

City Council

Monday 25 February 2013

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, Churchill, Coker, Damarell, Darcy, Philippa 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, 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.

Apologies for absence: Councillors Browne, Casey, Sam Davey and Mrs Nelder

The meeting started at 2.00 pm and finished at 4.50 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.

89. MINUTES

Agreed that the minutes of the meeting of council held on 28 January 2013 are confirmed as a correct record.

90. DECLARATIONS OF INTEREST

The following declaration of interest was made in accordance with the code of conduct from Councillor Jordan in relation to an item under consideration at this meeting –

Item	Interest	Reason
Minute 93 – Updated Report on the Corporate Plan 2012/15 Update, 2013/14 Budget (Revenue and Capital) and Proposed Council Tax Levels and Pay Policy	Personal	Director of Routeways and Plymouth Youth Sailings

91. ANNOUNCEMENTS

The Leader referred to –

- (a) Funding from the Coastal Communities Fund for Plymouth Waterfront: £670,000 had been awarded from the Coastal Communities Fund to attract people to the waterfront. Projects would include Commercial Wharf, the Royal William Yard and new

opportunities for cycling.

- (b) City Deal: the city had been awarded City Deal which would provide new powers putting the city in charge of its own economical destiny and enable the south west peninsula to realise its potential. The city was one of 13 awarded City Deal and had been recognised for its vision, ambition and skills. The Leader indicated that he was looking forward to continued discussions with the government.

CORPORATE PLAN 2012/15 UPDATE, 2013/14 BUDGET (REVENUE AND CAPITAL) AND PROPOSED COUNCIL TAX LEVELS AND PAY POLICY

92. Length of Debate for Leader and Leader of the Opposition

Before the commencement of the debate, the Leader sought approval in accordance with Part B, Council Procedure Rule 14.6 of the Constitution, to suspend Rule of Debate 4.2 (in Appendix One) (which limits speeches to five minutes) for the following item in relation to speeches by the Leader and Leader of the Opposition.

The proposal was seconded by Councillor Peter Smith and following a vote it was agreed.

93. Updated Report on the Corporate Plan 2012/15 Update, 2013/14 Budget (Revenue and Capital) and Proposed Council Tax Levels and Pay Policy

The Chief Executive and the Director for Corporate Services submitted written reports on the Corporate Plan 2012 -15, the revenue and capital budget 2012/13, the treasury management strategy statement and annual investment strategy and the proposed council tax levels.

The City Council considered -

- (a) the report of the Director for Corporate Services on the Budget Update;
- (b) the updated report of the Chief Executive and the Director for Corporate Services on the Corporate Plan 2012/15 Update, 2013/14 Budget (Revenue and Capital) and Proposed Council Tax Levels and Pay Policy;
- (c) Cabinet minute 140 (of 12 February 2013) and the updated draft Corporate Plan 2012-2015 (following Cabinet on 7 February 2012) (appendix A);
- (e) Cabinet minute 141 (of 12 February 2013) and the Cabinet report on Building for Jobs – Plymouth Investment Fund (appendix B);
- (f) Cabinet minutes 142 and 142a (of 12 February 2013) and the Cabinet report on the Capital Investment for Street Lighting, Solar

PV and Boiler Replacement (appendix C);

- (g) Cabinet minutes 143 and 143a (of 12 February 2013) and the Cabinet report on the 2013/14 Budget (Revenue and Capital) Allocated to Corporate Priorities (appendix D);
- (h) Pay Policy Statement (appendix E);
- (i) Cabinet minute 137 (of 12 February 2013) on the Budget and Corporate Plan Scrutiny Report 2013/14 including the Scrutiny Report and Cabinet's response to the recommendations (appendix F).

Councillor Evans (Leader) moved, and Councillor Lowry (Cabinet Member for Finance) seconded, the recommendations in the written reports of the Chief Executive and the Director for Corporate Services submitted to the City Council and commended to the City Council, for approval, the 2013/14 council tax levels and the pay policy statement.

In presenting the proposals, Councillor Evans referred to –

- (j) the cuts of five billion pounds imposed on Councils across England and the loss of 230k jobs over two years which was unprecedented;
- (k) the actual cuts which were seven point four per cent amounting to £7.8 m, not the one point nine per cent presented by the government and reported in the media;
- (l) the cooperative approach which ran through the 100 pledges for Plymouth of which nearly a third had been delivered. Ten of the pledges were about the economy and creating jobs with employment, skills and jobs being a top priority;
- (m) the initiatives that included -
 - the creation of a job task force;
 - the launch of the 1,000 Club with the aim of giving Plymouth's young unemployed a start;
 - a £20m investment in partnership with the Plymouth Growth Board;
 - the establishment of a Building for Jobs Investment Fund created as part of the Plan for Jobs;
 - the City Deal and the University Technical College which would build on the city's strength in marine sciences and engineering;
 - a campaign to clean up empty building sites and encourage

development which had stalled;

- (n) investment in the profile of the city which included the UK City of Culture in 2017; Mayflower 400 year anniversary in 2020, the Theatre Royal regeneration plans and the redevelopment of the Plymouth Pavilions site;
- (o) the cooperative approach of the council in relation to –
 - greater community involvement in schools;
 - the city's status as a fairtrade city;
 - the development of a Community Economic Development Trust for the north of the city;
 - the potential for a Community Greenspace Trust to manage the city's parks and spaces;
 - the development of an energy co-operative to enable residents to access cheap energy;
 - a significant energy programme of £13m over four years for street lamps, solar panels on council buildings and the replacement of boilers;
 - the implementation of a pilot glass recycling scheme;
- (p) the introduction of the First Charter for Older People stating the council's commitment to support people to enable them to live full and independent lives with dignity and respect and the council's support to the most vulnerable children. He thanked partners for their work to ensure that people were safe and protected;
- (q) the school improvements being undertaken;
- (r) the transformation of adult social care services;
- (s) the impact of welfare reform changes with particular regard to the abolition of the council tax support scheme and the council's creation of an exceptional hardship fund for residents;
- (t) the proposed revenue budget of £212.5m which was being achieved with £17.8m savings and an increase in council tax of two per cent.

Councillor Coker (Cabinet Member for Transport) moved and Councillor Jon Taylor seconded the following amendment –

'New recommendation 17 –

- (17.1) to approve the Capital Programme as detailed in Appendix D figure 5 set out on page 96 of the City Council agenda with the addition of increased capital expenditure on highway maintenance by £2m in 2013/2014 to be financed by -

	Item	£m
1	Surplus Capital Receipts	0.500
2	New Homes Bonus Additional Funding	0.460
3	Bus Lane Enforcement - additional income 13/14	0.150
4	VAT refund re Trade Waste Reserve from one-off receipt / current balance of £1.6m	0.890
Total		2.000

This will increase the 2013/14 investment to £64.016m with Place Directorate total increasing to £24.840m, and the overall four year programme 2012-2016 to a minimum of £168.255m; and

- (17.2) the additional investment outlined in 17(a) to form the commencement of a ten year programme of £20m in road maintenance.'

Councillor Coker indicated that –

- (u) the state of the nation's roads and footpaths were a recognised problem throughout the country. Plymouth was not alone in the decades of underfunding, and severe winters and widespread flooding had compounded the problems with the city's roads;
- (v) the Local Government Association had said that re-directing funding into road maintenance would boost growth, improve road safety and save billions of pounds from the current false economy of reactive repairs.
- (w) whilst additional monies had been put into highway maintenance in 2011/12 to respond to the damage caused by two cold winters, it was a one off increase following a number of years of very low spend on the network and no additional monies had been identified for future years;
- (x) the 2012/13 budget was not sufficient and a further £1.5m of capital and revenue monies had been injected into highway maintenance this year, bringing the actual spend to £4.1M;

- (y) the baseline budget for 2013/14 had been increased to £3.1M;
- (z) he had requested officers to continue to review options to maximise spend on highway maintenance, whilst balancing this against the responsibilities and duties that existed in running the diverse transport network;
- (aa) budget scrutiny, both this year and last, had identified that significant investment was needed in the highway network to deal with the condition of the roads and pavements;
- (bb) new capital receipts, surplus to the requirement to fund the Capital Programme had been identified in the sum of £0.500;
- (cc) following confirmation by government of the final settlement funding which was confirmed after the publication of the final budget, a further New Homes Bonus “additional funding” allocation of £460k had been made which had not been allocated in the 2013/14 budget;
- (dd) the additional income from bus lane enforcement was in addition to the income assumptions in the 2013/14 revenue budget;
- (ee) a one-off VAT refund had been received in relation to the council’s charges for trade waste of £890k;
- (ff) all of the monies allocated for this purpose were one-off in nature for 2013/14 and did not form the basis of a longer term solution.

During the debate on the amendment the following issues were raised –

- (gg) the inefficiency and ineffectiveness of temporary repairs;
- (hh) the need for clarity on the source of the remaining £18m of the £20m programme and on the delivery mechanism with Amey;
- (ii) that the methods of the work were part of solution and the need for value for money;
- (jj) whether the funding would enable the priority list to be completed;
- (kk) that the funding should not be spent on extending pavements into the roadway.

Councillor Coker summed up and indicated that no changes had been made to the guidelines for repairs and that the criteria would be followed to determine where works would be undertaken. He welcomed the support from all councillors.

In response to an issue raised previously by Councillor Ricketts, councillors were advised that following consultation with ward councillors, the Ford Park Road roundabout would be resurfaced in next couple of weeks.

In future, councillors from neighbouring wards would be given the opportunity to comment on transport proposals.

Following a vote, the amendment was agreed.

Councillor Mrs Pengelly responded to the main motion, as amended, and indicated that -

- (ll) every cut and price increase would affect residents but that tough decisions were needed;
- (mm) every effort should be made to ensure that the increase did not impact significantly on vulnerable people;
- (nn) a council tax freeze could have been proposed;
- (oo) every item of spend should have been considered carefully and the value of spending questioned;
- (pp) in her opinion, the council had not explored partnership working enough;
- (rr) she had been surprised that Plymouth University had not been invited to attend budget scrutiny;
- (ss) she was concerned that the quality of care would not be maintained if adult social care was outsourced.

The debate continued on the main motion, as amended, and the following issues were raised -

- (tt) the budget did not address the need to deliver services in a different way;
- (uu) many of the initiatives announced had already been put in place by the previous administration;
- (vv) government spending was higher than previous years and spending on welfare reform was increasing in real terms;
- (ww) people should have been given the opportunity to decide on the proposed council tax increase but that it had been set underneath the amount that would trigger a referendum;
- (xx) the budget overspend of £1.4m had not been addressed and that the budget was considered unsafe;

- (yy) a council tax freeze would have resulted in further cuts to services;
- (zz) Councillor Mrs Aspinall (Chair of the Overview and Scrutiny Management Board) acknowledged that the lack of a representative from Plymouth University at budget scrutiny had been an oversight but that no one had mentioned it at the time;
- (aaa) a council tax freeze had not been suggested at budget scrutiny and a minority report had not been submitted to Cabinet;
- (bbb) the current action being taken to address the number of people out of work in Plymouth was not being effective as numbers had increased;
- (ccc) funding had been moved from the Early Intervention Budget, where it was targeted at young people, into the budget for the People Directorate;
- (ddd) the report lacked detail and the proposals were not transparent;
- (eee) the budget for adult social care had not been increased and was not considered sufficient to meet demographic growth, even with the transformation measures. The delivery plans would need be monitored carefully;
- (fff) the transformation of adult social care provided opportunities for the development of social enterprises and cooperatives;
- (eee) the proposals relating to Cabinet Members' individual areas of responsibility –
 - the reduction of demand for children's services through the provision of the right support as early as possible and working with partners;
 - bringing residential placements within the city;
 - contracting for services on a peninsula wide basis;
 - looking at opportunities to trade the council's services;
 - the reducing number of jobs and the narrowing of the gap between the highest and the lowest earners in the council. Thanks were extended to employees for their hard work and an apology was given for the uncertainties of wage and job cuts;
 - the council was striving to become a brilliant cooperative council;

- the council would become a living wage employer this year;
- the council were committed to developing libraries to include free access to the internet, wifi and basic ICT training;
- the further development of webcasting;
- a campaign to increase electoral registration;
- the introduction of youth nights and the growth of swimming and diving at the Life Centre;
- protection of the Mount Edgcumbe budget;
- the review of the Core Strategy of the Local Development Framework;
- the increasing recycling rates and decreasing landfill;
- investment in minibuses and plant and equipment and the implementation of a rolling programme for replacement;
- an increase in the number of allotments;
- an expansion of the work with the third sector particularly with regard to furniture recycling;
- the need for statistical work on adult social care in accordance with the budget scrutiny recommendation;
- support for people and carers;
- decreasing admissions to residential homes resulting in increasing domiciliary care. Information and advice was provided in libraries to enable individuals to make choices;
- the development of extra care facilities;
- the amalgamation of public health with the council;
- increased funding to and investment in the voluntary sector, including funding for Routeways next year;
- agreement of a Community Asset Transfer Policy;
- building the council's partnerships;
- working with community covenants for armed forces;

- (fff) most local authorities in the region were increasing council tax and the proposals, which included the fire service and police precepts, would be the lowest average council tax across the country;
- (o) thanks were extended by Councillor Lowry to everyone who had contributed to the budget proposals.

The Leader in summing up the proposal, thanked all the officers for their hard work on the budget and everyone who had contributed during the afternoon.

Following a request from ten councillors for a recorded vote on the proposals, as amended, there voted –

For the motion (27)

Councillors Mrs Aspinall, Bowie, Coker, Damarell, P. Davey, Evans, Fox, Gordon, Haydon, Jarvis, Lowry, McDonald, Murphy, Parker, Penberthy, Rennie, Singh (Deputy Lord Mayor), J. Smith, P. Smith, Stevens, J. Taylor, K. Taylor, Tuffin, Tuohy, Vincent, Wheeler and Williams.

Against the motion (0)

Abstentions (26)

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

The Lord Mayor

The following members were absent (7)

Councillor Browne, Casey, S Davey and Mrs Nelder.

Following a vote, it was agreed in principle –

Corporate Plan 2012-15 Update (Appendix A)

- (1) To note the “Corporate Plan 2012-15 Update” and its implications on the revenue and capital budget.

Building for Jobs – Plymouth Investment Fund (Appendix B)

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

Capital Investment for Street Lighting, Solar PV and Boiler Replacement (Appendix C)

- (3) to approve a £13.25 million capital investment to –
 - (a) replace the authority's high pressure sodium street lamps with light emitting diode (LED) street lamps;
 - (b) install solar photovoltaic (PV) panels on 14 council owned buildings (see Annex 1 of Appendix C for buildings);
 - (c) replace boilers that are past their usable life in 16 council properties (see Annex 2 of Appendix C for properties).

2013/14 Budget (Revenue and Capital) allocated to Corporate Priorities (Appendix D)

- (4) that additional income from the core Council tax base of £0.200m is allocated to offset the shortfall from the indicative budget;
- (5) that £0.268m from additional New Homes Bonus is allocated to a revenue contingency held within corporate Items;
- (6) an increase of two per cent (2%) in council tax for 2013/14;
- (7) that specific grants subsumed into formula grant for 2013/14 are pass-ported to the relevant directorate to which the spending commitments relate;
- (8) that the combined additional funding and spend reduction in Early Intervention Grant of £1.9m is pass-ported into the People Directorate as a contingency for the 2013/14 financial year only;
- (9) that the £0.200m Medium Term Financial Forecast allocation for the impact of school transfer and the £0.300m allocation for forecasted shortfall on council income is moved into a revenue contingency;
- (10) that a new allocation of £0.250m is made to the People Directorate to reflect loss of income from the Plymouth Life Centre naming rights;
- (11) that the three additional delivery plans of terms and conditions £0.100m; Treasury Management Property Investment Fund £0.250m; and treasury management day-to-day investment return £0.250m are approved;
- (12) to utilise £7m of the housing stock transfer (VAT shelter) receipts (£4m received to date plus £3m anticipated) to fund the overall capital programme;

- (13) to utilise £0.5m of the Revenue Reserve for capital financing to support the Plan for Jobs revenue initiatives, and a further £0.475m to fund the overall Capital Programme 2012/13 – 2015/16;
- (14) to draw-down £0.800m against the Waste Management Reserve in 2013/14 to address the anticipated funding shortfall on waste disposal (increased landfill tax liability);
- (15) that £1.000m from the National Non Domestic Rates (NNDR) calculation is held as a Technical Reform Contingency within corporate items;
- (16) that £0.900m of the council tax income calculation is held as a Technical Reform Contingency within corporate items;
- (17) (a) to approve the Capital Programme as detailed in Appendix D figure 5 set out on page 96 of the City Council agenda with the addition of increased capital expenditure on highway maintenance by £2m in 2013/2014 to be financed by -

	Item	£m
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4	VAT refund re Trade Waste Reserve from one-off receipt / current balance of £1.6m	0.890
Total		2.000

This will increase the 2013/14 investment to £64.016m with Place Directorate total increasing to £24.840m, and the overall four year programme 2012-2016 to a minimum of £168.255m; and

- (b) to task officers to report back to Cabinet in April 2013 regarding the long term investment needed to deliver a long term solution for funding of the road network in Plymouth;
- (18) to approve the proposed net revenue budget requirement for 2013/14 of £212.560m and that the Director for Corporate Services is requested to reduce the Corporate Items budget by £0.003m to £9.029m;
- (19) to note that using the council tax base for 2013/14 as 66,958.0 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the “Act”)]; calculate that the council tax requirement for the council’s own purposes for 2013/14 is £85,006,529;

- (20) to note that the following amounts are calculated for the year 2013/14 in accordance with Sections 31 to 36 of the Act:
- (a) £554,190,381 being the aggregate of the amounts which the council estimates for the items set out in Section 31A(2) of the Act (Gross Expenditure and Transfers to Reserves);
 - (b) £469,183,852 being the aggregate of the amounts which the council estimates for the items set out in Section 31A(3) of the Act (Gross Income and Transfers from Reserves);
 - (c) £85,006,529 being the amount by which the aggregate at 20(a) above exceeds the aggregate at 20(b) above, calculated by the council in accordance with Section 31A(4) of the Act as its council tax requirement for the year. (Item R in the formula in section 31B of the Act);
 - (d) £1,269.55 being the amount at 20(c) above (Item R), all divided by Item T (19 above), calculated by the council, in accordance with Section 31B of the Act, as the basic amount of its council tax for the year;
- (21) that in accordance with the principles approved under 52ZB of the Local Government Act 1992, the council's relevant basic amount of council tax for 2013/14 is not more than two per cent (2%) higher than the relevant basic amount of council tax for 2012/13 and that it is therefore determined that the council's relevant basic amount of council tax for 2013/14 (Alternative Notional Amount ANA) is not excessive and for this reason a referendum will not be required;
- (22) to note that both the Police and Crime Commissioner for Devon and Cornwall and the Devon and Somerset Fire and Rescue Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the council's area.

These confirmed values have been included in the tables below;

Plymouth City Council after two per cent (2%) increase

A	B	C	D
£846.37	£987.43	£1,128.49	£1,269.55

E	F	G	H
£1,551.67	£1,833.79	£2,115.92	£2,539.10

**Police and Crime Commissioner for Devon and Cornwall –
Precept 2013-14 after two per cent (2%) increase**

A	B	C	D
£108.61	£126.72	£144.82	£162.92

E	F	G	H
£199.12	£235.33	£271.53	£325.84

**Devon and Somerset Fire Authority Precept 2013-14 after
one point nine nine per cent (1.99%) increase**

A	B	C	D
£50.26	£58.64	£67.01	£75.39

E	F	G	H
£92.14	£108.90	£125.65	£150.78

Aggregate of Council Tax requirements for 2013-14

A	B	C	D
£1,005.24	£1,172.79	£1,340.32	£1,507.86

E	F	G	H
£1,842.93	£2,178.02	£2,513.10	£3,015.72

**Treasury Management Strategy Statement and Annual
Investment Strategy 2013/14 (Appendix D)**

- (23) to approve the Treasury Management Strategy Statement for 2013/14;
- (24) to approve the Investment Strategy for 2013/14 set out in sections 8 and 9 of the report including the use of specified and non-specified investments;
- (25) to approve the lending organisations and counterparty limits set out in Treasury Management Appendix D;
- (26) to approve the prudential indicators set out in the report covering the revised indicators/limits for 2012/13 and the forecasts/limits for 2013/14 to 2015/16;
- (27) to approve the Authorised Borrowing limits of £310m, £301m and £285m for the period 2013/14 to 2015/16;
- (28) to approve the operational boundary of £289m, £280m and £270m for 2013/14 to 2015/16;

- (29) to approve the Minimum Revenue Provision (MRP) policy for 2013/14;

Pay Policy Statement (Appendix E)

- (30) to approve the Pay Policy Statement in accordance with Section 39 of the Localism Act 2011.

(Councillor Jordan declared a personal interest in the above item insofar as it related to Routeways and Plymouth Youth Sailing).

Subject to no objection being received from the Leader, this in principle decision will come into force within five days.