrangements by nominating individuals to establish the Shadow Executive Group, Shadow Operational Board and the implementation team as detailed within this report.

148. **HEART OF THE SOUTH WEST LOCAL TRANSPORT BODY ASSURANCE FRAMEWORK**

The Director for Place submitted a written report on details of the Assurance Framework that was being developed by the Heart-of-the-South-West Local Transport Board (the Heart of SW LTB), comprising Plymouth City Council, Devon County Council, Somerset County Council and Torbay Borough Council, to support the devolution of major scheme funding between 2015/16 and 2018/19.

The report indicated –

- (a) that an Assurance Framework, addressing the key requirements set out in the guidance, was required for submission to Department for Transport (DfT) by 28 February 2013, for their approval;
- (b) that following the submission of a draft Assurance Framework to the DfT for their initial comments, a second draft of the document, incorporating their comments, was attached in Appendix A;

- (c) that once the list of prioritised schemes has been agreed and sent to DfT, this would be known as the Indicative Pipeline. An outline business case will need to be developed to secure programme entry and a full business case would be required for full approval by the Heart of SW LTB;
- (d) on the timetable for finalising the draft Heart of SW LTB's Assurance Framework.

Councillor Coker (Cabinet Member for Transport) presented the report and advised on the membership of the body and the voting rights of members.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed -

- (1) that approval is given to the draft Heart-of-the-South-West Local Transport Board's (Heart of SW LTB) Assurance Framework;
- (2) to delegate the agreement of any amendments to the draft Framework to the Portfolio Member for Transport, Plymouth City Council's Representative on the Heart of SW LTB.