

# 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](mailto:nicola.kirby@plymouth.gov.uk)  
[www.plymouth.gov.uk/democracy](http://www.plymouth.gov.uk/democracy)  
18 January 2013

## CITY COUNCIL

Monday 28 January 2013  
2.00 pm  
Council House (Next to the Civic Centre), Plymouth

### **Members:**

The Lord Mayor, Councillor Wright, Chair

The Deputy Lord Mayor, Councillor Singh, Vice Chair

Councillors Mrs Aspinall, Ball, Mrs Beer, Bowie, Bowyer, Mrs Bowyer, Browne, Casey, Churchill, Coker, Damarell, Darcy, Philippa Davey, Sam Davey, Mrs Dolan, Drean, Evans, K Foster, Mrs Foster, Fox, Fry, Gordon, Haydon, James, Jarvis, Jordan, Martin Leaves, Michael Leaves, Sam Leaves, Lowry, Dr. Mahony, McDonald, Monahan, Murphy, Mrs Nelder, Nicholson, Mrs Nicholson, Parker, Penberthy, Mrs Pengelly, Rennie, Ricketts, Dr. Salter, John Smith, Peter Smith, Stark, Stevens, Jon Taylor, Kate Taylor, Tuffin, Tuohy, Vincent, Wheeler, Wiggins and Williams.

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

This meeting will be broadcast live to the internet and will be capable of subsequent repeated viewing. By entering the Council Chamber and during the course of the meeting, councillors are consenting to being filmed and to the use of those recordings for webcasting.

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**Tracey Lee**  
Chief Executive

# CITY COUNCIL

## AGENDA

### PART I – PUBLIC MEETING

#### 1. APOLOGIES

To receive apologies for absence submitted by councillors.

#### 2. MINUTES (Pages 1 - 12)

To approve and sign as a correct record the minutes of the meeting held on 3 December 2012.

#### 3. DECLARATIONS OF INTEREST (Pages 13 - 14)

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

#### 4. APPOINTMENTS TO COMMITTEES, OUTSIDE BODIES ETC (Pages 15 - 16)

The Director for Corporate Services will submit a schedule of vacancies on committees, outside bodies etc and of changes notified to us.

#### 5. ANNOUNCEMENTS

- (a) To receive announcements from the Lord Mayor, Chief Executive, Director for Corporate Services or Assistant Director of Democracy and Governance;
- (b) To receive announcements from the Leader, Cabinet Members or Committee Chairs.

#### 6. QUESTIONS BY THE PUBLIC

To receive questions from and provide answers to the public in relation to matters which are about something the council is responsible for or something that directly affects people in the city, in accordance with Part B, paragraph 11 of the Constitution.

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

## **TO DETERMINE RECOMMENDATIONS FROM CABINET AND AUDIT COMMITTEE**

### **7. Council tax support scheme (Pages 17 - 44)**

Cabinet Member: Councillor Lowry.

The City Council will be asked to consider the Cabinet recommendation and the report of the Director for Corporate Services. The Council Tax Reduction Scheme Policy will follow.

Minute 103 (of the Cabinet meeting held on 11 December 2012) refers.

### **8. Council tax technical reforms (Pages 45 - 54)**

Cabinet Member: Councillor Evans (Councillor Lowry has declared a disclosable pecuniary interest in this item).

The City Council will be asked to consider the Cabinet recommendation.

Minute 104 (of the Cabinet meeting held on 11 December 2012) and the report of the Director for Corporate Services refer.

### **9. Council tax base setting (Pages 55 - 64)**

Cabinet Member: Councillor Lowry

The City Council will be asked to consider the Cabinet recommendation.

Minute 132 (of the Cabinet meeting held on 15 January 2013) and the report of the Director for Corporate Services refer.

### **10. Social Fund Replacement (Pages 65 - 86)**

Cabinet Member: Councillor Penberthy.

The City Council will be asked to consider the Cabinet recommendation.

Minute 128 (of the Cabinet meeting held on 15 January 2013) and the report of the Director for People refer.

### **11. Adoption of North Prospect Area Planning Statement (Pages 87 - 124)**

Cabinet Member: Councillor Vincent.

The City Council will be asked to consider the Cabinet recommendation.

Minutes 130 and 130a (of the Cabinet meeting held on 15 January 2013) and the report of the Director for Place refer.

**12. Tamar Bridge and Torpoint Ferry Joint Committee revenue estimates and capital programme (Pages 125 - 132)**

Joint Chair of the Tamar Bridge and Torpoint Ferry Joint Committee: Councillor Coker.

The City Council will be asked to consider the Cabinet recommendation. Minutes 121 and 121a (of the Cabinet meeting held on 15 January 2013) and the report of the Director for Place refer.

**13. Amendment to the Capital Programme - Windsor House Co-location with Health (Pages 133 - 142)**

Cabinet Members: Councillor Lowry and McDonald

The City Council will be asked to consider the Cabinet recommendation. Minutes 120 and 120a (of the Cabinet meeting held on 15 January 2013) and the report of the Director for Corporate Services refer.

**14. Treasury Management and Strategy 2012/13 - mid year review (Pages 143 - 168)**

Chair of the Audit Committee: Councillor Wheeler.

The City Council will be asked to consider the Audit Committee recommendation. Minute 44 (of the Audit Committee meeting held on 13 December 2012) and the report of the Director for Corporate Services refer.

**15. BUSINESS RATES RETENTION SCHEME (Pages 169 - 178)**

The City Council will be asked to consider the written report of the Director for Corporate Services on the new business rates retention scheme. The NNDR1 Return will follow.

**16. CONSTITUTIONAL CHANGES (Pages 179 - 210)**

The Assistant Director for Democracy and Governance will submit a report on changes to the constitution, in particular, to amend the Planning Committee Code of Practice and the hospitality rules and to adopt a new webcasting protocol.

**17. DISPENSATIONS FOR MEMBERS AND CO-OPTED MEMBERS OF PLYMOUTH CITY COUNCIL (Pages 211 - 216)**

The City Council will be asked to consider the written report of the Monitoring Officer on the provisions of the Localism Act 2011 which have amended the law relating to the granting of dispensations to Members and co-opted members where they have disclosable pecuniary interests, thereby allowing them to take part in meetings. The City Council will be asked to allow all Members and co-opted members to be granted dispensations under certain circumstances.

## **18. MOTIONS ON NOTICE**

To consider motions from councillors in accordance with Part B, paragraph 14 of the constitution.

## **19. QUESTIONS BY COUNCILLORS**

Questions to the Leader, Cabinet Members and Committee Chairs covering aspects for their areas of responsibility or concern by councillors in accordance with Part B, paragraph 12 of the constitution.

## **20. EXEMPT BUSINESS**

To consider passing a resolution under Section 100A(4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item(s) of business on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in paragraph(s) of Part I of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

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

### **AGENDA**

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

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

NIL.

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## City Council

**Monday 3 December 2012**

### **PRESENT:**

The Lord Mayor, Councillor Wright, in the Chair.

The Deputy Lord Mayor, Councillor Singh, Vice Chair.

Councillors Mrs Aspinall, Ball, Mrs Beer, Bowie, Bowyer, Mrs Bowyer, Casey, Churchill, Coker, Damarell, Darcy, Philippa Davey, Sam Davey, Drean, Evans, K Foster, Mrs Foster, Fox, Fry, Gordon, Haydon, James, Jordan, Martin Leaves, Michael Leaves, Sam Leaves, Lowry, Dr. Mahony, Murphy, Mrs Nelder, Nicholson, Mrs Nicholson, Parker, Penberthy, Mrs Pengelly, Rennie, Ricketts, Dr. Salter, John Smith, Peter Smith, Stark, Stevens, Jon Taylor, Kate Taylor, Tuffin, Tuohy, Vincent, Wheeler, Wiggins and Williams.

Also in attendance: Tracey Lee (Chief Executive), Tim Howes (Assistant Director for Democracy and Governance), Judith Shore (Democratic and Member Support Manager), Nicola Kirby (Senior Democratic Support Officer (Cabinet), Gemma Pearce (Team Leader, Democratic Support) and Katey Johns (Democratic Support Officer).

Apologies for absence: Councillors Browne, Mrs Dolan, Jarvis, McDonald and Monahan

The meeting started at 2.00 pm and finished at 5.32 pm.

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

### 57. **TRACEY LEE**

The Lord Mayor introduced councillors to Tracey Lee, the council's new Chief Executive and formally welcomed her to the council and to this, her first meeting of the City Council.

### 58. **MINUTES**

Agreed that the minutes of the Extraordinary General Meeting and the ordinary meeting of council held on 24 September 2012 are confirmed as a correct record.

### 59. **DECLARATIONS OF INTEREST**

The following declarations of interest were made in accordance with the code of conduct from councillors in relation to items under consideration at this meeting –

<b>Name</b>	<b>Item</b>	<b>Interest</b>	<b>Reason</b>
Councillor Damarell	Minute 63 – Capital Programme Approvals	Personal	Representative on the Marine Academy Trust
Councillor Jordan	Minute 63 – Capital Programme Approvals	Personal	Chair of one nursery and director of another

60. **APPOINTMENTS TO COMMITTEES, OUTSIDE BODIES ETC**

The report of the Director for Corporate Services was submitted on current vacancies on committees, outside bodies etc. and changes to committees that have been made.

Agreed that the following appointments are made –

	<b>Committee / Outside Body</b>	<b>Membership</b>	<b>Appointments</b>
a.	Lord Mayor Selection Committee	Six councillors (3 Labour Group and 3 Conservative Group)  Cllrs Mrs Aspinall, Evans and Vincent appointed	Councillors Darcy, Sam Leaves and Mrs Pengelly
b.	Careers South West (new councillor appointment)	One councillor	Councillor Damarell
c.	North Yard Community Trust (new body)	Four councillors comprising two from St Budeaux ward, one from Ham ward and one from Devonport ward	Councillors Damarell, Bowie, Tuohy and Stevens
d.	PLUSS Organisation Ltd	One councillor (vacant) and one deputy (Councillor Mrs Aspinall).  One vacancy following resignation of Cllr McDonald	Member: Councillor Mrs Aspinall  Deputy: Councillor Tuffin
e.	Tamar Estuaries Consultative Forum	Two councillors: Councillors Murphy and Wheeler	Councillor Vincent to replace Councillor Murphy
f.	Standards Advisory Group (informal)	Six councillors (three from each political group)	Councillors Ball, Dr Mahony, Mrs Pengelly, Rennie, Stevens, Jon Taylor

The appointment of the following named substitutes notified to the Assistant Director for Democracy and Governance were noted –



	<b>Committee, Outside Body etc</b>	<b>Membership</b>
g.	Dartmoor National Park Forum	Named substitutes: Councillor Mrs Aspinall for Councillor Mike Fox and Councillor Parker for Councillor Wheeler
h.	Devon Investment and Pension Fund Committee	Named substitutes: Councillor Fox for Councillor Peter Smith and Councillor Dr Mahony for Councillor Stark.

61. **ANNOUNCEMENTS****(i) Bishop Nick McKinnel**

The Lord Mayor congratulated Bishop Nick McKinnel on his recent ordination as the Anglican Bishop of Crediton at Southwark Cathedral. Bishop McKinnel had been a long-serving Rector of the Minster Church of St Andrew and, on behalf of the Council and past Lord Mayors, thanks were extended to him for all his help, advice and support particularly with regard to civic functions at the Minster Church and he was wished well in his new role.

**(ii) Appointment of Assistant Directors**

Following three appointments made by the Chief Officers Appointments Panel, the Lord Mayor welcomed Judith Harwood (Assistant Director for Education, Learning and Family Support) and Andrew Stephens (Assistant Director for Customer Services). He also referred to Alison Botham (Assistant Director for Children's Social Care) who it was hoped would be joining the council shortly.

**(iii) British Cycling**

The Lord Mayor presented Councillor Davey (Cycling Commissioner for the Council) with a signed Team GB jersey in recognition of the contribution that the city had made to increasing cycling in the UK.

British Cycling and Plymouth City Council were working together to deliver a range of initiatives, including Sky Ride Local and helping to get more people into cycling.

Thanks also went to the officers in the Transport and Infrastructure Department and Jim Woffenden and Katrice Deves attended to represent the department.

**(iv) Fairtrade City Status**

The Lord Mayor reported that Plymouth had had its Fairtrade City Status renewed.

Officers and members had been working with Plymouth's Fairtrade Network to renew interest in Fairtrade as part of the city's commitment to fairer, co-operative market opportunities for the producers of over 4,000 Fairtrade products that were now available in the UK.

A two-year action plan had been set out on how Plymouth could be part of a network of people and organisations working together on a global scale to get a better deal for farmers and workers in the developing world. The action plan detailed five clear commitments to Council support, retailer and community opportunities, promotional projects and partnership working.

The Lord Mayor presented the certificate to Councillor Penberthy (Cabinet Member for Cooperatives and Community Development).

**(v) Transport Resilience**

The Leader referred to the recent extreme weather and reported that a joint letter from local authorities in the south west, the Heart-of-the South West Local Transport Body and local enterprise partnerships had been sent to the Transport Minister with regard to recent flooding and disruption of rail and road services. Fast, reliable transport links were essential for the delivery of economic growth and investment in the transport infrastructure had been requested.

**(vi) City of Culture**

The Leader advised the City Council that agreement had been given to a contribution of £20,000 for Plymouth to submit an expression of interest to become a City of Culture. The University of Plymouth had also agreed to a £20,000 contribution but both contributions were subject to match funding from the Culture Board and the private sector. If the city was successful in achieving the status, it would be a catalyst for major events but the nature of the competition would need to be assessed before committing further money.

**(vii) City Deal**

The Leader reported that the initial draft expression of interest for the City Deal had been submitted. Plymouth had been invited to set out the key challenges that the city faced but there would be no new cash or promise of extra funding. The objective was to drive growth across the peninsula and, if successful, a way forward would be agreed with other stakeholders.

**(viii) Movember**

The Leader referred to Movember, where, during November each year, moustaches were grown with the aim of raising vital funds and awareness for men's health, specifically prostate cancer and testicular cancer. He paid tribute to the 'mo sisters' (Paula Hindmarsh, Kathy Williams, Di Byrne, Alicia Coumbe, Jill King, Stephanie Day, Councillors Mrs Aspinall and Williams) for raising over £600 through sale of false moustaches and cakes.

62. **QUESTIONS BY THE PUBLIC**

One question had been received from a member of the public in relation to a matter which in the opinion of the Lord Mayor, was relevant to the business of the meeting, in accordance with paragraph 10 of the Constitution.

<b>Question No</b>	<b>Question By</b>	<b>Cabinet Member</b>	<b>Subject</b>
Q7/12-13	Mr Sharpe	Councillor Peter Smith, Deputy Leader	Plymstock Swimming Pool
Seeing nothing is happening at Sherford and Plymstock Residents have never voted for a swimming pool connected to Sherford when do Plymstock residents get plan B for a Plymstock Swimming Pool announced please.			
<b>Response:</b> The Sherford development has yet to commence but forms part of the strategic plans for Plymouth and South Hams. It has effectively been voted on by Plymstock residents through the plans put to the electorate by the previous administration and by previous Planning Committees under the last Conservative Council. A detailed Section 106 legal agreement reflects the requirements of the two Planning Committees for a swimming pool which would be delivered as part of that development. If a planning application is received for another swimming pool in the Plymstock area then this would be considered on its own planning merits against the relevant Local Development Framework.			

In the absence of the questioner, the question and response were circulated and a written response would be sent to Mr Sharpe.

## RECOMMENDATIONS FROM CABINET

### 63. Capital Programme Approvals

Councillor Lowry (Cabinet Member for Finance) presented the written report of the Director for Corporate Services seeking approval of new capital schemes over £0.5m which had been considered by Cabinet on 13 November 2012 for inclusion in the council's capital programme. (Cabinet minutes 88, 88a, 90, 90a, 91 and 91a refer)

The proposal was seconded by Councillor Williams.

Agreed the new capital schemes for investment as detailed below, amounting to £14.459m:

Scheme	£
Two Year Old Nursery Places	1.750m
Coastal Communities Scheme (subject to successful grant application)	1.327m
Local Transport Plan capital grant forecast 2015/16	4.829m
Marine Academy Primary Free School Places	3.866m
Replacement of Minibuses	0.980m
Replacement of Plant and Equipment	1.707m

64. **Gambling Act 2005 - Three Year Review of the Statement of Principles**

Councillor Vincent (Cabinet Member for Environment) presented the Cabinet recommendation to adopt the City Council's Gambling Act Statement of Licensing Policy, following a three year review. (Cabinet minute 84 referred). The policy would commence on 31 January 2013.

The written report of the Director for Place to Cabinet, was also submitted.

The proposal was seconded by Councillor Williams.

Agreed that the Gambling Act Statement of Licensing Policy is adopted as contained in Appendix B to the written report.

65. **THE 2013 REVIEW OF PARLIAMENTARY CONSTITUENCIES IN ENGLAND**

The Assistant Director for Democracy and Governance submitted a written report on revised proposals published by the Boundary Commission for England relating to the review of parliamentary constituency boundaries as it affected the City of Plymouth. The City council was invited to consider any representations it wished to make in respect of those revised proposals before 10 December 2012.

A motion was moved by Councillor Evans as follows -

1. This Council objects in the strongest possible terms to the Boundary Commission proposals for the redrawing of Parliamentary Boundaries relating to the City of Plymouth in so far as they concentrate on numbers of voters and electoral quotas rather than seeking to retain community ties between wards and the local authority.
2. The Boundary Commission is therefore requested to maintain the existing Parliamentary Boundaries relating to the City of Plymouth.

Following a request for an adjournment to allow councillors to consider the motion, the Lord Mayor adjourned the meeting for five minutes.

The motion was seconded by Councillor Peter Smith.

During the debate, issues raised included that –

- the proposals would effectively remove the Moor View Ward from Plymouth;
- the proposals would reduce the number of Members of Parliament nationally, rationalise the size of constituencies and were proposed following a consultation process;
- the city boundary would not change and at present Plympton and Plymstock were within a constituency including areas of south west Devon;
- there was no rationale for the proposals;
- representations had been made in relation to previous proposals which linked part of the city to Okehampton;

- representation of the Moor View Ward, which included the hospital, teaching establishment and arterial routes, could be diminished with the extent of the proposed constituency;
- the proposals did not take into account the views of people and in the event of growth and increasing population, a further review would be required.

Following a request from ten councillors for a recorded vote, there voted –

For the motion (28)

*Councillors Mrs Aspinall, Bowie, Casey, Coker, Damarell, P. Davey, S. Davey, Evans, Fox, Gordon, Haydon, Lowry, Murphy, Mrs Nelder, Parker, Penberthy, Rennie, Singh, J. Smith, P. Smith, Stevens, J. Taylor, K. Taylor, Tuffin, Tuohy, Vincent, Wheeler and Williams.*

Against the motion (23)

*Councillors Ball, Mrs Beer, Bowyer, Mrs Bowyer, Churchill, Darcy, Drean, Foster, Mrs Foster, Fry, James, Jordan, Martin Leaves, Michael Leaves, Sam Leaves, Dr Mahony, Nicholson, Mrs Nicholson, Mrs Pengelly, Ricketts, Dr Salter, Stark and Wiggins.*

Abstentions (1)

*The Lord Mayor*

The following members were absent (5)

*Councillor Browne, Mrs Dolan, Jarvis, McDonald and Monahan.*

Following the vote, the motion was agreed.

## **MOTION ON NOTICE**

### 66. **Loan Sharks**

Councillor Penberthy moved and Councillor Evans seconded the following motion -

‘Council:

- Notes and welcomes the UK-wide campaign to end ‘legal loan sharking’.
- Believes that the lack of access to affordable credit is socially and economically damaging. Unaffordable credit is causing a myriad of unwanted effects such as poorer diets; colder homes; rent, council tax and utility arrears; depression (which impacts on job seeking behaviour) and poor health.
- Further notes that unaffordable credit is extracting wealth from the most deprived communities.

- Believes it is the responsibility of all levels of government to try to ensure affordable credit for all, and therefore pledges to use best practice to promote financial literacy and affordable lending. This will help to ensure that wealth stays in the local economy.
- Also pledges to promote credit unions, community based organisations offering access to affordable credit and promoting saving, in Plymouth.
- Calls on the government to introduce caps on the total lending rates that can be charged for providing credit.
- Calls on the government to give local authorities the power to veto licences for high street credit agencies where they could have negative economic or social impact on communities.'

An amendment was moved and seconded to allow Councillor Penberthy an extension of time to present the motion.

During the debate, issues raised included that –

- pay day loans were a scourge on society with interest rates of 100 per cent or more plunging people into a downward spiral of debt;
- the council was committed to and people were urged to use credit unions where loans would be made at a reasonable rate;
- thanks were extended to the City of Plymouth Credit Union (01752 201329), the Plough and Share Credit Union (01837 658123), the Hope Credit Union (01752 301871) and the Citizen's Advice Bureau for their work;
- work done nationally and especially the amendment from the House of Lords, were welcomed although pressure needed to be maintained to protect vulnerable people;
- there should be a licensing system to regulate loans and a veto on high street credit agencies;
- with the government's introduction of welfare reforms, the need for credit unions would rise;
- regulation of private individuals collecting payments was also sought in association with the police;
- schools needed to be more proactive although credit unions were now working with schools;
- credit unions also needed investment;
- information on credit unions would be put on the council's website and work was being undertaken to provide leaflets and pamphlets.

Following a vote the motion was agreed.

### 67. **QUESTIONS BY COUNCILLORS**

In accordance with paragraph 12 of the constitution, the following questions were asked of the Leader, Cabinet Members and Committee Chairs covering aspects of their areas of responsibility -

	<b>From</b>	<b>To</b>	<b>Subject</b>
1	Councillor Fry	Councillor Peter Smith	Had Councillor Smith undertaken discussions personally with the Americas Cup organisation?
	Councillor Smith responded that officers had but he had not.		
2	Councillor Dr Salter	Councillor Evans	Member Support Officer appointed. Would Labour group councillors take a pay cut to pay for the post? Why would council tax payers be willing to pay?
	Councillor Evans responded that the service was available to all Conservative councillors. The assistance would enable members to provide a better service to constituents.		
3	Cllr Nicholson	Cllr Stevens	What were the options if a planning application was refused? Could an application be resubmitted?
	Councillor Stevens responded that if an application was refused there was an appeal procedure. It was difficult to resubmit an application that had been refused.		
4	Cllr Jordan	Cllr Coker	Why have you not put taxi marshalls in taxi ranks during the Christmas period as has been done previously? The issue had been raised by the police as a means of getting people away from the area quickly.
	Councillor Coker responded that a written response would be provided.		
5	Cllr James	Cllr Williams	What was being done to ensure a smooth transition of vulnerable children to adulthood? Did it include those with mental health disorders?
	Councillor Williams responded that a booklet was being produced and scrutiny would be asked to help develop a plan. It did include those with mental health disorders.		
6	Cllr Darcy	Cllr Stevens	Why do you lead Planning Committee members? Would you review the footage of the committee and your chairing skills?
	Councillor Stevens responded that the committee was open to wide ranging debate and councillors reached their own decision based on the evidence. If reviewed, footage would see other councillors behaving inappropriately.		
7	Cllr Nicholson	Cllr Stevens	Did he accept that the way that the committee was led on the Dean Park Road application was inappropriate?
	Councillor Stevens responded not at all.		

8	Cllr Martin Leaves	Cllr Penberthy	Were neighbourhood meetings open to all to attend? Why were residents asked to complete a form declaring their sexual orientation, faith, married status etc?
Councillor Penberthy responded that neighbourhood meetings were open to all people. A written response would be provided to the supplementary question on the completion of forms.			
9	Cllr Fry	Cllr Stevens	Officers were recommending that the Planning Committee should be minded to refuse the Drake's Island planning application. You have said that applications cannot be resubmitted, was this incorrect?
Councillor Stevens responded that it was not incorrect. There was a right of appeal if planning permission was refused. An application for Planning Committee could be withdrawn before 4pm on the day of the committee.  A supplementary question was started about the Planning Committee's possible decision and was ruled inappropriate following advice from the Monitoring Officer.			
10	Cllr Mrs Bowyer	Cllr Stevens	Would you review the planning scheme of delegation to refer all officer applications to committee?
Councillor Stevens responded no.			
11	Cllr Sam Leaves	Cllr Williams	What were the financial and legal implications of developing cooperative schools? Why was the Director for People encouraging schools to participate without facts?
Councillor Williams responded that work was in progress. She could not give financial figures as the finances were held widely, not just with the Council. She would be delighted to invite Councillor Leaves to accompany them and suggested that the councillor read the Cabinet paper.			
12	Cllr Nicholson	Cllr Stevens	Councillors had signed up to the Nolan principles; how was that compatible with planning applications not being dealt with in an open, transparent and fair manner. He asked that the matter was referred to the Constitutional Review Panel.
Councillor Stevens responded that if there was any evidence of malpractice, it should be raised with the Monitoring Officer.			



13	Cllr Darcy	Cllr Stevens	Would you agree that the integrity of the council should not be compromised in relation to planning resources?
	Councillor Stevens responded that he was confident that the integrity of the council had not been compromised. The Monitoring Officer drew members' attention to the risk of defamation and advised that any allegations should follow the proper procedure.		
14	Cllr K Foster	Cllr Lowry	Could the money spent on the Member Support Officer's salary be spent elsewhere?
	Councillor Lowry responded that the officer was seconded from another department in the Council and the salary was met from within existing budgets. The appointment enabled councillors to communicate more efficiently and effectively with constituents.		
15	Cllr Fry	Cllr Evans	He sought an apology for saying that someone else would do a quicker job than ward councillors.
	Councillor Evans questioned that the councillor was a faster typist.		
16	Cllr Churchill	Cllr Peter Smith	Was it acceptable for the phone line to be engaged for an hour when trying to make a Council tax payment?
	Councillor Smith responded that the councillor should have raised the issue at the time and it would have been investigated. No, an hour's wait was not acceptable.		
17	Cllr Dr Mahony		What were the problems on the verification of ballot papers at the recent election?
	The Assistant Director for Democracy and Governance reported that no issues had been raised by Cornwall's Returning Officer in relation to the Plymouth verification.		
18	Cllr Nicholson	Cllr Coker	Could ways be investigated to reduce the numerous speeding fines along Shapter's Way following the reduction of the speed limit?
	Councillor Coker responded that the signs complied with requirements. Two additional signs had been erected. It was under constant review and offences had lessened considerably.		
19	Cllr Jordan	Cllr Stevens	Can you confirm that the Planning Committee gives reasons for refusal of an application? If the reasons could be addressed then another application could be submitted?
	Councillor Stevens responded that reasons were given for refusal. If the committee refused an application against an officer's recommendation then the committee gave the reasons. Councillor Stevens was not aware of any legal reason why a further application could not be submitted.		

20	Cllr Churchill	Cllr Smith	Rather than spend an hour on the phone trying to pay Council Tax, would it not have been better to employ someone to answer the phone?
	Councillor Smith responded that the Council ought to be encouraging the use of the internet etc as dealing with such transactions by phone cost the Council much more.		
21	Cllr Michael Leaves	Cllr Vincent	How many leaves had been recycled this year?
	Councillor Vincent responded that a written response would be provided.		
22	Cllr James	Cllr Coker	Do you have any idea of the money from fines for the illegal use of bus lanes?
	Councillor Coker responded that there had been 18,685 notices issued.		
23	Cllr Churchill	Cllr Stevens	Following the deferment of a planning application for a second time, was it correct that the committee would only be revisiting the reasons for deferment? Would the Planning Committee hear from residents on Thursday?
	Councillor Stevens confirmed that it would save time. The Planning Committee would hear from residents and would come to a decision based on the evidence presented.		
24	Cllr Foster	Cllr Lowry	Were you still looking at the costs of management and were front line staff protected?
	Councillor Lowry responded that management costs were being examined and front line staff would be protected. The details would be in Cabinet papers.		
25	Cllr Fry	Cllr Peter Smith	Was the Big Wheel still being removed and when would it be completed?
	Councillor Smith responded that the Big Wheel would remain, subsequent to an agreement being reached with the new owner.		
26	Cllr James	Cllr Coker	Where was the money going from the 18,000 penalty notices issued for driving in bus lanes?
	Councillor Coker responded that the money would be ringfenced to the transport section.		
27	Cllr Ricketts	Cllr Coker	Were you sure about the figures?
	Councillor Coker responded that a high rate was predicted initially, numbers were falling.		

What matters are being discussed?



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Does the business relate to or is it likely to affect a disclosable pecuniary interest. These will include the interests of a spouse or civil partner (and co-habitees):

- any employment, office, trade, profession or vocation that they carry on for profit or gain;
- any sponsorship that they receive including contributions to their expenses as a councillor; or the councillor’s election expenses from a Trade Union;
- any land licence or tenancy they have in Plymouth;
- any current contracts leases or tenancies between the Council and them;
- any current contracts leases or tenancies between the Council and any organisation with land in Plymouth in they are a partner, a paid Director, or have a relevant interest in its shares and securities;
- any organisation which has land or a place of business in Plymouth and in which they have a relevant interest in its shares or its securities.

No ↓

Yes ↘

Declare interest and leave

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Might a decision in relation to that business be reasonably be regarded as affecting (to a greater extent than the majority of other Council Tax payers, ratepayers or inhabitants of ward affected by the decision)

- Your well-being or financial position; or
- The well-being or financial position of:
  - A member of your family or any person with whom you have a close association; or
    - Any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
    - Any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000;
  - Any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your Authority; or
  - Any body exercising functions of a public nature, directed to charitable purposes or whose principal includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management?

↓ Yes

You must disclose the existence and nature of your personal interests



Would a member of the public, with knowledge of the relevant facts, reasonably regard your personal interest to be so significant that it is likely to prejudice your judgement of the public interest?

No →

You can participate in the meeting and vote (or remain in the room if not a member of the meeting)

↓ No

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↓ Yes

– Does the matter affect your financial position or the financial position of any person or body through whom you have a personal interest?  
 – Does the matter relate to an approval, consent, licence, permission or registration that affects you or any person or body with which you have a personal interest?  
 – Does the matter not fall within one of the exempt categories of decisions?

No ↗

↓ Yes

Speak to Monitoring Officer in advance of the meeting to avoid allegations of corruption or bias

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**CITY COUNCIL**

28 January 2013

**APPOINTMENTS TO COMMITTEES, OUTSIDE BODIES ETC.**

Report of the Director for Corporate Services.

The City Council is asked to note the appointment of the following named substitute notified to the Assistant Director for Democracy and Governance -

	<b>Committee, Outside Body etc</b>	<b>Membership</b>
	Careers South West (new alternate director)	Councillor Mike Fox

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**PLYMOUTH CITY COUNCIL**

<b>Subject:</b>	Council Tax Support Scheme
<b>Committee:</b>	Full Council
<b>Date:</b>	28 January 2013
<b>Cabinet Member:</b>	Councillor Lowry
<b>CMT Member:</b>	Adam Broome (Director for Corporate Services)
<b>Author:</b>	Martine Collins, Strategic Manager Revenues and Benefits
<b>Contact details</b>	Tel: 01752 304118 email: martine.collins@plymouth.gov.uk
<b>Ref:</b>	
<b>Key Decision:</b>	Yes
<b>Part:</b>	I

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**Purpose of the report:**

To approve a localised Council Tax Support scheme to be adopted by January 2013 and fully implemented by April 2013.

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**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. There are also strong links into value for communities.

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**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

National funding provided to adopt a local Council Tax Support scheme is estimated as being £2.6m less than current spend levels for Plymouth. In addition, these spend levels are estimated to rise as the trend in benefits claimants is still increasing.

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

- 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.
-

**Equality and Diversity**

Has an Equality Impact Assessment been undertaken? Yes

**Recommendations and Reasons for recommended action:**

It is recommended that Full Council approve the Council Tax Support Scheme as set out in the Council Tax Reduction Scheme Policy, The Exceptional Hardship Fund Policy and Vulnerability/Incentivising Work statement attached. The details are summarised in sections 4 and 6 of this report.

**Alternative options considered and rejected:**

The alternative to adopting a cost neutral local Council Tax Support scheme would be to fund the £2.6m estimated shortfall elsewhere in, already stretched, council revenue budgets. Given the council's financial position we have no option but to adopt a cost neutral local Council Tax Support scheme.

The national direction is to reduce reliance on the welfare state and allocate resources and effort into helping people return to work. Thereby, council resources should remain focussed on the 'growth' priority within the Corporate Plan as opposed to allocating resources to pass-ported shortfalls in Council Tax Benefit.

**Published work / information:**

None

**Background papers (available on request):**

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Council Tax Support Impact Assessment	I									
Vulnerability and Hardship Impact Assessment	I									
Council Tax Support Survey Report	I									

**Sign off:**

Fin	djn12 13.02 9	Leg	TH0 075	Mon Off	TH 00 75	HR		Assets		IT		Strat Proc	
Originating SMT Member Malcolm Coe													
Has the Cabinet Member(s) agreed the contents of the report? Yes													



## **I Introduction**

- 1.1 The Government has confirmed its intention to abolish the existing Council Tax Benefit (CTB) scheme from April 2013 and replace it with localised support for council tax.
- 1.2 Currently, low income households pay a reduced or, in some cases, nil amount of council tax through CTB. CTB provides means tested help to people on low incomes who have to pay council tax and currently operates as part of the wider housing benefit system.
- 1.3 The Local Government Finance Bill (December 2011) makes provision for the localisation of council tax by imposing a duty on local authorities to have a localised council tax reduction scheme adopted by 31 January 2013 to come into effect from 1 April 2013.
- 1.4 Funding for Council Tax Support (CTS) will no longer be met from annually managed expenditure which is demand led, but will be set through an upfront grant allocation for all billing and major precepting authorities.
- 1.5 Plymouth City Council spent circa £22m on Council Tax benefits in 2011/12. Indications are that national funding for the new localised scheme will be 10% less than current spend levels.
- 1.6 It is expected that the scheme will require further simplification over the coming years to ensure the scheme continues to be delivered with the grant funding levels and also to ensure continued reductions in administration costs.
- 1.7 The Government has confirmed its intention to protect pensioners from the cuts and will maintain national rules, regulations and eligibility rates that are broadly similar to those currently applied. When applying protection for pensioners, this translates to a real term reduction of circa 22% for working age benefit claimants.
- 1.8 Indicative figures are that the grant funding provided to PCC will be £2.6m short of current spend demand.
- 1.9 It was agreed to go out to consultation in August 2012 on a localised CTS scheme which aimed to:
  - To deliver a scheme within the expected funding levels being cost neutral so as to minimise any additional financial risk or burden to the Council
  - To ensure that the Council adheres to the legislative requirements for designing, consulting upon and implementing a Council Tax Support scheme for 2013-14.
  - To design a scheme that ensures savings are fairly apportioned across various groups.
- 1.10 This report recommends a formal Council Tax Support scheme for adoption by January 2013. Failure to meet the deadline for the adoption of a scheme by 31st January 2013 will result in the Government imposing a default scheme. The default scheme replicated the current benefit system and will result in additional financial pressures for the authority.

## **2 Rationale supporting the scheme recommended for PCC**

- 2.1 The scheme has been designed to deliver a localised scheme within the anticipated grant funding levels. The expected funding shortfall against current spend is £2.6m. This funding gap will grow if the current trend of more people requiring benefit support continues (as future funding will be on a fixed grant basis).
- 2.2 If the Council increases the amount of Council Tax each year, the gap between Council Tax to be paid and the fixed grant will increase.
- 2.3 Any funding shortfall would have to be rectified elsewhere within PCC revenue budgets. Future year budgets are already extremely challenging due to wide-scale reductions in public sector funding.
- 2.4 In February 2012 Plymouth began working with the Devon authorities with the intention of developing a Devon-wide framework for a CTS scheme for working age customers. The group has representation from each Unitary Council, District Councils, Devon County Council and the Fire and Police authorities.
- 2.5 This Devon-wide framework considered differing options for delivering a scheme within the funding levels. Modelling showed that reducing the overall amount of award that is currently given was the only option that delivered this. This resulted in a 20% to 30% global reduction for all working age claimants.
- 2.6 In November the government issued further guidance offering transitional grant funding for councils who adopt local schemes that limit reductions to benefit support to 8.5%. PCC, along with other Devon authorities, have modelled the impact of adopting this approach. The transitional funding would only cover approximately £500k of the required funding shortfall of £2.6m. In addition, the transitional grant is only secured for one year which would result in a further revenue budget pressure for 2014/15 and beyond.
- 2.7 A letter to the Local Government Association has been sent on behalf of all of the Leaders of Devon authorities voicing their displeasure of the temporary nature of the recently announced transitional grant arrangements and how it contradicts local accountability. This letter requests that the £100m funding made available nationally is made permanent (rather than for one year) and added to the funding levels.
- 2.8 Indications are that only two District Councils in Devon that are considering taking up the government's transitional grant offer. In both cases, the housing stock portfolio of these authorities is significantly different to that of Plymouth. With the majority of our housing within the low council tax bands A and B, we have limited scope to claw back funding shortfalls on Council Tax Benefit through using discretionary powers on more affluent properties.
- 2.9 The central government drive is to encourage people back into work and place less reliance on the welfare state. By implementing a cost neutral localised Council Tax Support scheme we can ensure that the benefits that we administer are affordable within the revenue resources available. At the same time the Council should place attention and resources on supporting work opportunities in the local economy and ultimately reduce financial dependency on benefits (as opposed to funding the Council Tax Benefit shortfall).

### **3 Consultation**

- 3.1 Public consultation on the Devon-wide scheme ran from 6<sup>th</sup> August 2012 to 5th October 2012. The objectives of the consultation were:
- To gauge the level of support for the proposed changes to council tax benefits scheme.
  - To include customer feedback into the development of the scheme.
- 3.2 Responses to the consultation were mainly from those currently in receipt of Council Tax Benefit. Whilst most were not in favour of the level of reduction proposed, there was an acknowledgement by many respondents of the requirement to pay something towards their Council Tax.
- 3.3 A number of responses from those with disabilities expressed concern about their ability to pay Council Tax. The proposed exceptional hardship fund will be used to support the most vulnerable customers. The scheme will continue to disregard additional income received by those with disabilities such as Disability Living Allowance, which will provide them with a continued element of protection from the reductions.
- 3.4 There was strong agreement in favour of an exceptional hardship fund to support those most in need.
- 3.5 The scheme has been revised to take into account the residents responses, whilst also taking into account the need to fund the overall Council Tax Support scheme within the grant funding levels.

### **4 Recommended Council Tax Support scheme for Plymouth City Council**

- 4.1 Council Tax Benefit provided to people of pensionable age will be protected under the current national Council Tax benefit framework.
- 4.2 Single Person Council Tax discount is not a part of the Council Tax Benefit reforms.
- 4.3 Plymouth currently has 184 war widow/widowers/veterans i.e. those in receipt of war disablement pensions, war widows and war widowers pensions, of which 109 are of pensionable age. We propose to continue to disregard War Disablement Pension or War Widows/Widowers payments from the calculation of Council Tax Support under the provision of s.139 of the Social security Administration Act 1992. This is currently provided under the Council Tax Benefit statutory scheme.

The maximum amount that war widows, widowers and veterans in receipt of war disablement pensions currently receive will be subject to the overall reduction, however the pension will continue to be disregarded in line with the current scheme.

- 4.4 Following consultation, we propose to reduce the proposed 30% blanket reduction across all working age claimants to 25%. This will deliver a scheme with the indicative grant funding level and also provide a contingency of £500,000.
- 4.5 Following consultation we propose to increase the savings level at which claimants would not be entitled to Council tax Support from £3,000 to £6,000. The current limit is £16,000 and this change will generate approximately £76,000 additional revenue per year.

- 4.6 Following consultation we propose to continue to remove second adult rebate. This removes the current rules where if you can afford to pay your council tax but you live with someone who is on a low income you can claim support. It is proposed that this option is removed from the CTS scheme. It is a complicated rule currently and applies to a limited number of people. Removing second adult rebate would save the authority £27,000 per annum.
- 4.7 Following consultation we propose to increase the maximum band level at which council tax support will be paid from Band D to Band E. Properties in band E or above will qualify for maximum support at band E levels only. This will generate approximately £5,000 per year.
- 4.8 Recommendations detailed in paragraphs 4.6 and 4.7 are aimed at optimising the council's discretionary ability to direct Council Tax charges to those who are more able to pay. Other, more affluent areas, for example with a higher proportion of band E to H properties, would have greater flexibility to address funding shortfalls through such discretionary proposals.
- 4.9 Following consultation it is recommended that £100,000 of the £500,000 anticipated contingency outlined in 4.4 is used to create an exceptional hardship fund that can be used to provide additional council tax support for vulnerable clients facing extreme hardship
- 4.10 It is recommended that the remaining £400,000 is set aside as a contingency to fund the shortfall in Council Tax Support brought about by an estimated increase in service demand.

### **5 Equality Impact Assessment**

- 5.1 An Equality Impact Assessment has been undertaken to consider the impact of the proposed scheme on claimants.
- 5.2 The affected groups will be working age people within Plymouth who currently claim Council Tax Benefit, or who would have claimed this benefit in the future. It is likely that all working age people will be adversely affected by the changes because they will now have to pay towards their council tax bill.
- 5.3 The structure of the current benefit system ensures that vulnerable groups are recognised and protected. Specifically, this works in the following ways:
- Personal allowances are increased for families and all additional children
  - Additional premiums for disabled household members and carers
  - Income disregards for certain disability benefits, child benefit and child maintenance
  - Earned income disregards; higher rates apply for full time work, disabled workers, certain part-time emergency workers and single parent workers
  - Childcare costs disregard for workers with children
  - Local disregard of war disablement pension and war widows/widowers pensions
- These have been preserved within the Council Tax Support Scheme in its current form to maintain the protections and work incentives that have been refined over many years.

- 5.4 The most vulnerable claimants should receive more financial support via an Exceptional Hardship type fund. A separate impact assessment has been carried out on the policy but the aim is to support those claimants who need specific financial support. This fund will be limited so criteria will need to be restricted but fair.

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**COUNCIL TAX SUPPORT SCHEME  
EXCEPTIONAL HARDSHIP FUND POLICY**



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**Contents**

1. Background
2. Exceptional Hardship Fund and Equalities
3. Purpose of this policy
4. Statement of objectives
5. Awarding an Exceptional Hardship Fund Payment
6. Publicity
7. Making a claim
8. Change of circumstances
9. Duties of customer
10. Amount and duration of award
11. Payment of award
12. Overpayments
13. Notification of an award
14. The right to seek a review
15. Fraud
16. Legislation
17. Complaints
18. Policy review



## **I. BACKGROUND**

The Exceptional Hardship Fund (EHF) has been set up by Plymouth Council to cover the shortfall between Council Tax liability and payments of Council Tax Support.

Every customer who is entitled to Council Tax Support and who has a shortfall is entitled to make a claim for help from the Fund.

The main features of the Fund are that:

- Exceptional Hardship Fund awards are discretionary
- Customers do not have a statutory right to an award
- The Exceptional Hardship Fund Policy is held within the main Council Tax Support scheme
- Exceptional Hardship Fund awards are not a payment of the main Council Tax Support scheme
- It is a cash limited fund
- The Revenues and Benefits Service decides how the Fund is administered
- Council Tax Support must be in payment in the week in which an Exceptional Hardship Fund award is made or the applicant must have been in receipt of Council Tax Benefit on 31.03.13
- Plymouth City Council may decide that a backdated Exceptional Hardship award is appropriate; which could then settle council tax arrears. This would be the only circumstance where the Exceptional Hardship Fund could be used to facilitate payment of Council Tax arrears.

In addition to this fund there is a Discretionary Housing Payments scheme which covers the shortfall between rent and Housing Benefit.

## **2. EXCEPTIONAL HARDSHIP FUND AND EQUALITIES**

The creation of an Exceptional Hardship Fund facility meets Plymouth City Council's obligations under the Equalities Act.

The Government has been clear that, in developing a local Council Tax Support scheme, vulnerable groups should be protected. Other than statutory protection for low income pensioners, the Government has not prescribed the other groups that local Councils should support. Plymouth City Council has designed their Council Tax Support scheme to take account of the various statutes that currently protect vulnerable people.

We recognise the importance of protecting our most vulnerable customers and also the impact these changes have. We have created an Exceptional Hardship Fund to ensure that we protect and support those most in need. The Exceptional Hardship Fund is intended to help in cases of extreme financial hardship and not support a lifestyle.

### **3. PURPOSE OF THIS POLICY**

The purpose of this policy is to specify how Plymouth City Council's Revenues and Benefits Service will operate the scheme, and to indicate some of the factors which will be considered when deciding if an Exceptional Hardship Fund payment can be made.

Each case will be treated on its own merits and all customers will be treated fairly and equally in the accessibility to the Fund and also the decisions made with applications.

Where a customer is not claiming a Council Tax discount or exemption to which they may be entitled or a welfare benefit or additional financial assistance, they will be advised, and where necessary assisted, in making a claim to maximise their income, before their claim for Exceptional Hardship Funds will be decided.

### **4. STATEMENT OF OBJECTIVES**

- The Revenues and Benefits Service will seek through the operation of this policy to:
- Allow a short period of time for someone to adjust to unforeseen short-term circumstances and to enable them to "bridge the gap" during this time
- Support people in managing their finances
- Help customers through personal crises and difficult events that affect their finances
- Aim to help prevent exceptional hardship
- Support vulnerable young people in the transition to adult life
- Helping those who are trying to help themselves financially
- Alleviate poverty
- Sustain tenancies and prevention of homelessness
- Keep families together
- Encourage and support people to obtain and sustain employment
- Give support to those who are financially vulnerable

The Exceptional Hardship Fund is a short-term emergency fund, awarded whilst the customer seeks alternative solutions.

- It cannot be awarded for the following circumstances:
- Where full Council Tax liability is being met by Council Tax Support
- For any other reason, other than to reduce Council Tax liability
- Where the Council considers that there are unnecessary expenses or/debts which the customer has not taken reasonable steps to reduce
- To reduce any Council Tax Support recoverable overpayment
- To cover previous years Council Tax arrears

- Where there is a shortfall caused by a Department for Work and Pensions sanction or suspension being applied because the customer has turned down work/interview/training opportunities
- When Council Tax Support is suspended

### **5. AWARDING AN EXCEPTIONAL HARDSHIP FUND PAYMENT**

The Revenues and Benefits Service will decide whether or not to make an Exceptional Hardship Fund award, and how much any award might be.

When making this decision the Revenues and Benefits Service will consider:

- The shortfall between Council Tax Support and Council Tax liability
- The steps taken by the customer to reduce their Council Tax liability
- Changing payment methods, re-profiling Council Tax instalments or setting alternative payment arrangements in order to make them affordable
- To ensure that all discounts, exemptions and reductions are granted
- Steps taken by the customer to establish whether they are entitled to other welfare benefits.
- Steps taken by the customer in considering and identifying where possible the most economical tariffs for supply of utilities
- If a Discretionary Housing Payment has already been awarded to meet a shortfall in rent
- The personal circumstances, age and medical circumstances (including ill health and disabilities) of the customer, their partner and any dependants and any other occupants of the customer's home
- The difficulty experienced by the customer which prohibits them from being able to meet their Council Tax liability, and the length of time this difficulty will exist.
- Shortfalls due to non-dependant deductions
- The income and expenditure of the customer, their partner and any dependants or other occupants of the customer's home
- How deemed reasonable expenditure exceeds income
- That all income may be taken into account, including those which are disregarded when awarding Council Tax Support
- Any savings or capital that might be held by the customer or their partner
- Other debts outstanding for the customer and their partner
- Whether the customer has already accessed or is engaging for assistance with budgeting and financial/debt management advice. An Exceptional Hardship Fund award may not be made until the customer has accepted assistance either from the Council or third party, such as the Citizens Advice Bureau or similar organisations, to enable them to manage their finances more effectively, including the termination of non-essential expenditure.

- The exceptional nature of the customer and/or their family's circumstances that impact on finances
- The length of time they have lived in the property
- The amount available in the Exceptional Hardship Fund at the time of the application
- The list is not exhaustive and other relevant factors and special circumstances will be considered.

An award from the Exceptional Hardship Fund does not guarantee that a further award will be made at a later date, even if the customer's circumstances have not changed.

An Exceptional Hardship Fund award may be less than the difference between the Council Tax liability and the amount of Council Tax Support paid.

## **6. PUBLICITY**

The Revenues and Benefits Service will publicise the Fund and will work with interested parties to achieve this. A copy of this policy will be made available for inspection and will be published on the Council's website.

## **7. MAKING A CLAIM**

A customer must make a claim for an Exceptional Hardship Fund award by submitting an application to Plymouth City Council. The application form can be obtained via the telephone, in person at one of the Council offices and/or the internet. Customers can get assistance with the completion of the form from the Revenues and Benefits Service, Customer Services or Housing Options at the Council.

The application form must be fully completed and supporting information or evidence provided, as reasonably requested by the Council.

In most cases the person who claims the Exceptional Hardship Fund award will be the person entitled to Council Tax Support. However, a claim can be accepted from someone acting on another's behalf, such as an appointee, if it is considered reasonable.

## **8. CHANGE OF CIRCUMSTANCES**

The Revenues and Benefits Service may revise an award from the Exceptional Hardship Fund where the customer's circumstances have changed which either increases or reduces their Council Tax support entitlement

## **9. DUTIES OF THE CUSTOMER**

A person claiming an Exceptional Hardship Fund Payment is required to:

Give the Council such information as it may require to make a decision.

Tell the Council of any changes in circumstances that may be relevant to their on-going claim.

Give the Council such other information as it may require in connection with their claim.

## **10. AMOUNT AND DURATION OF AWARD**

Both the amount and the duration of the award are determined at the discretion of the Council, and will be done on the basis of the evidence supplied and the circumstances of the claim.

- The start date will usually be the Monday after the written claim for an Exceptional Hardship Fund award is received by the Revenues and Benefits Service, although in some cases it may be possible to backdate this award, based upon individual circumstances of each case.
- The Exceptional Hardship Fund will normally be awarded for a minimum of one week.
- The maximum length of the award will not exceed the end of the financial year in which the award is given.

## **11. PAYMENT OF AWARD**

Any Exceptional Hardship Fund award will be made directly into the customer's Council Tax account, thus reducing the amount of Council Tax payable.

## **12. OVERPAID EXCEPTIONAL HARDSHIP FUND PAYMENTS**

Overpaid Exceptional Hardship Fund awards will generally be recovered directly from the customers council tax account, thus increasing the amount of Council Tax due and payable.

## **13. NOTIFICATION OF AN AWARD**

The Council will notify the outcome of each application for Exceptional Hardship Fund awards in writing. The notification will include the reason for the decision and advise the customer of their appeal rights.

## **14. THE RIGHT TO APPEAL**

If the customer is not satisfied with the decision in respect of an application for an Exceptional Hardship Fund award, a decision to reduce the amount of Exceptional Hardship Fund awarded, a decision not to backdate an Exceptional Hardship Fund award or a decision that there has been an overpayment of an Exceptional Hardship Fund award, they must make written representation to the Council setting out their grounds of appeal.

Plymouth City Council will consider the appeal and respond in writing, setting out the decision and associated reasons for the decision.

Any request for an appeal must be made within one month of the date of the notification letter confirming the original decision.

## **15. FRAUD**

The Revenues and Benefits Service is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.

A customer who tries to fraudulently claim an Exceptional Hardship Fund award by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

Where the Revenues and Benefits Service suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

## **16. LEGISLATION**

The Local Government Finance Act 2012 amends Section 13A of the Local Government Finance Act 1992 and sets out the requirement for Councils to develop and adopt a localised Council Tax Support Scheme. This Exceptional Hardship Fund Policy forms part of this Scheme.

## **17. COMPLAINTS**

The Council's 'Have Your Say' process (available on the Councils website) will be applied in the event of any complaint received about this policy.

## **18. POLICY REVIEW**

This policy will be reviewed at least every 3 years and updated as appropriate to ensure it remains fit for purpose. However, the review may take place sooner should there be any significant changes in legislation.

**COUNCIL TAX SUPPORT SCHEME  
VULNERABILITY/ INCENTIVISING  
WORK STATEMENT**



DRAFT

CONTENTS

- 1 Introduction
- 2 Purpose of the vulnerability/Incentivising work statement
- 3 Accessibility of the Council Tax Support Scheme
- 4 Statutory framework and other considerations
- 5 Pensioners
6. Disabled and Chronically Sick
7. Households with children
8. Prevention of Homelessness
9. Armed Forces Covenant (Service personnel)
10. Work incentive
11. Council Tax Support Exceptional Hardship Fund



## **1. INTRODUCTION**

Section 9 of The Local Government Finance Bill 2011 (which is currently passing through parliament) amends s.13A of the Local Government Finance Act 1992 and requires all local authorities working within this legislative framework to design their own Council Tax reduction scheme, Plymouth City Council's is called the Council Tax Support Scheme.

With effect from 1 April 2013 a local Council Tax Support scheme will replace the national Council Tax Benefit statutory scheme (S.I. 2006/215) as the method of supporting low income households to pay their council tax. In designing this new scheme Plymouth City Council has adopted the core elements of the Council Tax Benefit scheme, which is a proven and robust system of support, which affords financial support to the most vulnerable.

The Government has been clear that, in developing local Council Tax Support schemes, vulnerable groups should be protected. Other than statutory protection for low income pensioners the Government has not prescribed other groups that local Councils should support. Each Council must tailor their schemes to take account of the various statutes that currently protect vulnerable people.

## **2. PURPOSE OF THE VULNERABILITY/ INCENTIVISING STATEMENT**

This statement sets out Plymouth City Council's approach to defining and assisting those deemed as vulnerable. In doing so it seeks to:

- Protect those who are state pension credit age
- Help those who are trying to help themselves
- Encourage and support people both into employment and those already in employment

## **3. ACCESSIBILITY OF THE COUNCIL TAX SUPPORT SCHEME**

In order to ensure that all customers have equal access to Council Tax Support, the Council has adopted a communications strategy which aims to reach all vulnerable and hard to reach customers in our communities.

In doing this, we will ensure that:

- We aim to make all information about our Council Tax Support scheme available in alternative formats and languages
- Claim forms for Council Tax Support will be available on line or by visiting one of our offices or remote offices
- Customers can contact us by telephone or email, or have face-to-face contact at one of our offices
- Additional information about our Council Tax Support scheme will be available on our website and will be publicised in leaflets

- We will work closely with welfare groups and other agencies that support customers to ensure that customers can access the Council Tax Support they are entitled to

#### **4. STATUTORY FRAMEWORK AND OTHER CONSIDERATIONS**

In developing this policy the Council has taken account of the following statutes:

- Local Government Finance Bill 2011 (protection for low income pensioners)
- Equality Act 2010 (public sector equality duty)
- Child Poverty Act 2010 (duty to mitigate the effects of child poverty)
- Housing Act 1996 (the duty to prevent homelessness)

It also takes account of:

- Work incentive principles set out in the Welfare Reform Act 2012
- Armed Forces Covenant

As part of the Equality Act 2010 (section 149) the Council has paid due regard to the following in designing its Council Tax Support scheme:

- Eliminate unlawful discrimination (harassment, victimisation and any other prohibited conduct)
- Advance equality of opportunity between those people who share a relevant protected characteristic and people who do not share it
- Foster good relations between those who share a relevant protected characteristic and people who do not share it

The relevant protected characteristics, as defined by the Equality Duty, are:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation
- Marriage or civil partnership status (in respect of the requirement to have due regard to eliminate discrimination)

In developing the Council Tax Support scheme and this statement Plymouth City Council has undertaken an Equality Impact Needs Assessment (EINA) and given 'due regard' to its findings to ensure it does not lead to unlawful discrimination.

## **5. PENSIONERS**

### **5.1 DEFINITION**

The Local Government Finance Bill 2011 sets out the requirement to fully protect the Level of support provided under the current Council Tax Benefit statutory scheme (S.I. 2006/216) to low income pensioners in the Council Tax Support scheme.

### **5.2 ELIGIBILITY UNDER THE LOCAL GOVERNMENT FINANCE BILL & DRAFT COUNCIL TAX REDUCTION SCHEMES (PRESCRIBED REQUIREMENTS) REGULATIONS**

- Applicants in receipt of guaranteed pension credit and who have income below their applicable amount will receive full council tax support subject to non-dependent deductions (Class A)
- Those applicants who have income in excess of their applicable amount will have 20% of the excess income deducted from their maximum support and will also be subject to non-dependent deductions (Class B).
- Someone who has attained the qualifying age for state pension credit and has at least one second adult living with them will qualify for Second Adult Rebate. A second adult is someone who is not the applicant's partner and not someone who pays rent on a commercial basis. Typically a second adult is an adult friend or relative who is on a low wage and/or other welfare benefits (Class C).
- Council Tax Support for state pension credit age applicants and Second Adult Rebate cannot be paid together; it will be the highest entitlement that will determine which support is paid.

## **6. DISABLED AND CHRONICALLY SICK**

### **6.1 DEFINITION**

The following pieces of legislation set out the council position and responsibility for those who are disabled:

- Disabled Persons (Services, consultations and Representation) Act 1986
- Chronically Sick and Disabled Persons Act 1970
- Disabled Persons (Services, consultations and Representation) Act 1986
- Disability Discrimination Act 1995 (s.1 & sch 1)
- Equality Act 2010

## **6.2 HOW THE COUNCIL'S STATEMENT ADDRESSES THE ISSUES OF DISABILITY**

Plymouth City Council's Council Tax Support Scheme will maintain the key elements of the Council Tax Benefit scheme, and as such provides protection in the overall calculation of support for disabled customers.

Our Council Tax Support scheme will continue to disregard income received specifically relating to disability in the financial assessment as defined in the current Council Tax Benefit statutory scheme. This means that all income received from Disability Living Allowance (DLA) and Personal Independence Payments (PIPs) will not be included. The effect of this is that these customers will be able to retain more of their income before their Council Tax Support is reduced.

In addition to this, the calculation of support will also include all of the premiums which existed under the Council Tax Benefit statutory schemes:

- Disability Premium – awarded when a customer or their partner (if any) is classed as disabled and receives either a qualifying disability benefit or meet defined disability criteria or long-term sick
- Enhanced Disability Premium – awarded where either the customer or their partner (if any) are in receipt of Higher Rate Disability Living Allowance Care Component or where the customer receives the Support Component of Employment and Support Allowance
- Severe Disability Premium – awarded when both customer or their partner (if any) are both severely disabled and receive either a qualifying disability benefit or meet defined disability criteria
- Work related activity component – where this component is awarded to a customer or their partner's Employment and Support Allowance
- Support component – where this component is awarded to the customer or their partner's Employment and Support Allowance

In all situations where a customer or their partner (if any) is classed as disabled under the scheme, then no non-dependant deductions will be made where the customer or their partner is registered blind or where they are in receipt of the Care Component of Disability Living Allowance/Personal Independence Payments.

## **7. HOUSEHOLDS WITH CHILDREN**

### **7.1 DEFINITION**

The Child Poverty Act 2010 places the following duties on local authorities and their partners to:

- Co-operate to tackle child poverty in their area
- Prepare and publish a local child poverty needs assessment
- Prepare a joint local child poverty strategy
- Take child poverty into account when preparing or revising their Sustainable Communities Strategy

Plymouth City Council has taken account of the Government's National Strategy for tackling child poverty: *Tackling the causes of disadvantage and transforming families' lives published in April 2011*. The Council Tax Support scheme therefore supports the key measures within this strategy to strengthen families, encourage responsibility, promote work and guarantee fairness and provide support to the most vulnerable.

The Government definition used within this policy is as follows:

- Households with children in which income is less than 60% of the national median

The authority is mindful of the proportion of dependent children within its area who live in households whose equivalised income is below 60% of the national median.

## **7.2 HOW THE COUNCIL'S STATEMENT ADDRESSES THE ISSUE OF CHILD POVERTY**

Plymouth City Council recognises the importance of maintaining the components within the Council Tax Benefit statutory scheme that gives additional protection to families.

These allow for the following incomes not to be included in the financial assessment of Council Tax Support:

- All Child Benefit
- All Child Maintenance
- All other income payable to children
- Up to £175.00 per week for one child and £300.00 per week for two or more children towards childcare payments, for working families under defined criteria.

When assessing a claim for Council Tax Support a family's income will be compared to their applicable amount (living allowances). The applicable amounts (living allowances) will copy the provisions defined within the current Council Tax Benefit statutory scheme. The applicable amount will contain the following elements:

- Child personal allowances – an allowance for each dependant child in the applicant's household
- Family Premium – where there is at least one child in the household
- Disabled Child Premium – where a child is in receipt of any component of Disability

Living Allowance or a comparable component of Personal Independence Payments or is blind or is treated as registered blind

- Enhanced Disability Premium – where a child is in receipt of the highest rate of the care component of Disability Living Allowance or the equivalent component of Personal Independence Payments. (PIP will not be applicable for children under 16 as they will remain on DLA)

### **7.3 CHILD CARE DISREGARDS**

To support families who are working and going into work, allowances can be made from earnings and other benefits in respect of eligible childcare costs when defined criteria (below) are met and the childcare is provided by a registered childcare provider or after school club.

A weekly child care disregard will be applied under the following criteria:

- Where a customer is a lone parent and works 16 or more hours each week
- Where a couple both work 16 hours or more each week
- Where one partner works 16 or more hours each week and the other partner is incapacitated, a hospital in-patient or is in prison
- Where a customer is a lone parent or part of a couple and either the lone parent works 16 or more hours; or both members of the couple work 16 hours or more or where one of the couple is incapacitated, a maximum weekly disregard will be set annually.

## **8. PREVENTION OF HOMELESSNESS**

### **8.1 DEFINITION**

Under the Housing Act Plymouth City Council has a duty to help homeless people defined as priority need within vulnerable groups. Where people apply to Plymouth City Council for assistance we will give careful consideration to the circumstances that have led to homelessness and make our decisions on accommodation provision accordingly. Under the Homelessness Act 2002 Plymouth City Council has a duty to prevent homelessness and provide a homelessness advice service and further information on this can be found in [Plymouth's Homelessness Strategy](#).

Plymouth City Council has given consideration to the threat of homelessness in the development of the local Council Tax Support scheme.

### **8.2 HOW THE COUNCIL'S STATEMENT ADDRESSES THE ISSUES WITHIN THE HOUSING & HOMELESSNESS ACTS**

Plymouth City Council will ensure that any applicant, who is supported under our Homelessness Policy, will also be supported to apply for Council Tax Support once they have secured accommodation.

Plymouth City Council will ensure that any applicant at risk of homelessness and who is vulnerable will be assisted to apply for Council Tax Support.

## **9. ARMED FORCES COVENANT**

### **9.1 DEFINITION**

In 2011 the Government launched the tri-service armed services covenant which it intends to enshrine in the Armed Forces Bill.

A Community Covenant is a voluntary statement of mutual support between a civilian community and its local Armed Forces Community. It is intended to complement, at local level, the Armed Forces Covenant, which outlines the moral obligation between the Nation, the Government and the Armed Forces.

The aims of the Armed Forces Community Covenant are to:

- Encourage local communities to support the Armed Forces community in their areas
- Nurture public understanding and awareness amongst the public of issues affecting the Armed Forces community
- Recognise and remember the sacrifices faced by the Armed Forces Community
- Encourage activities which help to integrate the Armed Forces Community into local life
- To encourage the Armed Forces Community to help and support the wider community, whether through participation in events and joint projects, or other forms of engagement

(Above extract from <http://devonarmedforces.wordpress.com/covenant/>)

Plymouth City Council has signed up to the Armed Forces Covenant and has considered this obligation in developing the Council Tax Support scheme.

### **9.2 HOW THE COUNCIL'S STATEMENT MEETS THE ARMED FORCES COVENANT**

Plymouth City Council will continue to disregard War Disablement Pension or War Widows payments from the calculation of Council Tax Support under the provision of s.139 of the Social Security Administration Act 1992 as currently applied under the Council Tax Benefit statutory scheme.

## **10. WORK INCENTIVE**

### **10.1 DEFINITION**

As part of the Council Tax Support scheme Plymouth City Council wishes to support and provide incentives for applicants to return to work or to support those already working to increase the hours they work, wherever possible.

The Council Tax Support scheme reflects the following principles:

- People should get more overall income in work than out of work.
- People should get more overall income from working more and earning more.

- People should be confident that support will be provided whether they are in or out of work that it will be timely and correct and that claiming will not be a complicated and frustrating experience.

## **10.2 HOW THE COUNCIL'S STATEMENT PROVIDES WORK INCENTIVES**

Plymouth City Council is keen to support applicants back into work. The Council Tax Support scheme will achieve this by supporting both customers in receipt of benefits or on low income.

The Council is retaining the core elements within the Council Tax Benefit statutory scheme which means that support is reduced based upon a 20% withdrawal rate. This means that where a customer's income exceeds their applicable amount a deduction of 20p for every £1 will be made from Council Tax Support.

- When calculating weekly earned income a net figure will be used, this will be gross earnings less all Income Tax, National Insurance and half of any pension contribution. In addition, a further disregard will be applied:
  - First £5.00 of weekly earnings for single customers
  - First £10.00 of weekly earnings for couples
  - First £20.00 of weekly earnings for people who are disabled or long term sick, carers or part-time fire fighters, auxiliary coast guards, part-time life boat workers and member of the Territorial Army
  - First £25.00 of weekly earnings for lone parents
- Where the applicant or their partner is able to undertake work on or above a defined number of hours then an additional earnings disregard may be applied;
- A childcare costs disregard of up to £175.00 for one child or up to £300.00 for two or more children can be given where the applicant or their partner is working and meet the specified criteria. Please see Childcare Disregards above.
- An additional four week extended payment of support can be awarded when the customer moves into work, and meets specified conditions. The extended payment will give support at the pre work entitlement to allow for additional costs incurred when starting work.

## **11. COUNCIL TAX SUPPORT EXCEPTIONAL HARDSHIP FUND**

Plymouth City Council recognises that there may be exceptional circumstances where customers are unable to meet the shortfall between their Council Tax and the Council Tax Support they receive.

**Plymouth City Council's Exceptional Hardship Fund Policy ensures that those who are most vulnerable and in greatest financial hardship can access additional financial assistance from the Exceptional Hardship Fund.**



# CITY COUNCIL

28 January 2013



## CABINET MINUTE 103 OF 11 DECEMBER 2012

### COUNCIL TAX SUPPORT SCHEME

The Director for Corporate Services submitted a written report seeking approval of a localised Council tax support scheme to be adopted by January 2013 and fully implemented by April 2013.

The report indicated that the support scheme would replace the existing Council tax benefit scheme. Funding for Council tax support would no longer be met from annually managed expenditure which was demand led but would be set through an upfront grant allocation for all billing and major precepting authorities. Indications were that national funding for the new scheme would be 10 per cent less than current spend levels.

Councillor Lowry (Cabinet Member for Finance) presented the update and indicated that –

- (a) as a result of the budget shortfall of £2.6m, it was necessary to implement a revised scheme;
- (b) no changes would be made to the discounts to pensioners, single persons, war widows, widowers and veterans;
- (c) following consultation, it was proposed to reduce the proposed 30 per cent blanket reduction across all working age claimants to 25 per cent;
- (d) an exceptional hardship fund would be set up to support those people most affected;
- (e) the threshold for savings had increased from the consultation proposal of £3,000 to £6,000.

#### Alternative options considered and reasons for the decision –

As set out in the report.

The City Council is Recommended to approve a localised Council tax support scheme, as detailed in the report.

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*Note:*

*The full report in connection with this minute is available on the website*

[www.plymouth.gov.uk/democracy](http://www.plymouth.gov.uk/democracy)

*or by contacting Democratic Support on 01752 304867*

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# CITY COUNCIL

28 January 2013



## CABINET MINUTE 104 OF 11 DECEMBER 2012

### COUNCIL TAX TECHNICAL REFORMS

The Director for Corporate Services submitted a written report seeking approval for changes to current Council tax exemptions in preparation for main billing in April 2013.

The report indicated that national welfare reform changes would place additional pressure on Council tax collection which was estimated at £1m less than current collection. The proposed recommendations would provide more opportunity for local authorities to set council tax levels more appropriately for its citizens by relieving the burden of council tax in relation to second homes and empty properties, where the authority felt that properties receiving this relief did not merit it.

Councillor Peter Smith (Deputy Leader) presented the report. Financial regulations had yet to be set and therefore the flexibility of the changes could be subject to amendment.

#### Alternative options considered and reasons for the decision –

As set out in the report.

#### The City Council is Recommended to –

- (1) remove the current 10 per cent discount on second homes and charge the full Council tax;
- (2) charge 50 per cent Council tax for properties undergoing major repair for as long as the property remains in that state up to the maximum period of one year;
- (3) reduce the 100 per cent discount on empty properties from six months to one month;
- (4) charge a 50 per cent premium on homes that have been empty for more than two years, taking the total Council tax due to 150 per cent.

(Councillor Lowry having declared a disclosable pecuniary interest, withdrew from the meeting during consideration of this item.)

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#### Note:

*The full report in connection with this minute is available on the website*

[www.plymouth.gov.uk/democracy](http://www.plymouth.gov.uk/democracy)

*or by contacting Democratic Support on 01752 304867*

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**PLYMOUTH CITY COUNCIL**

**Subject:** Council Tax Technical Reforms  
**Committee:** Cabinet  
**Date:** 11 December 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:** 1

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**Purpose of the report:**

To seek approval for changes to current Council Tax exemptions in preparation for main billing in April 2013.

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**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.

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

National Welfare reform changes will place additional pressures on Council Tax collection which is estimated at £1m less than current collection. The proposed recommendations will provide more opportunity for local authorities to set council tax levels more appropriately for its citizens by relieving the burden of council tax in relation to second homes and empty properties where the authority feels that properties receiving this relief do not merit it.

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**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 those able to pay Council Tax contribute appropriately to relieve the overall Council Tax burden.

**Recommendations & Reasons for recommended action:**

It is recommended that Cabinet recommend to Full Council to:

- Remove the current 10% discount on second homes and charge the full Council Tax
- Charge 50% Council Tax for properties undergoing major repair for as long as the property remains in that state up to the maximum period of 1 year
- Reduce the 100% discount on empty and unfurnished properties from 6 months to 1 month
- Charge a 50% premium on homes that have been empty for more than 2 years, taking the total Council Tax due to 150%.

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

The alternative to adopting the changes would be to leave all discounts and exemptions as they are currently.

**Background papers:**

None

**Sign off:**

Fin	DJN1 213.0 14	Leg	TH0 063	HR		Corp Prop		IT		Strat Proc	
Originating SMT Member: Malcolm Coe											
Have you consulted the Cabinet Member(s) named on the report? Yes											

## **I Introduction**

- 1.1 The proposals for technical reform to Council Tax are set against a backdrop of the Governments agenda for decentralisation and localism. The aim is to redistribute power and funding from Government to local people to deliver what they want for their communities.
- 1.2 As a local tax, Council Tax forms part of the Governments agenda and the changes proposed seek to provide greater flexibility to local authorities whilst allowing them to manage pressures on council tax.
- 1.3 The Government's aim is that the changes to legislation will come into effect for 2013-2014 and subsequent years.
- 1.4 The rationale for the changes is given as:
  - Tight local government finance settlements for the next few years as the fiscal deficit is tackled
  - To address some technical issues that have arisen in recent years.
- 1.5 The changes being proposed are:
  - Giving billing authorities power to charge up to full council tax on second homes
  - Replacing the exemptions for dwellings undergoing major repair (Class A) and empty and unfurnished properties (Class C) with discounts, the amount of which would be for billing authorities to determine
  - Allowing billing authorities to charge an 'empty homes premium' in respect of dwellings which have been left empty for 2 years or more
  - Retain the default position that payment of Council Tax by instalments will be over ten months but to grant tax payers with a legal right to pay by twelve months if they request it.
  - Allowing authorities to publish online the 'information to be supplied with demand notices' but with a duty to supply it in hardcopy to any council tax payer requesting it, as an efficiency measure, and to encourage the take up of electronic billing
  - Changes to eliminate potential tax complications from arrangements involving third party suppliers where solar panels are placed on the roofs of dwellings without coming into the paramount control of the resident

## **2 Second Homes**

- 2.1 Currently Councils can choose to charge between 50% to 90% of the full Council Tax from the date the property becomes empty. Plymouth currently charges the full available council tax of 90%.
- 2.2 The Government has stated its intention to extend the range of discount available to local authorities to allow them to charge the full 100% Council Tax on second homes. Second home properties are those that are unoccupied but remain furnished. The proposed change would place the properties on the same basis as normal homes for Council Tax.
- 2.3 During 2011/2012 Plymouth had 2483 second homes. It is recommended that Plymouth maximises income and levies the full Council Tax on second homes. See Appendix A for table of discounts and estimated income.

### **3 Empty Dwellings undergoing major repair (Class A exemption)**

- 3.1 Dwellings that are subject to major repair currently attract a 100% exemption from Council Tax for up to 1 year. There is currently no scope for billing authorities to use discretion about what is reasonable in terms of foregoing council tax in respect of such properties.
- 3.2 The Government proposes to abolish Class A exemption and replace it with a discount which authorities have discretion to set at 100% or any lower percentage which seems reasonable having regard to local circumstances.
- 3.3 The Government has stated that there is to be no local discretion in the maximum period for which a property undergoing major repair receives a discount. Therefore properties who satisfy the criteria will continue to attract whatever discount the authority determines for as long as it remains in that state, up to a maximum of one year.
- 3.4 It is reasonable that Council Tax payers should get some relief in respect of vacant dwellings that are for a time uninhabitable when undergoing major repair in order to support regeneration.
- 3.5 During 2011/2012 Plymouth had 439 dwellings subject to Class A exemption with an average exemption period of 257 days.
- 3.6 Council Tax is based around a 50% property and 50% personal tax. Whilst dwellings undergoing major repair are likely to be uninhabitable, the dwelling remains recognised as a property for valuation purposes.
- 3.7 Modelling work has been carried out to consider both a 50% and a 75% charge. A 50% charge carries a maximum income of £243,000 (assuming 100% collection). A 75% charge carries a maximum income of £364,500 (assuming 100% collection).
- 3.8 Evaluation of other authorities has shown that the majority are recommending either a 50% charge or no change from the current levels. If Plymouth were to consider a 75% charge there is a possibility that it could discourage the regeneration of properties. It is therefore recommended that a maximum charge of 50% (50% discount) be applied for as long as the property remains in that state up to the maximum period of 1 year. See appendix A for table of discounts and estimated income.

### **3 Vacant Dwellings (Class C exemption)**

- 4.1 Dwellings which become empty and are unfurnished currently attract a 100% exempt from Council Tax for up to 6 months. There is currently no scope for authorities to use discretion about what is reasonable in terms of foregoing Council Tax in respect of such properties.
- 4.2 The Government proposes to abolish the Class C exemption and replace it with a discount which authorities have discretion to set at 100% or any lower percentage which seems reasonable having regard to local circumstances.
- 4.3 During 2011/2012 Plymouth had 10,128 dwellings subject to a Class C exemption of which 5,602 were exempt for a period of more than 30 days.



- 4.4 The main reasons that properties remain empty are due to sales or between lettings. To support bringing empty properties into occupation and minimise the periods for which properties remain empty it is recommended that a 100% exemption be given for a period of one month after which the full Council Tax charge will become due. See appendix A for table of discounts and estimated income.

## **5 Empty Homes Premium**

- 5.1 Dwellings that have remained empty for long periods such as 2 years or more are not currently subject to any special conditions and currently attract the full 100% Council Tax charge.
- 5.2 The Government proposes to allow authorities to charge a premium of up to 50% for an indefinite period on properties empty for 2 years. The aim of this change is to help bring long term empty dwellings back into use. The maximum Council Tax charge for long term empty properties would be 150%.
- 5.3 During 2011/2012 Plymouth had 708 dwellings that were unoccupied for 2 years or longer.
- 5.4 A number of caveats are currently being considered by the Government which will take dwellings out of the premium scheme. These include:
- A dwelling which is genuinely on the market for sale or letting
  - A dwelling which is the sole or main residence of a member of the armed forces, who is absent from the property as a result of the service
  - An annex deemed unoccupied because it is being treated by the occupier of the main dwelling, as part of that main dwelling
- 5.5 It is possible that a number of dwellings could be excluded from the premium on this basis. Until more clarity is provided by Government, no income has currently been assumed for this change.
- 5.6 To encourage bringing empty properties back into use it is recommended that the full premium 50% be applied to dwellings that will still meet the criteria for long term empty.

## **6 Other Technical Changes**

- 6.1 From April 2013 Council Tax payers will have a legal right to pay Council Tax by 12 instalments. The default position will remain at 10 months unless the customer requests a change to 12.
- 6.2 Authorities will now be able to discharge their duty to provide the information currently supplied with demand notices by publishing the information on-line, with the exception of information relating to penalty charges, and subject to the right of any resident to request a hard copy.
- 6.3 Domestic scale solar photovoltaic installations (capacity limit 10kW) on domestic properties under the paramount control of a third party provider will be treated as part of those properties and therefore will not be liable for business rates.

## **7. Student Exemptions (Class N) – local practice**

- 7.1 Currently student properties are subject to a 100% exemption where the properties are occupied solely by students.
- 7.2 As a local practice and that of many authorities, Plymouth currently applies the exemption for a total 12 month period to all student dwellings. Analysis has shown that 3000 dwellings receive the exemption and during the 3 month summer period this costs £892k.
- 7.3 Investigation into the viability of removing the exemption for the summer period has shown that we are unable to identify dwellings where students remain resident, or where they have paid a retainer. In these instances the exemption would still apply.
- 7.4 Work is currently underway to look at the best approach to maximising income for empty student properties over the summer period.

## **8 Summary**

- 8.1 The proposed recommendations will provide more opportunity for Plymouth to set council tax levels more appropriately for its citizens. The changes will support hard working families and pensioners by relieving the burden of Council Tax in relation to second homes and empty properties where the authority feels that properties receiving this relief do not merit it.
- 8.2 Final regulations have yet to be set and therefore the flexibility of the changes could be subject to change.
- 8.3 Caution should be given to collection of additional income based on the possibility of further changes to regulations and potential collection complexities in some areas.
- 8.4 The City Council is recommended to approve the proposed changes to Council Tax as detailed in this report.

## Appendix A

## Recommended changes and estimated income

Exemption Type	No of dwellings	Current Exemption	Current Value	Proposed discounts	Est. value	Est. collection 70%
	2011/12	%	£	%	£	£
Class A Properties undergoing major work	439	100% For 12 months	-486k	50% (12 months)	243k	170k
Class C Empty and unfurnished	10128	100% For 6 months	-1.8m	100% (1 month only)	1.1m	750k
Second Homes	2483	10%	-176k	0%	176k	123k
				<b>Total estimated collection</b>		<b>1043m*</b>

\*These figures are estimations and dependent on final regulations being agreed by Government and collection ability.

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# CITY COUNCIL

28 January 2013



## CABINET MINUTE 132 OF 15 JANUARY 2013

### COUNCIL TAX BASE SETTING

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

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

#### Alternative options considered and reasons for the decision –

As set out in the report.

The City Council is Recommended to approve the council tax base for 2013/14 tax setting as 66,958 Band D equivalents, which is the tax base after allowing for an estimated collection rate of 97.5 per cent.

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#### Note:

*The full report in connection with this minute is available on the website*

[www.plymouth.gov.uk/democracy](http://www.plymouth.gov.uk/democracy)

*or by contacting Democratic Support on 01752 304867*

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**PLYMOUTH CITY COUNCIL**

**Subject:** Council Tax Base Setting

**Committee:** Cabinet

**Date:** 15 January 2013

**Cabinet Member:** Councillor Lowry

**CMT Member:** Adam Broome (Director for Corporate Services)

**Author:** Martine Collins, Strategic Manager Revenues and Benefits

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

**Ref:** REV/MC

**Key Decision:** No

**Part:** I

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**Purpose of the Report:**

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

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**Corporate Plan 2012-2015:**

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

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

A collection rate of 97.5% has been used in calculating the Council Tax-base.

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

None

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**Recommendations & Reasons for recommended action:**

The City Council is recommended to approve the Council Tax Base for 2013/14 Tax Setting as 66,958 Band D equivalents, which is the tax base after allowing for an estimated collection rate of 97.5%.

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

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

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**Background papers:**

Calculation of Council Tax Base Return to CLG (CTBI)

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**Sign off:**

Fin	DJNI 213.0 23	Leg	TH00 70	HR		Corp Prop		IT		Strat Proc	
Originating SMT Member Malcolm Coe											
Have you consulted the Cabinet Member(s) named on the report? Yes											



## **I INTRODUCTION**

- 1.1 The Local Government Finance Act 1992 (amended 2003) establishes arrangements for the setting of Council Taxes. The arrangements include the valuation of the Council Tax-base for tax setting for which a Council resolution is necessary. The result must be notified to Devon County Council, the Police Authority and the combined Fire Authority by the 31 January. Although Devon no longer precepts upon Plymouth, the cost of certain joint services are shared on the Council Tax Base and the County will need to be informed of the figures.
- 1.2 Regulations require the Council to determine its Tax Base for Council Tax purposes for 2013/14 during the period 1 December 2012 to 31 January 2013 prior to the financial year within which it will be effective. The level of Council Tax subsequently set must use this base figure. A Tax Base calculation is provided in Appendix A for an appropriate decision to be made.
- 1.3 The calculation of the Tax base now includes the impact of the new Council Tax Support Scheme which significantly reduces income from Council Tax which is then offset, in part, by a new Council Tax Support Grant. The proposed Council Tax Support scheme is being considered elsewhere on this agenda and this report has been written on the basis that the scheme is approved as set out within the report.
- 1.4 The Council is also proposing a number of technical changes to the tax base which will generate additional council tax income to support the Council during this challenging financial climate.

## **2. PURPOSE OF THE REPORT**

- 2.1 The purpose of this report is to present the Cabinet with the calculation of the Council Tax-base of 66,958 for tax setting for the financial year 2013/14. For purposes of comparison, the Council Tax-base for tax setting in the financial year 2012/13 was 77,271.

## **3 BACKGROUND**

- 3.1 For the setting of the Tax Base for 2012/13 there are significant changes in both the components of the Tax Base as well as its calculation. These arise from changes to existing regulations in relation to exemptions and discounts and new legislation, specifically the introduction of a Council Tax Reduction scheme to be known as Council Tax Support which will replace Council Tax Benefit.
- 3.2 The impact of this change is that Council Tax Support will reduce the Tax Base and will therefore reduce the level of Council Tax income to the Council. This reduction will be met in part by the new Council Tax Support Grant.

## **4 TAX-BASE CALCULATIONS**

- 4.1 The Council is required by 31<sup>st</sup> January to establish a base figure for the purpose of setting the level of Council Tax each year – the Tax Base. The calculation of this figure is prescribed by the Local Authorities (Calculation of Tax Base) (England) Regulation 2012.

- 4.2 The regulations require this calculation to be made between 1<sup>st</sup> December 2012 and 31<sup>st</sup> January 2013. For the year commencing 1<sup>st</sup> April 2013 these will be the major precepting authorities of Devon and Cornwall Police Authority, Devon and Somerset Fire and Rescue Authority and Plymouth City council.
- 4.3 Tax-base figures are calculated by the billing authority as the aggregate of the "relevant amounts" calculated for each property valuation band (now including the impact from Council Tax Support scheme) multiplied by the estimated "collection rate" for the year.
- 4.4 Relevant amounts are:
- (a) the number of chargeable dwellings in that band shown in the valuation list as it stands on the relevant day.
  - (b) the number of discounts, disabled reductions and exemptions which apply to those dwellings on the relevant day;
  - (c) estimated changes in (a) and (b) above between the relevant day and the last day of the charging period to which the estimate applies;
  - (d) impact of the Council Tax Support scheme which is linked to claimants, is converted to an equivalent number of dwellings per band by dividing the estimated cost per band of the reductions divided by the estimated Council Tax for that band;
  - (e) the number of band D equivalents within each different band.
  - (f) the relevant day is 30 November in the financial year preceding that for which the relevant amounts are calculated.
- 4.5 The collection rate for the year is the Billing Authority's estimate of the total amounts of Council Tax, which will ultimately be paid or transferred into the collection fund.
- 4.6 A summary of the actual calculation of the 2013/14 Council Tax Base for Plymouth is contained in Appendices to this report. Appendix A shows the tax base calculation, Appendix B shows the tax base used for the previous three years for comparison.
- 4.7 This report assumes a collection rate for Council Tax of 97.5%. This is a reduction of 1% against previous years to allow for the impact of Welfare Reform changes which are likely to impact on the Council's ability to collect Council Tax at current levels.

## **5 TECHNICAL ADJUSTMENTS**

- 5.1 Within the Tax Base calculation there are a number of exemptions and discounts for certain categories of dwellings. Some of these are set by central government and some the Council has discretion over.
- 5.2 The Local Government Finance Act 2012 (and the relevant regulations) introduced some changes to both the classification of dwellings and discounts and gave greater freedoms for Councils to alter the discount rate applicable on various classes of Council Tax dwellings.

- 5.3 In relation to discounts for second homes (prescribed class A and B) it is proposed to remove the current 10% discount to nil. This change is permitted under Local Government Finance Act 2012 (s10). A second home is a dwelling owned by an individual who also has their main residence at a property elsewhere.
- 5.4 The Council Tax (Exempt Dwellings) (England)(Amendment) Order 2012 (SI 2965) removes two categories of exempt dwellings
- Class A - vacant dwellings where major repair works or structural alterations are required, under way or recently completed
  - Class C - vacant dwelling i.e. empty and substantially unfurnished for less than six months.

Both Class A and C were exempt from Council tax, but are now chargeable for Council Tax as defined by the Council tax (Prescribed Classes of Dwellings)(England) (Amendment) Regulations 2012 (SI 2964). The Local Government Finance Act 2012 states that a billing authority may specify the rate of these discounts to be between 0% and 100%.

- 5.5 It is proposed to set the discounts as follows:
- A 50% discount for Class D (formally Class A) properties. These properties are empty as they are undergoing major repair of other structural works.
  - A 100% discount for a period of one month for Class C dwellings. These properties are unoccupied and substantially unfurnished. After one month the full Council Tax charge will become due.
- 5.6 The Act (s11) also states that a billing authority may apply a premium to long term empty dwellings of up to 50% of the Council tax for that property. It is proposed that the full 50% levy will be charged on properties that have been empty over two years.
- 5.7 The proposed changes to the current exemptions described above require approval and a separate report has been submitted for Full Council approval.
- 5.8 The Tax Base report includes the proposals for the technical reform changes in its calculations.

## **6 COUNCIL TAX SUPPORT GRANT**

- 6.1 The Council will receive a Council Tax Support grant from 2013/14 to fund a Council tax Support scheme. This grant reflects the 10% funding reductions that the Government have set for Councils in moving to the new scheme and will be merged in to the Revenue Support Grant. An estimate of this has been included in the Council's budget proposals for 2013/14.

CALCULATION OF COUNCIL TAXBASE - 2013/14

With CTS and technical changes

Appendix A

30th November 2012 - "Relevant date"

Plymouth COUNCIL			TAX BASE CALCULATION							2013/2014		
			BAND A with disabled relief	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H	TOTAL
Number of dwellings in valuation list	(30/11/2012)		0	46,555	31,134	21,800	8,922	4,539	1,673	578	59	115,260
Number of exempt dwellings (incl demolished)				2,438	1,853	1,100	466	165	41	44	21	6,128
Reductions to lower band due to disabled relief :			0	(89)	(146)	(117)	(85)	(58)	(28)	(32)	(12)	(567)
Additions to band due to disabled relief :			89	146	117	85	58	28	32	12	0	567
<b>(H) CHARGEABLE DWELLINGS FOR BAND</b>			<b>89</b>	<b>44,174</b>	<b>29,252</b>	<b>20,668</b>	<b>8,429</b>	<b>4,344</b>	<b>1,636</b>	<b>514</b>	<b>26</b>	<b>109,132</b>
Total "appropriate %" discounts (8&9)	Single / disregard- 25%	25%	28	23596	10504	5738	1983	893	274	65	1	43082
Total "appropriate %" discounts (10)	Disregard - 50%	50%	5	31	41	25	27	17	32	32	16	226
Total "appropriate %" discounts	Second Homes	0%	0	0	0	0	0	0	0	0	0	909
	Class D (Major works)	50%	0	155	30	23	8	2	2	2	0	0
	Class C (Less than 1 month)	100%	0	844	312	135	64	20	11	5	0	0
<b>(Q) Total Discounts</b>	Formula		<b>10</b>	<b>6062</b>	<b>2688</b>	<b>1470</b>	<b>519</b>	<b>234</b>	<b>86</b>	<b>34</b>	<b>8</b>	<b>11110</b>
<b>(E) Long Term Empty Premium</b>	Premium	50%	-	351	194	110	81	75	32	14	1	-
	Formula to give value			176	97	55	41	38	16	7	1	0
Estimated number of dwellings not listed but which will be listed in the band for the whole or any part of financial year	2013/2014		0	34	44	12	10	9	5	1	0	115
Estimated number of reductions to lower band due to successful appeals :			0	0	(9)	(2)	(1)	(4)	(3)	(1)	0	(20)
Estimated number of additions to lower band due to successful appeals :			0	9	2	1	4	3	1	0	0	20
<b>(J) Total Adjustments</b>			<b>0</b>	<b>43</b>	<b>37</b>	<b>11</b>	<b>13</b>	<b>8</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>115</b>
<b>(Z) Local Council Tax Scheme Reductions</b>			<b>48</b>	<b>11,438</b>	<b>3,809</b>	<b>1,276</b>	<b>313</b>	<b>88</b>	<b>23</b>	<b>3</b>	<b>0</b>	<b>16,998</b>
<b>TOTAL DWELLINGS ((H-Q+E+J)-Z)</b>			<b>32</b>	<b>27068</b>	<b>22987</b>	<b>18043</b>	<b>7691</b>	<b>4105</b>	<b>1562</b>	<b>491</b>	<b>19</b>	<b>81139</b>
<b>(F)</b>			<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>11</u>	<u>13</u>	<u>15</u>	<u>18</u>	
<b>(G) Ratio to Band D</b>			9	9	9	9	9	9	9	9	9	
<b>(A) RELEVANT AMOUNTS' for 2012/2013</b>	((H-Q+E+J)-Z) x (F)		<b>18</b>	<b>18045</b>	<b>17878</b>	<b>16038</b>	<b>7691</b>	<b>5017</b>	<b>2256</b>	<b>819</b>	<b>38</b>	<b>67800</b>
<b>(B) COLLECTION RATE</b>												<b>97.5%</b>
<b>(A) x (B)</b>	[Section 4 (1) of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012]											66105
<b>Plus</b>	[Section 3 (1) of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012]		17	17594	17431	15637	7499	4891	2199	798	37	853
<b>Tax base</b>	Plus adjustment for MOD equivalent											<b>66958</b>

**APPENDIX B**

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

Year	2012/2013			2011/2012			2010/2011		
Band	No. of properties	Estimated collection rate	Adjusted Band D equivalents	No. of properties	Estimated collection rate	Adjusted Band D equivalents	No. of properties	Estimated collection rate	Adjusted Band D equivalents
A	46,363	98.5%	24,443	46,395	98.5%	24,500	46,215	98.5%	24,553
B	30,914	98.5%	19,901	30,600	98.5%	19,766	30,477	98.5%	19,666
C	21,734	98.5%	16,580	21,631	98.5%	16,553	21,520	98.5%	16,444
D	8,903	98.5%	7,683	8,823	98.5%	7,626	8,758	98.5%	7,585
E	4,493	98.5%	4,836	4,476	98.5%	4,838	4,467	98.5%	4,863
F	1,675	98.5%	2,192	1,665	98.5%	2,160	1,662	98.5%	2,168
G	567	98.5%	761	560	98.5%	759	560	98.5%	744
H	58	98.5%	32	58	98.5%	31	59	98.5%	35
Totals	114,707		76,128	114,208		76,233	113,718		76,058
Plus adjustment for MOD Contribution			843			833			841
<b>TAX BASE TOTALS</b>			<u>77,271</u>			<u>77,066</u>			<u>76,899</u>

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# CITY COUNCIL

28 January 2013



## CABINET MINUTE 128 OF 15 JANUARY 2013

### SOCIAL FUND REPLACEMENT

The Director for People submitted a written report on a proposal for the introduction of a local Emergency and Welfare Fund to replace the national Social Fund (which supported people in extreme financial difficulty via grants and loans) in April 2013. The council was expected to run this scheme with a 28 per cent cut (£345,272) in the front line delivery budget imposed by the government.

A localised welfare assistance scheme would be designed and developed to replace the current community care grants' and crisis loans' schemes administered by the Department for Work and Pensions.

Following consultation on eight key principles, market testing and consideration by a Customer and Communities Overview and Scrutiny Panel task and finish group, a service model had been developed on how the scheme would operate and address some key delivery and implementation issues arising from the principles including budget management, limiting awards, eligibility criteria, procurement of goods and services, administration arrangements, whether to have a loans or grants system and an appeals process.

The Chair, in the absence of Councillor Penberthy (Cabinet Member for Cooperatives and Community Development), introduced the report and the Head of Safer Communities presented the proposals.

In response to questions, Cabinet Members were informed that information had not been forthcoming from the Department for Work and Pensions on the details of grants and loans previously allocated and were assured that the new team administering the scheme would be properly trained. Officers undertook to monitor the position and report to Cabinet Members periodically.

#### Alternative options considered and reasons for the decision –

As set out in the report.

#### The City Council is Recommended to –

- (1) establish a replacement for the Social Fund called the “Emergency and Welfare Fund” (EWF) to support people in extreme financial difficulty;
- (2) agree that the EWF is based on the following principles. It will -
  - be limited to Plymouth residents only;
  - deliver goods and services from wherever is most appropriate;
  - spend the same amount of funding that the council are handed from government;

- broadly mirror the current Social Fund eligibility criteria (e.g. those on low income and without access to other forms of income);
  - provide crisis and welfare responses;
  - minimise the spend on administration of the scheme so the council gets as much of the government funding as possible to people in need;
  - provide goods, services and cash;
  - apply limits to the number of awards an individual can access;
- (3) ask the Customer and Communities Overview and Scrutiny Panel to review delivery of the EWF after six months of implementation and make any relevant recommendations. A further review to be undertaken at the end of the first year of implementation with recommendations made to Cabinet for any improvements in year two;
- (4) delegate authority to the Director for People, in consultation with the Cabinet Member for Cooperatives and Community Development and Director for Corporate Services, to make any changes to the EWF within the first year, which are consistent with the principles agreed, and necessary to ensure effective budget management and / or response to customers' needs;
- (5) adopt the service model (referred to in Appendix I to the report) for delivery of the EWF;
- (6) review, on an on-going basis, the potential for delivering some elements of the EWF via key partners (eg credit unions).

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*Note:*

*The full report in connection with this minute is available on the website*

*[www.plymouth.gov.uk/democracy](http://www.plymouth.gov.uk/democracy)*

*or by contacting Democratic Support on 01752 304867*



PLYMOUTH CITY COUNCIL

**Subject:** Social Fund replacement  
**Committee:** Cabinet  
**Date:** 15 January 2013  
**Cabinet Member:** Councillor Penberthy  
**CMT Member:** Carole Burgoyne (Director for People)  
**Author:** Darin Halifax (Community Cohesion Coordinator)  
**Contact:** Tel: 01752 305446  
email: Darin.Halifax@plymouth.gov.uk  
**Ref:**  
**Key Decision:** Yes  
**Part:** 1

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**Purpose of the report:**

This report makes recommendations for the introduction of a local Emergency and Welfare Fund to replace the national Social Fund in April 2013. We are expected to run this scheme with a 28% cut (£345,272) in the front line delivery budget imposed by the government, which is equivalent to 5,114 less people being able to get a crisis payment at the average award level.

The Social Fund is a multi-faceted scheme that currently supports people in extreme financial difficulty via grants and loans. People currently accessing the scheme do so for a variety of reasons including lost or stolen money, experiencing a fire or flood, replacement of key household goods or support for moving out of institutional care.

Two parts of the Social Fund will be administered by us from April 2013. Local Authorities will be handed funding to design and develop a localised welfare assistance scheme to replace the current Community Care Grants and Crisis Loans schemes administered by the Department for Work and Pensions (DWP).

We have been planning as far as possible for the changes ahead. This includes extensive consultation on 8 key principles, and market testing in order to develop an effective and workable model for the new scheme. It has also been the subject of a Customer and Communities Overview and Scrutiny Panel task and finish group.

A service model has been developed, based on these 8 key principles. This describes how the scheme will operate and addresses some key delivery and implementation issues arising from the principles including budget management, limiting awards, eligibility criteria, procurement of goods and services, administration arrangements, whether to have a loans or grants system and an appeals process

This report recommends implementation of a scheme which can be reviewed and refined in the light of operational experience and longer term opportunities.

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**Corporate Plan 2012-2015:**

The Corporate Plan sets out some key components of a Co-operative Council. These include devolving power to communities, supporting greater engagement, influence over service design and delivery and the

transfer of ownership of assets and services. In order to achieve this, we will need to support more social enterprises, strengthen the community and voluntary sector, build up community funds and ensure strong staff engagement. The Co-operative approach can be summarised as engaging with customers and other stakeholders over the city's key priorities, enabling the co-design of the most appropriate services to ensure that we can deliver in the way that best meets the needs of our communities. This report contributes to the aims of Plymouth City Council as a Co-operative Council as it supports the aims of:

- Building up community funds
- Enabling the co design of the most appropriate services.

In addition, the new service will support the following priorities within the Corporate Plan 2012-2015.

- Reducing inequality - by providing access to financial support for those who find themselves in situations that lead to crisis or compromises of their health, safety and welfare.
- Providing value for communities - by aligning discretionary financial services to maximise efficiency and ensure the right level of resources go to customers according to need.

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

In August 2012, we were informed by the DWP of an indicative amount that we would get for 2013/14. In December 2012, this amount was confirmed as an un-ring fenced grant of £1,064,046. Of this sum DWP guidelines estimate that up to £185,618 (17% of the total budget) is required for administering the scheme. This leaves £878,428 for the scheme itself. This represents a front line delivery budget cut of 28% from the amount DWP spent in Plymouth during 2010/11.

However, we believe we can administer the budget much more efficiently than what is being suggested by the government and anticipate that our administration budget will be approximately £80,000, (7.5% of the total budget). This means that we can put an additional estimated £105,618 into front line service delivery making the total available for this fund £984,046. Minimising our administration budget in this way will ensure that despite a large cut from national government, we will aim to minimise the impact on vulnerable people in Plymouth.

However, if the scheme does not fully meet need, there is a risk of “knock-on” impact in terms of demands on other council budgets e.g. children's social care section 17 and community safety budgets.

In 2014/15 the indicative amount available for the whole scheme including administration will be cut from £1,064,046 to £1,048,567. The DWP recently announced that their Social Fund awards for 2011/12 had reduced by about 21% over the previous year. There is, therefore, a risk that from 2014/15, the amount of funding for the scheme itself will also be further cut by the government, in line with this, forcing us to make difficult decisions on how we meet the needs of vulnerable people. There is no guarantee of any funding after this.

Administration costs include staffing requirements for administration and assessment, ICT demands, accommodation and management of staff, and training.

This is a needs-led service so there is a risk of expenditure outstripping the budget. Receiving a 28% cut in funding from the amount spent in 2010/11 at a time when we can expect an increase in demand, brings additional risks and could cause hardship for the most vulnerable people in Plymouth. This has been carefully considered in relation to the limited information available about previous demands on the Social Fund and recommendations to control expenditure are made including limits on awards, measures to address underlying causes, monitoring, redirection of administration funding, and an ability to amend the scheme if required.

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

- Child Poverty – the limited nature of the fund means that we are unlikely to be able to meet the needs of all families living in poverty.
  - Community Safety – if people are unable to access the scheme due to the decreased budget available, this may lead to an increase in crime.
  - Health and Safety – the new scheme is designed to mitigate the potentially escalating health, safety and welfare issues faced by people experiencing unavoidable crisis or situations where they need specific support.
  - Equality, Diversity and Community Cohesion – An Equality Impact Assessment (EIA) has been completed to assess the risk of differential impact on people with protected characteristics. See appendix 4.
- 

**Recommendations and reasons for recommended action:**

It is recommended that:-

1. Plymouth City Council establishes a replacement for the Social Fund called the “Emergency and Welfare Fund” (EWF) to support people in extreme financial difficulty.
2. The EWF is based on the following principles. It will:-
  - Be limited to Plymouth residents only.
  - Deliver goods and services from wherever is most appropriate.
  - Spend the same amount of funding that we are handed from Government.
  - Broadly mirror the current Social Fund eligibility criteria (e.g. those on low income and without access to other forms of income).
  - Provide crisis and welfare responses.
  - Minimise the spend on administration of the scheme so we get as much of the Government funding as possible to people in need.
  - Provide goods, services and cash.
  - Apply limits to the number of awards an individual can access.
3. The Customer and Communities Overview and Scrutiny Panel (CCOSP) be asked to review delivery of the EWF after 6 months of implementation and make any relevant recommendations. A further review to be undertaken at the end of the first year of implementation with recommendations made to Cabinet for any improvements in year two.
4. Authority is delegated to the Director for People, in consultation with the Cabinet Member for Cooperatives and Community Development and Director for Corporate Services, to make any changes to the EWF within the first year, which are consistent with the principles agreed, and necessary to ensure effective budget management and / or response to customers’ needs.
5. The Service Model (Please see Appendix I) is adopted for delivery of the EWF.
6. The potential for delivering some elements of the EWF via key partners (e.g. credit unions,) is reviewed on an on-going basis.

These recommendations aim to set clear principles for our scheme, provide a service model for implementation and build flexibility into the scheme to manage risk.

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

Alternative options and conclusions can be found within the attached report in paragraph 2.2. They include:-

- Sharing a scheme with other local authorities
- Administering the EWF externally
- Procuring second hand white goods and furniture
- Spending more or less than we are given by Government
- Creating new eligibility criteria
- Delivering a voucher based scheme
- Delivering a loan based scheme
- Limiting awards other than by maintaining payment levels and reducing number of awards.

A further option would be to run no scheme at all. This would pose serious risks to vulnerable people at a time of significant and growing need.

**Background papers:**

Appendix 1 - Service Model (attached)

Appendix 2 - The 8 principles

Appendix 3 - Social Fund Consultation

Appendix 4 – Equalities Impact Assessment

Appendix 5 - Customer and Communities Overview and Scrutiny Panel Task and Finish report

**Sign off:**

Fin	HCI 213 003/ CD R/12 .12.1 2	Leg	1624 9/DV S.	HR		Corp Prop		IT	mc1 213. 022	StratPro c	JK/S PU/ CA/3 04/1 212
Originating SMT Member: Stuart Palmer											
Have you consulted the Cabinet Member(s) named on the report? Yes											

## Social Fund Replacement scheme – Report

### I. Introduction

I.1 The Social Fund is a multi-faceted scheme that currently supports people in extreme financial difficulty via grants and loans. People currently accessing the scheme do so for a variety of reasons including lost or stolen money, experiencing a fire or flood, replacement of key household goods or support for moving of institutional care.

I.2 Two parts of the Social Fund will be administered by us from April 2013. Local Authorities will be handed funding to design and develop a localised welfare assistance scheme to replace the current Community Care Grants and Crisis Loans schemes administered by the Department for Work and Pensions (DWP). In August 2012, we were informed by the DWP of an indicative amount that we would get for 2013/14. In December 2012, this amount was confirmed as an un-ring fenced grant of £1,064,046. Of this sum DWP guidelines estimate that up to £185,618 (17% of the total budget) is required for administering the scheme. This leaves £878,428 for the scheme itself and represents a front line delivery budget cut of 28% (£345,272) from the amount DWP spent in Plymouth during 2010/11. This is equivalent to 5,114 less people being able to get a crisis payment at the average award level.

I.3 However, we believe we can administer the budget much more efficiently than what is being suggested by the government and anticipate that our administration budget will be approximately £80,000, (7.5% of the total budget). This means that we can put an additional estimated £105,618 into front line service delivery making the total available for this fund £984,046. Minimising our administration budget in this way will ensure that despite a large cut from national government, we will aim to minimise the impact on vulnerable people in Plymouth.

I.4 In 2014/15 the indicative amount available for the whole scheme including administration will be cut from £1,064,046 to £1,048,567. The DWP recently announced that their Social Fund awards for 2011/12 had reduced by about 21% over the previous year. There is, therefore, a risk that from 2014/15, the amount of funding for the scheme itself will also be further cut by the government, in line with this, forcing us to make difficult decisions on how we meet the needs of vulnerable people. There is no guarantee of any funding after this.

I.5 We have received very little information from DWP regarding the Social Fund as a whole. A recent request to the Minister has been successful in securing some data. However it is not complete. This has had an impact on our ability to fine tune our service model and it is expected that we will learn more from our experience of delivering the service in the first six to twelve months. The lack of detailed data about the current Social Fund, includes:-

- Full demographics, social situation and needs of applicants and awardees
- The goods/items awarded cash under crisis loans by the DWP
- Administration costs
- Confirmed funding levels for 2013/14
- The number of awards per individual.

This means our proposals have been developed based on limited information.

I.6 During September/October 2012, we undertook extensive public consultation on 8 key principles for the development of an Emergency and Welfare Fund (EWF) and ran focus groups for local professionals (see appendix 3 for the full consultation report). The principles we asked about were,

- Limiting the scheme to Plymouth residents
- Delivering the awarded support from the most appropriate location
- Limiting the amount of spend to the amount of funding we receive from Government
- Eligibility based on benefit entitlement and/or low income
- Providing crisis and welfare responses
- Minimising administration costs and administering from PCC
- Providing goods and services not cash
- Limiting awards.

1.7 The principles were also taken to a Customer and Communities Overview and Scrutiny Panel (CCOSP) task and finish group in October 2012 (see appendix 5 for the full report). Feedback from consultation and scrutiny generally demonstrated a high level of support for these principles (see appendix 2 – The Eight Principles). However there remained some important issues to address with regards to exactly how the EWF should be shaped and implemented, which pose risks to the delivery of an effective scheme from April 2013. The key causes for concern were:-

- How can we effectively manage the budget whilst meeting need? (This is addressed in paragraph 3 in this report).
- What criteria will we use to apply limits to awards? (This is addressed in paragraph 4 in this report).
- How can we procure goods and services within the tight timescales? (This is addressed in paragraph 4 in this report).
- Do we implement a loans system, a grants system or a hybrid? (This is addressed in paragraph 4 in this report)

1.8 Consultation results show 83% of people were in agreement with the 8 key principles proposed to underpin the development of our localised scheme. The CCOSP task and finish group also broadly endorsed these principles and made a number of recommendations to support the effective development of a scheme.

## **2. Scrutiny**

2.1 The Overview and Scrutiny Management Board (OSMB) broadly endorsed the principles and made recommendations (see appendix 5 for full report) including:-

- Plymouth City Council (PCC) to hold the budget
- PCC to administer EWF via our Revenues and Benefits Service
- Rent advances to be excluded from provision
- Cheapest new goods (furniture and white goods) supplied
- PCC develop the capability to offer and charge for utility pre-payment keys/cards
- Limit emergency/crisis payments to one in any 12 month period with subsequent applications to be reviewed on a needs basis
- Application reviews to be carried out by a senior officer within the Revenues and Benefits Service
- Reviewing the capacity of food banks, credit unions and second hand furniture outlets to be key service partners during 2013/14.

2.2 OSMB also recommended that vouchers should be provided for food from a selection of retailers. This has been given careful consideration. However, other cooperative councils are delivering a cash scheme for food (e.g. Lambeth and Liverpool Councils) as there is concern that vouchers removes choice, can cause stigma and restricts the opportunities to shop at different outlets at the same time i.e. the voucher must be spent in the same shop with no change given. Therefore a cash provision is the preferred option.

2.3 The proposals in this report incorporate all these recommendations. In addition, the OSMB considered the following options which it recommended should not be taken forward.

- **Sharing a scheme with other local authorities.** Achieving this would be very challenging due to the time available, and would potentially limit delivery options because of the unique urban nature of financial inclusion in Plymouth as compared with neighbouring authorities.
- **Administering the EWF externally.** This would mean less control over the scheme and budget and would not allow us to minimise the cost of the administration of the scheme.
- **Procuring second hand white goods and furniture.** This was the subject of a “soft market test”. The response was minimal and further investigation as part of the scrutiny process has confirmed that the second hand furniture sector, food banks and the community and voluntary sector are not able to provide appropriate delivery in time for the start of the scheme in April 2013.
- **Spending more than we are given by Government.** In view of the mounting pressure on the Council’s budget, this was not considered viable. Spending less than our allocated fund is also considered inappropriate because of increasing demand for such a scheme arising from the economic climate and welfare reform agenda.
- **Creating new eligibility criteria.** This is felt to be unnecessary and would be a complex process. The current eligibility criteria are understood by stakeholders in the city. Due to the time, cost and capacity of PCC to develop, test and implement new eligibility criteria, with limited data from DWP about current use of the Social Fund, it would be difficult to know whether any new criteria would successfully help prevent escalation of the crisis. This could however, be further considered after experience of implementation.
- **Delivering a cash based scheme.** This would increase the opportunities for potential abuse. By delivering a system offering goods and services, we can respond directly to identified needs of vulnerable people in crisis. e.g. via provision of charging up electricity and gas key meters. A provision for cash as a last resort is however considered sensible.
- **Delivering a loan based scheme.** This would be difficult and costly to administer at the present time. The average amount of a crisis loan in Plymouth is £67.51 and the cost of recovery is likely to outstrip the amount we are recovering. This would also be contrary to the principle of minimising administration costs. However, we will be working closely with voluntary and community sector partners to see if an alternative loan model could be introduced during 2013/14.
- **Limiting awards other than by maintaining payment levels and reducing number of awards.** This would mean one of both of the following.
  - Maintaining the number of awards and reducing payment levels. If this reflected the 28% reduction in funding, this would mean a reduction of a crisis loan payment to an average of £48.60 (£18.91 less than 2010/11). This would be unlikely to meet the full cost of the item/goods required, leaving the applicant unable to resolve their crisis.
  - Apply limits via targeting. This could include limiting awards to the most deprived neighbourhoods in the city and /or prioritising customers already engaged with certain interventions. This is felt to be too risky because welfare reform will impact many people outside of our most deprived neighbourhoods and customers in existing schemes are already receiving targeted support. This would therefore mean turning away some people with significant unmet need.

2.4 With the exception of delivering a cash based scheme, all these recommendations are accepted. As outlined in para 2.2, there are considered to be significant benefits of a cash-based scheme which outweigh disadvantages and vouchers would not guarantee prevention of abuse.

### 3. Managing the budget

3.1 This is a needs-led service so there is a risk of expenditure outstripping the budget. Receiving a 28% cut in funding from the amount spent in 2010/11 at a time when we can expect an increase in demand, brings additional risks and could cause hardship for the most vulnerable people in Plymouth. This has been carefully considered in relation to the limited information available about previous demands on the Social Fund.

3.2 Information regarding the volume of applications and awards from the DWP indicates that in 2011/12, as part of a planned cuts programme, it received 17% less applications and made 21% less awards than in 2010/11 (see table below). Assuming a similar picture next year, we can expect 9,500 applications and to award 6,410 of those in our first year

	<b>Crisis Loans</b>	<b>Community Care Grants</b>	<b>Total</b>	<b>% awarded</b>
2010/11 applications	8610	2850	11,460	
2010/11 awards	6770	1400	8170	71%
2011/12 applications	6820	2680	9500	
2011/12 awards	5340	1070	6410	67%

3.3 Again, based on last year's figures, we can expect a breakdown of awards as follows:-

Community Care grants: 1,070 awards @ an average of £592.80 = £634,296 for the year (64%)

Crisis payments: 5,340 awards @ average of £67.51 = £360,503 for the year (36%)

Total awards for the year: £994,799

3.4 Despite delivering significant efficiencies in administration, this total just exceeds the estimated front line budget available to us (£984,046) after anticipated administration costs. We are also expecting additional demand due to other government cuts e.g. welfare reform and the impact this will have on our most vulnerable people. In addition, this level reflects a national scheme which provides an unlimited number of Community Care Grants and up to three crisis loans per year. We therefore need to limit the scheme; but this is problematic because we do not have figures for the number of claims awarded per individual.

3.5 Although Community Care grants form 64% of the budget, the implications of limiting these, for example delaying moves out of institutional care, could be counter-productive for wider council priorities, budgets and early intervention. It would mean limiting the actual number or level of awards which could lead to some individuals being turned away altogether or given insufficient funds to support a move. It is therefore proposed that we limit crisis payments to two per individual a year. Although it is not known how much this will reduce projected expenditure by (given that the current limit is three) it provides a measure of budget control. Other controls include: monitoring, redirection of administration funding, measures to address underlying causes, and an ability to amend the scheme if required.

3.6 We have also considered the fact that we will not be operating a loan system when we launch the EWF in April 2013, and this may be seen as more generous and therefore more attractive than a repayable loan. This is another reason why we need to apply limits to the EWF.

3.7 A weekly budget monitoring exercise will be overseen by the manager of the delivery team so that the impact of any limits can be taken into account and if spending shows significant difference from that projected, the issue will be escalated for investigation. Trends from DWP show us when the peaks/troughs are currently experienced. If we convert this data to the amount the DWP expects us to spend on the EWF, our monthly spend trigger points will be as follows (the actual amount available each month will be slightly higher due to administration efficiency savings outlined below).



Month (2011/12)	% of annual spend (2011/12)	Equivalent spend 2013/14 <sup>1</sup>	Month (2011/12)	% of annual spend (2011/12)	Equivalent spend 2013/14
April	7.5	£65,882	October	8	£70,274
May	9.1	£79,936	November	8.6	£75,544
June	8.8	£77,301	December	6.8	£59,740
July	8.7	£76,423	January	8.4	£73,787
August	8.3	£72,909	February	8.6	£75,544
September	8.6	£75,544	March	8.6	£75,544

3.8 We estimate that we can administer the EWF for £80,000 (7.5% of the funding) per annum i.e. much less than the £185,618 (17%) being suggested by the government. This will pay for two FTE officers, administration, ICT demands, accommodation and training. The EWF will be administered within a team of officers (4 officers and a Team Leader) based in the Revenues and Benefits service with wider responsibility for the administration and monitoring of other discretionary funds, such as the Council Tax Support Vulnerability Fund and Discretionary Housing Payment Fund (DHP). They will carry out benefit health checks with customers, and be responsible for signposting customers, where required, to relevant welfare and money advice agencies.

3.9 The estimated £105,000 savings through administration efficiencies will go into the EWF for the benefit of vulnerable customers.

3.10 Information on further measures to help manage the budget i.e. to address underlying causes of problems, and an ability to amend the scheme if required, can be found in 5.4 and the recommendations respectively. It must be stressed however, that there remains risks that in managing the EWF budget, we will not fully meet need, and therefore create a “knock-on” impact in terms of demands on other council budgets and discretionary funds e.g. children’s social care section 17 and community safety budgets.

#### **4. Service Model and the 8 principles**

4.1 Given the level of support for the principles and taking into account both the consultation responses and the recommendations from OSMB, a service model has been designed to enable the EWF to operate from 1/4/13 (please see Appendix 1).

4.2 We will meet the requirements of the agreed principles in the following ways.

- **Limiting the scheme to Plymouth residents**

The scheme will be limited to Plymouth residents. Residency will be established using the various systems we already have access to including Council Tax details. Residency for homeless people will be established via contact with professionals in housing and the voluntary and community sector.

- **Delivering the awarded support from the most appropriate location**

The EWF will be administered and assessed by a team of discretionary fund assessors based in the Revenues and Benefits department.

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- **Limiting the amount of spend to the amount of funding we receive from Government**

We will spend the same amount of funding as we receive from Government. Because of mounting pressure on the Council's budget, it was not considered viable to increase the fund. However, spending less is also considered inappropriate because of increasing demand arising from the economic climate and welfare reform agenda. We will also ensure that we deliver the scheme on an administration budget that is appreciably less than that anticipated by the DWP (i.e. 7.5% compared to 17.%)

- **Eligibility based on benefit entitlement and/or low income**

Eligibility will be based on the amount of disposable income the applicant has available to them in the given situation. This will require an assessment of incomings and outgoings and will be delivered alongside advice on minimising outgoings and prioritising debts in the short-medium term. When assessing the priority of the application, indicators such as vulnerability (under our statutory duties), the type and cause of the crisis and the potential impact of the intervention to relieve the situation will all be taken into account.

- **Providing crisis and welfare responses**

Where an individual or a family has no availability to other sources of support, the EWF will consider applications for the following items under a crisis response:

- Food – based on number in household and number of days support is required
- Utilities – to include consideration of emergency and debt payments on a meter
- Emergency travel – e.g. if stranded away from home
- Provision of household goods where urgently required.

Other items/services may be considered on application, dependent upon pressing need.

The response will be limited to a *maximum* of 14 days provision and two crisis payments per year. Anyone claiming a second crisis payment during the year will be required to show evidence, as appropriate, of efforts to address their situation.

An assessment will be carried out to define the food/utility needs of a household based on the number of dependants and the number of days for which the support is required. The calculation will be based on the following household sizes and the number of days the food and/or utilities are required. The amounts quoted are based on the Citizens Advice Bureau's Common Financial Statement household expenditure figures less 25%. The Common Financial Statement is the calculation used to establish how much a household can offer to creditors when they are struggling to pay debts. A 25% reduction in this figure would enable us to assist more people, manage the overall budget and reflect the short term nature of a crisis payment.

For food, the calculations are as follows:-

Household type

- Single person - £7.50 per day
- Couple - £12.75 per day
- Family with 1 child - £15.00 per day
- Family with 2/3 children - £19.50
- Family with 4/5 children - £24.00
- Family with 6+ children - £26.25

In the case of utilities, we will consider covering the cost up to and including a maximum of 14 days cover, based on the applicant's daily usage. This will be available in a variety of ways including,

- Requesting the customer to provide their latest amenity bill if they have one
- Calling the appropriate utility company to request the anticipated daily spend
- The team leader making a decision on the amount awarded if the above options are not available.

The EWF will consider applications where an individual requires support to furnish a home or replace white goods/furniture. All items will be considered on application, dependent upon need, vulnerability, urgency and the impact the intervention will have in terms of resolving the situation.

Where the applicant is not in crisis, the EWF will consider applications for the following reasons e.g.

- Someone moving out of institutional care or residential care
- Someone needing help to stay in their own home
- An individual that has had an unsettled way of life and a recognised organisation is resettling them
- Someone needing help because a prisoner or young offender is going to be living with them while they are on release on a temporary license.

These criteria will be used and anything that does not meet them will be deemed to be a crisis payment and subjected to a maximum of two payments per year.

### • **Minimising administration costs and administering from PCC**

As previously mentioned, we will also ensure that we deliver the scheme on an administration budget that is appreciably less than that anticipated by the DWP (i.e. 7.5% compared to 17%). In order to minimise costs, administration will be from our own revenues and benefits department, drawing on the experience of our staff who already administer discretionary pots for financial hardship. In this way we can combine administration and assistance of several discretionary pots to provide consistency and value for money. We will transfer any surplus admin budget into EWF front line service delivery. Any case reviews/complaints will be handled internally by the manager of the assessment team to further minimise administration costs.

### • **Providing goods and services and cash**

Our EWS will provide cash as a standard response to a crisis. Goods provided under the non-crisis criteria will be new, at most competitive rates available: Cash will be considered only in cases where these goods or services cannot be delivered to the applicant through other routes.

In September 2012, we carried out a soft market test to establish the capability of different providers including those in the Voluntary and Community Sector (VCS) to provide goods and services under the EWF. The response was minimal and further evidence taken at the Customer and Communities Overview and Scrutiny Panel task and finish group raised issues with the VCS becoming involved in the scheme at this stage.

Work will be undertaken with relevant partners, retailers and the VCS between April and September 2013 to identify their capacity and willingness to become involved by year 2. Engagement will include (but not be limited to):

- Credit Unions
- Second hand/furniture re-use
- Food banks
- Charity shops.

Any work undertaken with these partners will have to take into account the fact that the government has only committed to two years funding.

### • **Limiting awards**

The OSMB has recommended that awards are limited to one per person/household with additional applications taken on a case by case basis. Taking this into account and given the limitations of the budget, eligibility for crisis payments will be limited to a maximum of two applications per person/household subject to any new and significant factors since the previous application. Applicants who have regular issues e.g. loss/theft of moneys and have not taken recommended action to prevent reoccurrence, should not generally be awarded a second award within a year, unless vulnerability is considered an overriding factor. Applications for non-crisis needs are not limited under the EWF and will be judged on merit.

## **5. Other key issues**

### **5.1 Information Technology**

The IT system for the EWF will be integrated with the system for other discretionary pots, allowing instant access to individuals' record of claims, and allowing comparisons to be made. Installation, testing and staff training can take place in the early part of 2013

### **5.2 Accessing goods**

We will encourage the majority of requests to come via the telephone. Claims will also be possible via the internet and face to face requests at the Civic Centre. Initial details to assess an application will be taken via these methods. Advertising and promotional activities will be designed to target the more vulnerable members of our communities. Individuals and representatives/advocates will be able to support this process with the consent of the applicant. Once all necessary evidence is provided, claims will generally be processed within the following timescales (Monday to Friday except bank holidays 9am - 4.30pm)

- Crisis applications (e.g. food) – processed within one hour and advised via the same route as their claim was made
- Non-crisis applications (e.g. furniture) – processed within 3-10 working days.

See also para 5.5.

### **5.3 Loans or grants**

Applicants who receive goods and services will receive these as a grant. Given the short period of time we have to implement the EWF, we believe it is not cost effective for us to chase repayment. The average crisis loan award in 2010/11 was £67.51 and we estimate it could cost us 5 times this amount to recover the monies.

5.3.1 Work is ongoing to develop the city's credit unions with a view to them becoming partners in our delivery of the EWF. There is potential that we will ask them to deliver parts of the EWF as a loan. This would enable the money to be re-cycled and reused. This will be reviewed quarterly from April 2013 to establish the potential for this partnership work to happen.

### **5.4 Supporting the customer**

A core aspect of the EWF is that it will offer support to the customer through information, signposting and referrals to other organisations. This may include accessing advice on:-

- Debt
- Income maximisation/Budgeting
- Alcohol/drugs
- Healthy eating
- Work skills
- Family intervention/support
- Housing/homelessness support
- Domestic Abuse.

5.4.1 There will be an expectation that the applicant would 'help themselves' where possible in terms of improving their situation in the short to medium term and minimising potential for repeat claims. The recommended course of action will be recorded and evidence that they have made efforts to improve the situation will be requested, as appropriate, if that applicant needs to make a second claim within a year.

### **5.5 Out of hours service**

Currently the DWP runs a Social Fund out of hours service whereby people in need can be referred to a telephone answer service either by the police or a social worker. Assistance is then delivered in the form of cash. Investigations are currently underway with our own out of hours service to establish their capacity to deliver a similar type of service to respond to a crisis need. This response is likely to include only food and utilities and the applicant would be required to attend the Civic Centre during office hours should they require support other than food/utilities. Key areas for investigation into the development of any out of hours service will be staff capacity, cost and some assessment of the volumes we might expect. We anticipate that this piece of work will be completed by the end of January 2013.

### **5.6 Payments for rent in advance**

In line with recommendations from OSMB, payments for rent in advance are not eligible within the EWF, and will be administered through the DHP fund.

### **5.7 Complaints and case reviews**

There is no recourse to judicial review for discretionary decisions made under the localisation of the Social Fund. Customers will have the right to have their case decision reviewed and this will be carried out by a senior officer to the one that has made the initial assessment. Customers will have the right to make complaints to the ombudsman if they are concerned about the way the process has been carried out.

### **5.8 Monitoring and development**

A set of performance indicators will be collected and assessed at regular intervals. Finance and assessment times target will be monitored weekly to ensure control of the needs led budget and throughput of customers. Other monitoring e.g. around customers' characteristics, applications, awards, reviews, goods delivered and support plans delivered will be monitored monthly. A quarterly progress report will be offered to the Customer and Communities Overview and Scrutiny Panel with any urgent issues being escalated as they occur.

### **5.9 Risk Management**

An implementation risk management plan is being developed by staff in Revenues and Benefits. This will identify the largest risks to the successful implementation of the scheme by April 2013 and mitigating factors we will undertake to minimise these.

### **5.10 Conclusion**

The recommendations in this report aim to establish a scheme which can realistically be implemented from April 2013, to meet need, and which can be reviewed and refined in the light of operational experience and longer term opportunities.

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**SOCIAL FUND  
REPLACEMENT SCHEME –  
(EMERGENCY AND  
WELFARE FUND)  
SERVICE MODEL**

## **Social Fund Replacement – Proposed ‘Emergency and Welfare Fund’ Service Model**

### **1. Service model Proposal**

1.1 The Emergency and Welfare Fund (EWF) service model is based on 8 principles and reflects the views of the people and panels we consulted. It is work in progress and will be updated regularly to reflect the delivery process as it is monitored and reviewed against performance targets and budget pressures. The key service delivery principles will be integrated into the service model as follows:

### **2. Service delivery principles:**

#### **2.1. Limiting the amount of spend to the funding we receive from Government:**

The transferred budget for the fund is £1,064,046 including administration. Given that demand on the service is anticipated to rise, we will need to minimise administration costs in order to deliver within budget. Weekly budget forecasting and monitoring to agreed levels of spend will be essential – see para 5 below. Financial adjustments will be required if the spend shows significant differences from that projected. This will be the responsibility of the service manager who will escalate changes for investigation.

**2.2. Limiting the scheme to Plymouth residents:** Residency will be established using various existing systems within the council such as Council Tax details. Residency for homeless people will be established via contact with professionals in housing and the community and voluntary sector.

**2.3. Delivering the award from the most appropriate location:** The EWF will be administered by a team of officers (4 officers and a Team Leader) based in the Revenues and Benefits service with wider responsibility for the administration and monitoring of other discretionary funds, such as the Council Tax Support Vulnerability Fund and Discretionary Housing Payment Fund (DHP). They will carry out benefit health checks with customers, and be responsible for signposting customers, where required, to relevant welfare and money advice agencies.

2.3.1 We will encourage the majority of requests to come via the telephone. Claims will also be possible via the internet and face to face requests at the Civic Centre. Initial details to assess an application will be taken via these methods. Advertising and promotional activities will be designed to target the more vulnerable members of our communities.

**2.4. Eligibility based on benefit entitlement and/or low income:** An individual will make an application. Some applications will be in relation to one person i.e. the applicant. Others will be in relation to their families/households e.g. dependants like partners, children and people they care for, who in many cases maybe vulnerable for a range of reasons. In emergency situations, eligibility will be based on the amount of disposable income the applicant/household has available to them at the time they make an application. This requires an assessment of incomings and outgoings against the indicated emergency.

2.4.1. When assessing the eligibility of the application, indicators like vulnerability, the type and cause of the crisis and the potential impact of the intervention, will all be taken into account. Where we identify the need for advice and support about money management to prevent repeat applications, we will ensure that our offer of support is linked to an expectation of medium to longer term engagement by the individual/family with this.



**2.5. Providing crisis and welfare responses:** The EWF provides crisis and non-crisis support. Where an applicant is in crisis, and has no availability to other sources of support, the EWF will consider applications for the following items e.g.

- Food – based on number in household and number of days support required
- Utilities – to include consideration of emergency and debt payments on a meter
- Emergency travel – e.g. if stranded away from home
- Provision of household goods where urgently required.

2.5.1 Where the applicant is not in crisis, the EWF will consider applications for the following reasons e.g.

- Someone moving out of institutional care or residential care
- Someone needing help to stay in their own home
- An individual that has had an unsettled way of life and a recognised organisation is resettling them
- Someone needing help because a prisoner or young offender is going to be living with them while they are on release on a temporary license.

2.5.2 Other items/services may be considered on application, dependent upon pressing need. Payments for rent in advance are not eligible within the EWF, and will be administered through the DHP fund.

2.5.3. The response will be limited to a *maximum* of 14 days provision and two crisis payments per year. Anyone claiming a second crisis payment during the year, will be required to show evidence, as appropriate, of efforts to address their situation (see para 6).

2.5.4 For food, the awards will be made based on the criteria below. This will be subject to review and re-evaluation against economic data about food prices and the EWF's capacity.

Household type

- Single person - £7.50 per day
- Couple - £12.75 per day
- Family with 1 child - £15.00 per day
- Family with 2/3 children - £19.50
- Family with 4/5 children - £24.00
- Family with 6+ children - £26.25

2.5.5. In the case of utilities, we will consider covering the cost up to and including a maximum of 14 days cover, based on the applicant's daily usage. This will be done in a variety of ways including,

- Requesting the customer to provide their latest amenity bill if they have one
- Calling the appropriate utility company to request the anticipated daily spend
- The team manager making a decision on the amount awarded if the above options are not available.

**2.6 Minimising administration costs and administering from PCC:** Funding from the EWF will contribute to the running costs of the team described in 2.1. Any underspend of the administration fund would go back into the EWF for front line service delivery.

**2.7 Providing goods and services and cash:** Our EWS will provide cash as a standard response to a crisis. Goods provided under the non-crisis criteria will be new, at most competitive rates available: Cash will be considered only in cases where these goods or services cannot be delivered to the applicant through other routes.

**2.8 Limiting awards:** applications for non-crisis needs are not limited under the EWF and will be judged on merit subject to section 6. Eligibility for crisis payments is limited to two applications per person/household subject to section 6 and any new and significant factors since the previous application. Applicants who have regular issues e.g. loss/theft of moneys and have not taken recommended action to prevent reoccurrence, should not generally be awarded a second award within a year, unless vulnerability is considered an overriding factor.

### **3. Applying for assistance**

3.1. Applicants can make a claim via the routes outlined in 2.3.1. Individuals and representatives/advocates will be able to support this process with the consent of the applicant. Once all necessary evidence is provided, claims will generally be processed within the following timescales (Monday to Friday except bank holidays 9am - 4.30pm)

- Crisis applications (e.g. food) – processed within one hour and advised via the same route as their claim was made
- Non-crisis applications (e.g. furniture) – processed within 3-10 working days.

3.2 Customers may be required to attend the Civic Centre to collect their entitlement.

3.3 Unsuccessful applicants will be referred to other places where they may get support e.g. food banks, soup kitchens, charities etc.

3.4 For all non-crisis needs, such as white goods or furniture, and dependent on the circumstances, we would aim to process an application in 3-10 working days. Provision of goods/services will mainly be via a cash system. In some cases the officer may be able to order the goods directly online for the applicant and pay online. In other cases we will need to hand the cash to the applicant to enable them to purchase what they require. The amount awarded will depend on the market at the time and will include sale items where we are able to search online for the most competitive price.

### **4. Reviews against initial decision**

4.1 Applicants can ask to have the decision about their request reviewed. This will be carried out by a senior officer to the one that has made the initial assessment.

4.2 All requests for a review must be made within one working day of being given the decision. No review will be undertaken if the request is outside this time line. Senior officers will have the maximum of one working day to consider the appeal from the time it is submitted to giving the applicant the outcome.

4.3 Customers will have the right to make complaints to the ombudsman if they are concerned about the way the process has been carried out.

## 5. Managing the budget

5.1 A weekly budget monitoring exercise will be overseen by the manager of the team against the projected spending below. If spending shows significant difference from that projected, the issue will be escalated for investigation.

Month (2011/12)	% of annual spend (2011/12)	Equivalent spend 2013/14 <sup>1</sup>
April	7.5	£65,882
May	9.1	£79,936
June	8.8	£77,301
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November	8.6	£75,544
December	6.8	£59,740
January	8.4	£73,787
February	8.7	£75,544
March	8.7	£75,544

## 6. Supporting the customer

6.1 A core aspect of the EWF is that it will offer support to the customer through information, signposting and referrals to other organisations. This may include accessing advice on,

- Debt
- Income maximisation
- Budgeting
- Alcohol/drugs
- Healthy eating
- Work skills
- Family intervention/support
- Housing/homelessness support
- Domestic Abuse.

6.2 There will be an expectation that the applicant would 'help themselves' where possible in terms of improving their situation in the short to medium term and minimising potential for repeat claims. The recommended course of action will be recorded and evidence that they have made efforts to improve the situation will be requested, as appropriate, if that applicant needs to make a second claim within a year.

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<sup>1</sup> Based on indicative settlement figure of £878,428 – this may change when we hear more about the confirmed funding levels

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# CITY COUNCIL

28 January 2013



## CABINET MINUTES I30 AND I30a OF 15 JANUARY 2013

### MINUTE I30

#### ADOPTION OF NORTH PROSPECT AREA PLANNING STATEMENT

The Director for Place submitted a written report seeking formal adoption of the North Prospect Area Planning Statement (APS), to ensure that there was an up to date planning framework in place to manage the process of change in the area.

The Area Planning Statement was also submitted incorporating the findings of the previous studies, along with additional information, comments and advice from stakeholders and the public, arising from a six week public consultation exercise that ended on 10 October 2012. These were combined to create a strategy to guide the regeneration over the life of the project.

Councillor Vincent (Cabinet Member for Environment) presented the report.

In response to questions, Cabinet Members were advised that –

- officers would meet with ward representatives on some of the assumptions in the planning statement;
- a design code had been produced with Plymouth Community Homes;
- the phases of development would be different in design terms.

Alternative options considered and reasons for the decision –

As set out in the report.

Subject to the adoption of the planning statement, agreed to incorporate the principles of the Area Planning Statement into the Plymouth Plan which will be the subject of public consultation in 2013.

#### **Minute I30a**

#### **Adoption of North Prospect Area Planning Statement - Recommendation to the City Council**

Further to minute I30 above, the City Council is Recommended to adopt the North Prospect Area Planning Statement as interim planning guidance to be used in consideration of future development proposals in North Prospect.

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*Note:*

*The full report in connection with this minute is available on the website*

[www.plymouth.gov.uk/democracy](http://www.plymouth.gov.uk/democracy)

*or by contacting Democratic Support on 01752 304867*

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**PLYMOUTH CITY COUNCIL**

**Subject:** Adoption of North Prospect Area Planning Statement

**Committee:** Cabinet

**Date:** 15 January 2013

**Cabinet Member:** Councillor Vincent

**CMT Member:** Anthony Payne (Director for Place)

**Author:** David Taylor (Spatial Planning Coordinator)

**Contact:** Tel: 01752 304330  
Email: david.taylor@plymouth.gov.uk

**Ref:** DT

**Key Decision:** No

**Part:** I

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**Purpose of the report:**

The report seeks to secure the formal adoption of the North Prospect Area Planning Statement (APS), to ensure that there is an up to date planning framework in place to manage the process of change in the area.

A large part of North Prospect is the subject of a substantial phased regeneration programme consisting of the demolition and redevelopment of large areas of housing, and refurbishment of other areas. Plymouth Community Homes (PCH) who own most of the housing in North Prospect has previously commissioned consultants to prepare documents to act as development guidelines for the area. Whilst these documents have been prepared in consultation with the public and interested parties they have no formal planning status and therefore can only be given very limited weight in guiding future development, or in the determination of planning applications. A workshop of stakeholders was held in February 2012, and amongst other matters it considered a range of options which would have some formal status and would help to help guide future development in North Prospect. It was agreed that in advance of the preparation of the Plymouth Plan that an Interim Planning Statement, now referred to as an Area Planning Statement, should be prepared for adoption by the City Council

The APS is attached as an Appendix to this report and incorporates the findings of the previous studies, along with additional information, comments and advice from stakeholders and the public, arising from a six week public consultation exercise that ended on 10 October 2012. It combines these sources to create a strategy to guide the regeneration over the life of the project.

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**Corporate Plan 2012-2015:**

The report directly supports the Council's vision for the city as well as its priority for delivering sustainable growth. It directly responds to the new Corporate Plan proposal to prepare the Plymouth Plan.

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**Implications for Medium Term Financial Plan and Resource Implications:**

**Including finance, human, IT and land**

There are no direct financial implications associated with the report other than minor costs of publication which can be met from the Place Department revenue budget.

If adopted as a material planning consideration, the document will provide a framework for the negotiation of planning obligations to ensure that community facilities and essential infrastructure is provided for, without which there will be financial pressures related to capacity shortfalls. It will also result in savings in officer's time in negotiating future development proposals.

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

This decision supports the implementation of policies contained within the adopted Core Strategy.

It will assist in increasing the number of new homes, and improve the existing housing stock.

New and improved housing will have positive health benefits

Local employment opportunities will reduce worklessness and help to reduce child poverty.

It will help to reduce health inequalities and worklessness.

It will assist in timely planning for infrastructure and community facilities.

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**Recommendations and Reasons for recommended action:**

It is recommended that the Cabinet:

1. Recommend to full Council that the North Prospect Area Planning Statement be adopted as interim planning guidance to be used in consideration of future development proposals in North Prospect.

**Reason:**

To assist in the consideration of future development proposals in North Prospect in the absence of other formal planning guidance on future development of the area.

2. Incorporate the principles of the APS into the Plymouth Plan which will be subject of public consultation in 2013.

**Reason:**

In order that the guidelines are accorded greater weight by their incorporation into a statutory planning document



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

Not to have any planning guidance over the lifetime of the regeneration project (which could run beyond 2020) could result in uncoordinated development and uncertainty for existing and future residents. In addition it would make planning provision of local services and facilities more difficult, and runs the risk of not achieving maximum benefits for local communities

At a workshop with PCH and other stakeholders in early 2012, eight options for the provision of strategic guidance were considered

- 1- Do nothing and consider each application in isolation
- 2- Use PCH Masterplan
- 3- An Area Action Plan
- 4- A Neighbourhood Plan
- 5- A Supplementary Planning Document
- 6- An Area Planning Statement (Interim Planning Statement)
- 7- Design Statement
- 8- Site Planning Statement

Points for and against each option were considered and the Interim Planning Guidance route, now re named Area Planning Statement (APS), was agreed upon as being the most appropriate way to deliver guidance which would have some planning status in advance of the production of the Plymouth Plan

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**Background papers:**

Adopted Plymouth Core Strategy, the City Council (April 2007).

<http://www.plymouth.gov.uk/homepage/environmentandplanning/planning/planningpolicy/ldf/ldfcoresstrategy/csadoption.htm>

Development Guidelines SPD, the City Council (April 2010).

[http://www.plymouth.gov.uk/dev\\_guidelines\\_spd\\_first\\_review\\_consultation\\_draft.pdf](http://www.plymouth.gov.uk/dev_guidelines_spd_first_review_consultation_draft.pdf)

Planning Obligations and Affordable Housing SPD Second Review the City Council ( July 2012).

<http://www.plymouth.gov.uk/mgInternet/documents/s39890/Local%20Development%20Framework%20Adoption%20of%20Planning%20Obligations%20and%20Affordable%20Housing%20Supplementary%20Planning%20Document,%2012072012%20Ca>

Sustainable Neighbourhoods Assessment, the City Council (November 2005)

<http://www.plymouth.gov.uk/homepage/environmentandplanning/planning/planningpolicy/ldf/ldfbackgroundreports/brsustainableneighbourhoodassessments/hamsna.htm>

Neighbourhood Pamphlets the City Council- consultation Version 2010

[http://www.plymouth.gov.uk/north\\_prospect\\_leaflet.pdf](http://www.plymouth.gov.uk/north_prospect_leaflet.pdf)

North Prospect Design Code (Levitt Bernstein) 2012

<http://www.plymouthcommunityhomes.co.uk/wp-content/uploads/2012/08/Design-Code.pdf>

North Prospect Spatial Strategy (Levitt Bernstein) 2010

<http://www.plymouthcommunityhomes.co.uk/wp-content/uploads/2012/08/Spatial-Strategy.pdf>

Summary of responses to the consultation on the Area Planning Statement.

<http://www.plymouth.gov.uk/homepage/environmentandplanning/planning/planningpolicy/ldf/northprospectaps.htm>

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**Sign off:**

Fin	PCPLACEF PCI213 011 06,12,12.	Leg	JAR/16278 TH0067	HR	n/a	Corp Prop	n/a	IT	n/a	Strat	n/a
Originating SMT Member: Paul Barnard Assistant Director for Planning											
Have you consulted the Cabinet Member(s) named on the report? Yes											

## **I. Background**

- I.1 The present North Prospect Estate was built between the 1920's and 1950's along garden city principles, and is mainly comprised of semi-detached homes with generous gardens. When it was first built the area was known as Swilly, and was the first new build housing by the City Council, following The Housing and Town Planning, Act 1919. This Act was passed to allow the building of new houses under the banner of "Homes for Heroes" after the First World War. This marked the start of state-owned housing, which would much later evolve into Council Estates.
- I.2 Until the 1950s, the area was described as prosperous, but subsequently suffered a downturn in fortunes. This led to a re-branding, and the area was renamed as North Prospect in 1969. The area's fortunes continued to decline throughout the 1980s and 1990s leading to a realisation that major intervention would be required to address the social problems, and the physical deterioration of the housing stock
- I.3 In 2009, the Homes and Communities Agency and the City Council conducted an objective setting workshop which was followed by a scoping study report by consultants Levitt Bernstein and a business plan by Savills. The study undertook a review of the existing housing stock to assess the condition of the homes, and the extent of intervention that would be necessary to bring them up to an acceptable standard.
- I.4 More than 400 homes in North Prospect have now been surveyed. Of these 90% are showing signs of major structural problems. This has led to a strategy incorporating both rebuild and refurbishment. Approximately 800 homes will be demolished, with around 1,200 new homes going up in their place. In addition, a total of 300 properties owned by Plymouth Community Homes will be refurbished. More than 300 owner occupiers will also have the option of joining the refurbishment scheme.
- I.5 In 2009 The City Council transferred all of its social housing stock to the newly formed Plymouth Community Homes, who are now leading on the regeneration of the area. Following on from this a more detailed North Prospect Strategy Report (2010), and a Design Code (2012) were prepared by Levitt Bernstein. Whilst these documents provide valuable guidance, they have no formal planning status.

## **2. Where we are now**

- 2.1 Planning permission has been granted for the redevelopment of Phase I, and work is well under way. 140 dwellings have been demolished, and are to be replaced by 237 houses and flats. The first of the 80 new affordable dwellings in this phase were handed over to PCH for occupation in June 2012. In addition to the demolition and re building programme work has also started on refurbishment of existing homes, which whilst they are structurally sound they are in need of repair and modernisation.
- 2.2 Also as part of Phase I, PCH are developing The Beacon which will be the focal point of the community and be built on the site of the former flats at the eastern end of Cookworthy Road. Work on The Beacon is underway and scheduled for completion during 2013. The Beacon will provide space for the Lark Surestart Daycare Nursery, the Surestart Shop, North Prospect Community Learning, a new library, community space, a Healthy Futures kitchen/café, offices, and also retail units and offices.

- 2.3 An application has been submitted for Phase Two of the redevelopment, and preparation for site clearance for this phase is underway.
- 2.4 There are a further 3 planned phases of development to go which will extend to 2020 and beyond. The APS is therefore needed to help to secure a consistency of approach, ensuring that each phase of development contributes to a clear vision for the future of the area, avoiding uncoordinated development and uncertainty for existing and future residents. The absence of planning guidance would make planning provision of local services and facilities more difficult, and runs the risk of not achieving maximum benefits for local communities

### **3. Purpose of the Area Planning Statement**

- 3.1 The Area Planning Statement (APS) sets out to guide future change within North Prospect., and suggests priorities for allocation of resources from planning obligations or other sources of finance. It draws upon the previous work undertaken by Levitt Bernstein on behalf of PCH. It also takes into account previous community engagement and work with the City Council and other stakeholders.
- 3.2 It is important that the regeneration of North Prospect is seen as more than a building project, so that in addition to setting out clear planning and design principles for the housing, the APS also considers the wider regeneration goals which will help to transform North Prospect into a new vibrant sustainable community. It sets out a number of objectives such as making the best use of land, reducing inequalities, and developing sustainable linked communities etc, and demonstrates how they link to the planning policies in the adopted Core Strategy:
- 3.3 The APS considers the existing character and opportunities of the area, and makes recommendations that should be taken into consideration when considering future development. These include:-
- Design guidelines
  - Housing quality, delivery type and tenure mix
  - Sustainability issues such as maximisation of natural site features
  - The place of street trees in the development
  - Surface water drainage
  - Highways and traffic matters
  - Open spaces
  - Implications for community facilities such as schools health care library, and other potential development opportunities.

### **4. Consultation & Changes to the APS**

- 4.1 The Draft APS was published for consultation purposes on 29 August 2012, and the views of stakeholders, the existing community and future residents were sought as part of the consultation process. An online notification, and hard copy notification was sent at the start of the consultation to over 5,000 stakeholders and individuals who are on the Council's consultation database
- 4.2 An online consultation on the Council's website, and paper copies of response forms were made available between 29 August and 10 October 2012. In addition displays were placed in the Halcyon Centre and at North Prospect Community Learning Centre (NPCLC) for the duration of the consultation exercise for consultees views, and on which they could leave their comments.

4.3 In total 171 comments were received from 23 contributing consultees, which include 16 comments posted on the local displays. The comments were generally positive, but there was some division of opinion over the merits of retaining street trees. On balance it was felt that street trees are important in defining the local character of the area and should generally be retained, or losses replaced wherever possible. All comments have been considered and summarised and a response made. The consultation summaries and responses have been placed upon the City Council web site and hard copies placed at the Halcyon Centre and NPCLC.

4.4 Some of the most frequently expressed views include:-

- Concern over potential loss of the Halcyon Centre.
- Future tenure mix resulted in mixed opinions, some thought there should be more rented properties, whilst others were happy with increasing the number of private houses.
- The need to address parking issues.
- Divided opinions on the need to retain as many street trees as possible.
- Support for environmental and highway improvements along Wolseley Road along side North Prospect.
- Support for improved access to Titchy Park.
- Mixed views as to future use of Library site. There was support for both housing and open space.
- General support for need to reduce traffic speeds.

4.5 As there was a good degree of support for the report, it has not been necessary to make any significant changes to the content of the APS. A number of representations related to non planning matters such as the management of the regeneration process, and the future use of the Beacon. A copy of the summary of all of the representations has therefore been passed on to PCH for their information and consideration. The summary of representations and responses is available as a background paper to this report.

4.6 Members attention is drawn to the 'Summary of Key Principles' and a table on 'Summary of priorities for infrastructure mitigation and community benefits in relation to North Prospect development phases'. These can be found at the end of the APS. These sections provide a useful summary of the key content of the APS and how the APS will help to ensure that development proposals in North Prospect contribute positively to the building of a sustainable community.

## **5. Next steps**

5.1 Subject to the approval of the City Council, the APS will become a material consideration in the determination of future development proposals, and assist in the prioritisation of planning obligations for the provision of local infrastructure and facilities. It will subsequently be reviewed and incorporated as appropriate into the emerging Plymouth Plan which is due to be subject of public consultation summer 2013, thus increasing its weight in decision making as it becomes part of the statutory development plan process.

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## **APPENDIX : NORTH PROSPECT AREA PLANNING STATEMENT**

### **I Introduction**

#### **Purpose of the Area Planning Statement**

**1.1** The North Prospect Estate is in the process of substantial change in the form of a major renewal and refurbishment project. This Area Planning Statement sets out to guide that change. It draws on previous work undertaken by the City Council as part of the Sustainable Neighbourhood programme, and publications by Levitt Bernstein undertaken on behalf of Plymouth Community Homes (PCH). It also takes into account previous community engagement and work with other stakeholders.

**1.2** The views of both the existing community and future residents were sought, and contributed to the preparation of this document. In addition to setting out planning and design principles, it considers wider regeneration goals which will help to transform North Prospect into a new vibrant sustainable community.

**1.3** The following plan illustrates the boundary of the study area, which is focused on the regeneration area, but encompasses a larger area than that which has been considered in documents prepared on behalf of PCH, in order to take into account nearby sites which are closely related to the regeneration area. In reality however the regeneration of North Prospect will have implications across a much wider area of the city than the boundary of the study area.

**1.4** The scale of the project and the timescale over which it is to take place means that it is inevitable that the physical regeneration will be broken down into a number of phases. In order to avoid incremental and piecemeal development, an overall strategy for the way forward for North Prospect needs to be agreed by all parties. It is also important that key pieces of infrastructure and those responsible for their delivery are identified. This Area Planning Statement will be used to inform future redevelopment plans, and will be a material consideration in the determination of planning applications within the study area.

**Map I Regeneration Area**



**Relationship with the Local Development Framework (LDF).**

**I.5** The Plymouth Core Strategy was adopted in April 2007, and work is now underway on its first review, which will be known as The Plymouth Plan. The adopted Core Strategy articulates the vision for the city in the period to 2021 and beyond and also sets down a number of area visions, strategic objectives, and city wide policies to guide development



within the plan period. In addition to the Core Strategy there are a number of other Local Development Framework Documents including Area Action Plans, and Supplementary Planning Documents (SPDs), which expand upon some of the Core Strategy Policies. The Development Guidelines SPD adopted April 2010 will be of particular relevance in the physical development of the area as it contains development advice on a wide range of issues.

**1.6** It is not proposed to repeat all of the policies and provisions of the adopted LDF documents in this document, but developers and agents should have regard to their contents in considering development proposals.

**1.7** This Area Planning Statement will identify the links between the regeneration proposals and existing policies in the Core Strategy, and Supplementary Planning Documents. In addition there are a number of other background documents such as the Sustainable Neighbourhood Assessments, neighbourhood pamphlets prepared by the City Council, and the Design Code and North Prospect Spatial Strategy prepared for PCH by Levitt Bernstein which identify deficiencies, issues and opportunities within the neighbourhood, and have been used to inform this Area Planning Statement.

**1.8** Although the Adopted Core Strategy is considered to be generally compliant with the recently approved National Planning Policy Framework (NPPF), the national planning guidance will also need to be taken into consideration in the future planning of the area.

**1.9** This Area Planning Statement has been prepared in consultation with other Council Departments, PCH and other stakeholders, and it was the subject of a six week public consultation exercise. Upon its adoption it will become a material consideration in the determination of planning applications, and used to guide the future regeneration of North Prospect.

**1.10** Thereafter the Area Planning Statement will inform the preparation of the Plymouth Plan, which will replace the current Plymouth Core Strategy.

### **Developing a vision**

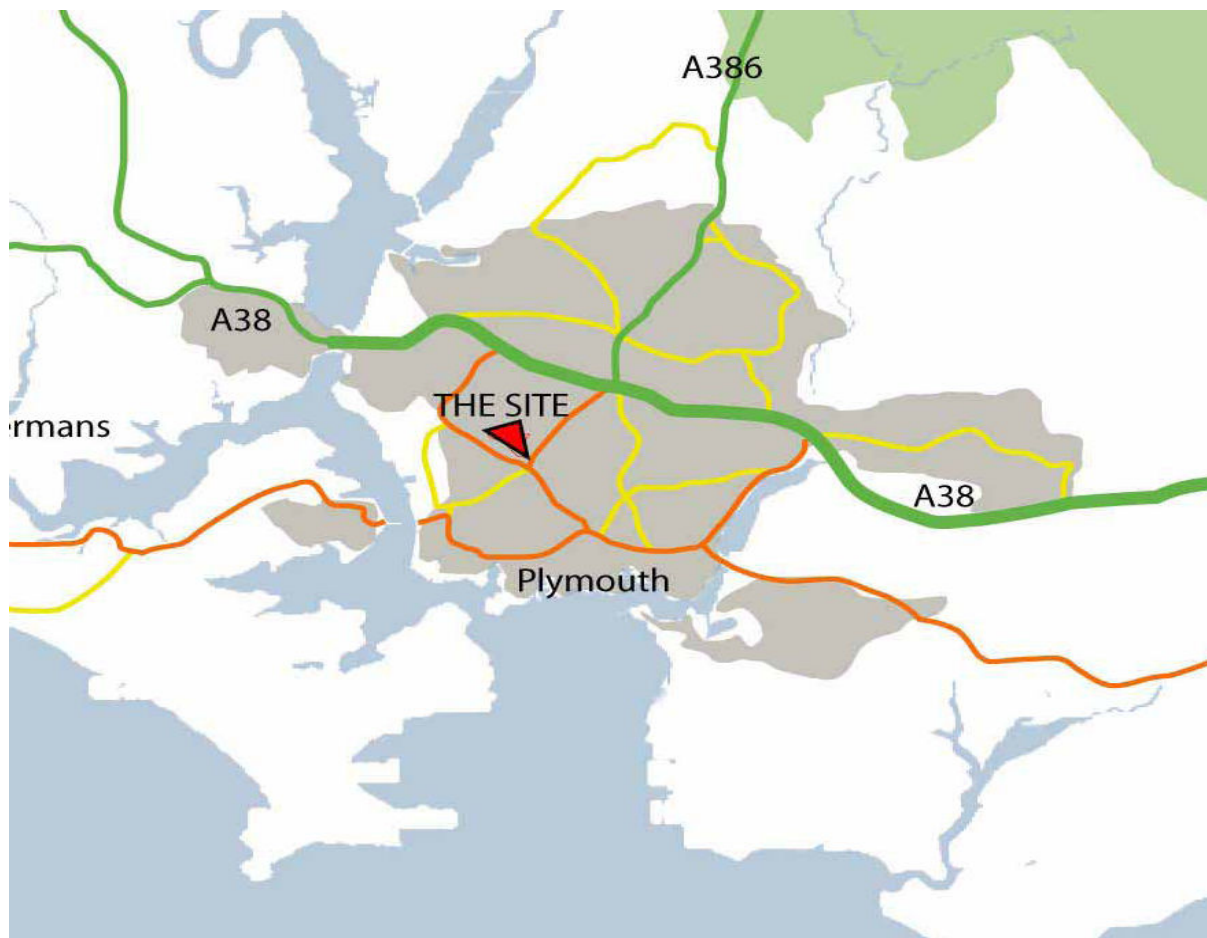
**1.12** The aspiration for the future of North Prospect is that it works as a sustainable community, with good linkages to the surrounding neighbourhoods. Sustainable communities are places where people want to live and work, now and in the future. They meet the diverse needs of existing and future residents, are sensitive to their environment, and contribute to a high quality of life. They are safe and inclusive, well planned, built and run, and offer equality of opportunity and good services for all.

**1.13** The aim is to build upon this ambition, and create a truly sustainable community, both socially and environmentally, so as to offer an attractive suburban environment and be an area which is held in positive regard across Plymouth.

**1.14** The regeneration should deliver a North Prospect :-

- where children and adults are happy and healthy
- where the community know their rights and responsibilities
- where the community spirit is lively and proud
- where the housing and environment is high quality, safe and clean
- where crime and antisocial behaviour is not tolerated
- where the community can raise and fulfil their aspirations
- where the community lead fulfilled lives and have the skills they want
- where local services are effective, responsive and co-ordinated

**1.15** In order to plan for the future and to enable North Prospect to achieve its regeneration vision, then those responsible for delivering services must be made aware of the implications of the change on the services for which they are responsible. The necessary Infrastructure or investment to deliver needs to be identified in order that it can be planned for in advance and if required costed into the development. It is also important that existing residents, and those new residents that will be investing their future in the area have a degree of certainty as to what the future will bring. This document will assist in providing clarity.



**Map 2 Location of North Prospect**

### **Purpose of the Area Planning Statement**

The opportunities identified in this Area Planning Statement are derived from existing North Prospect studies, and extensive public consultation work that has already taken place in the area. As this document will be used to guide development, and inform the planning application process, it is also important that it reflects the planning policies in the Adopted Core Strategy. It must also be seen in the context of the latest national policy as contained in the National Planning Policy Framework 2012, which will inform the new Plymouth Plan. It is considered that the existing Core Strategy and this APS reflects the provisions of the NPPF. This section sets down those objectives and the links to the planning policies in the adopted Core Strategy:

- To provide guidance on the appropriate form of development to ensure that new development reflects the character of the area (*Core Strategy Policy CS01, CS02, CS34*)
- To ensure that new development makes the best use of land, and the opportunities for sustainable development ( *Core Strategy Policy CS01, CS16, CS20, CS22 CS28, CS34*))
- To help to reduce inequalities through the provision of new and improved housing in a range of sizes and tenures to complement the retained housing and to meet local need. (*Core Strategy Policy CS01, CS15, CS34*))
- To use the opportunities presented by the regeneration process to reduce inequalities through increasing local job and training opportunities. (*Core Strategy Policy CS01, CS04*)
- To ensure that local services and facilities are planned for provided in a timely manner to meet existing and future needs of the community. (*Core Strategy Policy CS01, CS14, CS18, CS33, CS34* )
- To ensure that North Prospect functions as part of a series of sustainable linked communities. (*Core Strategy Policy CS01, CS28, CS33,*)
- To build on and develop community engagement to ensure that the North Prospect of the future respects the aspirations of existing and future residents. (*Core Strategy Policy CS01, and Statement of Community Involvement 2009*)

### **Regeneration in Context**

**1.16** North Prospect is a predominantly residential area, with some local community facilities, and is located approximately 3km north of Plymouth City Centre. The housing was built between the 1920's and 1950's following garden city principles, and is mainly comprised of semi-detached homes with generous gardens.

**1.17** North Prospect which at the time was known as Swilly, was built as the first new build housing by the City Council, following The Housing and Town Planning, Act 1919 also known as the Addison Act after Dr. Christopher Addison, the then Minister for Housing.

This Act was passed to allow the building of new houses for “Homes for Heroes” after the First World War, and marked the start of state-owned housing, which would much later evolve into council estates.

**1.18** When first built, Swilly was described by the local newspaper as ‘paradise for 12 shillings a week’ and represented an improvement on the overcrowded and inadequate living conditions that existed in early twentieth century Britain. As part of the push to provide new homes, the government at this time also experimented with mass produced housing methods, hence the early examples of steel framed ‘DorlonCo’ houses and pre cast concrete frame Stonecrete houses in the area, most of which are now in poor structural condition.

**1.19** Although the development does not compare to some of the larger examples of garden suburbs found near to the larger industrial cities at the time, the original layout of North Prospect shows the fundamental features of a garden suburb: low density, at around 30 dwellings per hectare primarily in the form of semi-detached housing with large front and back gardens intended for residents to grow their own food. Other typical features include a hierarchy of wide tree lined streets, and clear key transport routes. A key principle of these suburbs was their location on the outskirts of the cities with good access to countryside.

**1.20** Swilly was named after the local country estate on which it was built, and until the 1950s, was a popular area, and described as prosperous. Subsequently however it suffered a downturn in fortunes, which lead to a re-branding, and the area was renamed as North Prospect in 1969. Despite efforts, the area’s fortunes continued to decline throughout the 1980s and 1990s, leading to a realisation that a major intervention would be required to address the social problems and the physical deterioration of the housing stock

**1.21** The table below gives an indication of typical densities for different types of development. As one can see, the density of development now proposed moves the redeveloped areas from that of typical garden suburb more towards an urban form of building. This raises challenges in integrating the new with the old and raising the importance of developing in a sensitive way.

<b>Development Type</b>	<b>dwellings per hectare</b>	<b>habitable rooms per hectare</b>
Urban Victorian or other period terraces	60 to 80	280
House type Modern executive home developments	5 to 10	40
20th century garden cities	30 to 40	165
Suburban semi-detached	15 to 30	90
Typical proposed new development in North Prospect Regeneration areas	50	180

**Table I: Typical development densities**

**1.22** In 2003, the North Prospect Partnership was formed, which was to play a leading role in the regeneration process. In 2004, a report by the consultants 'Flying Giraffe' was produced following public consultation presenting an audit of the existing situation and an action plan for the Partnership. The report considered the problems of the area, but also recognised that there was a strong sense of community spirit which could be the foundation for future progress.

**1.23** In 2007 Mae Architects and StUF (Strategic Urban Futures) produced, the Housing Development Framework which considered a financing strategy to address the structural problems of the housing stock, and looked at urban design and sustainability issues.

**1.24** In 2009, the Homes and Communities Agency and the City Council conducted an objective setting workshop which was followed by a scoping study report by consultants Levitt Bernstein and a business plan by Savills. The study undertook a review of the existing housing stock to assess the condition of the homes, and the extent of intervention that would be necessary to bring them up to an acceptable standard. A major milestone in social housing provision in the city occurred in 2009 when the City Council transferred all of its social housing stock to the newly formed Plymouth Community Homes, who are now leading on the regeneration of the area. To assist and guide the regeneration Levitt Bernstein were appointed by PCH to prepare a more detailed urban design and strategy report. Although the City Council were consulted during the preparation of this document it has no formal planning status.

### **Moving ahead**

**1.25** As part of the ongoing investigations more than 400 homes in North Prospect have now been surveyed. Of these 90% are showing signs of major structural problems. This has led to a strategy incorporating both rebuild and refurbishment. The regeneration will be achieved through a mix of demolition and rebuild, and renovation and retention. Approximately 800 homes will be demolished, with around 1,200 new homes being built in their place. In addition, a total of 300 PCH properties will be refurbished, and more than 300 owner occupiers will also have the option of joining the refurbishment scheme. In addition to the benefits of the physical regeneration, the greater mix of house sizes types and tenures will also help to balance the housing market and provide greater choice in property type, size, and tenure for existing and future residents. This is an ambitious long term regeneration programme, which has the support of the Homes and Communities Agency and the City Council and is not expected to be completed before 2020.

**1.26** Planning permission has been granted for the redevelopment of Phase I, and work is well under way. One hundred and forty dwellings have been demolished, and are to be replaced by 237 houses and flats. The first of the 80 new affordable dwellings in this phase were handed over to PCH for occupation in June 2012. In addition to the demolition and re building programme work has also started on refurbishment of existing homes, which whilst they are structurally sound they are in need of repair and modernisation.

**1.27** Also as part of Phase I PCH are developing The Beacon which will be the focal point of the community and be built on the site of the former flats at the eastern end of Cookworthy Road. Work on The Beacon is scheduled for completion during 2013 and will provide space for the Lark Surestart Daycare Nursery, the Surestart Shop, North Prospect Community Learning, a new library, community space, a Healthy Futures kitchen/café, offices, and also retail units and offices.

**1.28** North Prospect's unfortunate reputation has been largely gained through the actions of a few individuals, and does not reflect the affection in which the estate is held by many of its residents, a significant number of whom grew up and continue to live on the estate, developing a strong sense of community. It is hoped that this strong feeling of community and loyalty to the area can be retained through the regeneration process.

## 2 Existing Character of North Prospect

**2.1** In order to guide the future development of the area it is important to understand the key characteristics and strengths and weaknesses of the existing place.



**Existing built form**



**Typical Views of North Prospect**

**2.2** Although the area has been developed over a period of several decades, there are common design elements that run throughout the area.

- Two story semi detached properties predominate.
- There is a limited pallet of materials with most houses having rendered or half render half brick elevations under hipped roofs with grey slate or brown roof tiles.
- The low density of the existing development at around 30 dwellings per hectare (dph) is somewhat disguised as most of the private space is in the form of large rear gardens. The redevelopment is anticipated to introduce higher densities at around 50 dph.
- There is little off street parking, what little there is has been mainly introduced by creating it in front gardens. On street parking is therefore prominent in the street scene.
- The most striking feature of the area however is the prominent street trees which line most of the streets in the area.

### Access and Transport

**2.3** North Prospect is conveniently located a short distance to the north of the city centre, and has good connections to the town centre, and is conveniently located for the A38 Parkway and local railway stations. In an effort to encourage more sustainable travel, PCH have put together a framework travel plan, which is aimed at the new and current

residents of North Prospect and will provide residents with sustainable travel advice during the regeneration. Each phase will be required to adopt the principles and guidance within the Framework Travel Plan and use this to produce a formal Travel Plan. This will encourage residents to make use of public transport and number of other sustainable measures to reduce traffic on the estate's roads.

- The main bus routes are on Wolseley Road, North Prospect Road, Ferndale Road and Beacon Park Road. These serve a number of locations including the city centre, and the main railway station. It is approximately 13 mins to the town centre by bus.
- The study area has one main north-south route running through it, that is North Prospect Road that connects through it and two east-west routes, Beacon Park Road, and Ham drive to the North. The rest of the study area can be categorised as having restricted access.
- The western boundary of the site is formed by Wolseley Road, which acts as a significant barrier to E-W movements. Currently, there is a vehicular access point from Wolseley Road to Cookworthy Road although this is extremely difficult to navigate due to the steep topography and provides more of a visual link between North Prospect neighbourhood and Wolseley Road.
- Wolseley Road is a major transport corridor in the city, but with its hard uncompromising appearance it is also a rather unattractive boundary to North Prospect. Selective highway and environmental improvements could help to present a better approach to the neighbourhood, and the wider area. This suggestion received general public support in responses to the consultation exercise.
- Within the estate pedestrian movements are restricted by a number of culs de sac. Access is further impeded by the steepness of some of the streets which can make movement around the area on foot difficult particularly for the elderly, and those with mobility problems.
- A number of streets have been closed to vehicular traffic to prevent rat running and to limit traffic speeds.
- The narrowness of carriageways, the sloping nature of the site and presence of street trees restricts on site parking, which results in most private cars being parked on street. Whilst this has the benefit of further restricting traffic speeds, it can appear unsightly and restrict access to service and emergency vehicles.
- An improved and a more direct link is being made as part of the phase one development from The Beacon onto Ham Drive.



**One example of a residential car park layout**



## Places and Spaces

**2.4** It is centres of local activity such as schools, community facilities, shops and open spaces that offer potential for people to meet, and help to create and define a community. North Prospect is identified in the Housing Plan 2012-2017 as a priority neighbourhood, but it fails to meet a number of key indicators, including open space standards of accessible green space per 1000 population. Therefore every accessible green space has high local neighbourhood importance. At the present time there is a shortfall of approximately 5 ha of accessible open space in North Prospect, which without mitigation could rise to a 6.5ha shortfall on completion of the redevelopment. Less than 50% of the neighbourhood is within walking catchment of a local neighbourhood greenspace. (i.e. a green area (less than 1ha), with a walking distance of 250m (3min) and a small park (between 1 and 15ha), with a walking distance 400m (5min). Note, large parks (over 15 ha) are considered district facilities.). Having compared this area against the ideal standards, it must be accepted that if the key driver to replace or refurbish those homes that are beyond economic repair or are substandard is to be achieved, then like many areas within the city it will not be possible to make good all of this under provision in open space. In order to replace all of the homes that require it, densities will have to increase and the shortfall in open space made up for by some limited new spaces within developments but also by community provision at The Beacon, and improvements to capacity and enlargement at Cookworthy Green and Titchy Park.



**View down Cookworthy Road to Cookworthy Green and dockyards beyond from site of The Beacon**

**2.5** A survey of residents on the use of parks and open spaces was undertaken by the City Council in 2011. Some of the key findings of this survey are covered in the general characteristics of the area which are summarised below. There are other opportunities for access to open space and recreation outside of North Prospect at Ham Woods to the North, and Central Park and the Life Centre to the south. There are also opportunities to make better public use of school fields, and to incorporate public spaces into redevelopment proposals.



- Local shops are reasonably well located towards the centre of the neighbourhood on North Prospect Road at its junction with Austin Avenue.
- The Mayflower School on Ham Drive is somewhat peripheral to the North Prospect neighbourhood; however Phase I of the redevelopment will create more direct pedestrian links to the school from The Beacon
- The other centres of activity within the community at the moment are focused around the old school and the Halcyon Centre.
- Public open space and play areas are located towards the western side of the neighbourhood at Cookworthy Green and Titchy Park.
- Titchy Park is the most used park in North Prospect with 70% of those surveyed saying that they used it.
- When asked what deters people from using parks and open spaces the main problems were other users, followed by distance and vandalism.
- Most respondents suggested improvements should be made to Cookworthy Green, including play equipment, places for older people, and better seating
- Cookworthy Green is the major open space within the neighbourhood and is overlooked by housing on all sides, however this has not deterred anti social behaviour (ASB) in this park. It appears however that few incidents of ASB are reported to the police.
- Whilst Cookworthy Green was designed as open space as part of the estate layout, Titchy Park was created from back gardens and accessed from a single entry point. Parents of young children feel it is a safe space because it is enclosed. Teenagers don't appear to like its enclosed nature. Being closely surrounded by houses means that residents are easily affected by noise and ASB .It is not a very visible amenity due to its access which does cut it off from the neighbourhood. Although it is well used it does not work well as an open space
- Both parks are small, but in this area which is deficient in public open space they do provide a valuable local facility and according to a recent study are well used.
- There is a small area of open space with play area which is located between Wordsworth Crescent and Wordsworth Road
- There is little incidental green space within the project area, although most houses have very large back gardens so have access to private outdoor space. However the increase in housing and population density in the redevelopment areas and the reduction in private garden sizes will place more pressure on existing green spaces
- The area is 'greened 'by the many mature street trees throughout the neighbourhood. Mature trees, especially limes are typical of the street scene throughout North Prospect and contribute to the character of the area and should be retained where possible.
- Untidy gardens can seriously detract from the appearance of an area and have a negative effect upon perception. Perhaps partly because some of the existing gardens are so large they can lack proper maintenance. This might be less of a problem in future in the redevelopment areas, where gardens are smaller and therefore easier to manage. Control by PCH over the condition of rented homes and gardens would be easier to exercise than that of private property via the planning system.

## Community Hub

**2.6** As part of Phase I of the redevelopment process a new community hub is being provided at the head of Cookworthy Road on the site of the Foliot Road Flats. The Hub, or The Beacon to give it its new name, is expected to be completed in 2013, and will act as a focal point at the centre of the new North Prospect community. It will contain shops,

community rooms/hall, library, Children's Centre incorporating day care and one stop shop, day care nursery, Surestart Shop, cafe and offices. There will also be external public space and informal play space.

**2.7** Redevelopment will also provide new and improved pedestrian links across the area to focal points of the neighbourhood such as the School and The Beacon. Some new and redesigned streets will also contribute to street play, whilst new and retained street trees will maintain a green aspect to the area.

### 3 Delivering a Sustainable Neighbourhood

#### Design guidelines

**3.1** The main design elements of the regeneration are adequately covered in the North Prospect Spatial Strategy and the 2012 Levitt Bernstein Design Code. The Council has been involved during the preparation of these documents and it is not proposed to repeat the contents of these documents here. The principles expressed in the Design Code are supported for use in the future development or refurbishment of the area. Reference should also be made to the adopted Development Guidelines Supplementary Planning Document adopted in 2010.

#### Housing quality, delivery, type and tenure mix

**3.2** The housing in the area is dominated by three bed room semi detached properties, which results in a limited choice of housing types to meet the various needs of different sized households. The predominance of family sized homes also currently leads to under occupation, which is an inefficient use of the housing stock. Whilst Welfare Reform changes will have the effect of reducing under occupation, except for those who are over 60, a greater variety of property sizes and types are required in order to respond to local housing needs. This should include smaller flats ranging through to large family housing.

**3.3** As one would expect of a former council estate, the majority of properties (75%) are still currently social rented. Whilst there will be no reduction in the amount of affordable rented properties, the overall increase in the number of homes will enable the percentage of private homes to increase. The redevelopment areas will therefore provide a greater choice of tenure, creating a more balanced community by providing rented, intermediate and private market homes. The table below gives an indication of the existing number of homes and tenure of the housing stock, along with projected numbers.

#### Phasing of development:- Summary estimate of re build programme

New Build Phases	Existing Rent	Existing Owner occupied	Total	New build rent*	New build Homebuy*	New build owner occupied*	Total*
Phase 1 2011-2014	104	36	<b>140</b>	109	38	90	<b>237</b>
Phase 2 2012-2018	192	48	<b>240</b>	115	57	172	<b>344*</b>
Phase 3 2014-2018	122	29	<b>151</b>	105	52	105	<b>262</b>
Phase 4 2015-2019	88	52	<b>140</b>	74	36	74	<b>184</b>
Phase 5 2016-2020	73	25	<b>98</b>	54	26	54	<b>134</b>
<b>Total</b>	<b>579</b>	<b>190</b>	<b>769</b>	<b>457</b>	<b>209</b>	<b>495</b>	<b>1161</b>

Tenure %	75	25	100	39	18	43	100
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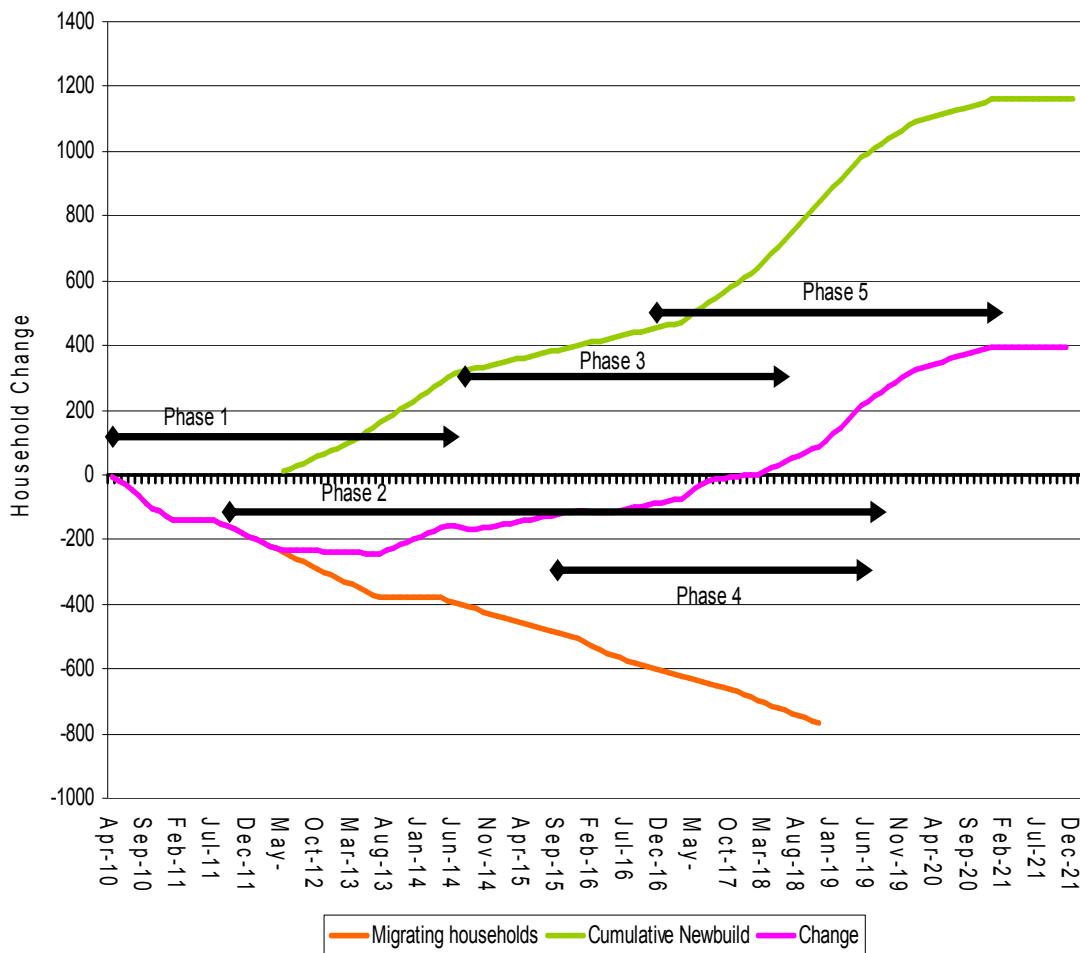
**Table 2**

\*Totals for Phases 2 to 5 are estimates only

**3.4** It can be seen that the total number of homes in the redevelopment areas will increase by over one third, from 769 to around 1,161. The number of rented properties will fall over the life of the regeneration programme, but overall numbers of affordable homes will increase by the introduction of intermediate housing schemes such as New Build Homebuy. Owner occupied or private ownership is anticipated to rise from 190 properties (25% of total) to 495 (43% of total). This would go some way to help to redress the existing imbalance, but would still be below the Plymouth City average of approximately 65% private ownership.

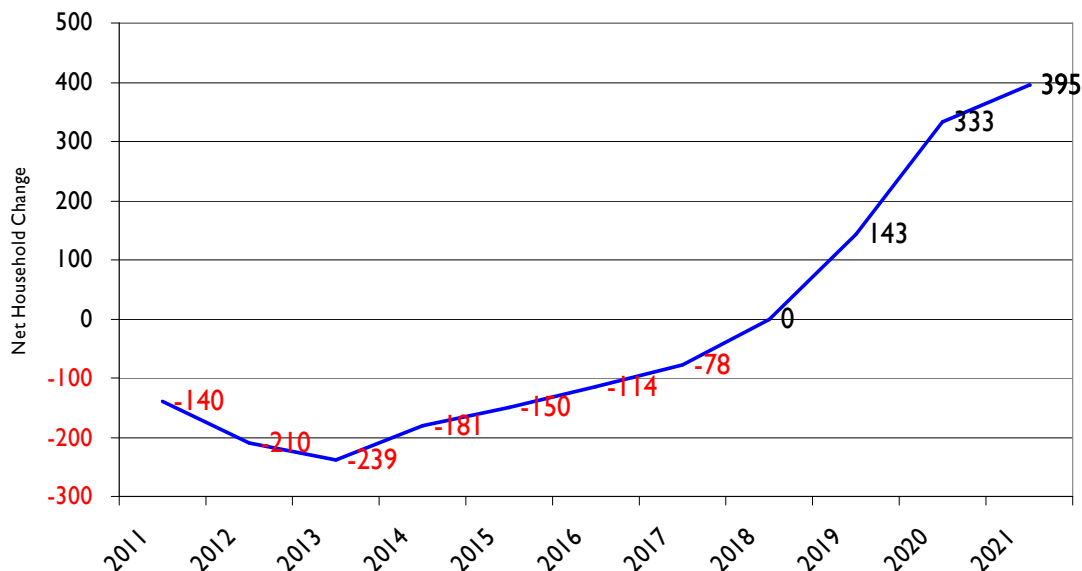
**3.5** Creating more opportunity in size type and tenure of homes will assist in delivering a more sustainable and balanced community and also allow for a mix of tenures. An aspiration for North Prospect is to provide homes for people at different stages of life, including supported housing units to be built above The Beacon, and offers the opportunities for people to stay within the community as circumstances change.

### Projected Household Change



**3.6** The charts above and below shows the anticipated time scale for the various phases of development, with the changes that this will mean to household numbers which is a reflection of the demolitions, and rebuilds. It can be seen that household levels in North Prospect will not reach pre regeneration programme levels until 2018. thereafter population levels continue to grow as a result of the addition of approximately 400 new homes.

**Cumulative Household Change in North Prospect**



**3.7** Redevelopment will deliver a greater variety of house types and sizes which will offer choices for all age groups, families, young couples, and singles. The table below illustrates the potential dwelling mix based on phase I mix. This is likely to change to reflect changes in demand over the period of the development, and also as possible result of changes to housing benefit, which will seek to minimise under occupation.

**Projected Dwelling Mix for future redevelopment phases**

Mix	Phase 2	Phase 3	Phase 4	Phase 5	Totals excluding Phase I
1 bed	16	12	9	6	43
2 bed 3 person	56	43	30	22	151
2 bed 4 person	129	98	68	50	345
3 bed	108	81	57	42	288
4 bed	38	28	20	14	100
<b>Total</b>	<b>347</b>	<b>262</b>	<b>184</b>	<b>134</b>	<b>927</b>

Taken from Levitt Bernstein 12/07/2011

**3.8** Tenure will not be identifiable by house design, allowing for mix of tenures to be spread throughout North Prospect. The Adopted Planning Obligations and Affordable housing SPD states that...

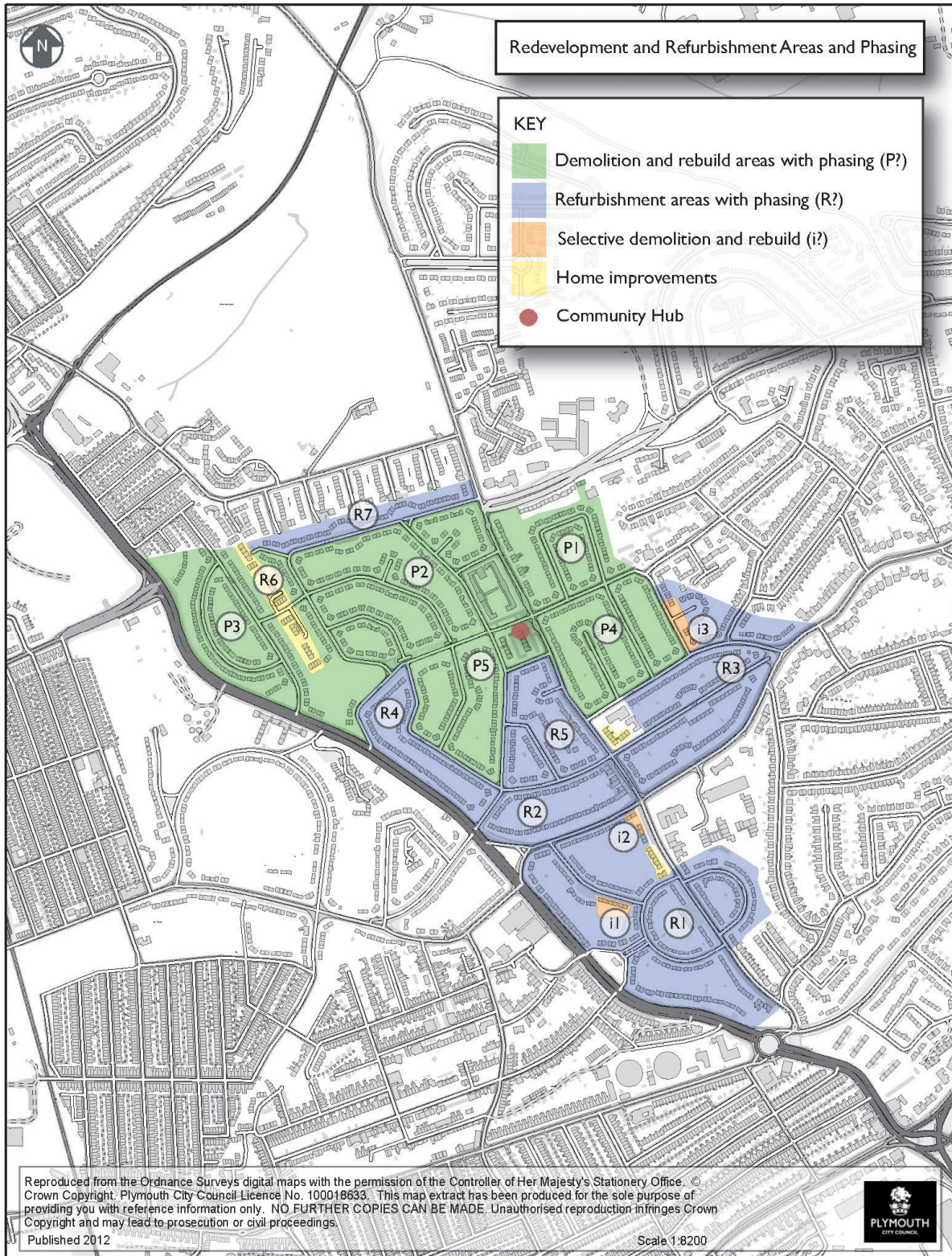
.....”affordable homes should be spread throughout the development although on larger sites this can take the form of small clusters of not normally more than 12 dwellings”

**3.9** Where topography allows all new affordable homes will be designed to ‘Lifetime Homes’ standard, providing long term adaptability to meet the changing needs of residents, together with a percentage of wheelchair houses and homes for older people. Private sector homes should achieve Lifetime Homes standards where ever possible but in any event at least 20% of all homes should meet this standard in accordance with policy.

**3.10** The regeneration involves both redevelopment and refurbishment of properties, depending upon their condition. The condition of most of the homes in the northern part of the neighbourhood is such that refurbishment would be uneconomic, necessitating a phased demolition and redevelopment, whilst central and southern areas are primarily suitable for refurbishment.

**3.11** There are however small numbers of houses in the southern area whose structural condition is such that demolition and redevelopment may be necessary.

**3.12** The following map and preceding table indicate the areas and phasing for both redevelopment and refurbishment.



Map indicating redevelopment and refurbishment areas

**3.13** In addition to the properties indicated above that will be demolished and redeveloped, there are a further 670 homes in poor condition or in need of improvement. With some work the life of these properties could be extended by 30 or more years. PCH are planning to refurbish 302 homes in their ownership in seven phases between 2012 and 2017. Mi-Space contractors have been recently appointed to undertake repairs which will include re roofing, external cladding, rewiring and installation of central heating, new windows and doors and kitchen and bathroom replacement. Home owners in North Prospect will have the opportunity to become involved with the refurbishment programme and have their own homes improved.

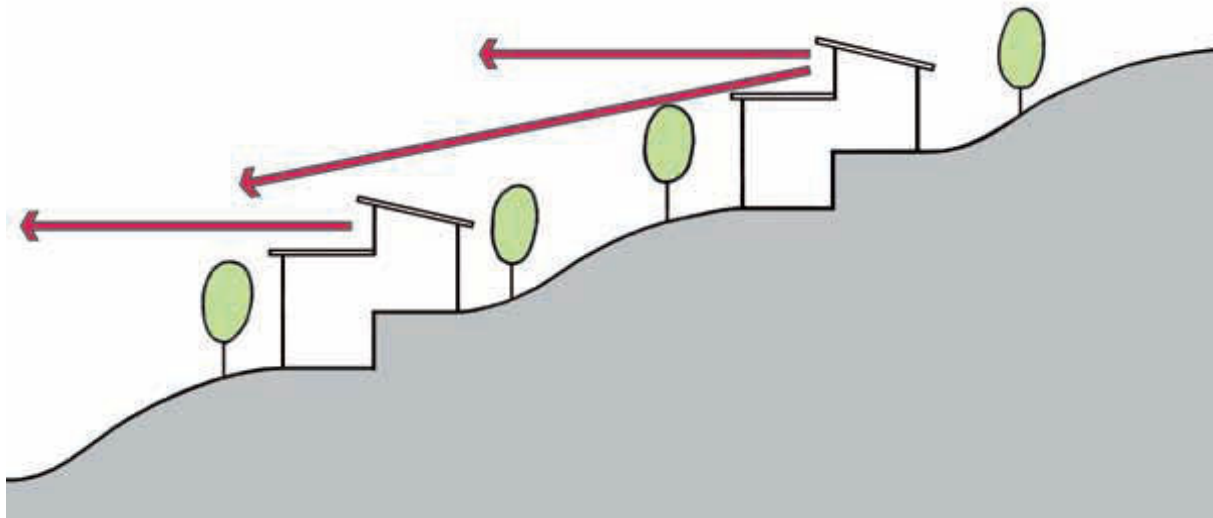
**3.14** Repair works of this nature would not normally require planning permission; however external cladding might require planning permission depending on the individual circumstances. Notwithstanding whether planning permission is or is not required, external finishes and materials should be sympathetic in colour and texture to those most characteristic of the area. This is particularly important where refurbished properties will be in proximity to new homes, or houses in their original condition. These proposed works would however require consent under the Building Regulations.

**3.15** Decanting of existing residents and the subsequent management of voids will be important during construction to avoid properties standing empty or unsightly demolition sites which would attract trespass, material theft, vandalism and anti social behaviour. This is particularly important in the case of small scale infill where adjacent properties are to remain occupied.

### **Sustainability**

**3.16** New homes in North Prospect will be built with environmental sustainability in mind. All affordable housing should be built to code level 4 standards and new private sale housing to code level 3. Building for life Standards have recently changed to BFL12 as opposed to the previous 20 point assessment criteria. Whether judged by the new, or previous standards, the new residential development will be to a high standard and, and it should be “future proofed” to take advantage of any new funding that comes forward to increase the overall efficiency and sustainability of the homes. In addition to reducing environmental impacts, future residents will benefit from lower demand for energy and therefore lower utility bills.

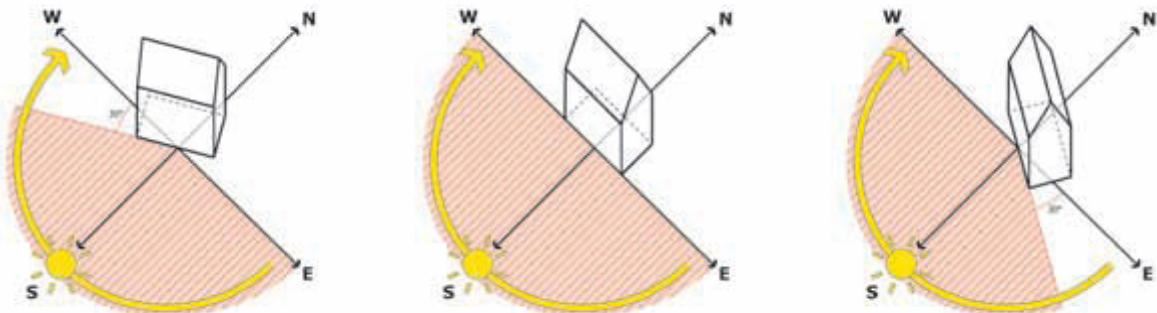




**Using the natural contours of the site**

### **Natural sunlight**

**3.17** Within the regeneration areas, as much of the existing infrastructure as possible should be retained and re used. Fortunately the original layout of the northern part of the estate was influenced by the natural land form, with the streets running along the natural contours. The proposals for all phases should retain and build on this existing street networks, which also has the benefit that the majority of homes will have a southerly orientation.



### **Houses will be orientated to take advantage of the sun's energy**

**3.18** This would optimise the opportunity to utilise natural lighting and roof mounted renewables to reduce heating and lighting costs.

### **Recycled materials**

**3.19** The materials resulting from the demolition of existing buildings should be recycled where possible. This could reduce the amount of primary aggregates used, and also reduce transport and carbon costs if these can be re used on site rather than importing material.

### **Surface water drainage and harvesting**

**3.20** The regeneration will increase development density and therefore the amount of hard surfaced area which in turn will increase amount and the rate of surface water run off. Mitigation measures will need to be put in place such as rain water harvesting, sustainable urban drainage schemes etc to reduce this.

## Highways

**3.21** With much of the area being refurbished, the character of streets and houses should reflect the existing development. However all streets should be enhanced to provide better footpaths, tree planting and seating/resting spaces along key routes. The neighbourhood should offer good pedestrian access, including dropped kerbs to greenspace, recreation facilities, schools and local facilities in order to enable people to walk and cycle through the area more easily. As previously mentioned there is general support for highway and environmental improvements along Wolseley Road in particular from its junction with St Levan Road to Weston Mill Junction. This should be the subject of a design study to identify the potential for improvements and to coordinate highway and environmental improvements with the resources that are available. Historically, traffic calming has been installed by way of adding features to the existing highway network, This generally required speed cushions or humps. However it is the intention of the highway authority to remove as many of these “bolt on “features as possible and to controlling traffic speed through the design of the streets The enhancement of streets including removal of outdated traffic calming features substandard footpaths etc should be undertaken across the neighbourhood to a common set of designs and standards to help to harmonize the new with the retained housing areas.

**3.22** Phase one has already provided a more direct link between The Beacon and the School. A similar more direct link between Cookworthy Green and Ham Drive will also be provided as part of phase two

**3.23** New development will enhance the existing hierarchy of streets found in the area and improve pedestrian links to the key bus services found along Wolseley Road and North Prospect Road. Higher density development will be focused at central locations within the neighbourhood centres. This will ensure facilities are accessible, well used and supported.



**Impressions of street scenes** (Levitt Bernstein)

**3.24** Street trees are a significant part of the character of the area. They are a visual asset especially as densities are to be increased across a large part of the area. Trees have an instant maturing effect on new development, but they can also be a constraint on development due to the need to retain them and the ground levels around them. There are different local opinions on the matter of trees, as the local limes leave sticky residue on cars

parked beneath them, they can cause overshadowing to homes and gardens, and damage to roads and footpaths. They also require regular maintenance to keep them under some degree of control.

**3.25** It will not be possible to retain all trees; some will need to be removed to facilitate new development, whilst others may be in poor condition or in need of replacing. The presumption however must be that trees will be retained unless there are strong reasons for their removal. On balance however the trees are a major asset to be valued and any development which might affect trees will need to be supported by a tree survey and specify tree protection and or mitigation measures this might include a programme of selective removal and re planting with other more suitable species.

### **Open spaces**

**3.26** The study area is already deficient in open space and play space, a situation which will be exacerbated by the increase in the population. The Beacon will provide some community space both within and around the building and some additional open spaces are being planned as part of Phase Two. Looking forward, options to provide new areas of open space are limited, but this will be partly achieved by increasing the size and facilities at Cookworthy Green, creating a green boulevard along Cookworthy Road, and by opening up Titchy Park to the street as set out in PCH Spatial Strategy. Improvements to and the enlargement of Cookworthy Green will take place in two stages as part of Phase Two, and Phase Three of the redevelopment proposals. These improvements and extensions to Cookworthy Green should be completed prior to completion of Phase 3 and be in accordance with an approved scheme, and in consultation with the local community. The redesign of Cookworthy Road to create Cookworthy Boulevard will be delivered as part of Phase 2 and Phase 5.

**3.27** Other incidental areas of open space should be provided as part of that phase of regeneration works, e.g. at locations along Wolseley Road as shown in the Design Code and on the proposals diagram

### **School capacity**

**3.28** One of the key strategies of the City Council has been to invest in developing the city's schools, for example the new Primary School at Ham Drive and the secondary schools serving the neighbourhood. As shown in the household changes charts, the number of households in the area will decline as a result of demolitions in the period up 2018 and will rise thereafter. By the end of the regeneration programme, these additional dwellings will potentially accommodate 84 primary school age children, and 63 secondary aged children. This will place pressure on the local primary and secondary schools during a time when the number primary aged children will be at its highest since the 1990's and the number of secondary aged children will be climbing rapidly. Adding capacity at Mayflower, Pennycross Primary and Marine Academy and All Saints Academy could mitigate the impact of these additional dwellings. However this would require infrastructure costs in addition to those planned by the authority in its Basic Need programme and should be considered in the viability of the proposal. Based upon PCH's phasing and population projections, because of the decanting of residents, and demolitions, the population will decline until 2018, thereafter it will start to increase. This increase and potential impact on school place provision will coincide with Phases 3, and subsequent phases. Priority should therefore be given to increasing education infrastructure by that time. Based upon the methodology in the

Planning Obligations and Affordable Housing SPD and its associated evidence base, the cost of providing primary and secondary places for an additional 305 private dwellings might be in the region of £1.7m depending on the dwelling sizes in future phases.

**3.29** Any implications for school place provision will need to be planned as part of ongoing regeneration particularly as total population in the area could rise by as much as two and a half thousand by the end of the project. The quality and capacity of local schools is an important factor in parent's choice to locate in certain areas. A successful school is therefore a key factor in the regeneration of the area.

### **Health**

**3.30** NHS Plymouth has worked closely with the City Council through the planning stage of the North Prospect Regeneration. The potential for an increased population in the area has been taken into account as part of our Primary Care Estates Strategy.

**3.31** Primary Care Medical Services :-Trelawny Surgery in Ham Drive opened in 2009 and was designed with extra capacity in mind for the future in the area Building work should start very soon on new purpose built premises for St. Neots Surgery on the Cardinal Service Station site in Wolseley Road. This new facility will have capacity for an increased number of patients.

**3.32** These two practices, as well as others whose catchment areas cover North Prospect, will provide choice for patients for where they access primary care.

**3.33** Dentistry: - Access for local people to NHS dentistry services is also improving. New investment in contracts with existing practices as well as a re-procurement of the Ernesettle and Cattedown dental providers should result in everyone wanting access to a NHS dentist in Plymouth being able to access one (either directly or through the local Dental Helpline). There is also an emergency dental facility for those in dental pain without routine access to a NHS dentist

### **Training and employment opportunities**

**3.34** The re development and refurbishment programme will involve many trades and skills. Local employment and training will help to reduce worklessness and deprivation. The developers and contractors involved in the project will be required to offer employment and or training opportunities to suitably qualified local people. The levels of locally employed people to date on both the new build, and refurbishment scheme is a considerable success story. On the new build Barratts employ 156 of which there are 12 locally employed apprentices, and a further 37 people from the local area. MiSpace currently support 233 jobs including 6 local apprentices, and another 34 locally employed workers.

### **Other Development Opportunity Sites.**

**Halcyon Centre;**

**3.35** This is a Community Centre located on Dingle Road in the heart of the neighbourhood, and is host to a range of activities including the Methodist Church, coffee mornings, toddlers groups and rooms for hire etc. The Beacon will offer similar opportunities but in a more modern setting. There is no compulsion for the centre to re locate, but if this should happen then re development for residential or a mixed use including residential, continued community use with a compatible commercial use would be acceptable in principle.

#### **North Prospect Library site.**

**3.36** It is proposed to re locate the existing library which is located in a single storey building on Greatlands Place to The Beacon. The Beacon will be at the new heart of the community, and as such it is sensible to centralise community facilities here to minimise the number of trips that people have to make. After re location the existing site will become available for other uses. The site is well landscaped containing a number of mature trees, and is a significant feature particularly when viewed from Wolseley Road. Although that area is deficient in open space the location of the site on the edge of the estate and adjacent to a principle traffic route makes it less desirable as formal or informal open space. Any redevelopment however should seek to retain the existing trees and green frontage to Wolseley Road.

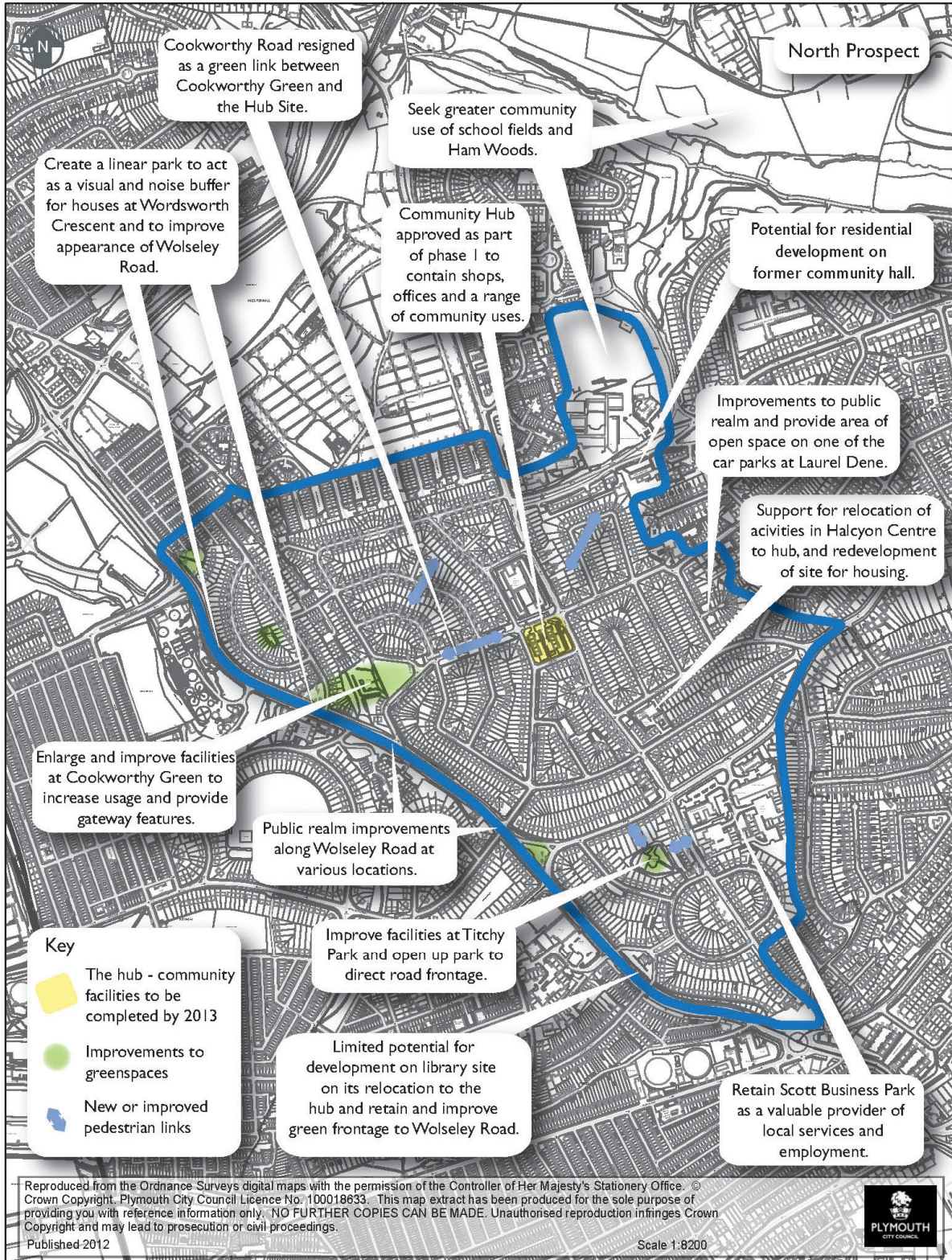
#### **Former Community Centre Site Ham Drive North Prospect**

**3.37** The existing buildings have been cleared, and the site is available for development. This would be suitable for a residential development scheme. Whilst some open space would be acceptable on this site, it is close to other existing greenspaces and somewhat distant from those parts of the estate where the need for open space is the greatest.

#### **Car Parking Areas at Laurel Dene**

**3.38** Most of the homes in this vicinity have off street parking, but there are also two areas of off street parking at the entrance to Laurel Dene which together provide 24 parking spaces. These are rather untidy looking areas which could be subject of environmental improvements and potentially one or both could be redeveloped to provide an area of amenity space.

**Map of Potential Opportunity areas**



### Summary of Key Principles

- The contribution that street trees make to defining the character of the area should be reflected in any future development. Tree surveys will be required to identify trees to be retained or replaced and appropriate protection be put in place during periods of construction.
- Green space priorities for North Prospect should focus on the protection and enhancement of the two main existing accessible green spaces and the creation of new green space where opportunities arise, along with increasing better access to existing green space. As an example redevelopment around Cookworthy will allow the area of open space to increase from approximately 0.75ha to 1.12ha.
- Titchy Park to be opened up to the street, to make it more visible to the neighbourhood. It would be preferable if this could be achieved from North Prospect Road or Beacon Park Road. This should be completed prior to commencement of Phase 4.
- To foster a feeling of safety, to reduce crime, and encourage the use of open spaces and pedestrian movement within North Prospect, new development should front on to streets and spaces with doors and windows opening onto them.
- Open space throughout NP needs to meet the needs of the whole community with facilities for all ages. Meeting the access standard is a target in the Green Space Strategy Action Plan.
- A Transport Assessment to determine whether the impact of the development on transport is acceptable, and a Travel Plan to encourage the use of public transport and other sustainable measures to reduce car traffic. should be provided at each phase of the development
- Undertake environmental improvements and create gateway features along main access corridors, particularly Wolseley Road to improve the public profile of the area
- New and existing streets around the neighbourhood should be made accessible and promoted /signed as suitable for people with mobility problems e.g. with mobility scooters or mothers with push chairs. The regeneration of North Prospect should aim to achieve a lifetime environment as well as lifetime homes so that the needs of the whole of the community are met whatever their age.
- Re development should create a hierarchy of streets appropriate to their function. This may require design solutions such as changes in surface materials to indicate pedestrian priority, or traffic calming to limit traffic speeds or vehicular access.
- Sufficient convenient and secure parking spaces for residents and visitors should be provided to avoid un neighbourly unsightly or dangerous parking.
- Where possible streets should be designed to allow for pedestrians to have priority to encourage people to engage with each other and for children to take part in doorstep play.

- Formation of new direct pedestrian links throughout the neighbourhood will increase pedestrian movement and the amount of trips currently done by walking and cycling.
- The Beacon will provide new facilities, and be the focus for community activity. The Halcyon Centre could continue to operate, or would also be suitable for redevelopment for community, residential or employment uses
- Redevelopment schemes should create local landmarks and distinctive buildings which will help people to find their way around the neighbourhood.
- The Library site at Greatlands Place will be relocated into The Beacon. Once it has been relocated the site can be used for open space, or small scale residential infill development.

Greater efforts should be made to encourage better maintenance of private gardens. This could be supported by a community project to encourage people to grow more food in the gardens which would be consistent with the original garden suburb principles and linked to the point below.

- PCH and the City Council should support and encourage greater community involvement in estate management.
- Affordable accommodation will be indistinguishable from owner occupied homes
- Re development and refurbishment schemes should provide local training and employment opportunities.
- Demolitions and site clearance should be programmed to avoid sites being left in an unused condition for long periods as this would be detrimental to the appearance of the area, and could attract anti social behaviour. If it is inevitable that site clearance takes place well in advance of redevelopment, then suitable temporary uses should be considered such as open space etc.
- New affordable homes should be designed to meet code level 4 standards and private homes should reach at least Code 3. In addition new developments should aim to achieve a Building for Life Score of at least 14 out of 20.
- New or refurbished homes should attempt to meet the needs of the whole community, and include lifetime and wheelchair homes.



### Summary of priorities for infrastructure mitigation and community benefits in relation to North Prospect development phases

Development Phase	Priority for Mitigation / Community Benefit
Phase 1	<ul style="list-style-type: none"> <li>▪ Delivery of the Beacon as a focus for the community</li> <li>▪ Local job creation</li> </ul>
Phase 2	<ul style="list-style-type: none"> <li>▪ Delivery of improvements to Cookworthy Green</li> <li>▪ Internal areas of open space</li> <li>▪ First phase of the creation of Cookworthy Boulevard</li> <li>▪ Local job creation</li> <li>▪ Surface water mitigation</li> <li>▪ Highway improvements and “Designed in” traffic calming</li> <li>▪ Contribution to education provision</li> </ul>
Phase 3	<ul style="list-style-type: none"> <li>▪ Completion of Cookworthy Green improvements, including “Linear Park” along Wolesely Road.</li> <li>▪ New area of open space within the development.</li> <li>▪ Contribution to education provision</li> <li>▪ Local Job creation</li> <li>▪ “Designed in” traffic calming.</li> </ul>
Phase 4	<ul style="list-style-type: none"> <li>▪ Contribution to education provision</li> <li>▪ Improvements/redevelopment of Laurel Dene Car parks</li> <li>▪ Local job creation</li> <li>▪ “Designed in” traffic calming</li> </ul>
Phase 5	<ul style="list-style-type: none"> <li>▪ Creation of a new access and improvements at Titchy Park.</li> <li>▪ Contribution to education provision</li> <li>▪ Completion of Cookworthy Boulevard.</li> <li>▪ Local Job Creation</li> <li>▪ “Designed in” traffic calming</li> <li>▪ Local highway improvements and signage within the neighbourhood</li> </ul>

The above list is intended for guidance as to the infrastructure and community benefit delivery priorities relating to each phase of the development of North Prospect. It is not intended as a definitive list, as priorities may change and need to be revisited throughout the course of the regeneration project. For example, highway and junction improvements may be needed at various times during the regeneration depending upon conditions at that time.

These are however issues that have been identified as important to the delivery of a balanced and sustainable community, and should be considered as part of the regeneration package. The list is relevant to the negotiation of planning obligations and the future consideration of spending priorities of the Community Infrastructure Levy, which is likely to take effect from June 2013.

**Other documents relevant to regeneration of North Prospect.**

**City Council documents**

Adopted Core Strategy 2006-2021 Adopted April 2007  
Development Guidelines Supplementary Planning Document Adopted April 2010  
Planning Obligations and Affordable Housing Supplementary Planning Document  
Second Review July 2012  
Sustainable Neighbourhood Assessment (2005)  
Neighbourhood profiles  
Neighbourhood Pamphlets (Consultation Version) 2011

**PCH Documents**

North Prospect Design Code (Levitt Bernstein) April 2012  
North Prospect Spatial Strategy (Levitt Bernstein) November 2010.

# CITY COUNCIL

28 January 2013



## CABINET MINUTES 121 AND 121a OF 15 JANUARY 2013

### MINUTE 121

#### **TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE: REVENUE ESTIMATES AND CAPITAL PROGRAMME 2013/14 - 2016/17**

The Director for Place submitted a written report on the business plan and the capital and revenue budgets for 2013/14 as recommended by the Tamar Bridge and Torpoint Ferry Joint Committee (Tamar Bridge and Torpoint Ferry Joint Committee minutes 24 and 25 refer).

The report indicated that the forecast capital and revenue budgets would require an increase in toll income of approximately 13 per cent from April 2014. This would ensure that risks were mitigated and that the cost of the operation did not fall upon the parent authorities' budgets. Additional work was on going to optimise options for the replacement of the bridge protective coating and a feasibility study would review the need to replace administration and control facilities on the Tamar Bridge site.

Councillor Coker (Joint Chair of the Tamar Bridge and Torpoint Ferry Joint Committee and Cabinet Member for Transport) presented the report and indicated that the Tamar Bridge and Torpoint Ferry Joint Committee had not yet agreed any toll increase. He added that the joint committee would continue to look at options and would present a recommendation on income to Cabinet in due course.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed the Tamar Bridge and Torpoint Ferry Business Plan 2013–2017.

#### **Minute 121a**

#### **Tamar Bridge and Torpoint Ferry Joint Committee Revenue Estimates and Capital Programme 2013/14 - 2016/17 - Recommendation to the City Council**

Further to minute 121 above, the City Council is Recommended to approve the revenue and capital budgets for 2013/14, as proposed by the Tamar Bridge and Torpoint Ferry Joint Committee.

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Note:

*The full report in connection with this minute is available on the website*

[www.plymouth.gov.uk/democracy](http://www.plymouth.gov.uk/democracy)

*or by contacting Democratic Support on 01752 304867*

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**PLYMOUTH CITY COUNCIL**

**Subject:** Tamar Bridge and Torpoint Ferry Joint Committee: Revenue Estimates and Capital Programme 2013/14– 2016/17

**Committee:** Cabinet

**Date:** 15 January 2013

**Cabinet Member:** Councillor Coker, Joint Chair Tamar Bridge and Torpoint Ferry Joint Committee

**CMT Member:** Anthony Payne (Director for Place)

**Author:** Tom White, Head of Network Management Unit

**Contact:** email: thomas.white@plymouth.gov.uk Tel: 01752 304256

**Ref:**

**Key Decision:** No

**Part:** I

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**Purpose of Report:**

The report requests that Cabinet approves the Business Plan recommended by the Tamar Bridge and Torpoint Ferry Joint Committee and recommends that Council approve the capital and revenue budgets for 2013/14.

Cabinet should note that the forecast capital and revenue budgets will require an increase in toll income of approximately 13% from April 2014. This will ensure that risks are mitigated and that the cost of the operation does not fall upon the parent authorities' budgets. Additional work is ongoing to optimise options for the replacement of the Bridge Protective Coating and a feasibility study will review the need to replace administration and control facilities on the Tamar Bridge site. Proposals will be presented to Cabinet before decisions are finalised on these issues.

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**Corporate Plan 2012 – 2015:**

Providing a safe and well-maintained road network contributes to the economic well being of the City in support of the Growth priority.

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

In the medium term the Joint Committee has the power to reduce the current concessions without any additional external approvals, and thereby generate sufficient additional income to support forecast requirements ensuring that the cost of the undertaking does not fall upon the parent authorities' budgets.

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

A risk register and mitigation measures are included in the Tamar Bridge and Torpoint Ferry Business Plan 2013 to 2017.

It also should be noted that Cornwall Council and PCC have reviewed the TBTF Business Plan, Business Continuity Management System and Risk Management Framework, and are content that business continuity risks associated with TBTF are adequately covered.

**Recommendations & Reasons for recommended action:**

It is recommended that:

- i) Cabinet approve the Tamar Bridge and Torpoint Ferry Business Plan 2013-2017.
- ii) the revenue and capital budgets for 2013/14, proposed by the Tamar Bridge and Torpoint Ferry Joint Committee are approved by the Council.

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

The committee has reviewed the current levels of reserves as this will impact on the timing of the next toll revision. Further workshops and review meetings are arranged to develop options.

**Background papers:**

Tamar Bridge and Torpoint Ferry Joint Committee Papers, 07 December 2012

<https://democracy.cornwall.gov.uk/documents/g4176/Public%20reports%20pack%2007th-Dec-2012%2010.00%20Tamar%20Bridge%20and%20Torpoint%20Ferry%20Joint%20Committee.pdf?T=10>

Tamar Bridge and Torpoint Ferry Joint Committee Minutes, 07 Dec 2012-12-21

<https://democracy.cornwall.gov.uk/documents/g4176/Printed%20minutes%2007th-Dec-2012%2010.00%20Tamar%20Bridge%20and%20Torpoint%20Ferry%20Joint%20Committee.pdf?T=1>

**Sign off:**

Fin NF TC12 13 003.1 61112		Leg JAR/I 6060		HR		Corp Prop		IT		Strat Proc	
Originating SMT Member: Clive Perkin											

### **Tamar Bridge and Torpoint Ferry Joint Committee 13/14 Budget**

- 1.1 The Tamar Bridge and Torpoint Ferry are operated, maintained and improved jointly by Plymouth City Council and Cornwall Council on a 'user pays' principle, being funded by toll income using powers derived from the Tamar Bridge Act. The finances of the joint undertaking are effectively ring-fenced by the Act, and it is operated as a self-financing business. As such the Business Plan aims to provide the service without external financial support.
- 1.2 The current reserves balance of the TBTF budget stands at approximately £3m, but due to a combination of falling traffic levels (and therefore income) over the past few years and increasing costs, without intervention reserves are projected to run down to £2m by the end of financial year 2013/14 and to £800,000 by the end of financial year 2014/15. This estimate is based on a number of assumptions, notably the assumption that traffic levels will remain flat from April 2013 onwards. Industry and government forecasts suggest traffic growth in the forecast period of the order of 1% per annum but they are considered to be potentially optimistic and unreliable for local use based on recent experience.
- 1.3 Forecast expenditure is based on detailed review of activities necessary to deliver a defined safe, reliable and efficient service. Facilities are maintained in a timely fashion to a high standard to optimise life costs. Investment made in the capital programme is designed to control long term revenue expenditure and/or improve the service.
- 1.4 Revenue expenditure has a fairly stable core element, but with cyclical fluctuations in maintenance and inspection programmes. This results in some significant year-on-year variations, but efficiency savings in resources and procurement have helped to keep the cost of overall service delivery within inflation (RPI).
- 1.5 Member/officer income workshops and review meetings were held on 9 March 2012, 25 May 2012 and 31 August 2012. The objectives of this series of meetings were to review forecast expenditure and income, establish a prudent minimum level of reserves, and then establish a preferred option to generate the additional income required to meet expenditure forecasts and maintain reserve at an adequate level.
- 1.6 It has been determined that the minimum level of reserves should be set at £2m and a range of options have been examined that could generate the required additional 13% increase in income from April 2014 onwards in order to keep reserves above that minimum level.
- 1.7 The options for generating this increase are still under consideration, and include toll revision and monthly charges for pre-paid (TamarTag) accounts. These options will continue to be developed, and a preferred option will be proposed to Cabinet taking account of associated lead times.
- 1.8 Notwithstanding the preferred income strategy, the Joint Committee has the power to reduce the current concessions without any additional external approvals, and thereby generate sufficient additional income to support forecast requirements. This facility provides significant protection to the parent authorities in the short and medium term.
- 1.9 The approved capital programme includes a significant item for Bridge Protective Coating currently estimated at £5m. However a technical evaluation of the current condition of the structure and determination of the preferred coating systems based on risk and optimising life cost is ongoing. This may impact upon the cost and phasing of the works, and officers are looking to conclude this evaluation in the final quarter of 2012/13.

- I.10 The bridge facilities currently include temporary buildings to accommodate staff and storage. The revenue programme includes a feasibility study that will inform a review of control rooms, administration facilities and public amenity at both crossings, and also consider other commercial opportunities at the bridge site. It is possible that this review will result in proposals for a capital project for development of the facilities. If such a project is proposed then a business case will be presented to Cabinet. Revenue budget forecasts meanwhile provide for ongoing maintenance of existing facilities and no provision has been made for such a project in the capital programme.
- I.11 A review of TBTF revenue budgets has been undertaken by officers to drive efficiency savings. An external efficiency review is scheduled for completion by March 2013.



# CABINET

15 JANUARY 2013



## TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE MINUTES 24 AND 25 OF 7 DECEMBER 2012

### 2013/14 REVENUE ESTIMATES & CAPITAL PROGRAMME

(Agenda No. 5.3)

TBTF/24

The Joint Treasurer (Cornwall) presented the written report setting out the proposed revenue budget for the Joint Committee for 2013/14, indicative figures for the subsequent 3 years, and the proposed capital programme. He highlighted in particular variances between the 2012/13 and 2013/14 estimates, the need to generate additional income of 13% from April 2014 in order to maintain reserve levels at £2 million, the withdrawal of the Bridge Office re-development scheme from the Capital Programme in view of the proposed feasibility study to be undertaken and there being no new items in the Capital Programme.

In response to Members' questions, officers advised that:-

- i) traffic level forecasts were based upon central and regional estimates, actual levels and local knowledge;
- ii) inflation forecasts were based upon assessments of the most accurate data available but were difficult to predict over a 4 year period;
- iii) a comprehensive income and expenditure assessment had been carried out with the Joint Treasurers.

Arising from consideration of the report, it was moved by Councillor Drean, seconded by Councillor Hobbs, and unanimously it was

**RESOLVED** That the following be recommended to Cornwall Council and Plymouth City Council:-

- i) That the proposed revenue budget for 2013/14 as set out in Appendix 1 to the report be approved;
- ii) That the proposed capital programme as set out in Appendix 2 to the report be approved;
- iii) That the longer term revenue forecast to 2016/17 be noted.

Noted That:- At the conclusion of this item, the Chairman announced that this would be the last meeting of the Joint Committee attended by Peter Hockin (Joint Treasurer, Cornwall) as he would shortly be moving to another position within the authority. He thanked the Joint Treasurer (Cornwall) for all his hard work on behalf of the Joint Committee and welcomed his replacement, Leigh Parker.

**BUSINESS PLAN, RISK MANAGEMENT AND BUSINESS CONTINUITY MANAGEMENT**

(Agenda No. 5.4)

TBTF/25

The General Manager presented the written report setting out the proposed Business Plan 2013-17 together with the proposed Business Continuity Management System and Risk Management Framework. He advised that these were essentially updated versions of previous documents and outstanding data would be added as it became available by the end of the financial year. He added that it was intended to circulate the confidential individual business continuity and incident management plans to Members shortly.

A debate ensued, the main points of which were noted as follows:-

- i) it was suggested that the words 'and undertake the necessary actions' should be removed from the improvement priority relating to Bridge office facilities as set out on Page 22 of the Business Plan;
- ii) it was considered that the Business Continuity Objectives as set out on Page 8 of the Business Continuity Management System should include reference to the capacity to provide a shuttlebus service in appropriate circumstances;
- iii) it was noted that the report completion date of September 2012 relating to the delivery action on environmental issues as set out on Page 26 of the Business Plan should be amended accordingly.

The General Manager confirmed that the above revisions would be made prior to publication of the finalised document.

Arising from consideration of the report and debate, it was proposed by Councillor Austin, seconded by Councillor Trubody, and unanimously it was

**RESOLVED**

- i) That the Business Continuity Management System and Risk Management Framework be approved;
- ii) That an updating report be presented to the next meeting

and

**RESOLVED** That the following be recommended to the Cabinets of Cornwall Council and Plymouth City Council:-

- i) That the 2013-17 Business Plan be approved.

# CITY COUNCIL

28 January 2013



## CABINET MINUTES 120 AND 120a OF 15 JANUARY 2013

### Minute 120

#### Windsor House Co-location with Health

The Director for Corporate Services submitted a written report on proposals for the co-location of the health Western Locality Client Commissioning Group at Windsor House to facilitate major changes for health and social care. Both organisations had agreed on –

- sharing an ICT system;
- utilisation of existing parking;
- Heads of Terms for the occupation of the building by health staff;
- the future of buildings 1, 2 and 6B at Derriford Business Park from where health staff currently operated;
- the level of refurbishment as part of re-modelling;
- financial implications to both parties.

The report was required to be treated as an urgent key decision due to the need to conclude the purchase of buildings 1 and 2 prior to the transfer of all health assets into the NHS property services company and agreement had been given by the Chair of the Overview and Scrutiny Management Board.

Councillor Lowry (Cabinet Member for Finance) presented the report and revised recommendations, as circulated. The Chair congratulated the capital and assets team on the achievement of this outcome.

#### Alternative options considered and reasons for the decision –

As set out in the report.

Agreed, subject to the approval of the recommendation to the City Council, –

- (1) works required to implement co-location at Windsor House with the Western Locality Client Commissioning Group at a net cost to the council of £0.369m;
- (2) the purchase of the leases of buildings 1 and 2 at Derriford Business Park at a cost of £0.900m.

cont'd.....

**Minute 120a**  
**Windsor House Co-location with Health - Recommendation to the City Council**

Further to minute 120 above, the City Council is Recommended to approve the additional capital resources required to implement co-location at Windsor House with the western locality Client Commissioning Group and amend the capital programme accordingly.

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Note:

*The full report in connection with this minute is available on the website*

*[www.plymouth.gov.uk/democracy](http://www.plymouth.gov.uk/democracy)*

*or by contacting Democratic Support on 01752 304867*

# URGENT CABINET DECISION


Democratic Support



PLYMOUTH  
CITY COUNCIL

## Cabinet Decision

1	<b>Cabinet decision (title):</b> Co-location with health at Windsor House		
2	<b>Decision maker:</b> Cabinet on the recommendation of Cllr Lowry & Cllr McDonald		
3	<b>Decision author and contact details:</b> Chris Trevitt (Head of Capital & Assets)  Tel: 01752 305441; e-mail: Chris.trevitt@plymouth.gov.uk		
4	Decision to be taken:  To approve the additional capital resources required to implement co-location at Windsor House with the western locality Client Commissioning Group and amend the Capital Programme accordingly.		
5	<b>Reasons for decision:</b>  To take the opportunity to integrate with partners from health and realise the benefits and efficiencies that would bring to the citizens of Plymouth		
6	<b>Alternative options considered and rejected:</b>  To not pursue the co-location option and fill the workstations with city council staff from the Civic Centre. This would miss the opportunity to integrate with partners from health and lose the benefits and efficiencies that would bring to the citizens of Plymouth.		
7	<b>Financial implications:</b>  The total capital cost to the council would be £1.269m although there would be a revenue surplus of £0.175m.		
8	<b>Is the decision a Key Decision?</b>	<b>Yes</b>	<input checked="" type="checkbox"/> (if ticked, complete section 9)
		<b>No</b>	<input type="checkbox"/> (If ticked, proceed to section 10)
9	<b>Date of publication of the notice</b>	<i>(Only if 8 above is 'Yes')</i>	
10	<b>Please specify how this decision is linked to the policy framework and/or budget:</b>	The proposed expenditure is not currently in the council's approved budget.	

11	Is the decision a case of special urgency?	Yes	√	(ensure that the Chair of the Overview and Scrutiny Management Board signs the report at section 12a and section 12b is completed)
12	Will the decision be considered in private i.e. will the press and public be excluded?	Yes	√	
12a	Signature			Date
	Print Name	Councillor Mrs Aspinall (Chair of the Overview and Scrutiny Management Board)		
12b	Reason for urgency: The report is required to be treated as urgent due to the need to conclude the purchase of buildings 1 and 2 prior to the transfer of all health assets into the NHS property services company.			

**PLYMOUTH CITY COUNCIL**

**Subject:** Windsor House Co-location with Health  
**Committee:** **Cabinet**  
**Date:** 15 January 2013  
**Cabinet Member:** **Cllr Lowry & Cllr McDonald**  
**CMT Member:** **Adam Broome (Director for Corporate Services)**  
**Author:** Chris Trevitt (Head of Capital & Assets)  
**Contact:** Tel: 01752 305441  
e-mail: [chris.trevitt@plymouth.gov.uk](mailto:chris.trevitt@plymouth.gov.uk)  
**Ref:**  
**Key Decision:** Yes  
**Part:** I

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**Purpose of the report:**

To gain authorisation for the council to deliver co-location at Windsor House with the health western locality Client Commissioning Group.

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**Corporate Plan 2012-2015:**

**Level 1 Long-Term Outcome Measures:**

Provide value for communities: Increase customer satisfaction with all public services offering VFM

**Level 2 Medium-Term Outcome Measures:**

Deliver Growth: Number of affordable homes delivered (gross); Net additional homes provided.

Reduce Inequality: Access to services and opportunities – ease of transport access.

Provide value for communities: Increase in the value of commissioned goods and services

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

The total capital cost to the council would be £1.269m although there would be a revenue surplus of £0.175m. The majority of the capital expenditure is to secure control of existing health accommodation which has strategic value to the council in the wider context of development at Derriford. This could allow the council to generate capital sums significantly in excess of this amount in the future. In the short term the capital expenditure could be funded by unsupported borrowing which would have an estimated revenue cost of £0.09m per annum which could be met in part from the surplus on the health annual contribution. This could be further mitigated if the Derriford buildings are let out, however in the short term this may be a pressure on the capital financing budget if this cannot be achieved.

There is also an estimated value of potential rent forgone from health of £0.15m, however it is felt that the non financial benefits of improved operations between health and the council offset this.

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

Improvement in sharing of information – across health, social care, education to deliver better outcomes and value for money.  
 Implementation of the Health and Social Care Act through opportunities for integration where appropriate.

**Recommendations & Reasons for recommended action:**

1. To recommend that Council approve the additional capital resources required to implement co-location at Windsor House with the western locality Client Commissioning Group and amend the Capital Programme accordingly.
2. The report is required to be treated as urgent due to the need to conclude the purchase of buildings 1 and 2 prior to the transfer of all health assets into the NHS property services company.

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

To not pursue the co-location option and fill the workstations with city council staff from the Civic Centre. This would miss the opportunity to integrate with partners from health and lose the benefits and efficiencies that would bring to the citizens of Plymouth.

**Background papers:**

**Sign off:**

Fin	DJN12 13.027	Leg	1657 4/DV S	HR	MG1213 01/001	Corp Prop	CJT/110/ 141212	IT	MCI21 3.026	Strat Proc	N/A
Originating SMT Member Malcolm Coe											
Have you consulted the Cabinet Member(s) named on the report? Yes											



## 1.0 Introduction

- 1.1 Plymouth City Council (PCC) operates from a number of offices and buildings in order to deliver a wide range of services throughout the Council. These properties form a mixture of freehold and leasehold premises. Considerable savings have been made through the rationalisation of the corporate estate, establishing 3 main corporate buildings: The Civic Centre, Midland House and Windsor House. The Civic Centre in part and Midland House have been remodelled, the Civic Centre as an interim solution pending results of the current procurement exercise to dispose of the freehold of the building. Works have been on-going to remodel Windsor House to support flexible ways of working and are due to complete in February 2013.
- 1.2 Representatives from the Western Locality of NEW Devon Clinical Commissioning Group (CCG) and TRAC (the new GP referral service) have reviewed the available space and a plan has been produced that would see the organisations working under one roof to enable major changes for health and social care to happen.
- 1.3 The possible co-location has involved agreement between both organisations on the following;
  - Sharing an ICT system
  - Utilisation of available parking
  - Heads of Terms for the occupation of the building by health staff
  - The future of Buildings 1, 2 & 6B at Derriford business park where health staff currently operate from
  - Level of refurbishment as part of re-modelling
  - Financial implications to both parties

## 2.0 ICT Implications

- 2.1 The ICT design is the most critical element for health to either transfer to a PCC hosted integrated system allowing total flexibility and access for NHS Plymouth and PCC staff throughout the building and take out a shared service with PCC. This would dramatically move forward the collaborative agenda between teams, whilst making PCC a national path finder
- 2.2 Discussions have taken place regarding the way in which the newly co-located staff would like to work, with whom they share data, and what enhancements they would benefit from. Following an independent evaluation by technical consultants it was concluded that the PCC proposal delivered the best solution and offered considerable advantages to support this new way of working.
- 2.3 The proposal would see PCC hosting the New Devon CCG staff on our ICT infrastructure, allowing them to work flexibly throughout the building, utilise Lync to make their telephone calls and video conference. They will also be able to benefit from the 'Presence' technology allowing them multiple ways to communicate with their own as well as our staff. Furthermore PCC would host their Microsoft SQL data bases and will work with them to consolidate these into our new IBM equipped environment over time. They will need access to health specific applications such as the national applications such as 'Choose & Book' and 'Summary Care Record' and locally (Derriford) hosted applications such as Epex for mental health.

- 2.4 This will require the Council to utilise existing link to Derriford hospital and gain N3 access through this route. This is still to be confirmed by the current NHS ICT provider. We are still working with the Cabinet Office and Department of Health to arrive at a final solution for access to the N3 network over the PSN. This would mean Plymouth would be an early adopter of this solution which will be rolled out across the country.
- 2.5 Revenue implications are that New Devon CCG and TRAC CIC users will be charged £1000 per year per user for the provision of ICT services. There is a one off capital transition cost of £0.220m. This is to provide new replacement PCs and laptops, as many are unsuitable for Windows 7 and newer software. We will also be providing Lync handsets and headsets. The provision of an N3 connection is to cost circa £0.020m but this will be required to as part of the transfer of Public Health to the Council.

### **3.0 Parking provision at Windsor House**

- 3.1 Car parking has been a key issue in co-location at Windsor House. Although there is a significant parking provision around Windsor House, this is not sufficient to meet the requirements from the NHS coming into the building. Additional parking has been identified that would meet health's needs and the council's. However this will require parking to be limited to staff that require a vehicle to carry out their role (mobile workers) in accordance with the other main corporate buildings. The cost of works to develop the additional car parking is a one off capital requirement is £0.065m and an ongoing revenue cost of £0.030m. Requirements and options for both organisations are set out below.

#### **3.2 Requirement**

- 3.2.1 PCC have 386 mobile workers, 350.5 FTE. On an 8:10 desk ratio, the Council requires 280 spaces
- 3.2.2 NHS Plymouth have 135 staff and require 84 spaces
- 3.2.3 Public Health have 35 staff and require 12 spaces.
- 3.3 PCC would have a sufficient number of spaces if NHS Plymouth were not to co-locate at Windsor House. An area of parking close to the building on Sendells Way has been identified to provide an additional 140 spaces, but at the costs identified in 3.1.

### **4.0 Buildings 1, 2 & 6B**

- 4.1 NHS Plymouth are currently located at Derriford Business Park in Buildings 1, 2 and 6B. These buildings would become free if the NHS Plymouth were to move to Windsor House. NHS Plymouth do not have the budget to meet the on-going costs of these buildings and have looked to the council to assist with removing this liability.
- 4.2 The council recently acquired from the RDA the freehold of the business park due to its strategic value given the plans in the Derriford Area Action Plan. The majority of the site is let commercially on short term leases, including building 6B, however buildings 1 & 2 are let on long leases. Due to the prominent position of the buildings on the site they could restrict future development plans and income if they are not within council control. To this end discussions have been on going with health around the possibility of buying health out of the remaining leases, prior to them transferring to the national NHS property services company in April 2013. There is the opportunity to purchase at

open market value the two buildings for £0.9m. The purchase would include an overage provision to cover the first few years post transfer but negotiations are on-going to agree a satisfactory position for the council.

#### 4.3 Alternative interim uses for these buildings have been explored:

- 4.3.1 Plymouth University were approached about their space requirements but have confirmed this is required in the City Centre.
- 4.3.2 The potential ICT shared service would require a HQ and building 1 would be suitable for this
- 4.3.3 The Schools Library Service could take Building 2 as a suitable location to move to from Chaucer Way, freeing up a Capital Receipt and offering a short term solution for the library service.

### 5.0 Financial Implications

<b>Capital</b>	<b>£000</b>	<b>£000</b>	
Total cost of co-location, including ICT	569		
Amount available from health as contribution	200		
Shortfall		369	
Cost to purchase Buildings 1 & 2		<u>900</u>	
<b>TOTAL ADDITIONAL CAPITAL REQUIREMENT</b>			<b>1269</b>
<b>Revenue (per annum)</b>		<b>£000</b>	<b>£000</b>
Running costs of Windsor covered by existing budgets			
Additional cost of car parking	30		
Rates & Utilities for buildings 1 & 2	86		
Rates & Utilities for building 6B	<u>44</u>		
		160	
Contribution from health		(219)	
Direct revenue costs of ICT provision to health	38		
Contribution from health (excl. VAT)	<u>(155)</u>		
		<u>(116)</u>	
<b>Net Annual Revenue implication cost to PCC</b>			<b>(175)</b>

The current estimated annual revenue implication to the Council of Health co-location is a surplus of £0.175m, this could be increased further if the costs of buildings 1, 2 & 6B could be offset by commercial lets or other PCC use which generates a revenue saving elsewhere. However the £0.116m revenue surplus from providing the ICT service to health staff forms part of a separate delivery plan. This leaves only £0.059m revenue

surplus, unless buildings 1, 2 or 6B are re-let, available to meet the cost of borrowing required to fund the £1.269m capital cost, estimated at £0.09m per annum.

- 5.1 The workstations occupied by health staff at Windsor House mean that additional space is required elsewhere for PCC staff, potentially in a leased back Civic Centre, although these have been factored into the evaluation of that project. The additional rental cost of this could be between £100K to £150K, although if building 1 and 2 remain unlet they could be used to accommodate these staff and remove this pressure.

### **6.0 Non- financial benefits**

The Health and Social Care Act contains a number of provisions to encourage and enable the NHS, Local Government and other sections to improve patient outcomes through far more effective co-ordinated working. The Act provides the basis for better collaboration, partnership working and integration across Local Government and the NHS at all levels.

This proposal will facilitate this across the Plymouth City Council and Health partners. In particular through:-

1. Creating significant opportunities for closer and joint working across health and individual directorates within the Local Authority, especially adult and children's social care, education, learning and family support, Office of Director for Public Health and Homes and Communities.
2. Facilitating joint and lead commissioning arrangement across Health, Local Authority and other agencies.
3. Creating efficiencies across support functions e.g. finance and ICT.
4. Enabling the sharing of information across health, social care and education through a shared ICT platform to deliver better outcomes for our customers and improved value for money.
5. A more efficient use of time due to a reduction in travel time and better use of joint meeting facilities including access to large meeting rooms with video conferencing facilities.
6. Longer term opportunities will be explored around integration of services where appropriate and shared services and whole systems reviews leading to leaner and more efficient working practices.
7. The sharing of reception, administration, ICT platform, call handling and records will all be explored to achieve efficiencies for both organisations.
8. A youth organisational development plan will be introduced to consider shared ways of working, communications, learning and development.
9. Opportunities to further develop and build on the Adult Social Care Transformation and the pilot for Rapid Response and Reablement will be considered to deliver better outcomes for customers.

### **7.0 Conclusion**

- 7.1 The Council has a major opportunity to enter a joined up accommodation solution with health. This will have a financial impact for the Council, which needs to be considered carefully in the context of the significant non-financial benefits over time.

**CITY COUNCIL**

28 January 2013

**AUDIT COMMITTEE MINUTE 44 OF 13 DECEMBER 2012****TREASURY MANAGEMENT AND STRATEGY 2012/13 – MID-YEAR REVIEW**

The Senior Accountant provided the Committee with an update on the Treasury Management and Strategy undertaken for the first half of the year compared with the approved strategy for 2012-13.

In response to questions raised it was reported that –

- a) with regard to receiving money back from the Icelandic Banks, PCC should receive approximately 95 per cent of the Council's investments made with Heritable Bank in the next two years. The full amount should be received from Landsbanki and Glitnir over time and Bevan Brittan were currently working on behalf of the Council and other LA claimants to recover the remaining sums due;
- b) the cost of repaying any debt was currently unaffordable as there were premiums to pay on early repayment. However officers keep this under review so opportunities could be taken at appropriate times;
- c) although the fines were large for both HSBC and Standard Chartered they were still very strong and profitable banks. The main reason for PCC not having funds invested with them was that they were not looking for funding in sizes that would be viable for the Council.

Agreed that the report be noted and presented to full Council in accordance with TMP6.

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*Note:*

*The full report in connection with this minute is available on the website*

*[www.plymouth.gov.uk/democracy](http://www.plymouth.gov.uk/democracy)*

*or by contacting Democratic Support on 01752 304867*

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**CITY OF PLYMOUTH**

**Subject:** Treasury Management Strategy 2012/13– Mid-year Review.

**Committee:** Audit Committee  
Full Council

**Date:** 13 December 2012  
28 January 2013

**Cabinet Member:** Councillor Lowry

**CMT Member:** Director for Corporate Services

**Author:** Andrew Liddicott (Senior Accountant)  
**Contact:** Tel: (01752) (30)7873  
e-mail: andrew.liddicott@plymouth.gov.uk

**Ref:** Acct/AL

**Key Decision Part:** No  
1

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**Purpose of the report:**

The Local Government Act 2003 requires the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy. The Council's strategy for 2012/13 was approved by full Council at its budget meeting on 27 February 2012. This report provides an update on the progress and outcomes against the Treasury Management Strategy for the six month period ended 30 September 2012. It is a requirement of the CIPFA Code of Practice on Treasury Management that a full mid year report, as a minimum, should be presented to Full Council.

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**Corporate Plan 2012-2015:**

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

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

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

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

The current volatility and uncertainty within the global financial markets has had a substantial effect on Treasury Management activities. The risk in the Council's investments and loans will be constantly monitored and acted upon through the Treasury Management Board which meets on a regular basis.

**Recommendations & Reasons for recommended action:**

- I. The report be noted and presented to full Council in accordance with TMP 6

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

It is statutory requirement under the Local Government Act 2003 and supporting regulations to set an annual treasury strategy for borrowing and prepare an annual investment strategy. The Council has adopted the Cipfa Code of Practice for Treasury Management which requires a mid-year report to be submitted to the Audit Committee and Full Council covering the performance against this approved strategy.

**Background papers:**

- Treasury Management Strategy Report 2012/13 to Council 27 February 2012
- Treasury Management Practices update for 2012-13 approved by Audit committee 21 June 2012
- Treasury management budget working papers

**Sign off:**

Finance	djn1213.020	Legal		HR	n/a	Corp Prop	n/a	IT	n/a	Strat Proc	n/a
Originating SMT Member Malcolm Coe											



## Treasury Management Strategy Mid-Year Review

### I. Introduction

1.1 The Treasury Management Strategy for 2012/13 was approved by full Council at its meeting of the 27<sup>th</sup> February 2012. The Treasury Management Strategy has been underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2011, which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year. The Code also recommends that members are informed of treasury management activities at least twice a year. This report therefore ensures this authority is embracing best practice in accordance with CIPFA's recommendations.

1.2 Treasury Management is defined as:

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

1.3 The responsibility for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions is delegated by the Council to its Section 151 Officer – the Director for Corporate Services, and is overseen by a Treasury Management Board consisting of senior officers of the Council.

1.4 The day to day operation of the treasury management activity is carried out in accordance with detailed Treasury Management Practices (TMP's). Updates to these practices for 2012-13 were approved by the Audit Committee on 21<sup>st</sup> June 2012.

1.5 The Council works closely with its treasury management advisors, Arlingclose, who assist the Council in formulating views on interest rates, regular updates on economic conditions and interest rate expectations, and advice on specific borrowing and investment decisions.

1.6 This report therefore provides an update on the Council's treasury management activity for the period ended 30<sup>th</sup> September 2012 together with performance against approved Treasury Management Prudential Indicators. In accordance with Treasury Management Practice (TMP) note 6, the report is required to be presented to full Council.

### 2. Economic Background

2.1 Before reviewing the Council's performance to date it is appropriate to outline the national and economic background within which Council Officers have operated during the first part of the year. The key financial issues are outlined below.

**Growth:** The world economy faced yet another soft patch. The UK and the Eurozone (with the exception of Germany) struggled to show discernible growth whilst the US economy grew slowly. UK GDP contracted by 0.3% in the first calendar quarter of 2012 and by 0.4% in second, reflecting the difficult economic conditions faced by businesses and consumers domestically and globally. Businesses were more inclined to take defensive strategies involving cost cutting rather than increasing capital spending. Financial conditions facing households continued to be weak as wage growth remained subdued and was, for much of the period, outstripped by inflation. (Much of the fall in Q2 GDP could probably be attributed to the impact of the additional bank holiday for the Diamond Jubilee, and could be recovered in Q3.)

**Inflation:** Inflation, which had remained stubbornly sticky throughout 2011, slowly began to fall. Annual CPI dipped below 3% for the first time in two and half years in May and fell to the lowest level since November 2009 in June, with a reading of 2.4%. It ticked up marginally to 2.5% by August. Although the recent rise in commodity prices has been worrying, the rise in oil and food prices – the latter mainly due to poor weather-related yields - are well below the spikes of 2010/11.

Some barometers of economic activity, however, provided a more buoyant and positive picture but tended to get overshadowed. Employment rose by 236,000 in the three months to July and the employment rate was at its highest since the three months to April 2009. The ILO unemployment rate fell 0.1% on the quarter to 8.1%. Whilst the effect of the Olympics undoubtedly played a part, despite its temporary nature, the underlying data pointed to a more resilient and optimistic outlook for the economy.

The lack of growth and the fall in inflation were persuasive enough for the Bank of England to sanction £50 billion asset purchases (Quantitative Easing - QE) in July, taking total QE to £375 billion. The possibility of a rate cut from the current level of 0.5% was discussed at the Bank's Monetary Policy Committee meetings in June and July; however reference to it was subsequently dropped suggesting that this policy option had left the table for the immediate future. The government's Funding for Lending (FLS) initiative, intended to lower banks' funding costs, commenced in August. The Bank of England will assess its effects in easing the flow of credit before committing to further policy action.

Banks were embroiled in the scandal to manipulate LIBOR rates during the abnormal market conditions at the height of the 2007/08 financial crisis. Barclays was fined a record £290 million, the FSA was also investigating HSBC, RBS, Citicorp and UBS; Lloyds was named in a lawsuit in the US. The big-four UK banks were also being investigated for mis-selling interest rate swaps to small businesses.

The US Federal Reserve extended quantitative easing through 'Operation Twist', in which it buys longer-dated bonds with the proceeds of shorter-dated US Treasuries. Poor employment data for August preceded the Fed further easing monetary policy at its September meeting; The Fed committed to purchasing \$40 billion of agency mortgage-backed securities each month until the outlook for

the labour market improves “substantially.” The Fed also pledged to keep interest rates low until mid-2015. In Greece, the formation of an alliance of pro-euro parties after a second round of parliamentary elections prevented an immediate and disorderly exit from the Euro. The Euro region suffered a renewed bout of stress when Italian and Spanish government borrowing costs rose sharply and Spain was also forced to officially seek a bailout for its domestic banks. The European Central Bank (ECB) responded with the announcement in September of its Outright Monetary Transactions (OMT) facility which allows the ECB to buy unlimited amounts of 1-3 year sovereign bonds provided the sovereign(s) first asks for such assistance and adheres to the strict conditionality attached to such purchases.

**Gilt Yields and Money Market Rates:** Gilt yields fell sharply raising the prospect that very short-dated yields could turn negative. 2-year yields fell to 0.06%, 5-year yields to 0.48% and 10-year yields to 1.45%. Despite the likelihood the DMO would revise up its gilt issuance for 2012/13, there were several gilt-supportive factors: the Bank of England’s continued purchases of gilts under an extended QE programme; investors preferring the safer haven of UK government bonds to those of European sovereigns; the coalition’s commitment to fiscal discipline by sticking to its “plan A” for deficit reduction; large scale purchases by banks to comply with the FSA’s liquidity buffer requirements; and general risk aversion against a weak economic backdrop. PWLB borrowing rates fell commensurately (the Board maintained the +0.90% margin above the equivalent gilt yield for new borrowing).

Money market rates fell over the six month period by between 0.2% to 0.6% for 1-12 month maturities.

Money market data and PWLB rate movements over the first half of 2011/12 are attached as Appendix I to this report.

### **3 The Council’s Strategy for 2012/13**

3.1 The Council’s treasury management strategy was approved by full Council on 27<sup>th</sup> February 2012. As an overriding principle, the strategy proposed that the Council would continue to minimise risk contained within its current debt and investment portfolios by establishing an integrated debt management and investment policy which balanced certainty and security, with liquidity and yield. The Council would continue to make use of short term variable rate borrowing, whilst at the same time seeking to balance its investments across a range of investment instruments.

3.2 The borrowing strategy was to be based on affordability and subject to credit conditions throughout the year. In adverse credit conditions the strategy was to use internal balances to cover any borrowing requirement enabling the Authority to minimise borrowing costs and reduce overall treasury risk by reducing the level of external investment balances. In improved credit conditions the Director for Corporate Services would consider externalising borrowing using short-term or long-term loans as part of a balanced maturity profile within the approved Prudential Indicators.

#### 4. Review of the Council's Performance April – September 2012

4.1 Table I shows the Council's overall treasury portfolio at 30<sup>th</sup> September 2012 compared to the position at the start of the year.

**Table I**

<b>01/04/2012 £m</b>	<b>Average Interest rate %</b>		<b>30/9/2012 £m</b>	<b>Average Interest rate %</b>
		External Borrowing Long-term:		
61.315	5.4001	PWLB	61.315	5.4001
130.000	4.4202	Market	130.000	4.4202
0.083	1.1668	Bonds	0.088	1.1668
15.000	0.2900	Temporary Borrowing	19.000	0.2658
<b>206.398</b>	<b>4.4098</b>	<b>Total PCC Borrowing</b>	<b>210.402</b>	<b>4.3293</b>
		Long-term liabilities		
31.017	8.7300	PFI Schemes	31.017	8.7300
2.585	n/a	Finance Leases	2.585	n/a
9.510	n/a	Cornwall County Council (TBTF)	9.510	n/a
<b>249.510</b>		<b>Total External Debt</b>	<b>253.514</b>	
<b>(83.975)</b>	1.0564	<b>Total Investments</b>	<b>(90.216)</b>	0.8853
<b>165.535</b>		<b>Net Borrowing/(Net Investment) Position</b>	<b>163.298</b>	

#### **Borrowing**

4.2 Under Section 3 of the Local Government Act 2003 and supporting regulations the Council must determine and keep under review how much it can afford to borrow. The Council is required to set two limits:

- The Authorised Limit
- The Operational Boundary

4.3 The external debt limits for 2012/13, as approved by Council in February 2012, are as follows:

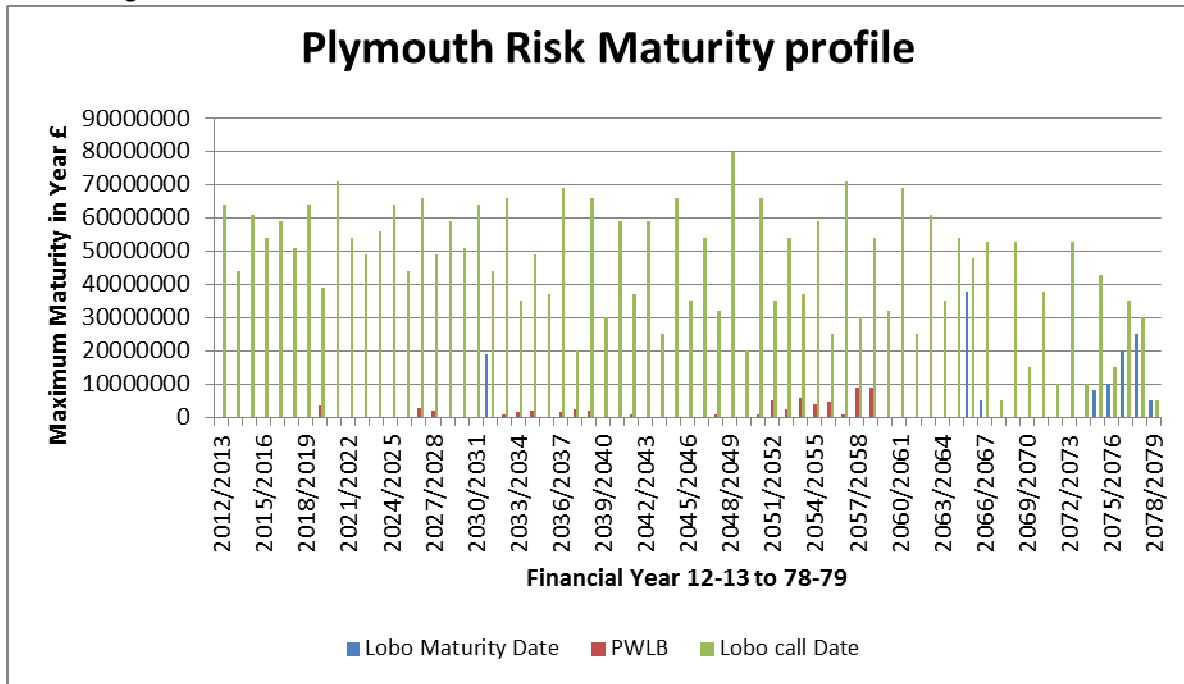
- Authorised limits           £309m
- Operational Boundary     £279m

4.4 The maximum external debt outstanding during the period was £273.7m on 4th May 2012 (including £43m for the PFI scheme, finance leases and Tamar bridge debt administered by Cornwall County Council). This was within both the authorised limit and the operational boundary. By 31<sup>st</sup> August debt had fallen to £234.4m due to the strategy to reduce short-term borrowing and call account deposits to reduce credit risk due to increased uncertainty in the Eurozone. At 30th September 2012 total external debt increased to £253.514m with external

borrowing excluding PFI, Finance leases and Tamar Bridge debt at £210.402m including £19m of short-term loans taken as credit conditions improved during September. This left a balance of £30.9m internally borrowed using available balances to cover the funding of the capital programme. Officers will monitor credit conditions and increase/reduce external borrowing when appropriate.

- 4.5 The following graph shows the maturity profile of the Council's long-term borrowing at 30<sup>th</sup> September 2012:

Figure 1



- 4.6 The debt portfolio currently includes £130m of LOBO loans. These loans have various option call dates where the banks have the ability to amend the loan terms and at which point the Council could choose to repay the loan if the terms are changed. This is reflected within the maturity profile shown above (in green) to enable officers to risk manage the Council's cashflows. To 30<sup>th</sup> September 2012 £10m of loans had reached their call option dates. No options were exercised and these loans will continue at fixed rates until the next option dates in 2 to 4 years time.

- 4.7 Table 2 shows the movement in the borrowing portfolio during the year.

Table 2

	Balance on 01/04/2012 £000s	Debt Maturing £000s	Debt Repaid £000s	New Borrowing £000s	Balance on 30/09/2012 £000s	Increase/ (Decrease) in Borrowing
Short Term Borrowing	15,000	(87,790)	0	91,790	19,000	4,000
Long Term Borrowing	191,398	0	0	4	191,402	4
<b>TOTAL BORROWING</b>	<b>206,398</b>	<b>(87,790)</b>	<b>0</b>	<b>91,794</b>	<b>210.402</b>	<b>4,004</b>

#### 4.8 New borrowing in year

The use of short-term borrowing has continued to be the most cost effective means of financing capital expenditure and cashflow requirements. During the first half of the year when credit conditions fluctuated the strategy moved in and out of using internal balances to using short-term borrowing. By matching any short-term borrowing with the available liquid deposits held in bank call accounts, this has lowered overall treasury risk by allowing flexibility of reducing debt and investment levels at short notice when credit conditions deteriorated.

The Council started the year with £15m of short-term loans with £91.794m of new loans taken and £87.790m of loans maturing in 2012/13. The average period of new loans taken in the period 1<sup>st</sup> April 2012 to 30<sup>th</sup> September 2012 was 39.32 days at an average rate of 0.2738%. Short-term fixed/variable rate borrowing is expected to remain attractive for some time as the Bank of England maintains the base rate at historically low levels. Subject to credit conditions the borrowing strategy for the remainder of the year will be to take short-term loans up to the limit of the Council's Capital Financing Requirement (CFR).

#### 4.9 Debt Rescheduling

There has been no debt rescheduling in the period due to falling interest rates making the repayment of any PWLB loans more expensive. Officers along with our advisers Arlingclose will monitor PWLB interest rates looking for opportunities to repay any debt, maximising the savings achieved whilst maintaining a balanced maturity profile.

#### 4.10 Overall Debt performance for the first part of the year

All new debt taken in 2012-13 has been in short-term borrowing to meet cashflow/capital financing requirements. Over the period total loan debt has increased by £4.004m as a result of an increase in short-term borrowing due to the improvement in credit conditions. The increase in short-term borrowing has resulted in a reduction in the average rate on external borrowing from 4.4098% on 1<sup>st</sup> April 2012 to 4.3293% on 30<sup>th</sup> September 2012.

4.11 PWLB borrowing

The PWLB remains an attractive source of borrowing for the Council in considering any long-term loans as it offers flexibility and control. The large downward move in gilt yields in the second quarter resulted in PWLB rates falling across all maturities (tables 2 and 3 in Appendix 1).

In August HM Treasury announced details of a “Certainty Rate” which will enable “eligible authorities” to access cheaper PWLB funding, with a 20 basis point reduction on the standard PWLB borrowing rate. Initially announced in the March 2012 Budget, HM Treasury have introduced this initiative to incentivise local authorities to provide robust forecasts on borrowing plans. The Council has completed the pro-forma projecting the Council’s likely borrowing requirement over a three year period and returned it to CLG by the deadline of 17<sup>th</sup> September 2012 and are now eligible for this discounted rate for new loans starting on or after 1<sup>st</sup> November 2012.

Due to affordability and credit risk the current borrowing strategy is to take short-term borrowing at very low rates. However the Director for Corporate Services will continue to monitor interest rates and credit conditions and consider long-term borrowing in line with the approved 2012/13 Treasury Management Strategy.

**Investments**

4.12 Managing Investment Risk

4.12.1 The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council’s aim is to achieve a yield commensurate with these principles.

4.12.2 Security of capital remained the Council’s main investment objective. This has been maintained by following the Council’s counterparty policy as set out in its Treasury Management Strategy Statement for 2012/13. This restricted new investments to the following:

- The Debt Management Agency Deposit Facility (DMO)
- Treasury Bills (T-Bills) issued by the UK Government
- Term Deposits or business reserve accounts with UK banks or building societies systemically important to the UK economy
- UK nationalised/part nationalised banks
- Deposits with other local authorities
- Deposits with highly credit rated foreign banks
- Certificate of deposits with banks and building societies
- Bonds issued by Multilateral Development Banks, such as the European Investment Bank
- Gilts (Bonds issued by the UK government)
- AAA-rated Money Market Funds with a Constant Stable Net Asset Value investing in instruments issued predominantly in government securities
- AAA-rated Money Market Funds with a Constant Stable Net Asset Value investing in instruments issued primarily by financial institutions

- AAA-rated Money Market Funds with a Variable Net Asset Value
- Other Money Market Funds and Collective Investment Schemes which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.
- Commercial Paper
- Corporate Bonds

4.12.3 Counterparty credit quality is assessed and monitored with reference to Credit Ratings (the Council's minimum long-term counterparty rating of A- (or equivalent) across rating agencies Fitch, S&P and Moody's); credit default swaps; GDP of the Country in which the institution operates; the Country's net debt as a percentage of GDP; sovereign support mechanisms/potential support from a well-resourced parent institution; share price.

### 4.13 Counterparty Update

4.13.1 The Council started the year with the following maturity limits with financial institutions on the Council's list:

#### UK institutions:

- Santander UK for a maximum period of 35 days;
- Barclays Bank , Lloyds TSB, Bank of Scotland, Royal Bank of Scotland, National Westminster and Nationwide Building Society for a maximum period of 100 days;
- HSBC Bank and Standard Chartered for a maximum period of 6 months.

#### Non-UK Institutions

- Approved Australian, Canadian and USA banks for a maximum period of 6 months

In May as a result of political and economic developments in Europe and the UK and their likely consequences for the banking sector, together with a pending review of a number of global banks by the rating agency Moody's, the maturity limit for RBS/NatWest and Lloyds/Bank of Scotland was reduced to a maximum of 35 days. Later in the month resulting from the rapid developments in relation to the Greek and Eurozone debt crisis and the downgrade of the credit rating for Santander UK the maturity limit for this bank was reduced to overnight/call. During the month as credit concerns increased Santander UK was suspended from the council's lending list and a minimum of £15m deposited with the DMO to cover month end salary and creditors payments.

In June as a result of growing concerns over Europe and the exposure of some banks to Eurozone debt the maximum duration limits for new deposits with RBS/NatWest and Lloyds/Bank of Scotland was reduced further to overnight/call. Also in June Moody's completed its review of banks with global capital market operations, downgrading the long-term ratings of all of them by between one to three notches. The banks on the Council's lending list which were affected by the ratings downgrades were Barclays, HSBC, Royal Bank of Scotland, as well as Royal Bank of Canada, JP Morgan Chase, BNP Paribas, Societe Generale, Credit Agricole, Credit Suisse and Deutsche Bank. Separately, the agency also



downgraded the ratings of Lloyds Bank, Bank of Scotland, National Westminster Bank and Santander UK plc. None of the long-term ratings of the banks on the Council's lending list were downgraded to below the Council's minimum A-/A3 credit rating threshold.

In July with credit conditions improving maturity limits were increased, with RBS/NatWest and Santander UK increased to a maximum period of 35 Days, Lloyds/Bank of Scotland to 100 days and HSBC, Standard Chartered and approved Australian & Canadian Banks to 12 months.

With credit conditions improving throughout the summer, added to by good banking results from Santander UK, it was decided in August to reintroduce deposit in our Santander UK call account and no longer use the DMO. At the end of September the maturity limits in use for financial institutions were.

UK Institutions:

- Santander UK, Royal Bank of Scotland and National Westminster for a maximum period of 35 days;
- Barclays Bank , Lloyds TSB, Bank of Scotland and Nationwide Building Society for a maximum period of 100 days;
- HSBC Bank and Standard Chartered for a maximum period of 12 months.

Non-UK Institutions

- Approved European Banks for a maximum period of 100 days
- Approved USA banks for a maximum period of 6 months
- Approved Australian and Canadian banks for a maximum period of 12 months

4.14 Investment Activity

4.14.1 Investments are made short term to cover cash flow and liquidity requirements and longer term to maximise and guarantee future income. With maximum maturity limits reduced during the first 6 months of the year there has been limited opportunity to lock in higher rates for longer periods with the maximum maturity of deposits taken in the period limited to 3 months. In line with the Council's approved investment strategy for 2012/13 the following deposits in 3 month maturities have been taken in the period 1<sup>st</sup> April 2012 to 30<sup>th</sup> September 2012.

Amount	Start Date	End Date	Term (days)	Rate %
£5.0m	24/04/12	24/07/12	91	1.40
£5.0m	20/08/12	20/11/12	92	1.35
£5.0m	17/09/12	17/12/12	91	1.35

4.14.2 The above deposits have been taken above target rates and increased the forecast return on investments in 2012/13. This together with higher rates negotiated on call accounts have achieved returns above the budget target rate of 0.8%.

4.14.3 Figure 2 below shows the split of deposits over country/sector as at 30<sup>th</sup> September 2012. In terms of risk management, the majority of the investment portfolio is now held in UK institutions. These institutions are of systemic importance to the UK economy and as such would in probability receive state support should they have difficulty in operating due to adverse credit conditions. Table 3 provides more detail of the actual deposits by counterparty group.

Figure 2

**PCC DEPOSITS BY COUNTRY/SECTOR at 30th September 2012**  
**Total Deposits £90,216,461.95**

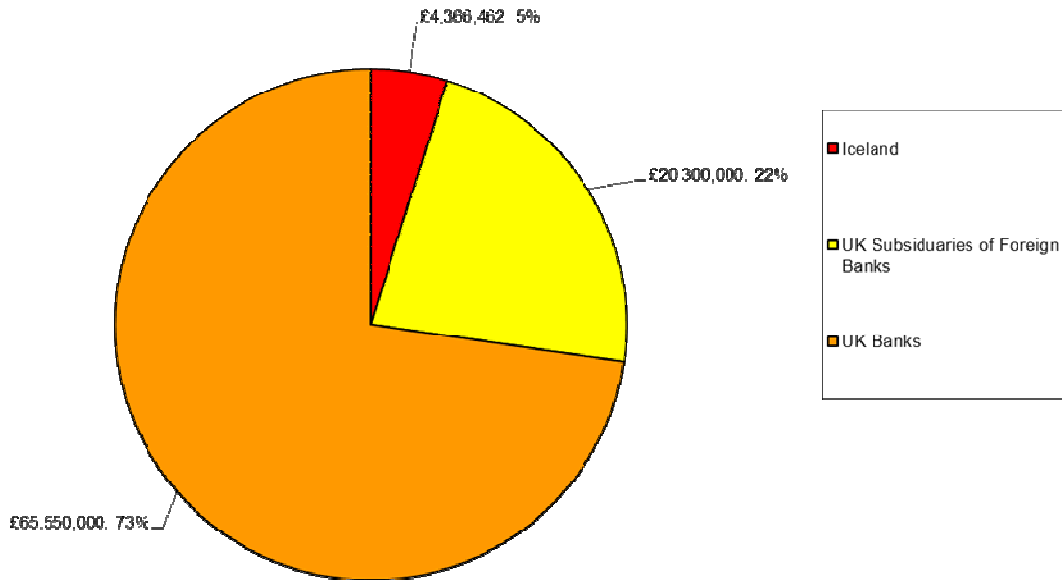


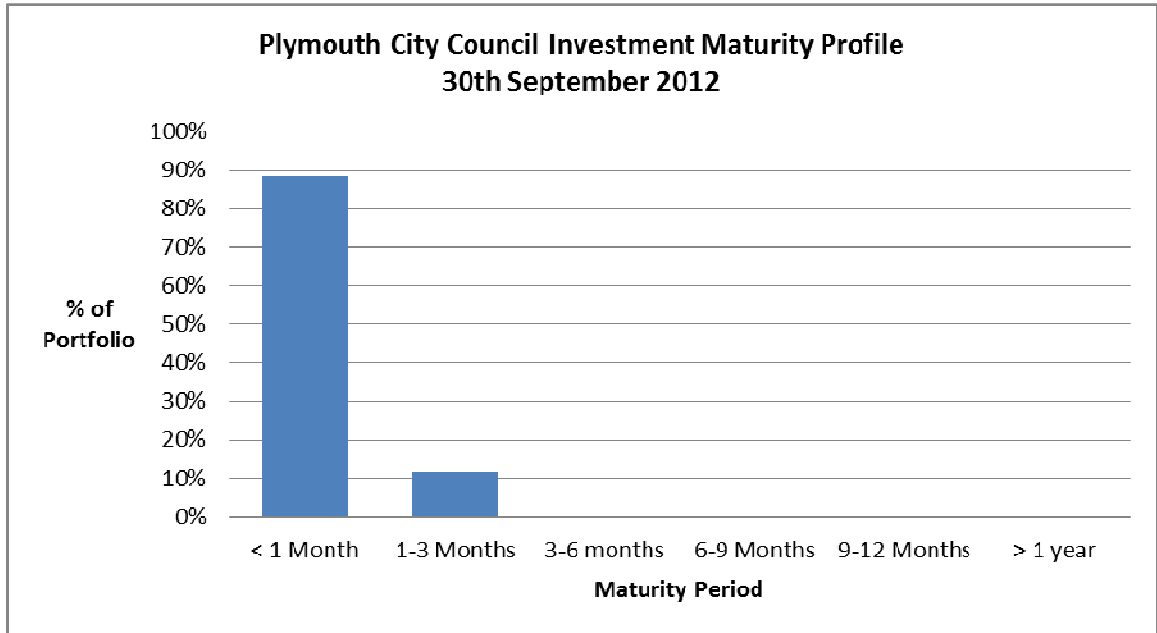
Table 3

Counterparty	Total £m
Iceland	4.366
Banco Santander	
Santander UK (was Abbey National)	20.3000
Lloyds Banking Group	
Bank of Scotland	15.100
Lloyds TSB	5.000
Barclays	24.300
Royal Bank of Scotland (RBS)	
RBS	21.150
<b>Total</b>	<b>90.216</b>

4.14.4 The maturity profile of the Council's deposits is represented in figure 3. This shows a large proportion of deposits maturing in less than one month, reflecting the deposits in call accounts, giving the liquidity requirement to meet cashflow and the ability to react to further adverse changes in market conditions. In the period covered by this report the Treasury Management officer has negotiated increased rates on the Council's call accounts which in most cases pay higher than available fixed term deposits out to the maturity limits in place. The

deposits beyond 1 month are 3 month deposits with Lloyds Banking Group where rates are higher than those available on call accounts.

Figure 3



4.15 Credit Risk

4.15.1 The Treasury Management Strategy report to Audit Committee in February 2010 outlined a recommendation that officers work to develop a set of benchmarking criteria against which the Council’s investment risk could be measured. The Council’s treasury advisors, Arlingclose, as a result developed the following matrix to score the credit risk of an authority’s investment portfolio. This continues to be used in 2012-13:

Scoring:

- Value weighted average reflects the credit quality of investments according to the size of the deposit
- Time weighted average reflects the credit quality of investments according to the maturity of the deposit
- AAA = highest credit quality = 1
- D = lowest credit quality = 27
- Aim = A- or higher credit rating, with a score of 7 or lower, to reflect current investment approach with main focus on security

4.15.2 Table 3 shows the rating currently attached to the Council’s portfolio and its movement during the year.

**Table 3**

<b>Date</b>	<b>Value Weighted Average – Credit Risk Score</b>	<b>Value Weighted Average – Credit Rating</b>	<b>Time Weighted Average – Credit Risk Score</b>	<b>Time Weighted Average – Credit Rating</b>
<b>31/03/2012</b>	5.48	A+	5.42	A+
<b>30/06/2012</b>	5.10	A+	5.65	A
<b>30/09/2012</b>	5.99	A	6.06	A

Note: These scores exclude any deposits with Icelandic banks.

Based on the scoring methodology, the Council's counterparty credit quality has fluctuated during the year as a result of credit rating downgrades and the temporary use of the DMADF deposit facility with the DMO. Throughout the first half of the year the council's credit score was maintained well within the target level of 7 as set in the approved 2012/13 strategy.

- 4.15.3 Arlingclose have used the scoring matrix to compare Plymouth's investment risk against other unitary authorities who use Arlingclose as their advisors. The results are shown in section 5.

## **5. Benchmarking**

- 5.1 The Council's performance on investments is measured against a benchmark of the 7 day libid rate. For the period to 30<sup>th</sup> September 2012 the return on investments made in 2012/13 was 0.856% against the average 7 day Libid for the period of 0.54%. Including investment made in previous years at higher rates the average return on all deposits taken to 30<sup>th</sup> September 2012 was 0.9729%.
- 5.2 As outlined above, Arlingclose have developed a set of benchmarking criteria to enable comparisons on performance to be made on data provided by all their clients. To compare like with like the following graphs compare our performance with other unitary authorities. This is based on data provided to 30<sup>th</sup> September 2012.

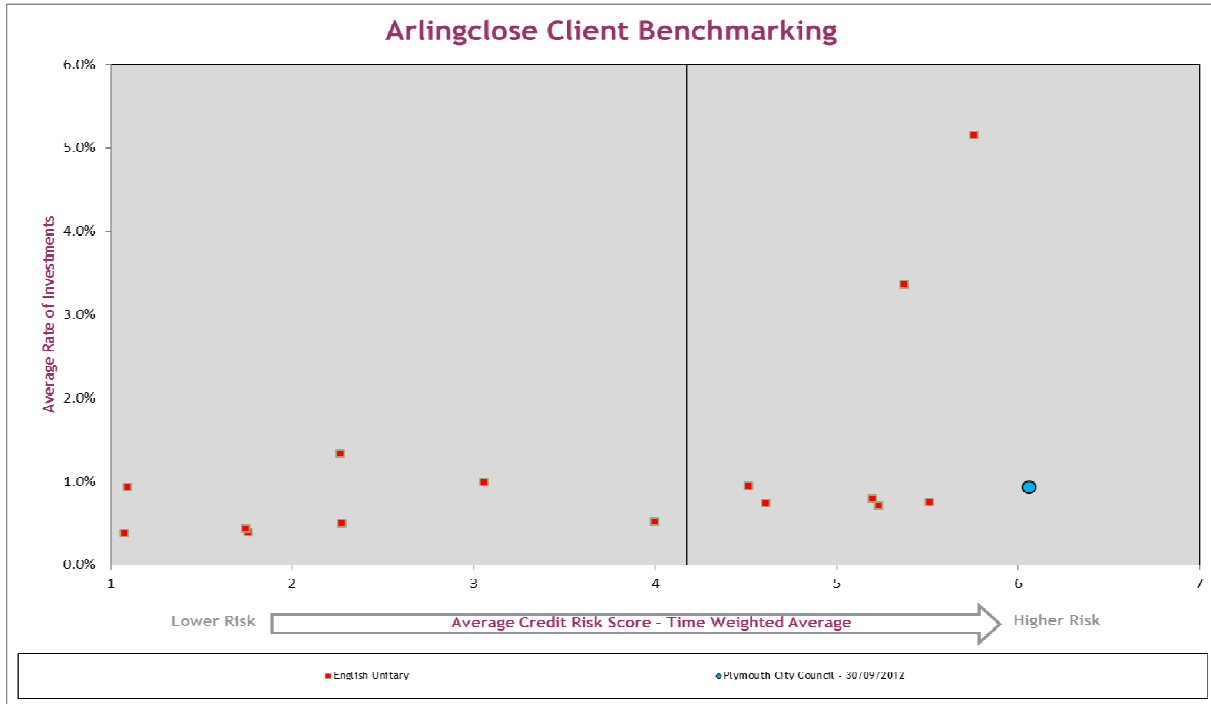
The 3 graphs used for comparison are:

1. Average rate of investment against average maturity period
2. Average rate of investment against value weighted average credit risk score
3. Average rate of investment against time weighted average credit risk score



risk, in fact the reverse may be considered true in some cases. The majority of the Council's investments are in call accounts with UK banks. These banks have been downgraded increasing the credit risk score but are still of systemic importance to the UK economy and as such are considered secure investments.

**Graph 3 Time weighted Average V Return**



Longer-term investments with banks are inherently more risky. Ideally authorities should move towards the top left hand corner of the above graph. Therefore it is preferable to see risk taken converted into return at a greater than average rate. All the Council's investments are in short-term deposits or instant access call accounts so there are no longer-term deposits impacting on our credit risk score. The lower risk scores of other unitary authorities are due to the use of Money Market Funds (MMF) which are AAA rated giving the lowest credit risk score. It has been the policy of the Council to use call accounts with UK banks in the first half of the year as opposed to the alternative of liquid MMF's. Although MMF's are rated AAA the instruments within these funds have far lower ratings. Arlingclose are reviewing their credit risk scores to reflect this. This will bring the scores of other authorities closer to that of this Authority.

**6. Revenue Implications of Treasury Management**

6.1 The expenditure and income arising from the Council's borrowing and investments accrues to the revenue accounts. This includes interest payable and receivable, the minimum revenue provision (for debt repayment), and premiums and discounts written out to revenue from previous debt rescheduling. Some of the interest receivable is passed on to specific accounts where this interest has accrued from the investment of surplus balances for these services. The balance (net cost) is met by the General Fund. The table below shows the monitoring

positions against budget arising from these transactions in 2012/13 to 30th September 2012.

### Summary of Capital Financing Costs 2012/13

	2012/13 Budget £000	Forecast 2012/13 Outturn £000	Variance £000
External Interest payments	9,660	9,091	(569)
External Interest received	(503)	(595)	(92)
Interest transferred to other accounts	115	115	0
Premiums / Discounts written out to Revenue	(189)	(189)	0
Debt Management Expenses	143	143	0
<b>Treasury Management Cost</b>	<b>9,226</b>	<b>8,595</b>	<b>(661)</b>
Minimum Revenue Provision	7,897	7,807	(90)
Recharges for unsupported borrowing	(3,775)	(3,510)	265
Recovered from trading Accounts	(3,662)	(3,662)	0
<b>Net Cost to General Fund</b>	<b>9,686</b>	<b>9,200</b>	<b>(486)</b>

## 7 Icelandic Bank Update

7.1 The latest position on the recoveries of monies invested in the Icelandic banks is as follows:

**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 2012/13 (October) 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 2012-13 (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.

## 8 Compliance with Prudential Indicators

8.1 Under the arrangements set out in the Prudential Code for Capital Finance in Local Authorities, individual authorities are responsible for deciding the level of their affordable borrowing, having regard to the Code, and for establishing a range of prudential indicators covering borrowing limits and other treasury management measures. The Prudential Indicators for 2012/13 were approved by Council on 27<sup>th</sup> February 2012.

The performance to 30<sup>th</sup> September 2012 against these limits are set out below:

**(a) Authorised Limit and Operational Boundary for External Debt**

- The Local Government Act 2003 requires the Council to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit which should not be breached. It is measured on a daily basis against all external borrowing items on the balance sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). It is consistent with the Council's existing commitments, its proposal for capital expenditure and its approved treasury management policy/strategy.
- The Council's Affordable (Authorised) Borrowing Limit was set at £309m for 2012/13 including a limit for other long term liabilities of £34m to cover PFI and Finance Leases.
- The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included within the Authorised Limit. It is a focus for the day to day treasury management and a means by which the authority manages its external debt within the self-imposed Authorised Limit. The Operational Boundary may be breached at certain times during the year due to short-term cashflow requirements.
- The Operational Boundary for 2012/13 was set at £279m.
- There were no breaches to the Authorised Limit or Operational Boundary to 30<sup>th</sup> September 2012 with the total external debt (including PFI and finance leases) reaching its maximum level of £273.712m on 4<sup>th</sup> May 2012.

**(b) Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure**

- These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.
- The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

	<b>Limits for 2012/13 %</b>
<b>Upper Limit for Fixed Rate Exposure</b>	200
<b>Maximum exposure in 2012-13</b>	115.4
Compliance with Limits:	Yes
<b>Upper Limit for Variable Rate Exposure</b>	50
<b>Maximum exposure in 2012-13</b>	25.42
Compliance with Limits:	Yes

The Council's exposure to both fixed and variable rates was managed well within the limits set during the first half of the year.



**(c) Maturity Structure of Fixed Rate Borrowing**

- This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates, and is designed to protect against excessive exposure to interest rate changes.
- It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment. The repayment of the majority of PWLB loans over the last 2 years has resulted in a high proportion of Lobo (Lenders Option, Borrowers Option) loans which may be subject to rate change or repayment at specified intervals. On specified dates the Lender has the option to vary the rate. If the option is taken the Council (Borrower) has the option to repay the loan. Therefore the loan may be subject to repayment on a number of occasions throughout the life of the loan. These repayment possibilities are included in the limits set for the maturity of fixed rate borrowing and the monitoring of actuals against these limits. The following table shows the performance against limits during the year.

<b>Maturity Structure of Fixed Rate Borrowing</b>	<b>Upper Limit %</b>	<b>Lower Limit %</b>	<b>Highest % of Actual Fixed Rate Borrowing during 12-13</b>	<b>Lowest % of Actual Fixed Rate Borrowing during 12-13</b>	<b>Compliance with Set Limits?</b>
under 12 months	50	0	48.63	33.48	Yes
12 months and within 24 months	60	0	22.99	7.84	Yes
24 months and within 5 years	40	0	14.11	8.88	Yes
5 years and within 10 years	25	0	1.94	1.94	Yes
10 years and within 20 years	30	0	2.50	2.50	Yes
20 years and with 30 years	30	0	5.73	5.73	Yes
30 years and within 40 years	25	0	3.41	2.33	Yes
40 years and within 50 years	40	0	19.52	18.45	Yes
50 years and above	25	0	0.00	0.00	Yes

**(d) Gross and Net Debt**

- The purpose of this indicator is to highlight a situation where the Authority is planning to borrow in advance of need.

<b>Net Debt as a % of Gross Debt</b>	<b>Approved Limit %</b>	<b>Actual to 30<sup>th</sup> September 2012 %</b>	<b>Compliance with Set Limits</b>
Upper Limit	80	71.65	Yes
Lower Limit	35	52.56	Yes

During the period from 1<sup>st</sup> April to 30<sup>th</sup> September 2012 borrowing has been limited to within the Council's Capital Financing Requirement for the year and no borrowing has been taken in advance of need for future year's capital expenditure funding requirement.

### **(e) Net Debt and the Capital Financing Requirement**

- This is a key indicator of prudence. In order to ensure that over the medium term net borrowing will only be for capital purposes, the Authority should ensure that the net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.
- The Authority had no difficulty meeting this requirement so far in 2012/13, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

### **(f) Total principal sums invested for periods longer than 364 days**

- This indicator allows the Council to manage the risk inherent in investments longer than 364 days.
- The limit for 2012/13 was set at £20m.
- The Council's strategy for 2012-13 started with maximum deposit maturity limits out to 1 year. However due to adverse changes in credit conditions, and reductions in maturity limits during the year to date, the maximum deposits made were in up to 3 month maturities. Having not taken any deposits over 364 days in the first half of the year the Council still has space for up to £20m of longer-term deposits should this be viewed as appropriate in light of credit conditions, available counterparties and the risk/reward of these investments.

### **(g) Credit Risk**

- This indicator has been incorporated to review the Council's approach to credit risk.
- The Council confirms it considers security, liquidity and yield, in that order, when making investment decisions.
- Credit ratings remain an important element in assessing credit risk, but they are not the sole feature of the Authority's assessment of counterparty risk. The authority considers the following tools to assess credit risk.
  - Published credit ratings of the financial institution and its sovereign;
  - Sovereign support mechanism;
  - Credit default swaps (where quoted);
  - Share prices (where quoted);
  - Economic fundamentals, such as country's net debt as a percentage of its GDP;
  - Corporate developments, news, articles, market sentiment and momentum.

- The Council can confirm that all investments were made in line with minimum credit rating criteria set in the 2012/13 Treasury Management Strategy.
  - Long-term ratings of A- or equivalent;
  - Long-term sovereign ratings of AA+ or equivalent for non-UK sovereigns.

**9. Outlook for Q3-Q4**

9.1 At the time of writing this activity report in October 2012, economic growth remains elusive. Tight credit conditions and weak earnings are constraining consumer and corporate spending. The outlook is for official rates to remain low for an extended period, as shown below.

	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Official Bank Rate													
Upside risk				0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50
Central case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

**10 Summary**

10.1 In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during the first half of 2012/13. As indicated in this report none of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority given to security and liquidity over yield.

**Money Market Data and PWLB Rates**

The average, low and high rates correspond to the rates during the financial year and rather than those in the tables below

**Table 1: Bank Rate, Money Market Rates**

Date	Bank Rate	O/N LIBID	7-day LIBID	1-month LIBID	3-month LIBID	6-month LIBID	12-month LIBID	2-yr SWAP Bid	3-yr SWAP Bid	5-yr SWAP Bid
01/04/2012	0.50	0.55	0.55	0.61	1.00	1.33	1.84	1.22	1.30	1.59
30/04/2012	0.50	0.50	0.65	0.60	0.99	1.32	1.84	1.35	1.43	1.68
31/05/2012	0.50	0.48	0.65	0.57	0.97	1.30	1.82	1.20	1.20	1.34
30/06/2012	0.50	0.50	0.50	0.55	0.83	1.13	1.65	0.96	0.99	1.25
31/07/2012	0.50	0.50	0.65	0.45	0.63	0.92	1.43	0.76	0.77	1.02
31/08/2012	0.50	0.50	0.52	0.40	0.57	0.81	1.23	0.75	0.78	1.03
30/09/2012	0.50	0.25	0.52	0.40	0.47	0.66	0.95	0.70	0.76	1.00
<b>Average</b>	<b>0.50</b>	0.46	0.54	0.51	0.79	1.08	1.57	1.01	1.05	1.28
<b>Maximum</b>	<b>0.50</b>	0.55	0.65	0.61	1.00	1.33	1.84	1.38	1.45	1.72
<b>Minimum</b>	<b>0.50</b>	0.25	0.30	0.40	0.47	0.66	0.95	0.70	0.76	1.00
<b>Spread</b>	<b>0.00</b>	0.30	0.35	0.21	0.53	0.67	0.89	0.68	0.69	0.72

**Table 2: PWLB Borrowing Rates – Fixed Rate, Maturity Loans**

Change Date	Notice No	1 year	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
02/04/2012	130/12	1.29	2.07	3.25	4.22	4.43	4.46	4.41
30/04/2012	166/12	1.31	2.09	3.15	4.13	4.38	4.42	4.39
31/05/2012	210/12	1.19	1.76	2.74	3.79	4.13	4.19	4.16
29/06/2012	248/12	1.20	1.84	2.83	3.79	4.11	4.19	4.16
31/07/2012	292/12	1.01	1.57	2.58	3.60	3.97	4.07	4.05
31/08/2012	336/12	1.07	1.62	2.61	3.62	4.05	4.14	4.11
28/09/2012	376/12	1.15	1.67	2.64	3.71	4.12	4.20	4.14
	Low	1.17	1.52	2.52	3.16	3.57	3.81	3.94
	Average	1.41	1.80	2.81	3.43	3.81	4.03	4.15
	High	1.69	2.15	3.28	3.92	4.23	4.39	4.45

**Table 3: PWLB Borrowing Rates – Fixed Rate, Equal Instalment of Principal (EIP) Loans**

Change Date	Notice No	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
02/04/2012	130/12	1.56	2.14	3.29	3.91	4.23	4.38
30/04/2012	166/12	1.60	2.15	3.19	3.81	4.14	4.31
31/05/2012	210/12	1.37	1.81	2.78	3.41	3.81	4.03
29/06/2012	248/12	1.41	1.89	2.87	3.45	3.80	4.01
31/07/2012	292/12	1.17	1.63	2.62	3.32	3.61	3.85
31/08/2012	336/12	1.22	1.67	2.65	3.25	3.64	3.90
28/09/2012	376/12	1.29	1.72	2.68	3.31	3.73	3.99
	<b>Low</b>	1.14	1.57	2.56	3.18	3.58	3.81
	<b>Average</b>	1.37	1.85	2.85	3.45	3.82	4.04
	<b>High</b>	1.64	2.21	3.32	3.94	4.24	4.39

**Table 4: PWLB Variable Rates**

	<b>1-M Rate</b>	<b>3-M Rate</b>	<b>6-M Rate</b>	<b>1-M Rate</b>	<b>3-M Rate</b>	<b>6-M Rate</b>
	<b>Pre-CSR</b>	<b>Pre-CSR</b>	<b>Pre-CSR</b>	<b>Post-CSR</b>	<b>Post-CSR</b>	<b>Post-CSR</b>
02/04/2012	0.59	0.60	0.62	1.49	1.50	1.52
30/04/2012	0.58	0.60	0.62	1.48	1.50	1.52
31/05/2012	0.58	0.58	0.58	1.48	1.48	1.48
29/06/2012	0.58	0.57	0.56	1.48	1.47	1.46
31/07/2012	0.56	0.54	0.49	1.46	1.44	1.39
31/08/2012	0.55	0.54	0.52	1.45	1.44	1.42
28/09/2012	0.57	0.56	0.54	1.47	1.46	1.44
<b>Low</b>	0.55	0.53	0.48	1.45	1.43	1.38
<b>Average</b>	0.578	0.5743	0.5668	1.478	1.4743	1.4668
<b>High</b>	0.60	0.60	0.62	1.50	1.50	1.52

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**PLYMOUTH CITY COUNCIL**

**Subject:** Business Rates Retention Scheme / NNDR1 return  
**Committee:** Full Council  
**Date:** 28 January 2013  
**Cabinet Member:** Councillor Lowry  
**CMT Member:** Adam Broome (Director for Corporate Services)  
**Author:** Sue Buddell, Group Accountant - Projects  
**Contact:** Tel: 01752 30 4839  
email: sue.buddell@plymouth.gov.uk

**Ref:**

**Key Decision:** No

**Part:** I

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**Purpose of the report:**

This report presents the 2013/14 NNDR1 form for approval and provides information on the new Business Rates Retention Scheme. It explains the way in which the Council's core funding will change from April 2013 and describes some of the actions the council is considering to manage the risk and volatility within the new scheme; a shift in risk being passed from Central to Local Government.

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**Corporate Plan 2012 – 2015:**

This initiative links to our growth agenda

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**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. A substantial amount of the council's core funding will now be dependent on the Business Rates generated in the Plymouth area. Whilst this change will incentivise the Council to generate Business Rates growth it does also bring with it a higher degree of risk in what was previously core government funding.

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

Not applicable

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**Equality and Diversity**

Has an Equality Impact Assessment been undertaken? Yes /No

**Recommendations & Reasons for recommended action:**

It is recommended that the City Council -

1. Approve the NNDR1 return.
2. Note the risk and volatility issues together with the opportunities around the rates retention highlighted in this report.
3. Note the inclusion of Plymouth City Council in the Devon Rates Pool for 2013/14.

**Alternative options considered and rejected:**

n/a

**Published work / information:**

Business Rates Pooling [Report](#) - 12<sup>th</sup> November 2012

**Background papers:**

None

**Sign off:**

Fin	mc1213. 030	Leg	TH0077	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 / <del>Ne</del>											



## **1.0 Introduction**

- 1.1 This report presents the NNDR I return for formal approval; Council approval of this return is a new requirement of the Business Rates Retention Scheme.
- 1.2 It also provides information on the new Business Rates Retention scheme which is due to be implemented in April 2013 and explains that the way in which Plymouth City Council receives its core funding will change.
- 1.3 The report also sets out Plymouth City Council's position within the Devon "Pool".

## **2.0 Current System of Funding**

- 2.1 Business Rates or the commonly used name of Non-Domestic Rates (NNDR), is a property tax on the occupation of non-domestic property which was introduced by the Local Government Finance Act 1988.
- 2.2 Business Rates collected by local authorities are the way that those who occupy non-domestic property contribute towards the cost of local services. Business Rates, together with revenue from council tax payers, revenue support grant provided by the Government and certain other sums such as fees and charges, is used to pay for the services provided by the local authority. Though the responsibility for billing and collection lies with local authorities, currently, the ultimate financial risk of Business Rates income is borne by Central Government.
- 2.3 Business Rates are organised on a national basis. The Government specifies an annual multiplier and local businesses pay rates calculated by multiplying the rateable value of their property by the multiplier. The rateable value is based on the annual rental value of the property and calculated by the Valuation Office. The Council collects rates due from the ratepayers in its area as an agent for the Government, paying the proceeds into an NNDR pool administered by the Government. The Government redistributes the sums paid into the pool back to a local authority's General Fund as part of the settlement based on a formula distribution.
- 2.4 Under the current system Plymouth's contribution to the pool is less than the income it receives following redistribution, hence Plymouth is currently a net gainer from the pool.
- 2.5 The authority also receives other core funding from the Government in the form of Revenue Support Grant and specific grants based on the Government's assessment of spending need. Council tax income funds the Council's remaining budget requirement.

## **3.0 Localisation of Business Rates**

### **3.1 Background**

- 3.1.1 Business Rates retention is one of the features of the Local Government Finance Act 2012, 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.

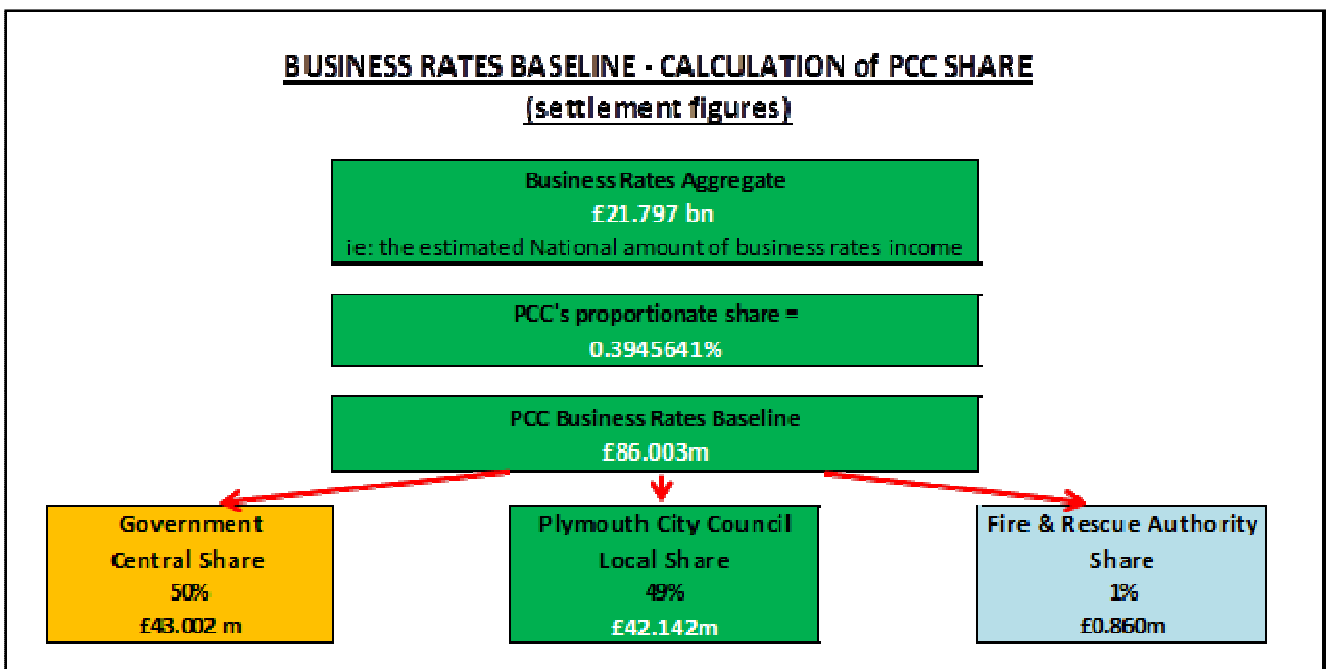
- 3.1.2 The proposals do not include any changes to the current charging system for Business Rates i.e. liability, billing and collection, so businesses will not see any change to the way that their Business Rates are set or how they pay.
- 3.2 **How the Business Rates retention system will work**
  - 3.2.1 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.
  - 3.2.2 The reality is that some authorities earn more in Business Rates than they currently receive from the formula grant, so 49% of their Business Rates income will be greater than 49% of their funding needs, and there are other authorities who earn much less, the Government intends to address this disparity through a mixture of “top-ups” and “tariffs”. If spending need is deemed to be greater than Business Rates income, then the Government will provide “Top-Up” funding, Plymouth City Council is a Top Up authority.
  - 3.2.3 The Business Rates Retention Scheme includes the Fire & Rescue Service funding but excludes Police. Therefore 1% of the local share of Business Rates will be transferred to Devon and Cornwall Fire Authority

**4.0 The Notional Calculation**

**4.1 How the funding will work**

- 4.1.1 Under the Business Rates Retention Scheme, the government estimates how much it believes each local authority should be able to collect from the Business Rates in its area, of this amount, Central Government will take 50%, Plymouth City Council 49% and the Fire and Rescue Authority will take 1%. This is shown in Table I below.

**Table I: Calculation of PCC Business Rates Baseline 2013/14**



- 4.1.2 This is the Government’s notional calculation of business rates income and will be used to set the amount of business rates “top up” funding that Plymouth will receive. Note the remaining 50% element of the Council’s funding will come through Revenue Support Grant.

4.1.3 The Government has set a spending need level (referred to as Baseline Funding) under the Business Rates Retention scheme of £50.961m, but as Plymouth's spending need is higher than its locally retained Business Rates (£42.142m in table above), then Plymouth has been given a top up funding level of £8.819m. This figure is a set figure however the locally retained Business Rates income figure will change in line with our estimates in our NNDR1 return.

## 5.0 NNDR Returns

5.1 There are four NNDR returns to Central Government in each financial year

- NNDR1 – Initial estimate
- NNDR 2 – Midyear estimate
- NNDR 3 – Provisional year end return
- NNDR 3 (Audit)- Final audited return

5.2 The NDR returns include information such as:

- Number of hereditaments
- Rateable Value (RV)
- Mandatory Reliefs
- Discretionary Reliefs
- Impact of appeals
- Losses on collection

5.3 The NNDR1 return submitted in early January contains the estimate of Business Rates income for the coming financial year, with the figures based on the best information at that date. However it is these estimates which will drive a key element of the Council's funding for 2013/14. Through the course of the year changes will occur and these estimates will be replaced with actual events such as the impact of rateable value appeals, mandatory and discretionary reliefs, changes in collection rates as well as the impact of any new business premises built.

5.4 For the first time, the NNDR1 return will be used to set a substantial element of income within the Council's budget, this is because the locally retained element of Business Rates; Plymouth's 49% will be derived from this return. It will therefore replace the Government's estimated figure of £42.142m (Table 1)

5.5 The NNDR1 return, which will follow, will show the estimated amount of Business Rates Plymouth City Council expects to receive for 2013/14 which could be more or less than the Government's estimate.

5.6 As explained in paragraph 5.3, this amount will change as the year progresses, which will inevitably lead to an element of volatility in Business Rates income which will need to be managed. The NNDR1 return has previously been signed off by the S151 Officer, however because of its implications on budget setting under the new scheme, it is now required to be signed off by Council by 31st January. In order for the Government to monitor changes to our NNDR estimates the NNDR2 return, will become a mandatory return, currently it is discretionary and only needs to be completed in the case of significant change.

5.7 The NNDR3 is the year end return, and shows the actual position as at the end of the year. This return is subject to audit.

- 5.8 As explained, the new scheme sees a significant transfer of risk from Central to Local Government and it is essential that the Council understands and manages the risk and volatility in its Business Rates.
- 5.9 It was initially expected that any under or over recovery of NNDR income in any financial year (against income forecasted in the NNDR I) would need to be accounted for in that year, thus exposing authorities to potential high levels of volatility in their income. However, sight of the draft Business Rate Retention Regulations proposes that the new system will work in a similar way to the current arrangements for Council Tax, whereby any surplus or deficit for a given financial year will be taken into account in the following year's budgeting process. There does appear therefore that there will be a time period for local authorities to build up plans to deal with these fluctuations, although it is still the case that a large share of the risk in relation to the collection of NNDR now sits with the authority which would have previously been borne by the Government.
- 5.10 What should be emphasised is that under the previous scheme any variations between estimated and actual year-end figures were an impact on Central Government's income rather than Local Governments' income.

## **6.0 How can we make the most of the Business Rates Retention Scheme?**

- 6.1 This scheme is clearly a fundamental shift of risk from Central Government to Local Government; however the Government has stated that it believes it will provide a strong incentive for local authorities to promote growth, hence the risk AND reward argument of the scheme. The drive for Plymouth is to ensure that we are best placed to reduce the risk to the City of the new scheme and to maximise the potential reward.
- 6.2 There are a number of actions that the Council can take to mitigate the risk and also aim to maximise the potential that can be gained from the new funding scheme. Current proposals are explained below

### **Business Rates Growth Strategy**

- 6.3 A cross departmental working group whose objective is to maximise Business Rates income in Plymouth could be set up. This group would comprise representatives from at least the following departments
- Planning / Building Control
  - Economic Development
  - Finance
  - Revenues
- 6.4 This group would work together to fully understand the impact on Business Rates growth and income across the council. This would include understanding each department's policies and processes and how it impacts on Business Rates income. The actions would be for the working group itself to determine but could include the following.
- For the Planning Department, this could include assessing planning policy in light of the new scheme and ensuring that building control notices are issued promptly in order to enable Business Rates to be levied on newly completed properties as quickly as possible.

- Economic Development will be key from a business intelligence angle and information sharing by ensuring that the Council is aware of future business opportunities and how businesses are faring.
- The Revenues department are currently responsible for completion of NNDR returns and will need to improve awareness of the business community in order to build this intelligence into the NNDR estimates. Revenues staff will also need to have a close working relationship with the Valuation Office in order that information on appeals flows through as quickly as possible. There will be a much increased role in modelling of Business Rates and “what if” scenarios as well as being aware of the impact of discretionary reliefs on Business Rates income and the budgetary impact of these decisions.
- There will be an increased role for Finance in helping to model the financial impact of Business Rates as well as to monitor and report on income as part of monthly and quarterly monitoring. There will also be an increased role required in managing and reporting on the Collection Fund than under the previous scheme. It is also suggested that as part of future relevant Cabinet reports a section within Financial Implications is included to explain the impact on Rateable Values and core funding.

## **7.0 What can be done before the scheme starts?**

- 7.1 Initial modelling of Business Rates should be carried out with an emphasis on understanding any in year fluctuations and whether they can be addressed. It is widely understood that the biggest risk in the system is the impact and the unpredictability of appeals. It is therefore essential that Plymouth enhances its relationship with the Valuation Office in order to receive information on submitted appeals as soon as possible. Liaison is already in place with the Valuation Office to look at how this can be achieved more effectively.
- 7.2 The council will be partly funded in future by its own Business Rate payers, therefore an awareness of who are main rate payers are, what industry sector they are in, and also understand the issues, risks and pressures that these sectors are facing. It will important to assess the risk of any of these key rate payers making a successful appeal and understand the financial implications of appeals. As Plymouth City Council will be able to retain growth in Business Rates above the Business Rates baseline it will be important to drive growth and understand and attract any growth sectors.
- 7.3 There is also an opportunity before the new scheme starts in April 2013, to ensure that as much has been done as possible in terms of driving existing appeals through the system and looking at the impact of bad debt and write-offs within the current system.

## **8.0 Managing the Volatility**

- 8.1 As explained within this report, the new scheme sees a significant transfer of risk from Central to Local Government; it is essential that the Council understands and manages the risk and volatility.

8.2 This can be managed through close monitoring and reporting of Business Rates income but it would also be beneficial to consider setting up a Business Rates Reserve to manage year on year volatility. This option requires further appraisal but it could work by setting aside a sum that would be available to smooth the impact of fluctuations in Business Rates. The detail of this proposal can be established and other options explored in the next few months as the result of the Business Rates modelling work and potential fluctuations becomes clearer.

8.3 Following a substantial amount of pressure from local authorities the Government has this week announced that it will writing new regulations that allow the cost of appeals and the impact it has on Business Rates income to be spread over 5 years instead of having to be funded in the year that the appeal is upheld. This will reduce the volatility for local authorities and will be built into the final NNDR I return in time of the 31<sup>st</sup> January deadline.

## 9.0 Devon NNDR Pool

9.1 The Local Government Finance Act allows local authorities to form pools for the purposes of business rates retention. Pooling will offer many local authorities an opportunity to retain more of the Business Rates generated in their areas by collectively 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.

9.2 All authorities in Devon jointly engaged the consultancy firm; LG Futures to examine the implications of pooling for the Devon Region. Following this report, Plymouth along with all other local authorities in Devon have formed a Devon Pool.

9.3 The members of the Devon pool consist of the following authorities, with Plymouth unanimously agreed as lead Authority:

- East Devon
- Exeter
- Mid Devon
- North Devon
- South Hams
- Teignbridge
- Torridge
- West Devon
- Plymouth
- Torbay
- Devon

9.4 The benefits are difficult to quantify at this stage with any certainty, given the assumptions and volatility around the new business rates retention scheme itself. We are confident there will be a benefit for Plymouth City Council, but in line with the majority of the other members of the pool, we have not assumed any additional income in our budget setting.

9.5 Monitoring arrangements across the pool have been agreed by all of the authorities.

9.6 As Lead Authority, we will monitor the countywide implications during this first year, and decide in principle to carry on or not for 14/15 in September 2013. In this role we will receive compensation from the pool for all administration costs.

## **10.0 Conclusions**

- 10.1 The Business Rate Retention Scheme which is to be introduced from April 2013 will fundamentally change the way local authorities are funded. In principle it will provide local authorities with an incentive to generate growth in the local area and reward this by allowing authorities to retain part of the additional income generated. On the other hand it will place significant risk on authorities increasing the volatility of funding.
- 10.2 There is a need to actively manage business rates income in the City and manage the potential threats and opportunities presented by this change by aligning our strategies and resources in order to achieve the best possible outcome for the City.
- 10.3 The Devon Pool offers further opportunity to gain the maximum benefit from the new arrangements.

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**PLYMOUTH CITY COUNCIL**

<b>Subject:</b>	Constitutional Changes
<b>Committee:</b>	City Council
<b>Date:</b>	28 January 2013
<b>Cabinet Member:</b>	
<b>CMT Member:</b>	Tim Howes (Monitoring Officer)
<b>Author:</b>	Tim Howes, Assistant Director for Democracy and Governance and Monitoring Officer
<b>Contact details:</b>	tel: 01752 305403 E: tim.howes@plymouth.gov.uk
<b>Ref:</b>	
<b>Key Decision:</b>	n/a
<b>Part:</b>	I

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**Purpose of the report:**

To recommend changes to the constitution, in particular, to amend the Planning Committee Code of Practice and the hospitality rules and to adopt a new webcasting protocol.

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**Corporate Plan 2012 – 2015:**

The changes to the Planning Committee Code of Practice and webcasting rules encourage greater participation in democratic processes.

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

There are no material implications resulting from these changes to the constitution.

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

There are no material implications resulting from these changes to the constitution.

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**Equality and Diversity:**

Has an Equality Impact Assessment been undertaken? No

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**Recommendations and Reasons for recommended action:**

It is recommended that Council agree the following:

1. To adopt the revised Planning Committee Code of Practice
  2. To change the hospitality rules in relation to paid for events
  3. To adopt the webcasting protocol
- 

**Alternative options considered and rejected:**

The Constitution Review Group in their deliberations considered a variety of amendments before recommending these to council. One option would be to do nothing in which case the Code of practice would be out of date and not reflect Member's wishes.

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**Published work / information:**

Council constitution

<http://www.plymouth.gov.uk/constitution>

**Background papers:**

None

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**Sign off:**

Fin	mc1 213. 028	Leg	1664 3/ DVS	Mon Off	THI 6/1/ 13	HR		Assets		IT		Strat Proc	
Originating SMT Member Tim Howes													
Has the Cabinet Member(s) agreed the content of the report? Yes													

## **1.0 Introduction**

This report encompasses a number of changes to the constitution in relation to the following areas

- Planning Committee Code of Practice where revisions are recommended
- Webcasting
- Hospitality rules in relation to paid for events

Some of these matters have been considered over several meetings by the all-party Constitution Review Group and this paper reflects the views of that Group. I would like to thank the Group for their work and the robust, challenging and constructive meetings!

## **2.0 Planning Committee Code of Practice**

An opportunity has been taken to review the Planning Committee Code of Practice both to recognise legislative changes, to change committee processes to recognise good practice and to implement improvements that Members felt were necessary. In addition, the recommendations implement a council motion on notice regarding councillor involvement in planning gain. The revised code of practice is included at appendix A.

The main proposed changes are:

- To amend the provision on submission of receipt of hospitality forms by officers to provide a common approach throughout the constitution (section 3.12)
- To amend the Code to reflect the new disclosable pecuniary interests and the changes to the Code of Conduct (section 4)
- To include the legislative changes from the Localism Act 2011, including those relating to predetermination (section 5)
- To reflect the wider involvement of ward councillors in the planning application process (section 8)
- To allow councillors from adjacent wards to speak on applications in certain circumstances (section 11.2)
- To allow those speaking on applications to submit presentational material (section 11.7)
- To permit site visits (where no site visit has previously taken place) with a simple majority vote, rather than a unanimous vote. (section 12.5)

These changes have been considered and recommended to council by the Constitution Review Group.

## **3.0 Webcasting**

The webcasting pilot is underway with the webcasting of Council, Planning Committee, Budget Scrutiny meetings and the Police and Crime Panel. A report on the pilot will be prepared at the appropriate time, where consideration can be given to whether to continue, whether to use our resources for different meetings or increase resources to cover more meetings.

It has become apparent that a protocol is required to govern those circumstances where it might be appropriate to either suspend a live webcast or limit the publication of an archived webcast.

To this end a draft protocol has been prepared, which is attached at appendix B and reflects the concerns expressed by the Constitution Review Group. The draft protocol sets out those circumstances where a live webcast might be suspended and also the circumstances where an archived webcast might be edited.

The Constitution Review Group wished to ensure that the Council Leader and Leader of the opposition should be consulted prior to any decision by the Monitoring Officer to edit the archived webcast.

The Constitution Review Group were also anxious that the minimum amount of editing took place and wanted to discuss further how this might be achieved in terms of technology and cost.

#### **4.0 Hospitality rules and Paid for Events**

The council has rules regarding the acceptance of hospitality within the constitution. These are found in the councillors' Code of Conduct, the Officer's Code of Conduct, the Planning Committee Code of Practice and the Contract Standing Orders.

The existing rules explain that it is appropriate for an officer or Member to attend an external event to represent the council. Consideration should always be given to the benefit of attending such an event. In most instances an invitation will be received and the officer or Member will be invited as a guest of the organiser or sponsor (in such circumstances no payment from Plymouth City Council is required).

From time to time, it would be appropriate for the council to be represented at an event where a payment from the council is necessary. Currently, there is limited guidance on attending events where the council is paying for attendance, and the following rules provide this guidance. It is recommended that the various rules regarding hospitality within the constitution are amended to reflect these rules.

The proposed guidance rules are:

- Attendance at paid for events should be authorised and recorded in the same way as for other hospitality, with a clear rationale explaining why attendance is beneficial.
- In such circumstances it is generally expected that there would be no more than one councillor and one officer attending
- The council may occasionally sponsor a table at an event or ceremony hosted by another organisation. On such occasions, the relevant Cabinet Member must be consulted on both the decision to provide sponsorship and the guest list.

## **Appendix I**

### **“Probity in Planning” Planning Committee Code of Practice**

**Authors: Assistant Director of Planning, Head of Development Management and Senior Lawyer**

#### **Contents**

- 1. Introduction**
- 2. Status of the Code**
- 3. General Role and Conduct of Councillors and Officers**
- 4. Declaration and Registration of Interest and Bias**
- 5. Predetermination, Predisposition or Bias**
- 6. Development Proposals Submitted by Members, Officers and the Council**
- 7. Lobbying**
- 8. Ward Member Involvement in Planning Application Process**
- 9. Roles of Members and Officers at Planning Committee**
- 10. Order of Planning Committee Considerations**
- 11. Public Speaking at Planning Committee**
- 12. Site Visits**
- 13. Decisions Contrary to the Development Plan**
- 14. Decisions Contrary to Officer Recommendation**
- 15. Appeals and Inquiries**
- 16. Quality of Service**
- 17. Monitoring and Review of Decisions**
- 18. Training**
- 19. Complaints**

## **I.0 INTRODUCTION**

- I.1 The conduct of both Officers and Members in Local Government needs to be of the highest standing: on this depends the bond of trust between Councils and their local people, which is essential if Councils are to play their part in leading communities and improving people's quality of life. The local administration of the planning system has come under close scrutiny. The Nolan Committee's Third Report investigated standards in public life, and was followed by the Local Government Act 2000 which introduced a structure by which local authorities were to promote high standards of conduct, through a National Code of Conduct for Members. In 2009 the Local Government Association provided updated guidance on "Probity in Planning" and most recently the Localism Act 2011 has created a new Standard regime with a more local focus.
- I.2 This Code offers clear guidance and advice as to procedures and practices to elected Members, Officers and members of the public in connection with the determination of planning applications and other applications. This Code will ensure that not only are the applications determined in a fair and impartial way, but also in a way which is seen to be fair and impartial. The introduction of the Local Government Act 2000 and associated legislation provides the necessary statutory framework, by which these standards may be achieved, maintained and regulated by each local authority.
- I.3 Clearly, one of the key purposes of the planning system is to control development in the public interest. When performing this role the Local Planning Authority and elected members are making decisions that necessarily affect land and property interests, as well as the financial value and settings of land holdings. Clearly, there is a need to make decisions that are open, impartial and based on sound judgement and reason. The process of determining applications should leave no grounds for a suggestion that a decision has been impartial, biased or ill founded in any way. Decisions must always be made on planning grounds and planning grounds alone.
- I.4 This Code of Good Practice has been adapted from national guidelines on probity to take account of the local situation. Two particular areas of the Localism Act are relevant to this code. Firstly, with regard to pre-determination the Act makes it clear that it is proper for councillors to play an active part in local discussions and that they should not be liable to legal challenge as a result, provided they maintain an open mind. Secondly, and related to pre-determination, the act introduces a new requirement for developers to consult local communities before submitting planning applications for certain developments. This gives Members and local residents a chance to comment when there is still genuine scope to make changes to proposals at both pre-application and post submission stage.
- I.5 The Terms of Reference for Planning Committee is set out in the Council's Constitution (<http://www.plymouth.gov.uk/constitution>) which specifies the matters that are delegated to be considered by Planning Committee.

## **2.0 STATUS OF THE CODE**

- 2.1 This Code sets out the basis as to how Officers and Members should determine planning and other relevant applications submitted to the Council and ensures that conduct accords with the Council's Codes of Conduct for Members and Officers which is contained within the Councils Constitution.
- 2.2 This Code is contained in the Council's Constitution. A breach of this Code, depending on the circumstances, does not usually amount to a breach of criminal law but may adversely affect the standing of the City Council. It could result in a decision being judicially reviewed or allegation of a breach of the Code of Conduct or a complaint of maladministration made to the Local Government Ombudsman.

## **3.0 GENERAL ROLE AND CONDUCT OF COUNCILLORS AND OFFICERS**

- 3.1 Elected Members are guided by the Council's Code of Conduct, the seven principles of public life and the Localism Act 2012. This Code is further amplified by reference to the Council's constitution in respect of general Council procedures as well as further amplification in specific Codes of Conduct such as the advice contained in this Code.
- 3.2 Councillors and Officers have different but complementary roles with the determination of planning applications and it is important that an open, respectful and transparent relationship is developed based upon mutual trust and understanding of each other's positions. It is important for the overall standing of the Council and the achievement of national performance targets that they work as an effective team. The role of a Councillor when determining a planning application is to have an overriding duty to the whole community and, accordingly, in deciding the outcome of an application to make a reasoned decision taking into account the provisions of the Development Plan and all relevant material considerations. All decisions should be taken in the interests of Plymouth as a whole.
- 3.3 The basis of the planning system is that consideration is given to all development proposals and these are determined against the wider public interest. Much is often at stake in such decisions and in the process for local people and development interests, as well as for the City of Plymouth itself. Given the nature of these decisions opposing views are often held by those involved. Whilst these views must be taken into account in the determination of planning applications, as stated above, the Planning Committee must not favour any person, group or locality. Members must therefore take steps to ensure that in their discharge of their Planning Committee duties the distinction between this role and their role as an individual Ward Councillor is constantly made clear. If Members wish to act in the latter capacity they must make that clear at the outset. Members who do not feel that they can act in this way should consider whether they are best suited to serve on the Planning Committee, especially if they feel that they will often be placed in the position of wishing to represent constituents and wishing to

speak as a Ward Member rather than a Member of the Planning Committee (See paragraph 5.4).

- 3.4 In reaching a decision Members should ensure they read, consider and take account of the relevant material considerations connected with the application and should not favour any person, group or locality or put themselves in a position where they may appear to do so.
- 3.5 All decisions should be made in an open and transparent manner by the Members of the Planning Committee and this should not at any time be compromised in any way. Therefore, such actions as messages being passed to Members of the Planning Committee during a debate should be avoided as this could give an impression of undue influence from a third party. In the first instance in an emergency any notes should be passed to the Democratic Support Officer.
- 3.6 Members should always address the Planning Committee through the Chair and avoid speaking directly to one another since it is important that all matters being discussed are clearly heard and acknowledged by everyone at the meeting.
- 3.7 In order to ensure that decisions are taken on planning grounds and are sound it is incumbent on all Planning Committee Members to give full consideration to reports prepared by Officers and familiarise themselves with all relevant national planning guidance (including the National Planning Policy Framework), Development Plan policies and other material considerations well in advance of the consideration of a development proposal at the Planning Committee itself. It is important also that Members are seen to be meeting this provision of the code.
- 3.8 The role of Officers is to advise Councillors and the Council as a whole (through the Cabinet and relevant Portfolio Holders) and to carry out work as set out in the Corporate Plan and agreed Business Plans. Officers are employed by the Council, not by individual councillors, and it follows that instructions to them may only be given through a decision of the Council, the Cabinet, the relevant Portfolio Holders, or the Planning Committee.
- 3.9 The conduct of Officers who advise on the determination of planning applications is contained generally in the Council's protocol for Member/employee relations and is supplemented by guidance from their professional bodies, such as Royal Town Planning Institute, the Law Society, and the Institute of Legal Executives. Officers may not be instructed by any Member to conduct themselves in a manner which would place them in conflict with their professional codes of conduct.



3.10 Members should abide by the following advice:

- Members should always pass a copy of any lobbying correspondence to the Assistant Director for Planning at the earliest opportunity;
- Members should never pressurise or lobby Officers for a particular recommendation;
- Members should promptly refer to the Assistant Director for Planning any offers made to them of planning gain or constraint of development;
- Members should inform the Monitoring Officer where they feel that they have been exposed to undue or excessive lobbying or approaches including inappropriate offers of gifts or hospitality (see also paragraph 3.12);
- Members should never use political group meetings to dictate how they should vote on a planning issue and should not lobby fellow Members regarding concerns or views, nor attempt to persuade other Members to vote in a particular way.

3.11 Officers are required to act impartially at all times in determining applications and providing advice at the Planning Committee. Officers will be expected to conduct themselves in all they say and do in a manner which totally preserves this position of impartiality.

3.12 During the determination of an application, it is possible that Officers and Members may be offered hospitality by an interested party. Even though this rarely occurs in Plymouth, it is important to recognise that, if at all possible, these offers should be politely declined. However, any Members receiving any gift or hospitality, in their capacity as Members, over the value of £25, should provide within 28 days of receipt written notification of the details to the Monitoring Officer of the Council for entry into the register of gifts and hospitality which is open to public inspection and located in the Democratic Support Office. Similarly, for Officers, in the event that the receipt of hospitality is unavoidable, they must ensure that the hospitality is of a minimal level and declare its receipt as soon as possible by completing a "Hospitality Declaration Form" and submit this to the Assistant Director for Planning for signature.

#### **4.0 DECLARATION AND REGISTRATION OF MEMBER AND OFFICER INTERESTS AND BIAS**

4.1 Members and Officers are required to give a general notice of interest that they hold usually upon their election or appointment to office and are under a duty to maintain that declaration and amend, as necessary, within 28 days of becoming aware of any such changes, throughout their term of office.

- 4.2 A register of Members' interests will be maintained by the Council's Monitoring Officer and is available for public inspection. A register of Planning Officers' interests will be maintained by the Assistant Director for Planning.
- 4.3 Furthermore, Members and Officers are under a duty to declare interests as and when matters arise at Planning Committee. Guidance on these issues may be sought by the Council's Monitoring Officer. The decision as to whether an interest ought to be declared rests with the individual Councillor or Officer involved.
- 4.4 There are three types of interest, 'personal' 'prejudicial' and pecuniary. A member will have a personal interest in a Planning Committee decision if:
- If the matter relates to an interest in respect of which the Member has given notice in the statutory register of Member's interests; or
  - The decision might reasonably be regarded as affecting their well being or financial position or that of a relative or friend or employer to a greater extent than other Council Tax payers, ratepayers or inhabitants of the Authority's area.
- 4.5 Where a Member considers he or she has such a personal interest in a matter, he must always declare it.
- 4.6 A personal interest will become a prejudicial interest if a member of the public with knowledge of the relevant facts would reasonably regard that interest as so significant that it is likely to prejudice the Member's judgement of the public interest. There are exceptions to this, however and full details are given in the Council's constitution.
- 4.7 Where any Member of the Council considers that they have a prejudicial interest they should discuss this situation with the Monitoring Officer or his representative as soon as they realise this is the case:
- Complete a standard form and pass it to the Democratic Support Officer prior to the start of Planning Committee;
  - Ensure they do not participate at any stage in the consideration of the planning application if following advice from the Monitoring Officer they consider that any decision they take could be challenged on the grounds of bias;
  - Ensure they do not seek or accept any preferential treatment, or place themselves in a position that could lead to the public to think they are receiving preferential treatment because of their position as a councillor;
- 4.8 With regard to Planning Officer interests the Assistant Director for Planning Services will check the Officer declarations list and advise the Officer accordingly if they feel that alternative arrangements are necessary in presenting the report.
- 4.9 Pecuniary interests are defined in regulations. The regulations in general will mean that a member will have to register any interest they or their husband or wife or civil partner has in:

- any employment, office, trade, profession or vocation that they carry on for profit or gain
- any sponsorship that the councillor receives including contributions to the councillor's expenses as a councillor; or the councillor's election expenses from a Trade Union.
- any land licence or tenancy they have in Plymouth;
- any current contracts leases or tenancies between the council and them,
- any current contracts leases or tenancies between the council and any organisation with land in Plymouth in which they are or have a partner, a paid director, or have a relevant interest in its shares and securities;
- any organisation which has land or a place of business in Plymouth and in which they have a relevant interest in its shares or its securities.

If a Councillor has a pecuniary interest they must leave the meeting immediately and can not participate, or participate further, in any discussion of the matter at the meeting, or participate in any vote, or further vote, taken on the matter at the meeting.

- 4.10 Members should also not give grounds for a suspicion that any such interests may arise and have not been declared.
- 4.11 When an application is to be determined, there is an expectation that it will be dealt with transparently, openly and in a fair way. Members will be expected to take account of all relevant evidence and give it appropriate weight in the decision making process and arrive at a reasoned sound decision.
- 4.12 An alternative approach may be for the Planning Committee Member to refrain from making any public statement on an application and to invite another Ward Member to attend the Planning Committee to speak on the local ward issues and for the Member of the Planning Committee, if s/he has not made a public statement in support of or against the application, to confine his/her comments to the relevant planning issues, taking into account the interests of the City as a whole.

## **5.0 PREDETERMINATION OR PREDISPOSITION**

- 5.1 Members of the Planning Committee need to ensure that they do not fetter their ability to participate in the decision making process on an application by making up their mind or clearly indicating that they have made up their mind on how they will vote prior to the consideration of the application by the committee.
- 5.2 The Planning Committee should, when considering an application, take into account all views that are expressed in such a way that they are openly heard and fairly considered in a balanced way before the committee reach a decision.

- 5.3 Members of the Planning Committee can have a predisposition to an initial view, where the member is clear they are still willing to listen to all the material considerations presented at the Planning Committee before deciding on how to exercise their vote on behalf of the community.
- 5.4 The fettering of a members discretion as set out in 5.1 and then taking part in the decision making process will put the Council at risk of a finding of maladministration and of legal proceedings on the grounds of there being a risk of bias or predetermination or a failure to not take into account all of the factors enabling the application to be considered on its merits.
- 5.5 The Localism Act 2011 now sets out that a member who has expressed a preference for a particular outcome of an application as it proceeds to determination, will **not** be taken to have had a closed mind when making the decision just because they have previously done or said anything to indicate their view in respect of the matter. However, it is important that a fair minded observer would think that the Member was open to changing their mind in the light of different or additional information, advice or evidence presented.
- 5.6 It will be evident that the appropriate action is not clear cut and will depend on the circumstances of a particular case and application. Planning Committee members need to avoid bias and predetermination and take account of the general public's (and the Ombudsman's) expectation that a planning application will be processed and determined in an open and fair manner. To do this, Members taking the decision on an application must take account of all the evidence presented before arriving at a decision, and should avoid committing themselves one way or another before hearing all the arguments.
- 5.7 A situation can arise when a Member of the Planning Committee represents a Ward within which a contentious application is lodged. If, prior to the matter being considered by the Planning Committee, that Member decides to make a public statement, and either supports or opposes the application, it will be difficult for that Member to be seen to subsequently determine the application transparently, openly and fairly. Accordingly, the Member should make an open declaration, in relation to his or her position and not vote on the determination of the application at Planning Committee. The open declaration should be noted in the Planning Committee minutes. The Member will also be required to vacate their seat within the Planning Committee and to sit within the public gallery for the duration of the consideration of the item, and where they have exercised their right to speak as a Ward member, they can address the Planning Committee at the appropriate time in accordance with the Ward Member speaking arrangements (see section 11).
- 5.8 Ultimately it is the responsibility of the individual member to ensure that their role on the Planning Committee is not compromised and it is also for them to strike the balance that may need to be made between ward and other interests and the requirements of the Planning Committee.

## **6.0 DEVELOPMENT PROPOSALS SUBMITTED BY MEMBERS, OFFICERS AND THE COUNCIL**

- 6.1 In accordance with the Council's Officer Code of Conduct (June 2000), employees must declare any financial or non-financial interests which relate to their work to the appropriate Director, Assistant Director, or Head of Service, including membership of any organisation not open to the public without formal membership and commitments of allegiance. Such declarations will be maintained in documents which will not be publicly disclosable.
- 6.2 Such declarations can be made on a regular basis without any known future applications coming forward. In such situations, planning and other associated applications will not be allocated to that employee to deal with.
- 6.3 However, it will sometimes occur that an employee only identifies a conflict of interest in the course of determining an application. At this point it is the responsibility of the employee to immediately raise the declaration with the Director, Assistant Director, or Head of Service and for the employee to take no further action in the determination of the case. Again, a record of the declaration will be maintained in documents which will not be publicly disclosable.
- 6.4 In all instances where there is a conflict of interest the appropriate procedure would be for officers to notify the Director, Assistant Director, or Head of Service of that conflict and to have no further part in the determination of the application.
- 6.5 Any proposals submitted by Members and Officers shall be dealt with so as to give no grounds for accusations of favouritism. For this reason reference is made in the Terms of Reference for Planning Committee for decision making involving Council employees or Members.
- 6.6 Any application submitted by Plymouth City Council shall be processed in the same transparent and impartial manner as for any other applicant.

## **7.0 LOBBYING**

- 7.1 It is recognised that lobbying is a normal and perfectly legitimate element of the process of considering planning applications. If a Member, who is not on the Planning Committee to determine an application, wishes to support a particular viewpoint then that Member has a right to appear at Planning Committee and seek permission to address the meeting.
- 7.2 It is, however, important that Members protect their impartiality and integrity in planning matters. Planning Committee Members will not breach the Code by listening to or receiving viewpoints from residents or other interested parties provided that they make it clear that they are keeping an open mind. However expressing an intention to vote one way or another before a Planning Committee meeting would prejudice impartiality.

## **8.0 WARD MEMBER INVOLVEMENT IN PLANNING APPLICATIONS PROCESS**

- 8.1 Ward members have a central role in helping to represent the views of local people and other stakeholders at both pre-application and planning application stage. Ward councilors bring strong community leadership, extensive local knowledge and an up to date understanding of current issues. Planning officers have to act impartially at all times, but will provide support and advice to ward councilors on planning matters in order for them to play this community leadership role. This will include the involvement of ward members in negotiations on planning obligations.
- 8.2 Planning obligations negotiated under Section 106 of the Town and Country Planning Act, 1990 must be seen to mitigate the effects of development whilst recognising that each must comply with council planning documents, policies and guidance and Regulation 122 of the Community Infrastructure Levy (CIL) Regulations 2010 (as amended).
- 8.3 To be lawful, a planning obligation must meet all of the following statutory tests. It must be:
- (a) necessary to make the development acceptable in planning terms;
  - (b) directly related to the development; and
  - (c) fairly and reasonably related in scale and kind to the development.
- (These apply to both future and existing Section 106 obligations and to CIL payments).

- 8.4 To this end, where the need for a planning obligation is anticipated by a planning officer, ward councillors will be consulted at an early stage of the pre-application and planning application process. The views of ward councillors on planning obligations will be sought electronically through weekly lists and shall be considered in any decision taken by the Planning Committee or by an officer acting under delegated authority.

**Information available to Ward Councillors**

- 8.5 The following information will be available to ward councillors via the City Council website in order to help inform their consideration of a development proposal at both pre-application and submission stages:

- The Statement of Community Involvement, which sets out the principles, expectations and best practice for everyone involved in the planning process.
- The Sustainable Neighbourhood Assessments, which set out in detail an assessment of existing infrastructure, gaps in provision and key local issues within every neighbourhood in the city.
- The Infrastructure Needs Assessment, which sets out strategic infrastructure that is needed in parts of the city to support the overall growth agenda of the city.
- A summary of existing Section 106 agreements within every ward, which is updated quarterly.
- The planning policy framework, as set out in Policy CS33 of the Core Strategy and the Planning Obligations and Affordable Housing SPD: these provide the policy context for the negotiation of planning obligations and it will be important for ward members to be familiar with these.

- 8.6 To further assist ward councillors in considering to what extent they wish to make comments on development proposals, every week ward councillors will be sent by email only:

- A list of registered Development Enquiry Service requests where the applicant has indicated that they do not wish the pre-application to be confidential. Where an applicant has indicated that a pre-application enquiry is confidential these will not appear in the weekly list.
- A list of registered planning applications with links (where applicable) to details of the proposed Section 106 Obligations Heads of Terms, which will show what the developer is proposing for the Section 106 agreement and which provides a starting point for members to consider Section 106 matters on a particular planning application.

**Ward Member Involvement at Development Enquiry Service (DES) Pre-Application Stage**

- 8.7 In accordance with the principles set out in the Statement of Community Involvement, councillors should review the weekly DES list. Upon receipt of the DES list ward councillors must contact the named case officer **within 10 working days** if they wish to draw attention to any particular planning or Section 106 related issues or concerns, specifying which site within their ward this relates to. This will enable officers, ward councillors and the developer to more positively engage together in progressing the pre-application discussions and take account of key local issues at an early stage. It is at this stage a ward councillor should also indicate whether they wish to receive an informal presentation from the developer/agent where this is a major development. (Informal presentations for minor or householder proposals will only be provided in exceptional circumstances at the discretion of the Assistant Director of Planning). Pre-application presentations to local ward councillors will enable the developer to positively engage with ward councillors at an early stage in the development process, without compromising the decision making process
- 8.8 Where requested, for major developments, the planning case officer will facilitate the opportunity for an informal presentation of the development proposal by the developer/agent to ward councillors, at pre-application stage. A request for an informal presentation can be made by ward councillors, the developer/agent or by planning officers. Informal DES presentations will generally be undertaken within 4 weeks of the Development Enquiry Service application being registered, and will be carried out fully in accordance with the Council's Code of Good Practice for Members and Officers, and the general advice contained in the National Model Code of Conduct (Local Authorities (Model Code of Conduct) Order 2007 - SI 2007/1159). Wherever possible meetings will be arranged for all members within the ward affected by the proposal to reflect member availability, but in order not to unduly delay pre-application discussions members will be expected to prioritise attendance at any DES meetings requested.
- 8.9 The purpose of these DES presentations is to inform ward councillors of emerging proposals for major developments and enable key local issues of relevance to the development, including any Section 106 matters, to be identified. Such early engagement will enable the developer to understand and address any significant local concerns as early in the development process as possible including any priorities to mitigate the impact of the proposed development. The collection and expenditure of Community Infrastructure Levy (CIL) payments will not be a matter for discussion at these meetings since CIL is non-negotiable and the expenditure will be determined through the governance of the Council's Regulation 123 List.
- 8.10 The developer's presentation will be limited to the facts of the development proposal.
- 8.11 Ward councillors will be given the opportunity to ask questions concerning any aspect of the proposal, including Section 106 matters. Unless a matter is commercially confidential and sensitive, developers will be expected to provide comprehensive answers to questions from ward councillors.



- 8.12 The planning case officer will highlight the key planning issues, summarising policy issues, third party views and other issues for consideration. Key issues raised at the DES meeting will be written up as part of the case officer's report to Planning Committee.
- 8.13 Ward councillors will be at liberty to express opinions in support or opposition for the proposals at the meeting if they wish, unless they are also a member of the Planning Committee.
- 8.14 Where a ward councillor is also a member of Planning Committee this will be declared at the start of the meeting. The planning case officer will then make it clear that the Planning Committee Member is at the meeting to understand the issues and to ask questions of clarification, but will remain open minded so as to avoid any suggestions of pre-determination.
- 8.15 Local ward councillor involvement at pre-application stage will not affect the speaking rights of the member at Planning Committee provided the local ward Councillor has followed the Council's Code of Good Practice for Members and officers.
- 8.16 The advice given at DES stage does not necessarily bind the formal determination by the Local Planning Authority of any subsequent planning application.
- 8.17 **Under no circumstances should Planning Committee Members meet with developers/landowners (or their advisors) without the presence of a Planning Officer.** To do so will be a breach of this code and may prejudice the integrity of any subsequent decisions made on any application. Councillors who are not members of Planning Committee are advised to seek advice from Planning Officers prior to agreeing to meet with developers or landowners.

#### **Ward Member Involvement at Planning Application Stage**

- 8.18 In accordance with the principles set out in the Statement of Community Involvement, councillors should review the weekly list of planning applications. It is the councillor's responsibility to initiate contact with the case officer named in the weekly list **within 10 working days** of the publication of the list if they wish to draw attention to any particular planning or Section 106 related issues or concerns.
- 8.19 Where a ward councilor requests a presentation on a registered major planning application, this must be done within **10 working days** of receiving the weekly list. (Presentations for minor or householder proposals will only be provided in exceptional circumstances at the discretion of the Assistant Director of Planning). The purpose of any presentations at this stage is to inform ward councillors of the content of the planning application in order to enable ward councillors to make formal representations on the application within the published consultation period. The collection and expenditure of Community Infrastructure Levy (CIL) payments will not be a matter for discussion at these meetings since CIL is non-negotiable and the expenditure will be determined through the governance of the Council's Regulation 123 List.
- 8.20 Wherever possible meetings will be arranged for all members within the ward affected by the proposal to reflect member availability, but in order not to unduly delay the

determination of planning applications members will be expected to prioritise attendance at any planning meetings requested. This date will normally be within 3 weeks of receipt of the request for the meeting. Members can still make comments on a planning application within the statutory consultation period of 21 days.

- 8.21 The advice and discussions at any meeting will not necessarily bind the formal determination by the Local Planning Authority of the planning application.
- 8.22 Under no circumstances should Planning Committee Members meet with a developer without the presence of a Planning Officer and other Members are advised to seek advice from Planning Officers prior to meeting a developer.

## **9.0 ROLES OF MEMBERS AND OFFICERS AT PLANNING COMMITTEE**

9.1 Officers and Members have specific roles at Planning Committee. In particular the following Members and Officers will be identified at the Planning Committee:

- Chair of Planning Committee
- Vice Chair of Planning Committee
- Other Members of Planning Committee
- Lead Planning Officer
- Legal Officer
- Democratic Support Officer
- Case Officer
- Other professional inputs (as determined by the Assistant Director for Planning)

9.2 More information on the roles and responsibilities of the above Officers and Members are outlined in a guidance note which will be available at all Planning Committees, a copy of which can be found on the Council's website.

## **10.0 ORDER OF PLANNING COMMITTEE CONSIDERATIONS**

10.1 All decisions that are to be made by the Planning Committee will be based upon written reports by Officers supplemented, where necessary, by a brief oral presentation which may include a site plan, an aerial photograph of the site, photographs of the site, key application plans and drawings, video and other relevant material that the Officer considers will assist the Planning Committee in the consideration of the proposal.

10.2 In most cases the Assistant Director for Planning will make a recommendation to the Planning Committee to either refuse planning permission, with reasons, or to approve planning permission, with conditions. In exceptional circumstances the Assistant Director for Planning may not be in a position to make a recommendation to the

Planning Committee through the main report. Where this is necessary reasons will be given as part of the Officer report and presentation to the Planning Committee. The Assistant Director for Planning may also need to report updates on specific aspects of a proposed development or undertake presentations of development proposals with the applicant at the early stages of a proposal. Where this is the case these will be separately identified on the Planning Committee agenda. In order to ensure efficient and effective decision making the Assistant Director for Planning will generally seek from the Planning Committee delegated authority to determine a planning application after the expiry of an advertisement period, or upon receipt of additional details, or will seek delegated authority to refuse permission where a Section 106 agreement linked to a resolution to grant consent is not, in his/her opinion, being expedited with sufficient speed by the applicant or will seek to defer to the Assistant Director for further negotiations in consultation with Chair, Vice Chair, and Lead Opposition Group Member for Planning.

- 10.3 Where further detail and clarification on a published report is required, this will be provided in the form of a written addendum report, to be made public no later than 5.00 p.m. the day prior to the Planning Committee meeting. Officers will always seek to ensure that the use of addendum reports is kept to the absolute minimum.
- 10.4 In exceptional circumstances, a further oral report may need to be provided at the Planning Committee meeting itself.
- 10.5 The order for consideration of all planning applications will be as follows:
  1. Planning Officer Oral Presentation;
  2. Any Planning Committee Member(s) with a prejudicial interest who wish to speak for or against a proposal (who will then leave the room);
  3. Any eligible Ward Councillor(s) who wish to speak for or against the proposal;
  4. Any Public Speaker who wishes to speak against the proposal;
  5. Any Public Speaker who wishes to speak in favour of the proposal;
  6. Questions to the Planning Officer by Planning Committee Members;
  7. Planning Committee Members debate and consider the proposal;
  8. Planning Committee Members move and debate any alternative motions to the recommendation. The Democratic Support Officer clarifies the wording of the alternative motion and the Chair puts these to the vote as appropriate (refer also to section 14);
  9. Chair of Planning Committee puts the original recommendation to the vote, if necessary;
  10. Formal Decision of Planning Committee on the proposal.

- 10.6 If Members request a point of clarification arising from what they have heard from any of the Speakers, to assist them with their consideration of the proposal, the Chair may, at his or her complete discretion, ask for a short adjournment so that the Lead Planning Officer can consult directly with the Speaker.

## **11.0 SPEAKING AT PLANNING COMMITTEE**

- 11.1 Once the Planning Committee agenda and accompanying papers are made available to the public five days prior to the Planning Committee meeting, anyone who wishes to speak must notify the Council's Democratic Support Section (details of which will be on the agenda papers) that they wish to speak, give details of the item upon which they wish to speak under Part I and whether they wish to speak as a supporter, objector, or Ward Councillor. Notification must be made in person by either telephone, fax, letter or e-mail and must be received by no later than 4.30 p.m. two working days before the Planning Committee meeting. An individual who wishes to speak at Planning Committee must register personally.
- 11.2 The Members who will be permitted to speak as Ward Members are normally only those Members whose ward boundary falls within the 'red line' of the planning application site. However, exceptionally other Members will be allowed to speak at the discretion of the Chair provided that they represent an adjacent ward to where the red line is located and in the Committee's opinion the development directly affects residents in that adjacent ward and any of those residents have submitted letters of representation within the statutory notice period. When such an exception is made the reason will be provided as part of the Planning Committee minutes. Other Members can speak at Planning Committee, but as an objector or supporter and provided they meet the other requirements in section 11.
- 11.3 The other participants allowed to publicly speak at the Planning Committee will be the applicant or agent and/or third party objectors and supporters or professional agents appointed by them to speak. In the case of third parties only those who have made written representations on the planning application during the statutory consultation period will be eligible to speak. In the case of Public Rights of Way applications there will also be a further participant, the landowner, who will be allowed to speak after the Officer presentation, and any Members, objectors and supporters have spoken.
- 11.4 In all circumstances the maximum number of public speakers will be one objector and one in support of the development proposal (plus a landowner for Public Rights of Way applications). If there are several persons wishing to speak (whether objectors or supporters) preference will be given to the first person who properly registers to speak. However the Democratic Support Officer will advise other people who wish to speak of the nominated speaker and, if that speaker is agreeable, then an alternative speaker can be put forward provided all the other criteria in section 11 is satisfied.

- 11.5 Speakers who have notified that they wish to speak need to attend the Planning Committee at least quarter of an hour before the start of the meeting and should register their details with the Democratic Support Officer. They will need to provide their name, the application they are to speak on, and whether they are an objector or supporter of the proposal.
- 11.6 Speakers will be allowed to speak for up to a maximum of five minutes and there will be no further involvement of the speaker in the deliberations of the Planning Committee, except as outlined in paragraph 10.6. Speakers will NOT be given an opportunity to ask questions of the Members of the Planning Committee.
- 11.7 Speakers are not expected to provide any presentational material for the Planning Committee. However, if a speaker wishes to submit any presentational material to supplement their speech they must do so no later than the deadline for speaking as outlined in paragraph 11.1. The material must only deal with issues raised through the formal representations procedure on that particular application. Any other presentational material that is produced by speakers will not be accepted and will be disregarded.
- 11.8 In the event an application is deferred, anyone wishing to speak at the subsequent Planning Committee meeting must register in the normal way. Any previous speaker will not be given preference over other eligible speakers.
- 11.9 Speakers should not interrupt other speakers or interrupt the Planning Committee debate.
- 11.10 Speakers are advised not to make slanderous statements or any other racial motivated, discriminatory or inflammatory remarks.
- 11.11 The Chair can suspend the right to public speaking in relation to an individual item or the whole Planning Committee if he/she considers it necessary to maintain order at the meeting.
- 11.12 The Chair can also require a speaker to cease speaking and leave the meeting if in the opinion of the Chair the speaker's statement falls within 11.9 or 11.10 above.
- 11.13 The Chair of Planning Committee at any time may adjourn the Planning Committee and ask for the public gallery to be cleared to maintain order at the meeting if there is any activity or behaviour which, in his/her opinion, is disrupting the proper consideration of a planning application and/or the conduct of the business of the Planning Committee.

- 11.14 The Chair of Planning Committee at any time may require a Member of the Planning Committee to leave the meeting and take no further part in the proceedings if, in his or her opinion the Member has made statements that fall within 11.9 or 11.10.

## **12.0 SITE VISITS**

- 12.1 Planning Committee Members will be expected to be familiar with the site and the issues surrounding the Officer recommendation when they arrive at a Planning Committee meeting.
- 12.2 If, prior to a Planning Committee meeting, a Member considers that additional illustrative material would assist the Planning Committee to visualise the impact of the proposed development (over and above the planning application drawings and plans and the material forming part of the Officer's presentation to the Planning Committee) they should advise the Assistant Director for Planning at least three working days before the Planning Committee meeting clearly specifying what additional material is needed and why.
- 12.3 Officers will normally organise a site visit ahead of any formal recommendation if they feel this would benefit Members' understanding of the proposal. These site visits will be held prior to the Planning Committee meeting and Members will be expected to give priority to attending this at the arranged time. If Members wish the Planning Committee to visit other sites on the Planning Committee agenda not already included in the scheduled site visit they should advise the Assistant Director for Planning at the earliest opportunity. If Members cannot attend the scheduled site visit they will still be expected to have familiarised themselves with the site.
- 12.4 If a Member of Planning Committee moves a resolution for a site visit at a Planning Committee meeting not having attended the scheduled visit under paragraph 12.3 Planning Committee will exercise a strong presumption against agreeing to defer the planning application for a further site visit.
- 12.5 If during the course of the consideration of any application a Member moves a resolution for a site visit on a site which was not included in the Scheduled site visit the Member will need to give an explicit reason that must explain why the need for a site visit was not apparent prior to the Planning Committee meeting. In such cases the deferment for a site visit will need to be agreed by Planning Committee members through a majority vote.
- 12.6 If a site visit is to be made by the Planning Committee it will consist of an inspection of the site (and adjoining sites and buildings as necessary) with the assistance of Officers. The purpose of the site visit is to assess the site and surroundings in the context of the development proposals under consideration, relevant development plan policies and

proposals, and identified material considerations. It does not form part of the formal Planning Committee meeting.

- 12.7 Site visits conducted by the Planning Committee will normally be unaccompanied (by third parties). As such there is no obligation on the Council to notify the applicant or objectors of the arrangements for a site visit. However it may be necessary to contact the applicant and/or landowner of the site and/or adjacent sites to gain permission to access private property. Before Members enter the site(s) or building(s) Officers will explain to any applicants, objectors, or supporters in attendance the procedure for the conduct of the visit. Officers will then explain to Members the issues relating to the Planning Committee item pointing out any site related matters as necessary. Members will be encouraged to ask Officers questions of fact.
- 12.8 Under no circumstances are Members of the Committee or Officers to enter into any discussions with Ward Members, applicants, supporters or objectors on the site visit regarding the merits or demerits of the proposal. During the site visit Members and Officers should avoid comments that could be interpreted as deliberations on the proposal itself, restricting themselves to questions of clarification or observations of fact. If, in the opinion of the Chair of the Planning Committee, the conduct of Members, Officers or third parties is of such a nature as to be potentially in conflict with any of these requirements, or the safety of the Members or Officers is in question, he/she will immediately suspend the site visit. If the Chair of the Planning Committee does suspend a site visit the application will be determined by a subsequent Planning Committee without further recourse to a site visit (even if a further request is made by a Member).
- 12.9 Ward Members will be notified and may be present at a site visit but this is only to accompany the Planning Committee members, it is not an opportunity for the Ward Members to put forward any case for or against the proposal. The Ward Member is only present to assist with any clarification that may be required in connection with local area issues and to hear the explanation given by the Officer.
- 12.10 The purpose of Planning Committee site visits is:
- For Members of the Planning Committee to familiarise themselves with the site and its surroundings and the location of relevant parts of the proposal.
  - For Officer(s) to provide factual information to Members regarding the site and the proposed development.
  - For the applicant or their agent to be present on the site, either to enable access or to ensure health and safety procedures are followed.
  - At the Chair's discretion, to visit third party premises.
  - To seek clarification on details of the planning application from officers, through the Chair.

- 12.11 All site visits will commence with the Chair of the Planning Committee making a statement to all in attendance regarding site visit procedures. The statement is as follows:

“May I remind Members of the Planning Committee that the purpose of this site visit is solely to view the site and seek clarification on the planning application from officers. Planning Committee Members cannot engage in a debate or answer questions about the development. Members cannot discuss the merits or otherwise of the proposal with developers, ward councillors or local residents.”

- 12.12 The Chair of the Planning Committee is able to suspend a site visit at any time if they are not conducted in an appropriate manner or where there are health and safety issues.

### **13.0 DECISIONS CONTRARY TO THE DEVELOPMENT PLAN**

- 13.1 The general principle in planning is that where the Development Plan is up to date and relevant, planning applications should be determined in accordance with it unless material considerations indicate otherwise.
- 13.2 All applications must be assessed in accordance with Section 38(6) of the Planning and Compensation Act 2004 and Section 70 of the Town and Country Planning Act 1990 as amended by Section 143 of the Localism Act 2011.

### **14.0 DECISIONS CONTRARY TO OFFICER RECOMMENDATION**

- 14.1 Department of Communities and Local Government Circular 03/09 advises that the most common cause for costs being awarded against a Local Planning Authority is where there are unsubstantiated reasons for refusal. However, the circular recognises that planning can often involve judgements concerning the character and appearance of a local area and the precise interpretation and application of development plan policy requirements. As such the circular states:

“Planning Authorities are not bound to accept the recommendations of their officers. However, if officers’ professional and technical advice is not followed, authorities will need to show reasonable planning grounds for taking a contrary decision and produce relevant evidence on appeal to support the decision in all respects. If they fail to do so costs may be awarded against the authority”. (DCLG Circular 03/09, paragraph B20, April 2009).



- 14.2 Planning applications can also give rise to local controversy and sustained opposition, leading to Members being actively lobbied (see Section 7). However as Government guidance states:

“...local opposition or support for a proposal is not, in itself, a ground for refusing or granting planning permission, unless it is founded upon valid planning reasons”. (“The Planning System: General Principles”, February 2004).

Planning authorities will be at risk of costs for unsubstantiated reasons for refusal that rely almost exclusively on local opposition for their justification.

- 14.3 Once the Planning Committee agenda has been published any member may seek advice from Planning Officers, irrespective of the recommendation made on any particular planning application, and discuss what options there are with the Assistant Director for Planning or the Head of Development Management.

- 14.4 If a decision is to be made contrary to the Assistant Director for Planning recommendation, then the Members proposing, seconding or supporting a contrary decision must agree the planning reasons leading to this decision and must also give Officers an opportunity to explain the implications of such decision prior to the vote. The reasons for the decision must be given prior to the vote and shall be minuted.

- 14.5 In the event that the Planning Committee is minded to grant an application contrary to Officers recommendation then they MUST provide:

- (i) Full conditions and relevant informatives;
- (ii) Full statement of reasons for approval (as defined in Town & Country Planning (General Development Procedure) (England) (Amendment) Order 2003);
- (iii) Relevant Local Plan and Local Development Framework policies and proposals.

- 14.6 Where a Member of the Planning Committee moves a motion to refuse an application contrary to the Officers' recommendation then the Member moving the motion MUST provide:

- (i) Full reasons for refusal, which must include a statement as to demonstrable harm caused and a list of the relevant plan and policies which the application is in conflict with;
- (ii) Statement of other policies relevant to the decision.

- 14.7 In the event of a Member motion to refuse, which is seconded, the Chair will if necessary adjourn the meeting for a few minutes to allow Officers to advise of any other relevant planning issues to assist them with their reasons. Vague, generalised or inaccurate assertions about a proposals' impact, which are unsupported by an objective analysis, are more likely to result in a costs award.
- 14.8 If the Member moving the motion does not meet the requirements of (i) and (ii) above the motion shall be not be deemed to have been properly made.
- 14.9 If, in the opinion of the Assistant Director for Planning the possible decision of the Planning Committee to refuse planning permission would carry a high risk of an award of costs against the Local Planning Authority, s/he shall formally ask the Planning Committee to defer a decision and this advice will be formally minuted. The purpose of the deferral shall be to provide time for a full consideration by Officers of the Planning Committee's concerns about the application, such that Officers may advise of grounds of refusal, should the Planning Committee remain minded to refuse the application. In making an assessment about the level of risk of a cost award, the Assistant Director for Planning shall have regard to:
- The application's level of compliance with the Local Development Framework and other adopted policies;
  - The robustness of the evidence that can be cited to support a refusal of planning permission;
  - All other material considerations.
- 14.10 Any decision made during the Planning Committee forms the full and final decision of the Council (subject to agreed matters for deferral and final ratification) and it is therefore essential that both Members and Officers carefully follow the above procedure in order to provide a legally binding decision.

## **15.0 APPEALS AND INQUIRIES**

- 15.1 In the event that planning permission is refused either under delegated powers conferred on the Assistant Director for Planning or by the Planning Committee, an applicant may exercise his/her right of appeal. Officers are responsible for preparing the Council's evidence for these appeals, and the vast majority of these are dealt with by written representations involving an exchange of statements. On occasions specialist Counsel and consultant support is needed to supplement the evidence of Officers.
- 15.2 In the case of an applicant exercising his/her right to an informal hearing or a Public Inquiry Officers will be responsible for presenting the Council's evidence and attending to present that evidence. Members are at liberty to attend in their capacity as Ward Members and may be called to give evidence as a Ward Member. Members of the

Planning Committee will not normally be required to attend to present the Council's case.

- 15.3 In the case where the Planning Committee has refused planning permission contrary to Officer's recommendations Officers will normally prepare and present the evidence in their role as employee of the Local Planning Authority. It will be for the Assistant Director for Planning to identify the officers to prepare and present the evidence.
- 15.4 It should not be necessary for Members of the Planning Committee to become involved in preparing and presenting the case at appeal on an overturn decision, because the reasons for refusal and statements on relevant policies put forward by the Members in reaching their decision should be sufficient to defend the case. However, there may be some situations where in an inquiry a Member involvement as a relevant witness is necessary in order to provide a full and accurate case. In circumstances where the Assistant Director for Planning considers this to be the case the Member will be expected to attend any Informal Hearing or Public Inquiry in support of the Council's case.
- 15.5 In exceptional circumstances the Assistant Director for Planning may not be able to prepare the Council's evidence to the hearing or inquiry because the Officer's earlier recommendation on the grounds of refusal is so prejudiced by the earlier advice given. In these circumstances a nominated Member of the Planning Committee together with an externally appointed consultant will need to present the Council's evidence.

## **16.0 QUALITY OF SERVICE**

- 16.1 The responsibility to provide a quality service is shared by both Officers and Members. Unnecessary delay at any point in the process of determining an application can result in customer commitments not being met. It can also mean costly delays and can damage the reputation of Plymouth City Council, the Planning Committee itself and its individual Members and Officers. This could have wider implications for the regeneration of Plymouth in terms of how investors, and indeed local people, perceive the city.
- 16.2 Therefore, when making decisions Members and Officers need to ensure primarily that a fair and reasonable planning decision is made, but that in so doing account must also be taken of customer commitments.

## **17.0 MONITORING AND REVIEW OF DECISIONS**

- 17.1 Members should also play an active part in regularly reviewing the outcome of planning decisions so that lessons can be learned and the future consideration and determination

of planning application proposals can be improved as part of a broader commitment to continuous improvement.

- 17.2 Every year the Planning Committee will undertake an Annual Site Visit to review completed projects and look at key regeneration sites that form part of the Local Development Framework. There may also be the need for review site visits during the determination stage of planning applications.
- 17.3 Members should assist in the preparation of the Local Development Framework/Local Plans by engaging in key consultation stages and discussing with Officers the application of key policies. The Chair of Planning Committee will also meet regularly with the relevant Portfolio Holder to discuss the interrelationships between policy development and policy application.
- 17.4 Members should therefore ensure that they are available for review visits as and when necessary throughout the year and for a whole day of visits for the Annual Site Visit.

## **18.0 TRAINING**

- 18.1 No Member may sit at a Planning Committee meeting without first having received appropriate mandatory training as set out in paragraph 18.2. This training will expire if the Member has not sat on the Planning Committee within 12 months of receiving the training, or has had a gap of at least 6 months from the Planning Committee. Where the training has expired the Member may not sit on the Planning Committee until they have received the mandatory training.
- 18.2 Given the complex legislative framework for determining planning applications and the constant reforms and changes to procedure within the planning system, the Assistant Director for Planning will provide a Planning Committee Training Programme comprising regular sessions covering:
- An annual Planning Committee training session that will provide an overview of the key role of planning in the city and the role of Members in the planning process. This training will normally be held once the annual list of Planning Committee members are known and should be attended by both new and existing Members. Training will be undertaken by appropriate Legal and Planning Officers. If Members join Planning Committee after this training or act as a substitute for a Planning Committee Member, they will receive separate training.
  - Training Workshops on new Council and Central Government policy and legislation or other Planning issues that either Members request or Officers recommend.
  - Annual Site Visit.

- 18.3 The above training will usually be open to all Members of the Council to enable them to have a better understanding of planning issues in their role as Ward Councillors.
- 18.4 Members will be expected to make themselves available to attend these training sessions in order to keep up to date on the latest planning and development issues. It will be the responsibility of each individual Member to ensure that they have had at least the annual training in order to be able to sit at a Planning Committee meeting. The Assistant Director for Planning will maintain a register of Member training. Training will be provided using a range of training methods.

## **19.0 COMPLAINTS**

- 19.1 A complaint that a Member or Officer has breached this code should be made in writing to the Head of Legal Services and would be referred to the Monitoring Officer for investigation and determination.
- 19.2 A complaint made in writing regarding the determination of a planning application or a related planning matter would be investigated by the Assistant Director for Planning and/or an appropriate officer of the Planning Department in accordance with the Council's complaints procedure.
- 19.3 A complaint may be made to the Local Government Ombudsman in the event that a complainant was not satisfied with the result of an investigation under the Council's complaints procedure. This must be made on the appropriate prescribed form and submitted direct to the Local Government Ombudsman.

**Paul Barnard, Assistant Director for Planning**  
**Peter Ford, Head of Development Management**  
**Julie Rundle, Senior Lawyer**  
**January 2013**

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## Protocol for Webcasting of Council and other meetings

### Introduction

The Council has agreed that certain meetings should be webcast and archived and subsequently made available on the Council's web site.

### Main Provisions

1. The Chair of the meeting has the discretion to suspend the webcast if, in the opinion of the Chair, continuing to webcast would prejudice the proceedings of the meeting.

This would include:

- (i) Public disturbance or other suspension of the meeting
  - (ii) Exclusion of public and press being moved and agreed
2. Archived webcasts or parts of webcasts will be removed from the Council's website if the Monitoring Officer (after consulting the Leader and Leader of the opposition group) considers that it is necessary because all or part of the content of the webcast is or is likely to be in breach of any statutory provision or common law doctrine. Such situations would include, for example, the disclosure of confidential or exempt information, potential actions for defamation or breaches of equalities, data protection, human rights or other legislation.

The grounds for not publishing would always have to outweigh the public interest in publication. In considering the public interest, the Monitoring Officer will have to exercise judgement, for example where abusive language is used by Members as part of the 'cut and thrust' of political debate. In these circumstances, the Monitoring Officer will take into account any representations made by Members and whether a Member had an opportunity to respond to or refute the comments or allegations at the meeting.

Where comments are made by Members about the conduct and capability of officers, the Council's Protocol on Member Officer Relations says:

*'A Member should not raise matters relating to the conduct or capability of an officer in a manner that is incompatible with the objectives of this Protocol. This is a long-standing tradition in public service. An officer has no means of responding to such criticism in public. If a Member feels he/she has not been treated with proper respect, courtesy or has any concern about the conduct or capability of an officer, and fails to resolve it through direct discussion with the officer, the Member should raise the matter with the respective Head of Service.'*

It would generally, therefore, be inappropriate to publish those parts of an archived webcast of a meeting where this provision of the Protocol on Member Officer Relations may have been breached.

3. Any elected Member or officer who is concerned about any webcast should raise their concern with the Monitoring Officer.



**PLYMOUTH CITY COUNCIL**

<b>Subject:</b>	Dispensation for Members and Co-opted members of Plymouth City Council
<b>Committee:</b>	Full Council
<b>Date:</b>	28 January 2012
<b>Cabinet Member:</b>	
<b>CMT Member:</b>	Tim Howes (Monitoring Officer)
<b>Author:</b>	Judith Shore, Democratic Services Manager
<b>Contact details</b>	Tel: 01752 304494 email: judith.shore@plymouth.gov.uk
<b>Key Decision:</b>	No
<b>Part:</b>	I

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**Purpose of the report:**

The Localism Act 2011 has amended the law relating to the granting of dispensations to Members and co-opted members where they have disclosable pecuniary interests, thereby allowing them to take part in meetings. The recommendations in this report will allow all Members and co-opted members to be granted dispensations under certain circumstances.

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**Corporate Plan 2012-2015:**

Being an efficient council and operating in an open and transparent manner.

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

None

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

None

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**Equality and Diversity**

No impact

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**Recommendations and Reasons for recommended action:**

1. That the authority to grant existing dispensations to all Members and co-opted members is delegated to the council's Monitoring Officer.

*Reason: in order to retain the current provision for dispensations granted to all Members and co-opted members.*

2. (a) that the Monitoring Officer may, but is not required to, consult with the Standards Advisory Group prior to determining an application for dispensation on grounds 4a), 4b) and 4d);
- (b) that the Monitoring Officer would consult Members of the Standards Advisory Group before making a decision on ground 4c) or 4e) as these grounds may involve a value judgement.

Reasons:

*To allow the council to consider and grant, where appropriate, dispensations requested by an individual Member or co-opted member*

*And in respect of 4c) and 4e), as these grounds may involve a value judgement, the Monitoring Officer would consult members of the Standards Advisory Group before making a decision.*

3. It is recommended that the code of conduct is amended accordingly.

*Reason: to ensure the code of conduct reflects the above decisions.*

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**Alternative options considered and rejected:**

No other option as the council must comply with the legislation

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**Published work / information:**

**Localism Act 2011:** <http://www.legislation.gov.uk/ukpga/2011/20/contents>

**Background papers:**

None

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**Sign off:**

Fin	AB 22051 2 57	Leg	LTI 6551	Mon Off	TH 00 74	HR		Assets		IT		Strat Proc	
Originating SMT Member: Tim Howes, Monitoring Officer													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

## 1 Current provision

On 25 June 2012, full council agreed that, from 1 July 2012, all councillors will comply with the requirements of the Localism Act 2011 and any regulations made under it in respect of disclosable pecuniary interests and will leave any meeting for any item of business in which they have a pecuniary interest.

The code of conduct states that Members do not have a prejudicial interest (and can, therefore, take part and vote) in any business of the authority where it relates to functions in respect of:

- school meals or school transport and travelling expenses, where the Member is a parent or guardian of a child in full time education or are a parent governor of a school, unless it relates particularly to the school which the child attends
- statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992, where the Member is in receipt of, or is entitled to the receipt of, such pay
- an allowance, payment or indemnity given to Members;
- any ceremonial honour given to Members
- setting Council Tax or a precept under the Local Government Finance Act 1992

## 2 What is a disclosable pecuniary interest?

DPIs are Members' and co-opted members' business interests (for example, their employment, trade or profession, contracts or any company with which they are associated) and wider financial interests (for example, trust funds, investments and assets including land and property). Members must also register DPIs in respect of their spouse or civil partner.

Members have disclosed their DPIs and the information can be found on the council's website. [plymouth city council councillors](#)

## 3 New requirements

Under Section 31 of the Localism Act 2011 ("the Act"), a Member or co-opted member who has:

- a) a disclosable pecuniary interest (DPI) in a matter to be considered, or being considered, at a meeting of the council at which that Member or co-opted Member is present and
- b) the disclosable pecuniary interest is one which the Member or co-opted Member is aware of

may not participate or participate further in any discussion or vote on the matter at the meeting unless s/he has first obtained a dispensation in accordance with the council's dispensation procedure.

4 Granting of dispensations

The provisions on dispensations are significantly changed by the Localism Act 2011. There are 5 circumstances where a dispensation may be granted:

- a) that so many members of the decision-making body have disclosable pecuniary interests in a matter that it would "impede the transaction of the business"
- b) that, without the dispensation, the representation of different political groups on the body transacting the business would be so upset as to alter the outcome of any vote on the matter
- c) that the council considers that the dispensation is in the interests of persons living in the council's area
- d) that, without a dispensation, no member of the Cabinet would be able to participate on this matter; or
- e) that the council considers that it is otherwise appropriate to grant a dispensation

Any grant of a dispensation must specify the duration, up to a maximum of 4 years.

The Localism Act gives discretion for the power to grant dispensations to be delegated to a committee or a sub-committee, or to the Monitoring Officer.

- 5 In order to retain the current provision for dispensations granted to all Members and co-opted members, outlined in section 1 above, it is suggested that the authority to grant such dispensations is delegated to the council's Monitoring Officer.

A copy of the proposed dispensation is attached as an Appendix.

- 6 In order to allow the council to consider and grant, where appropriate, dispensations requested by an individual Member or co-opted member, it is recommended that the authority to grant dispensations in 4a), 4b) and 4d) is delegated to the council's Monitoring Officer. It is also recommended that the Monitoring Officer may, but is not required to, consult with the Standards Advisory Group prior to determining an application for dispensation on grounds 4a), 4b) or 4d).

In respect of 4c) and 4e) above, it may be considered that these grounds involve a value judgement and it is recommended that the authority to grant dispensations on these grounds is delegated to the Monitoring Officer, after consulting with members of the Standards Advisory Group.

- 7 It is recommended that the council's constitution is amended accordingly.

**DISPENSATION FOR MEMBERS AND CO-OPTED MEMBERS OF PLYMOUTH CITY COUNCIL**

I declare that for the period to 1 May 2014 or the date of local elections whichever is later, all Members and co-opted members of Plymouth City Council shall not be regarded as having a disclosable pecuniary interest as defined in the Council's Code of Conduct and have been granted a dispensation to permit them to speak and vote at meetings of the city council, its Cabinet or any committee, sub committee, joint committee or working party thereof if the matter relates to any of the following functions of the council, namely:

- school meals or school transport and travelling expenses if the Member or co-opted member is a parent or guardian of a child in full time education or a parent governor of a school, unless it relates particularly to the school which the child attends
- statutory sick pay where the Member or co-opted member is in receipt of, or entitled to the receipt of, such pay
- Members or co-opted members' allowances, travelling expenses, payment or indemnity
- any ceremonial honour given to Members
- Council Tax or precept setting

.....  
(Signature)  
(Monitoring Officer of Plymouth City Council)

Date:

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