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Tracey Lee
Chief Executive

Plymouth City Council
Civic Centre
Plymouth PL1 2AA

Please ask for Nicola Kirby, Democratic
Support

T 01752 304867

E nicola.kirby@plymouth.gov.uk

www.plymouth.gov.uk/democracy

11 July 2013

CITY COUNCIL

Monday 22 July 2013

2pm

Council House (Next to the Civic Centre), Plymouth

Members:

The Lord Mayor, Councillor Mrs Pengelly, Chair

The Deputy Lord Mayor, Councillor Churchill, Vice Chair

Councillors Mrs Aspinall, Ball, Mrs Beer, Bowie, Bowyer, Mrs Bowyer, Casey, 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, Morris, Murphy, Mrs Nelder, Nicholson, Mrs Nicholson, Parker, Penberthy, Rennie, Ricketts, Dr. Salter, Singh, John Smith, Peter Smith, Stark, Stevens, Jon Taylor, Kate Taylor, Tuffin, Tuohy, Vincent, Wheeler, Wiggins, Williams and Wright.

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. Although the public seating areas are not filmed, by entering the meeting room and using the public seating area, the public 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 - 16)

To approve and sign as a correct record the minutes of the meeting held on 10 June 2013.

3. DECLARATIONS OF INTEREST (Pages 17 - 18)

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 19 - 20)

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 for Law, 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. Any questions must be received at least five complete working days before the meeting.

7. CORPORATE PLAN 2013/14 - 2016/17 (Pages 21 - 34)

Cabinet Member: Councillor Evans.

The City Council will be asked to adopt the Corporate Plan 2013/14 – 2016/17. Minute 15 (of the Cabinet meeting held on 18 June 2013) and the report of the Chief Executive to Cabinet refer.

A link to the Cabinet report can be found at - <http://tinyurl.com/ohfnjug> and the appendix to that report can be found at - <http://tinyurl.com/pu9ewgz>

8. ANNUAL REPORT ON TREASURY MANAGEMENT ACTIVITIES FOR 2012/13 (Pages 35 - 62)

Chair of the Audit Committee: Councillor Wheeler.

The City Council will be asked to note the Annual Report on Treasury Management Activities for 2012/13 as required by the CIPFA Treasury Management Code of Practice. Minute 15 (of the Audit Committee meeting held on 13 June 2013) and the report of the Director for Corporate Services refer.

9. NEIGHBOURHOOD PLANNING: NEIGHBOURHOOD FORUMS AND AREAS (Pages 63 - 70)

The Director for Corporate Services and the Director for Place will submit a report on the neighbourhood planning process relating to Neighbourhood Forums and Areas.

10. IMPLEMENTATION OF THE LIVING WAGE AT PLYMOUTH CITY COUNCIL (Pages 71 - 74)

The Director for Corporate Services will submit a report on a proposal to adopt the living wage for council employees.

11. MOTIONS ON NOTICE

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

12. DESIGNATION OF THE SECTION 151 OFFICER (Pages 75 - 78)

The Assistant Director for Human Resources and Organisation Development will submit a report requesting the designation of a section 151 officer.

13. 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.

14. 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.

City Council

Monday 10 June 2013

PRESENT:

The Lord Mayor, Councillor Mrs Pengelly, in the Chair.

The Deputy Lord Mayor, Councillor Churchill, Vice Chair.

Councillors Mrs Aspinall, Ball, Mrs Beer, Bowie, Bowyer, Mrs Bowyer, Casey, 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, Rennie, Ricketts, Dr. Salter, Singh, John Smith, Peter Smith, Stark, Stevens, Jon Taylor, Kate Taylor, Tuffin, Tuohy, Vincent, Wheeler, Wiggins, Williams and Wright.

Also in attendance: Tracey Lee (Chief Executive), Tim Howes (Assistant Director for Law, Democracy and Governance), Judith Shore (Democratic and Member Services Manager) and Nicola Kirby (Senior Democratic Support Officer (Cabinet)).

The meeting started at 2.00 pm and finished at 5.45 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.

10. **MINUTES**

Agreed the minutes of the meeting of the City Council held on 22 April (and continued on 23 April 2013) and the Annual Meeting of the City Council held on 17 May 2013.

11. **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 –

Name	Item	Interest	Reason
Councillor Jordan	Minute 20 – Motion on Notice: Tackling Child Poverty	Personal	Director of Routeways
The Lord Mayor (Councillor Mrs Pengelly)	Minute 21 – Questions by Councillors (Question 23)	Personal	Involvement with Plymouth Raiders

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

Agreed –

- (1) the following appointments -

	Committees and Other Bodies	Membership	Appointments 2013/14
(a)	Plymouth Arts Centre	up to two observers	Cllr Jarvis Cllr Jordan
(b)	Local Government Association General Assembly	up to four representatives Current representative is Cllr Evans (five votes)	Councillor Nicholson (Deputy Leader). No further nominations were submitted by the Labour Group
(c)	Pembroke Street Estate Management Board	Resignation of Councillor Coker	Councillor Stevens

- (2) that the two vacancies arising from resignations of former Councillor Browne and Councillor Williams from the Plymouth Community Homes Board are deferred at the present time.

The following appointments of substitute members were noted -

Joint Committee	Membership
Mount Edgcombe Joint Committee	Councillor Monahan
Tamar Bridge and Torpoint Ferry Joint Committee	Councillor Drear

13. **ANNOUNCEMENTS**

The Lord Mayor advised the council that on 8 May 2013, Councillor David Stark completed 50 years as an elected councillor representing Plymouth wards on Plymouth City Council and Devon County Council. On behalf of all members of the council, she congratulated him on this outstanding achievement and hoped that he would continue for many more years to come.

Councillor Evans (Council Leader) referred to –

- (a) the progress of the pledges made by the Labour administration;

- (b) Adam Broome (Director for Corporate Services) who was leaving the council in the summer. He thanked Adam for his work, particularly his pivotal role in the improvement of the council, and he wished him well in the future.

The Lord Mayor also wished him well and indicated that there would be further opportunities for individual councillors to express their thanks before he left.

Councillor Coker (Cabinet Member for Transport) gave an update on highways investment with regard to the repair of potholes, repair maintenance and the first phase of a road surfacing programme which would begin in July 2013. He also indicated that councillors would receive an email on a monthly basis informing them of progress.

Councillor Smith (Deputy Leader) reported on his successful recent visit to Plymouth Massachusetts (MA) as part of a delegation arranged by the Chamber of Commerce and Industry in conjunction with the Chamber in Plymouth MA which took place from 20 to 24 May 2013.

The delegation included the Head of Economy, Enterprise and Employment and representatives of the City College, the Culture Board, Plymouth University and Destination Plymouth.

As a result of the visit, the delegation identified 39 action points to be carried out all of which could bring benefits in the fields of education, skills, commerce and economic development and a written report would be made available in due course.

Councillor Smith thanked the hosts of the visit and also the Plymouth Chamber of Commerce and Industry for their work in making the visit such a success.

Councillor Williams (Cabinet Member for Children and Young People) referred to the outstanding performance of many of the schools in the city and reported that she was looking forward to closer links with the Plymouth School Teaching Alliance.

14. **QUESTIONS BY THE PUBLIC**

Two questions had been received from members of the public in relation to matters which in the opinion of the Lord Mayor, were relevant to the business of the meeting, in accordance with paragraph 10 of the Constitution.

Mr Aldred (Q1) attended the meeting and the Councillor Penberthy responded as set out below.

Question No	Question By	Cabinet Member	Subject
Q1/13-14	Mr R Aldred	Councillor Penberthy (Cabinet Member for Cooperatives and Community Development)	'Bedroom' Tax: Reclassification by Housing Associations

Will the council be writing to the housing associations in the Plymouth area and encouraging them to reclassify their social housing as a way to properly oppose this bedroom tax as done by Leeds Council and the Knowsley Housing Trust?

Response:

The council has been working cooperatively and proactively for over a year with partners to look at ways to mitigate the worst impact of the Government's Welfare Reforms.

We are aware that the government's 'Bedroom' Tax is hitting our partners, their tenants and the Plymouth economy significantly. We have already been in discussions with partners around reclassification of bedrooms in some detail, and they are clear in pointing out that it is not a simple issue.

National Government has made it almost impossible to find ways to legally lessen the impact on some of our poorest families. We are aware that within the first eight weeks of the 'Bedroom' Tax, our local housing associations have seen a steep rise in rent arrears, with it affecting at least 400 households in the city.

Unfortunately the argument around reclassification is not simple and while the impact on councils who own their stock is minimal, housing associations have least room to manoeuvre. They have said that the main impacts would be:

- a loss of income as they would be required by law to cut their rents;
- a potential reclassification of premises impacted by the 'Bedroom' Tax would lead to different rent charges being applied to identical properties based solely on who is paying the bill, a clearly unfair situation;
- a potential reclassification of all identical properties where any are impacted by the 'Bedroom' Tax would lead to an immediate increase in overcrowded properties exacerbating the current situation, a course of action which neither they nor we would want to take;
- financial viability as accommodation size is an important part of their housing stock value; this value is used to lever operating capital, improvement works and new housing developments.

As part of our on-going work with our local housing associations, I have already written to them to ask them to consider reclassification.

We will continue to support and work proactively with our partners to find ways of mitigating the impact of the government's 'Bedroom' Tax.

In the absence of the questioner for Q2, a written response would be sent to Mr Taylor-Wickenden as set out below.

Question No	Question By	Cabinet Member	Subject
Q2/13-14	Mr Samuel Taylor-Wickenden	Councillor Lowry (Cabinet Member for Finance)	Debts from non-payment of Council Tax
<p>What will it cost for Plymouth City Council to hire bailiffs against those who accrue debts from non-payment of Council Tax? Won't this increase rather than decrease the levels of poverty seen within Plymouth?</p>			
<p>Response:</p> <p>There are no costs to Plymouth City Council for the use of contracted bailiffs. Bailiffs recoup their costs by way of fees to the customer and Plymouth's bailiffs have some of the lowest charges.</p> <p>Any bailiff activity is undertaken as a last resort and once all other avenues to collect outstanding arrears have been exhausted. In the majority of cases collection to arrears is carried out by other means such as direct from earnings or benefits, or by an agreed payment plan.</p> <p>Only a small proportion of cases are sent to the bailiff (around two per cent of arrears cases) and any cases that are deemed to be vulnerable or unsuitable for collection by the bailiff will not be referred, or will be recalled if details are found after the case has gone to the bailiff.</p> <p>Customer costs to the bailiff will vary depending on the size of the arrears and the level of interaction required by the bailiff to recover them.</p> <p>Plymouth aims to encourage customers to contact us as soon as possible if payments cannot be met in order that we can discuss options with the customer and avoid additional costs wherever possible.</p>			

15. **COMMUNITY ASSET TRANSFER POLICY**

Councillor Penberthy (Cabinet Member for Cooperatives and Community Development) presented the Cabinet recommendation for approval and Councillor Evans (Council Leader) seconded the proposal (Cabinet minute 6 referred).

Councillors expressed the need for clear management agreements, sustainability for the management arrangements and to ensure that usage was inclusive for all of the community.

Agreed to adopt the newly drafted Community Asset Transfer Policy.

16. **FINANCIAL OUTTURN 2012/13 (INCLUDING CAPITAL PROGRAMME UPDATE)**

Councillor Lowry (Cabinet Member for Finance) presented the Cabinet recommendations for approval and Councillor Kate Taylor seconded the proposals (Cabinet minute 9 referred).

Councillor Lowry was asked to declare a delivery target for the capital programme. Attention was also drawn to a disparity in the recommendations in different sections of the written report and the Cabinet recommendations, relating to a transfer to the redundancy or pension fund in recommendation (2).

Agreed –

- (1) that the provisional outturn position as at 31 March 2013 is noted;
- (2) the additional transfers to reserves reflected in the outturn figures -

● transfer to Plymouth Life Centre Dowry for 2012/13;	£0.150m
● transfer to Pensions Reserve;	£0.150m
● transfer to General Reserve for community economic development trust development;	£0.050m
- (3) that the adjusted revenue deficit for the year of £0.504m is noted and approval is given to the deficit being met by a transfer from the General Fund Working Balance;
- (4) the following net nil transfers between reserves and provisions:

● creation of a Transformational Change Reserve	£0.250m
● transfer to Plymouth Life Centre Dowry (2013/14)	£0.150m
● transfer to Pension Reserve;	£0.600m
● net reduction to Insurance Provision and Reserves	£(0.394)m
● reduce VAT repayment reserve	£(0.185)m
● reduce Icelandic Bank legal reserve	£(0.164)m
● reduce Housing Rents provision	£(0.171)m
● reduce general commuted maintenance reserve	£(0.086)m
- (5) that the capital financing requirement of £46.504m is noted and approval is given to the borrowing requirement of £4.806m for 2012/13;
- (6) the additional use of capital receipts totalling £0.840m and increasing the revenue Investment Fund Reserve by the same amount;

- (7) that the re-profiling changes to the capital programme identified during the outturn process subsequent to council approval in February 2013 are noted and approval is given to the latest revised forecasts totalling £122.670m for 2013/14 – 2015/16 which also include new approvals since February 2013 as set out in Table 5 in the report.

17. **LANGAGE EMPLOYMENT UNITS**

Councillor Lowry (Cabinet Member for Finance) presented the Cabinet recommendation and Councillor Evans (Council Leader) seconded the proposal (Cabinet minute 7a referred).

Following concerns expressed by ward councillors with regard to current parking issues, Councillor Lowry undertook to ensure that appropriate travel plans would be in place in relation to future developments and that car parking provision would be made where appropriate.

Agreed to amend the capital programme to include £2.5m for a scheme to provide 2,787 square feet of industrial workspace at Langage.

18. **SCRUTINY TERMS OF REFERENCE**

Councillor James (Chair of the Cooperative Scrutiny Board) presented the Cooperative Scrutiny Board's recommendations (Cooperative Scrutiny Board minute 4 and the proposed updated terms of reference referred), together with a proposal to add two additional recommendations in the light of comments by OFSTED in relation to splitting responsibility for scrutiny of children's services and a drafting amendment, as follows -

- (7) to add 'welfare reform' to the terms of reference of the Cooperative Scrutiny Board;
- (8) to amend the Partnership Links in the terms of reference for the Caring Plymouth panel where Children's Partnership (for social care matters) should read Children's Partnership (for health matters) and the link in the Ambitious Plymouth panel where Children's Partnership (for education matters) should read Children's Partnership (for social care and education matters).

Councillor Stark seconded the proposals, as amended.

Agreed the amendments to the terms of reference of the Cooperative Scrutiny Board and the scrutiny panels as follows -

- (1) move Human Resources and ICT to the terms of reference for the Co-operative Scrutiny Board;
- (2) evidence a link between 'Working Plymouth' and 'Ambitious Plymouth' with respect to 'apprenticeships';

- (3) move Children's social care, adoption and fostering, early intervention and prevention, corporate parenting and the leadership and delivery of all services for children and young people out of the terms of reference for 'Caring Plymouth' and into the terms of reference for 'Ambitious Plymouth';
- (4) to amend the wording of the terms of reference for Caring Plymouth from 'Adult and Children's Health and Social Care' to Adult and Children's Health' to reflect (3) above;
- (5) add 'customer services' to the terms of reference for 'Your Plymouth';
- (6) update the 'corporate plan priorities' section of all terms of reference as and when the draft corporate plan is approved by City Council;
- (7) to add 'welfare reform' to the terms of reference of the Cooperative Scrutiny Board;
- (8) to amend the Partnership Links in the terms of reference for the Caring Plymouth panel where Children's Partnership (for social care matters) should read Children's Partnership (for health matters) and the link in the Ambitious Plymouth panel where Children's Partnership (for education matters) should read Children's Partnership (for social care and education matters).

19. **ANNUAL SCRUTINY REPORT 2012/13**

Councillor James (Chair of the Cooperative Scrutiny Board) presented the Annual Scrutiny Report 2012/13 and thanked the officers for their support. He also paid tribute to Councillor Mrs Aspinall (former Chair of the Overview and Scrutiny Commission) for her work during the past year and made particular reference to her cross party working.

Councillor Mrs Aspinall also thanked everyone who had supported her in her role.

The report was noted.

MOTION ON NOTICE

20. **Tackling Child Poverty**

Councillor Penberthy (Cabinet Member for Cooperatives and Community Development) moved and Councillor Mrs Bowyer seconded the following motion -

'TACKLING CHILD POVERTY

Child poverty is essentially a result of poverty in families.

Child poverty matters because it means children suffer now and their future lives can be blighted.

Income is central to the lives of all families in poverty. This reflects the current national measure which classes families earning less than £251 per week as living in poverty. In Plymouth this equates to 11,560 children, of which 10,190 are aged under 16¹.

Amidst the deepening economic crisis, it is an opportune time to develop our local plan to tackle child poverty. Falling incomes, unemployment, rising cost of living, reduced economic activity and major changes to the way that welfare assistance is provided are having a real impact on Plymouth families both in the short and long term. For example, stressors such as job loss, home foreclosure, or loss in family savings can place strain on parental relationships and on the family as a whole. It can affect educational achievement of children by reducing families' abilities to provide a supportive learning environment or adequate nutrition, or by forcing a delay or abandonment of higher education plans.

Plymouth has shaped its response to child poverty based on its understanding of child poverty as the outcome of economic, environmental and social factors that can damage a child's development and limit or prevent children and young people from having many of the experiences and opportunities that others take for granted².

Our three year strategy presents how Plymouth aims to tackle the causes and impact of child poverty, while also acknowledging the limits and challenges presented by the current economic and social environment.

Council therefore:

- (1) commends the Cross Party Working Group on Child Poverty, our partners, officers, Youth Council, the Overview and Scrutiny Management Board and Cabinet for their cooperation in developing a new Child Poverty Strategy for the city;
- (2) commits to encourage partners to work with us to deliver the Child Poverty Strategy and action plan;
- (3) will actively support and promote the work of the new Standing Conference on Child Poverty;
- (4) instructs officers to share all background information, consultation responses and thinking from the last two years of work in developing the Child Poverty Strategy and action plan with the Plymouth Fairness Commission;
- (5) encourages members to act as Child Poverty Champions within their wards; working to mitigate the impact of child poverty now and take action to stop future generations lives being blighted by child poverty.'

¹ Based on HMRC definition (Number of children in families in receipt of either out of work (means-tested) benefits, or in receipt of tax credits where their reported income is less than 60 per cent of median income. Snapshot at 31 August 2010.

² Definition taken from the Plymouth Children and Young People's Plan 2011-2014

During the debate, the issues raised (in addition to those stated in the motion) were –

- (a) the DVD viewed by councillors before the council meeting, which had been made by young people and showed what living in child poverty meant for them. The DVD and the action plan would be available on the website, the following day;
- (b) actions which could be taken to minimise the impact of child poverty including –
 - the review of retail and shopping provision in areas of child poverty as part of the Plymouth plan;
 - budgeting sessions at schools;
 - encouraging self-confidence, particularly at schools;
 - promoting inclusiveness at schools having regard to affordability (for example with proms);
 - tackling poverty in families;
- (c) the potential crime and social problems arising from poverty;
- (d) that a report on the living wage paper would be considered at the next meeting of the City Council on 22 July 2013;
- (e) in some wards, young people in poverty were concentrated in particular sectors and in some cases were hidden.

During the debate, the Lord Mayor advised councillors in relation to comments on the DVD.

Agreed that the City Council -

- (1) commends the Cross Party Working Group on Child Poverty, the council's partners, officers, Youth Council, the Overview and Scrutiny Management Board and Cabinet for their cooperation in developing a new Child Poverty Strategy for the city;
- (2) commits to encourage partners to work with the City Council to deliver the Child Poverty Strategy and action plan;
- (3) will actively support and promote the work of the new Standing Conference on Child Poverty;
- (4) instructs officers to share all background information, consultation responses and thinking from the last two years of work in developing the Child Poverty Strategy and action plan with the Plymouth Fairness Commission;
- (5) encourages members to act as Child Poverty Champions within their wards; working to mitigate the impact of child poverty now and take action to stop future generations lives being blighted by child poverty.

(Councillor Jordan declared a personal interest in the above item.)

21. 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 -

	From	To	Subject
1	Councillor Ball	Councillor Coker	Would he agree that the current levels of noise and air pollution were excessive on the A38 Parkway and was exacerbated by the Highways Agency reducing vegetation? Would he press the agency to undertake noise and air pollution tests?
	Councillor Coker had made representations to the Highways Agency and would press the agency to undertake tests. He also asked that Councillor Ball and he lobby Oliver Colville MP and Alison Seabeck MP.		
2	Councillor Sam Leaves	Councillor Williams	When would she sign off funding for the replacement of boilers at Knowle Primary School?
	Councillor Williams indicated that it was currently being looked at and she would forward the details to her.		
3	Councillor Jordan	Councillor Vincent	Would the city be participating in Prince Charles' initiative to commemorate the 60 th anniversary of the Queen's coronation with a coronation meadow or any other commemorative events?
	Councillor Vincent indicated that he would raise the coronation meadow with the officers.		
4	Councillor Dr Salter	Councillors Coker and Evans	Was there any progress made on rail connectivity when Patrick McLoughlin (Secretary of State for Transport) came to Plymouth or any future plans? Should the Council do something more visible?
	Councillors Coker and Evans responded that the council had not been invited to attend the visit. Progress was being made. The council had the Spine Report and there was also another report being produced by officers. The Chief Executive had been also working with a peninsula task force.		
5	Councillor Singh	Councillor Coker	How long would the improvements at the railway station take and would notifications be published in the press?
	Councillor Coker responded that the work would be completed before the Christmas shopping rush. Information would be published on the website and businesses and residences would be notified in the usual manner.		

6	Councillor Nicholson	Councillor Vincent	Why was the council slow to act to remove the gypsy encampment at Horsham Field and would he review the policy and its implementation, and report back in due course?
	Councillor Vincent responded that the delay was as a result of the Bank Holiday at the end of May 2013. The process relied on court availability and the site was cleared as soon as practical. The policy had been reviewed when this process commenced.		
7	Councillor Mrs Beer	Councillor Peter Smith	A message left with the call centre concerning an overflowing waste bin, had not been passed to the department concerned and Councillor Smith was asked to find out why.
	Councillor Smith responded that if Councillor Mrs Beer sent him the relevant information, he would ensure that she received a response.		
8	Councillor Parker	Councillor Penberthy	Did he think that the scheme to provide cheaper energy in Plymouth and create employment was a positive step?
	Councillor Penberthy responded that a £50m eco investment in the city, announced by British Gas was a positive step. Plymouth Community Homes were also receiving monies to invest in their stock. An announcement would be made in July 2013, including a new energy cooperative.		
9	Councillor Martin Leaves	Councillor Penberthy	Could he confirm the number of city households which were under and over occupied?
	Councillor Penberthy provided figures that came from many different sources and he indicated that he was working with 24 housing associations. The figures demonstrated a need for more one bedroomed flats.		
10	Councillor Bowyer	Councillor McDonald	What steps were being taken to avoid an overspend on the adult social care budget this year?
	Councillor McDonald responded that she would not be spending £3m on organisational change as had been done previously. The measures included the transformation agenda to support people in their own homes; a single system to manage the personalisation agenda; realistic targets for sickness and absence and emergency plans for carers.		
11	Councillor Stark	Councillor Williams	How much of the £50m allocated for summer schools had been allocated to Plymouth and how was the money to be allocated?
	Councillor Williams replied that a written response would be provided.		

12	Councillor Wigans	Councillor Vincent	What actual steps were being taken to speed up the eviction process for Gypsies and Travellers? Could he furnish the Plymstock Dunstone ward councillors with the updated process so that they could advise residents?
	Councillor Vincent responded that Councillor Penberthy was leading on this issue. The process was being updated and when available, the information would be sent to all councillors.		
13	Councillor Fry	Councillor Peter Smith	Could he provide all councillors with a copy of the report given today on his visit to Plymouth Massachusetts? He also asked for a list of those who had attended the visit and the group that they were representing.
	Councillor Smith gave an assurance that Councillor Fry would be provided with a comprehensive report on the visit being prepared by both Chambers of Commerce and Industry (which would include the content of the speech).		
14	Councillor Foster	Councillor Vincent	Why could other councils carry out evictions more quickly? He was told that evictions by South Hams Council could be undertaken in three days.
	Councillor Vincent responded that he was following the procedure in place. The matter was being addressed by Councillor Penberthy.		
15	Councillor Bowyer	Councillor Vincent	Would he review the future use of pitches to ensure that designated parking was in place? When would a review be carried out and would it be in place for next season?
	Councillor Vincent responded that he was aware of the parking issue and had spoken with the Parks Department who were doing as much as possible to alleviate the position but that there was not an immediate solution. He could not promise that a review would be in place by next season but it was hoped that litter would be reduced and users would be encouraged to show more consideration to residents.		
16	Councillor Michael Leaves	Councillor Vincent	Following the announcement of substantial government support for the Sherford development, could an update be given on the swimming pool for Plymstock and could he give an assurance that the swimming pool was a priority?
	Councillor Vincent responded that the swimming pool would be included at the planning stage and had been agreed as part of the Section 106 agreement on the site.		
17	Councillor James	Councillor Williams	How many young carers were there in the city and how did she obtain the information? What support would be provided?

	Councillor Williams responded that the information had been gathered from a questionnaire completed by schools. Whilst it showed an enormous number she remained unconvinced that it was the actual number of young carers. Staff were being trained so that information could be gathered on home visits which would enable resources to be targeted at those with high needs. Support was also given through the youth service and in other ways as there was a huge age range involved.		
18	Councillor Darcy	Councillor Coker	Could he clarify whether a camera car could be used in the suburbs, for traffic management issues?
	Councillor Coker responded 'yes'.		
19	Councillor Stevens	Councillor Peter Smith	Councillor Jordan referred to the lack of events to commemorate the Queen's Jubilee. As the change of administration was only three weeks before the event, who had been the Cabinet Member previously and how long did such events take to plan?
	Councillor Smith responded that events would take months to plan and that Councillor Jordan had been the Cabinet Member responsible at the time.		
20	Councillor Sam Leaves	Councillor Coker	In the interests of child safety, should all schools not have a 20mph speed limit outside of schools? When could she see plans?
	Councillor Coker responded that he had signed up to the national initiative for 20 mph schemes although it was difficult with the costs involved. Monies for safer journeys to schools would be delegated to ward councillors so that they could prioritise decisions and the money could be used for this purpose if they wished.		
21	Councillor Nicholson	Councillor Penberthy	How did he see a solution to the unauthorised occupation of land at Billacombe by horses? What attempts were being made to monitor the site to try and identify a guardian?
	Councillor Penberthy indicated the process and costs for the movement of animals. Officers were visiting at different times during the day to try and identify those responsible. As officer time was limited, residents were asked to assist if possible.		
22	Councillor Mrs Beer	Councillor Vincent	Why were the bins in play parks not emptied first thing on a Monday morning? They were not emptied in Plympton St Mary after this weekend.
	Councillor Vincent replied that he had responded to her emails on the issue and that larger bins could be provided where there was greater usage.		

23	Councillor Jordan	Councillor Peter Smith	If the council was withdrawing funding from events and sport, including Plymouth Raiders, how was it going promote healthy living, particularly through school and healthy activities.
<p>Councillor Smith responded that the budget previously used to assist the Plymouth Raiders was no longer available as funding was being allocated direct to schools by the government. The funding was being phased out over a four year period. Councillors were advised that they could lobby the government on the allocation of funding direct to schools.</p> <p style="text-align: center;"><u>(The Lord Mayor declared a personal interest in the above question.)</u></p>			

Please note that questions, answers, supplementary questions and supplementary answers have been summarised.

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DECLARING INTERESTS – QUESTIONS TO ASK YOURSELF

What matters are being discussed?

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Does the business relate to or is it likely to affect a disclosable pecuniary interest (DPI)? This 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 (or obtain a dispensation)

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Does the business affect the well-being or financial position of (or relate to the approval, consent, licence or permission) for:

- a member of your family or
- any person with whom you have a close association; or
- any organisation of which you are a member or are involved in its management (whether or not appointed to that body by the council). This would include membership of a secret society and other similar organisations.

Yes No You can speak and vote

Will it confer an advantage or disadvantage on your family, close associate or an organisation where you have a private interest more than it affects other people living or working in the ward?

Yes No Declare the interest and speak and vote

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

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Cabinet members must declare and give brief details about any conflict of interest* relating to the matter to be decided and leave the room when the matter is being considered. Cabinet members may apply to the Monitoring Officer for a dispensation in respect of any conflict of interest.

*A conflict of interest is a situation in which a councillor’s responsibility to act and take decisions impartially, fairly and on merit without bias may conflict with his/her personal interest in the situation or where s/he may profit personally from the decisions that s/he is about to take.

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CITY COUNCIL

22 July 2013

**APPOINTMENTS TO COMMITTEES, OUTSIDE BODIES ETC**

Report of the Director for Corporate Services.

(1) Following the election of Councillor Morris to the City Council at the Southway Ward by-election, the political balance on the City Council has changed as follows –

- 32 Labour councillors (previously 31)
- 24 Conservative councillors (previously 25)
- 1 Independent councillor

This has made very little impact on the political balance of committees, which will remain unchanged as follows –

- 64 seats - Labour
- 46 seats - Conservative
- 1 - Independent

The City Council is asked to note the report.

(2) The City Council is asked to consider the following appointment which was deferred at the last meeting of the City Council –

* please see details at the end of the report

	Committees and Other Bodies	Membership	Appointments 2013/14
(a)	Plymouth Community Homes Board *	Two vacancies arising from resignations of former Councillor Browne and Councillor Williams Current representatives are Sue Dann and Jack Thompson	

(3) The City Council is asked to consider the following new appointment

	Committees and Other Bodies	Membership	Appointments 2013/14
(a)	Plymouth Energy Community Ltd.*	1 councillor vacancy	

- (4) The City Council is asked to note the following changes notified to the Assistant Director for Law, Democracy and Governance –

	Committee, Outside Body etc.	Membership
	Licensing Committee	Councillor Morris to replace Councillor Mrs Nelder
	Working Plymouth Overview and Scrutiny Panel	Councillor Morris to replace Councillor Fox

**** Information re (2) and (3) above**

(a) Plymouth Community Homes Board

The council's representation is proportional with two representatives nominated by the Labour Group and two from the Conservative Group. In addition to the representatives, the Assistant Director for Homes and Communities is authorised to vote on behalf of the council at the AGM.

(b) Plymouth Energy Community Ltd.

Plymouth Energy Community Limited is an energy co-op set up by the City Council on behalf of around 100 founder members, in response to the Labour Manifesto pledge 'Greener Plymouth 2'. It is an Industrial Providence Society and has been registered by the Financial Conduct Authority (FCA). The Energy co-op is open to all citizens and businesses, providing better prices for the consumption of gas and electricity, delivering solar installations, providing advice on energy efficiency and will assist Plymouth in becoming a carbon-neutral city.

PLYMOUTH CITY COUNCIL

Subject:	Corporate Plan 2013/14 – 2016/17
Committee:	Full Council
Date:	22 July 2013
Cabinet Member:	Councillor Evans
CMT Member:	Tracey Lee, Chief Executive
Author:	Giles Perritt, Head of Policy, Performance and Partnerships
Contact details	Tel: 01752 304388 email: giles.perritt@plymouth.gov.uk
Ref:	
Key Decision:	Yes
Part:	I

Purpose of the report:

The Council and its partners have set out a clear vision to be 'One of Europe's most vibrant waterfront cities where an outstanding quality of life is enjoyed by everyone'. The Corporate Plan 2013-17 clearly articulates the next phase of Plymouth's development towards this goal. The Plan has been informed by a strong evidence base including needs analysis data and resident feedback. It spells out Co-operative Council objectives that will drive the city forward in terms of its regional and national profile as well as tackle the disadvantages felt in some of our most vulnerable communities.

This will be the first Co-operative Council Corporate Plan for Plymouth and clearly communicates the values of a Brilliant Co-operative Council. The Corporate Plan 2013-17 aims to:-

- Set out a clear vision to become a 'Brilliant Co-operative Council' that is understood by staff and stakeholders;
- Reaffirm the Council's commitment to the city vision;
- Reflect Plymouth's ambition to become a regional and national leader;
- Have a strong focus on delivery;
- Provide clear strategic direction to inform service planning;
- Drive the delivery of the Council's transformational change programme to ensure the Council is able to meet the challenges it will face over the coming years including reducing resources, increasing demographic pressures and rising customer expectations.

The Council's overriding commitment to become a Brilliant Co-operative Council has shaped the development of this Plan; at its heart is a co-operative approach to engagement, co-production and delivery of services that puts people in control of the services they receive. This Plan aims to 'create a fairer Plymouth where everyone does their bit' and introduces shared co-operative values that will cement relationships between members, officers and the communities we serve.

Our values are central to the next phase of the Council's future and this plan clearly articulates what it means to work in a co-operative council. This represents a shift toward becoming a value led organisation. These values are for everyone.

In preparing this Corporate Plan we have been mindful of reducing resources but are not diluting our ambition for the Council, especially in relation to how we serve citizens. This Corporate Plan is being

submitted for adoption far earlier in the financial and corporate planning cycle to drive strategic decision making and resource allocation. The developing Medium Term Financial Plan will demonstrate alignment to the Council's strategic direction taking into account the significant budget cuts that will come into force over the next three years, against a backdrop of increasing demand on our services. There will be difficult decisions to make around resource allocation; nevertheless the Corporate Plan commits us to an ambitious transformation programme that will make the Council a more efficient, flexible and innovative organisation.

This Corporate Plan has been developed using the principles of a Co-operative Council. It is a shorter, more focused document than in previous years, but does not compromise on its evidence base. The needs of the city and the voice of Plymouth citizens are at the heart of the plan's development. Over the last year we have;

- Drawn on best practice from other Co-operative Councils in the country and co-operative businesses;
- Actively listened to public feedback e.g. Listening Plymouth results, initial feedback from Plymouth Plan consultation;
- Engaged Members and staff on what it means to be a Brilliant Co-operative Council;
- Redesigned the Corporate Planning framework to translate strategy and priorities into everyday action;
- Built on previous scrutiny recommendations from the budget scrutiny sessions held in January 2013;
- Undertaken pre-decision scrutiny by the Co-operative Scrutiny Board in May 2013.

Corporate Plan 2012-15:

The Corporate Plan 2013-17 will replace the previous Corporate Plan 2012-15 (update published December 2012). This new Corporate Plan revises the Council's direction in light of major budget challenges and the need to dramatically improve and transform our services. It connects the Council to the city priorities and the emerging Plymouth Plan; and will be cascaded into service plans and ultimately individual appraisal objectives.

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

The Corporate Plan sets out the strategic direction and necessary focus for the Council. This will become the driver for future resource allocation. A supporting Medium Term Financial Plan will set out resource allocation in more detail. To support decisions the financial framework is being overhauled to achieve a longer term focus on our strategic and financial planning:

- Commitment to produce a 3 year balanced budget to be signed off by Full Council, February 2014.
- Better alignment between the Corporate Plan and the Medium Term Financial Plan (which includes both revenue and capital).
- Full visibility of the Council's budget, now showing the full "Gross Budget" rather than the traditional "Net Budget".

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

One of the objectives of the Corporate Plan, Caring Plymouth, commits the Council to promote a fairer, more equal city by investing in communities, putting citizens at the heart of decision making, promoting independence and reducing health and social inequality. By embedding this commitment within the Corporate Plan the Council is acknowledging the importance of ensuring all communities have an opportunity to thrive. The plans and resources that support the delivery of this include the Child Poverty Action Plan, Community Safety Plan, and other plans that support diverse communities.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Yes. An EIA has been undertaken on the vision, values and objectives. The plans to support the delivery of the objectives will be subject to EIAs in the future.

Recommendations and Reasons for recommended action:

It is recommended that Full Council;

- Adopt the Corporate Plan 2013-17 incorporating the city vision, Co-operative Council values, objectives and outcomes as set out in appendix 1;
- Note the proposed measures and actions to deliver the Corporate Plan in appendix 2.

The Corporate Plan and its values have been developed through a series of co-operative workshops and are founded on a strong evidence base and set a clear ambition for the city. The Corporate Plan sets the strategic direction which allows resources to be allocated to support its delivery and inform service planning; early sign-off in the financial year enables these decisions to be better aligned to support the delivery of the Council's priorities.

Previous staff survey results show that the vision and priorities for the Council are not sufficiently well known and understood by staff. Agreement of the Corporate Plan will allow extensive engagement with staff on the Council's vision, values and objectives in preparation for service planning. Everyone who works for the Council will need to understand what it is we are doing and why – as well as how everyone has a part to play in making this real. Over the next few months a series of staff briefings will be undertaken so that everyone can be involved in planning for the future and really set out our stall to become a 'Brilliant Co-operative Council'.

Alternative options considered and rejected:

The Corporate Plan is a key decision within the Policy Framework. Members of the Cabinet, with support from CMT, have developed key components of the plan; notably the vision, values and objectives for 2013-17. Following pre-decision scrutiny with the Co-operative Scrutiny Board on 29 May 2013 and approval by Cabinet on the 18 June 2013, the Corporate Plan 2013-17 is recommended for adoption by Full Council on the 22nd July 2013. This will allow us to engage with staff and stakeholders across the city prior to undertaking planning and budget setting.

An alternative option is that the Corporate Plan is recommended for adoption by Full Council in February 2014. This approach will not allow time to carry out meaningful engagement with staff and other stakeholders prior to undertaking planning and budget setting.

Published work / information:

[Cabinet Report 18 June 2013](#)

[Cooperative Scrutiny Board Report 29 May 2013](#)

[Plymouth Report](#)

[Listening Plymouth](#)

[The View From You, Staff Survey 2012](#)

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

Sign off:

Fin	djn13 14.10	Leg	1794 6/D VS	Mon Off	TH 01 21	HR		Assets		IT		Strat Proc	
Originating SMT Member Tracey Lee, Chief Executive													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

OUR PLAN THE BRILLIANT CO-OPERATIVE COUNCIL



CITY VISION

Britain's Ocean City

One of Europe's most vibrant, waterfront cities where an outstanding quality of life is enjoyed by everyone.

CO-OPERATIVE VALUES

One team serving our city

WE ARE DEMOCRATIC

Plymouth is a place where people can have a say about what is important to them and where they can change what happens in their area.

WE ARE RESPONSIBLE

We take responsibility for our actions, care about their impact on others and expect others will do the same.

WE ARE FAIR

We will be honest and open in how we act; treat everyone with respect; we will champion fairness and create opportunities.

WE ARE PARTNERS

We will provide strong community leadership and work together to deliver our common ambition.

OUR OBJECTIVES

Creating a fairer Plymouth where everyone does their bit

PIONEERING PLYMOUTH

We will be pioneering by designing and delivering better services that are more accountable, flexible and efficient in spite of reducing resources.

GROWING PLYMOUTH

We will make our city a great place to live by creating opportunities for better learning and greater investment, with more jobs and homes.

CARING PLYMOUTH

We will promote a fairer, more equal city by investing in communities, putting citizens at the heart of decision-making, promoting independence and reducing health and social inequality.

CONFIDENT PLYMOUTH

We will work towards creating a more confident city, being proud of what we can offer and growing our reputation nationally and internationally.

THE OUTCOMES

What we will achieve by this plan

- The Council provides and enables brilliant services that strive to exceed customer expectations.
- Plymouth's cultural offer provides value to the city.
- A Council that uses resources wisely.
- Pioneering in reducing the city's carbon footprint and leading in environmental and social responsibility.

- More decent homes to support the population.
- A strong economy creating a range of job opportunities.
- A top performing education system from early years to continuous learning opportunities.
- Plymouth is an attractive place for investment.

- We will prioritise prevention.
- We will help people take control of their lives and communities.
- Children, young people and adults are safe and confident in their communities.
- People are treated with dignity and respect.

- Citizens enjoy living and working in Plymouth.
- Plymouth's brand is clear, well known and understood globally.
- Government and other agencies have confidence in the Council and partners: Plymouth's voice matters.
- Our employees are ambassadors for the city and the Council and they are proud of the difference we make.



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APPENDIX 2



PLYMOUTH
CITY COUNCIL

THE BRILLIANT CO-OPERATIVE COUNCIL

Creating a fairer Plymouth where
everyone does their bit

Pioneering Plymouth

We will be pioneering by designing and delivering better services that are more accountable, flexible and efficient in spite of reducing resources.

Outcome	Measures	Key Actions
The Council provides and enables brilliant services that strive to exceed customer expectations.	80% of customer contacts with the Council will be managed through the single point of contact, with 80% of enquiries dealt with at first point of contact.	<ul style="list-style-type: none"> • Implement the Customer Transformation Programme. • Focus performance improvement on top priorities identified by Plymouth residents.
Plymouth's cultural offer provides value to the city.	<p>Increase in visitor numbers coming into the city.</p> <p>Increase the city's national and international standing.</p>	<ul style="list-style-type: none"> • Support the Culture Board in delivery of the Vital Spark's vision. • Support the development of Mayflower 2020. • Maximise the city's unique heritage offer to drive visitor numbers.
A Council that uses resources wisely.	<p>Percentage of residents satisfied that the Council provides value for money.</p> <p>Increase the value of income levied to the Local Authority.</p>	<ul style="list-style-type: none"> • Align the five year Medium Term Financial Plan to the Corporate Plan and deliver the Council's Transformation Programme. • Maximise Plymouth's opportunities to secure external funding.
Pioneering in reducing the city's carbon footprint and leading in environmental and social responsibility	<p>Reduction in city wide carbon emission.</p> <p>Carbon emissions reduction from Corporate estate and schools.</p>	<ul style="list-style-type: none"> • Create a low carbon city by working with residents, the public and private sector to establish Plymouth Energy Community. • Deliver the Council's Carbon Management Plan.

Growing Plymouth

We will make our city a great place to live by creating opportunities for better learning and greater investment, with more jobs and homes.

Outcome	Measures	Key Actions
More decent homes to support the population.	Increase the number of homes completed (net).	<ul style="list-style-type: none"> Accelerate housing supply and deliver a range and mix of well-designed greener homes that will meet the housing needs of the city through the Plymouth Plan. Work with the Plymouth Housing Development Partnership to undertake a Strategic Land Review and develop a new Plan for Homes.
A strong economy creating a range of job opportunities.	Increase the number of jobs created.	<ul style="list-style-type: none"> Maximise economic resources available to the city working with the LEP and Growth Board through a refresh of the Local Economic Strategy. Deliver the 2000 new jobs identified in the Plan for Jobs and to consider additional projects. Deliver the 4000 new jobs identified in the visitor plan through improving the city's events and marketing.
A top performing education system from early years to continuous learning opportunities.	<p>Maintain the number of schools and settings judged by Ofsted as good or better (top quartile nationally).</p> <p>Raise the achievements of our most disadvantaged children.</p>	<ul style="list-style-type: none"> Deliver the Children and Young People's Plan with particular emphasis on early intervention and child poverty (refresh due 2014). Develop and deliver a skills plan for the city, in line with the future growth agenda.
Plymouth is an attractive place for investment.	Increase in the quality and availability of employment land and premises.	<p>Increase levels of investment into Plymouth through:</p> <ul style="list-style-type: none"> Creation of the Plymouth Plan A City Deal for Plymouth targeting investment in the Marine Sector The creative use of assets through a new strategic property and assets strategy.

Caring Plymouth

We will promote a fairer, more equal city by investing in communities, putting citizens at the heart of decision-making, promoting independence and reducing health and social inequality.

Outcome	Measures	Key Actions
We will prioritise prevention.	<p>Increase access to early help and support.</p> <p>Increase the number of adults and families able to stay in their own home and communities.</p>	<ul style="list-style-type: none"> • Deliver the Early Intervention and Prevention Plan. • Deliver the Child Poverty Plan. • Deliver the Health and Wellbeing Plan. • Deliver the Housing Plan.
We will help people take control of their lives and communities.	<p>Improve life expectancy particularly in those areas where it is the lowest / lower than the average.</p> <p>Percentage of residents who believe they can influence decisions affecting their local area.</p>	<ul style="list-style-type: none"> • Deliver the Health and Wellbeing Plan and embed transformation of commissioning, choice and control in Adult Social Care. • Deliver the Civil Society Policy. • Review and develop arrangements for neighbourhood working.
Children, young people and adults are safe and confident in their communities.	<p>Reduce the gap between the worst 10 neighbourhoods and city average rate per 1000 population for overall crime.</p> <p>Children's Safeguarding timing of Core Assessments.</p>	<ul style="list-style-type: none"> • Deliver the Community Safety Plan. • Ensure there is a relentless focus on safeguarding through the implementation of the Corporate Safeguarding Improvement Plan, Plymouth Safeguarding Children Board and Plymouth Safeguarding Adults Board plans.
People are treated with dignity and respect.	<p>Percentage of residents who believe Plymouth is a place where people from different backgrounds get on well together.</p> <p>Increase the number of service providers who are awarded a quality mark.</p>	<ul style="list-style-type: none"> • Deliver the Civil Society Policy. • Become a welcoming city that is diverse, inclusive and that combats hate crime. • Implement the findings of the Fairness Commission. • Deliver the Quality Improvement Plan with service providers.

Confident Plymouth

We will work towards creating a more confident city, being proud of what we can offer and building on growing our reputation nationally and internationally.

Outcome	Measures	Key Actions
Citizens enjoy living and working in Plymouth.	Percentage of residents who are satisfied with Plymouth as a place to live.	<ul style="list-style-type: none"> • Deliver residents' priorities: <ul style="list-style-type: none"> • A Plan for Jobs, to get our young people back to work • Encourage more homes to be available to rent or buy • Continue to deliver the new deal for older people's care • Bring down crime and keep Plymouth safe • Reduce problems with potholes through increased investment in capital repair works.
Plymouth's brand is clear, well-known and understood globally.	Attract more people to live, work and visit the city from both the UK and overseas.	<ul style="list-style-type: none"> • Britain's Ocean City branding will be rolled out. • Support the development of Mayflower 2020.
Government and other agencies have confidence in the Council and partners: Plymouth's voice matters.	An increase in the amount of external funding and support from Government and other agencies.	<ul style="list-style-type: none"> • Negotiate and deliver the City Deal for Plymouth. • Develop a proactive approach to lobbying Government, working with the LEP and neighbouring authorities.
Our employees are ambassadors for the city and the Council and proud of the difference we make.	Staff Survey – would you talk positively about the Council outside work.	<ul style="list-style-type: none"> • Implement the Organisational Effectiveness Framework. • Implement the Corporate Plan Communication strategy.

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CITY COUNCIL

22 JULY 2013



CABINET MINUTE 15 OF 18 JUNE 2013

CORPORATE PLAN 2013/14 - 2016/17

The Chief Executive submitted a report on the draft Corporate Plan 2013/14 – 2016/17.

Councillor Evans (Council Leader) presented the proposals which –

- set out a clear vision for the council to become a 'Brilliant Cooperative Council' with four cooperative values that the council was democratic; responsible; fair and a partner;
- reaffirmed the council's commitment to the city vision and the proposed four objectives to be a pioneering, growing, caring and confident city.

The Corporate Plan 2013/14 to 2016/17 had been considered by the Cooperative Scrutiny Board on 29 May 2013 who had unanimously supported the plan.

Councillor Evans thanked the Cabinet for their hard work in creating the plan. He also thanked the council's partners for signing up to support the objectives; Giles Perritt (Head of Policy, Performance and Partnerships) and Mark Grimley (Assistant Director for HR and Organisational Development) and their teams; scrutiny and the corporate and senior management teams for their work.

The Chief Executive also reported that the Medium Term Financial Plan was being developed which would sit alongside the Corporate Plan and identify the resources to enable delivery of the plan. A quarterly monitoring report would be presented to measure the progress. Officers could also now begin work on service planning.

Alternative options considered and reasons for the decision –

As set out in the report.

The City Council is Recommended to adopt the Corporate Plan 2013/14 – 2016/17.

Note:

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

www.plymouth.gov.uk/democracy

or by contacting Democratic Support on 01752 304867

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Subject:	Annual Report on Treasury Management Activities for 2012/13
Committee:	Audit Committee
Date:	13 th June 2013
Cabinet Member:	Councillor Lowry
CMT Member:	Adam Broome (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	No
Part:	I

Purpose of the report:

In order to comply with the Code of Practice for Treasury Management, the Council is required to formally report on its treasury management activities for the year, providing information on the progress and outcomes against the Treasury Management Strategy. This report covers the treasury management activities for financial year 2012/13 including the final position on the statutory Prudential Indicators.

In line with the recommendations in the Code of Practice, this report is submitted to Audit Committee as the committee responsible for scrutiny of the treasury management function.

This report is required to be submitted to Full Council.

Corporate Plan 2012-2015:

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.

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

Into the medium and longer term the Council is facing significant pressures due to the national economic situation, which has led to a reduction in resources for local authorities over the Government's latest spending period. Effective treasury management will be essential in ensuring the Council's cash flows are used to effectively support the challenges ahead.

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

There is an inherent risk to any treasury management activity. The Council continues to manage this risk by ensuring all investments are undertaken in accordance with the approved investment strategy, and keeping the counterparty list under constant review.

Recommendations & Reasons for recommended action:

1. Audit Committee note the Treasury Management annual report for 2012/13.
2. The report be referred to Full Council as required by the CIPFA Treasury Management Code of Practice (TMP note 6).

Alternative options considered and reasons for recommended action:

None - it is requirement to report to Council on the treasury management activities for the year.

Background papers:

- Treasury Management Strategy report to Audit Committee 27 January 2012
- 2012/13 Budget Papers – presented to Full Council 27 February 2012
- Mid Year Review report to Audit Committee 13 December 2012
- Financial Outturn report for 2012/13 to Cabinet 21 May 2013

Sign off:

Fin	DJN131 4.07	Leg/ Dem& Gov	LT176393 10513	HR	n/a	Corp Prop	n/a	IT	n/a	Strat Proc	n/a
Originating SMT Member: Malcolm Coe											
Has the Cabinet Member(s) agreed the content of the report? Yes											

Annual Report on Treasury Management Activities for 2012/13

I. Introduction

- I.1 Treasury management in Local Government is underpinned by the CIPFA Code of Practice on Treasury Management in the Public Services (The Code) and in this context is *“the management of the Council’s investments and cash flows, its banking, money market and its capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks”*.
- I.2 The Treasury Management Code requires public sector authorities to determine an annual Treasury Management Strategy and, as a minimum, formally report on their treasury activities and arrangements to Full Council at least twice a year – mid-year and after the year-end. These reports enable those tasked with implementing policies and undertaking transactions to demonstrate they have properly fulfilled their responsibilities and enable those with ultimate responsibility/governance of the treasury management function to scrutinise and assess its effectiveness and compliance with policies and objectives.
- I.3 This report outlines the treasury management activities in 2012/13, providing information on progress and outcomes against the approved strategy, and builds on the mid year report presented to Audit Committee on 13th December 2012 and Full Council on 28th January 2013.
- I.4 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 within Finance, Efficiencies, Technology and Assets.
- I.5 The day to day operation of the treasury management activity is carried out in accordance with detailed Treasury Management Practices (TMP’s). These are required to be updated annually. The TMP’s applicable to 2012/13 were approved by Audit Committee at its meeting of 21st June 2012.
- I.6 The Council works closely with its treasury management advisers Arlingclose who assist the Council in formulating views on interest rates when determining the Treasury Management Strategy, providing regular updates on economic conditions and interest rate expectations and advice on specific borrowing and investment decisions.
- I.7 This report:
- a) is prepared in accordance with the CIPFA Treasury Management Code and the Prudential Code;
 - b) presents details of capital financing, borrowing, debt rescheduling and investment transactions for the year 2012/13;
 - c) provides an update on the risk inherent in the portfolio and outlines actions taken by the authority during the year to minimise risk;
 - d) gives details of the outturn position on treasury management transactions in 2012/13;
 - e) confirms compliance with treasury limits and Prudential Indicators (PI’s) and outlines the final position on the PI’s for the year.

- 1.8 In accordance with TMP note 6, the report is required to be presented to Full Council.

2. The Economy and Events in 2012/13

- 2.1 Before reviewing the Council's performance for the year it is appropriate to outline the national and economic background within which council officers operated during 2012/13:

The global outlook stabilised mainly due to central banks maintaining low interest rates and expansionary monetary policy for an extended period. Equity market assets recovered sharply with the FTSE 100 registering a 9.1% increase over the year. This was despite economic growth in G-7 nations being either muted or disappointing.

In the UK the economy shrank in the first, second and fourth quarters of the calendar year 2012. It was the impressive 0.9% growth in the third quarter, aided by the summer Olympic Games, which allowed growth to register 0.2% over the calendar year 2012. The expected boost to net trade from the fall in the value of sterling did not materialise, but raised the price of imports, especially low margin goods such as food and energy. Avoiding a 'triple-dip' recession became contingent on upbeat services sector surveys translating into sufficient economic activity to overhaul contractions in the struggling manufacturing and construction sectors.

Household financial conditions and purchasing power were constrained as wage growth remained subdued at 1.2% and was outstripped by inflation. Annual CPI dipped below 3%, falling to 2.4% in June before ticking up to 2.8% in February 2013. Higher food and energy prices and higher transport costs were some of the principal contributors to inflation remaining above the Bank of England's 2% CPI target.

The lack of growth and the fall in inflation were persuasive enough for the Bank of England to maintain the Bank Rate at 0.5% and also sanction additional £50 billion asset purchases (QE) in July, taking total QE to £375 billion. The possibility of a rate cut was discussed at some of the Bank's Monetary Policy Committee meetings, but was not implemented as the potential drawbacks outweighed the benefits of a reduction in the Bank Rate. In the March Budget the Bank's policy was revised to include the 2% CPI inflation remit alongside the flexibility to commit to intermediate targets.

The resilience of the labour market, with the ILO unemployment rate falling to 7.8%, was the main surprise given the challenging economic backdrop. Many of the gains in employment were through an increase in self-employment and part time working.

The Chancellor largely stuck to his fiscal plans with the austerity drive extending into 2018. In March the Office for Budgetary Responsibility (OBR) halved its forecast growth in 2013 to 0.6% which then resulted in the lowering of the forecast for tax revenues and an increase in the budget deficit. The government is now expected to borrow an additional £146bn and sees gross debt rising above 100% of GDP by 2015-16. The fall in debt as a percentage of GDP, which the coalition had targeted for 2015-16, was pushed two years beyond this horizon. With the national debt metrics out of kilter with a triple-A rating, it was not surprising that the UK's sovereign rating was downgraded by Moody's to

Aa1. The AAA status was maintained by Fitch and S&P, albeit with a Rating Watch Negative and with a Negative Outlook respectively.

The government's Funding for Lending (FLS) initiative commenced in August which gave banks access to cheaper funding on the basis that it would then result in them passing this advantage to the wider economy. There was an improvement in the flow of credit to mortgagees, but was still below expectation for SMEs.

The big four banks in the UK – Barclays, RBS, Lloyds and HSBC – and several other global institutions including JP Morgan, Citibank, Rabobank, UBS, Credit Suisse and Deutsche came under investigation in the Libor rigging scandal which led to fines by and settlements with UK and US regulators. Banks' share prices recovered after the initial setback when the news first hit the headlines.

Europe: The Euro region suffered a further period 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. Markets were becalmed after the ECB's declaration that it would do whatever it takes to stabilise the Eurozone and the central bank's announcement in September of its Outright Monetary Transactions (OMT) facility, buying time for the necessary fiscal adjustments required. Neither the Italian elections which resulted in political gridlock nor the poorly-managed bailout of Cyprus which necessitated 'bailing-in' non-guaranteed depositors proved sufficient for a market downturn. Growth was hindered by the rebalancing processes under way in Euroland economies, most of which contracted in Q4 2012.

US: 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. The Federal Reserve shifted policy to focus on the jobless rate with a pledge to keep rates low until unemployment falls below 6.5%. The country's extended fiscal and debt ceiling negotiations remained unresolved.

Gilt Yields and Money Market Rates: Gilt yields ended the year lower than the start in April. By September the 2-year gilt yield had fallen to 0.06%, raising the prospect that short-dated yields could turn negative. 10-year yields fell by nearly 0.5% ending the year at 1.72%. The reduction was less pronounced at the longer end; 30-year yields ended the year at 3.11%, around 25bp lower than in April. 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; purchases by banks, insurance companies and pension funds driven by capital requirements and the preference for safe harbour government bonds.

One direct consequence of the Funding for Lending Scheme was the sharp drop in rates at which banks borrowed from local government. 3-month, 6-month and 12-month Libid rates which were 1%, 1.33% and 1.84% at the beginning of the financial year fell to 0.44%, 0.51% and 0.75% respectively.

Money market data and PWLB rate movements in 2012/13 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 27th 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.

Review of the Council's Performance 2012/13

4. Treasury Portfolio

- 4.1 Table I shows the Council's overall Treasury Portfolio at the end of 2012/13 compared to 2011/12.

Table I

31/3/2012 £m	Average Interest rate %		31/3/2013 £m	Average Interest rate %
		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	0.087	1.0007
15.000	0.2900	Temporary Borrowing	34.800	0.2809
206.398	4.4098	Total PCC Borrowing	226.202	4.0477
		Long-term liabilities		
31.017	8.7300	PFI Schemes	30.246	8.7300
2.585	n/a	Finance leases	2.189	n/a
9.510	n/a	Tamar Bridge & Torpoint Ferry	9.156	n/a
43.110		Total Long term Liabilities	41.591	
249.510		Total External Debt	267.793	
(83.975)	1.0564	Total Investments	(82.374)	0.8889
165.535		Net Borrowing/(Net Investment) Position	185.419	

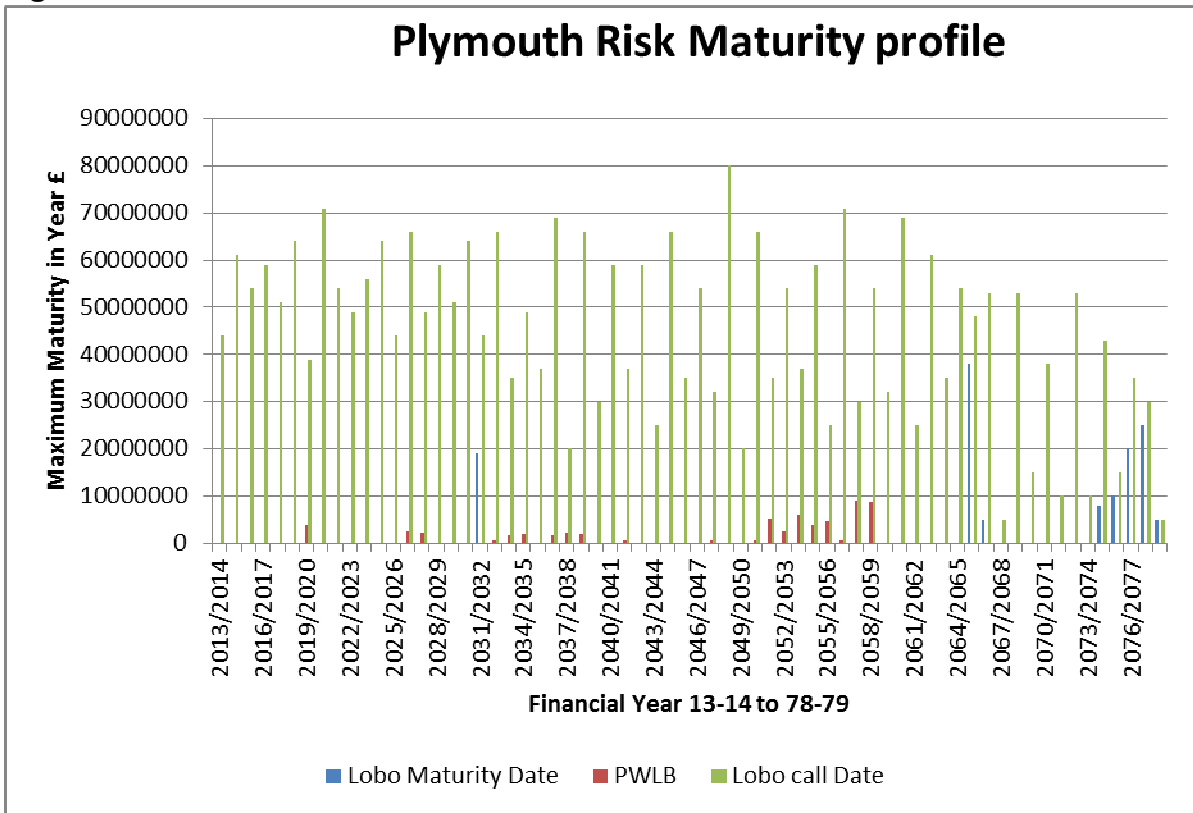
4.2 The total external debt as shown above includes long-term liabilities in respect of PFI schemes or finance leases as these liabilities are seen as a credit arrangement thus increasing the Council’s total debt and must be taken into account within the statutory borrowing limits. The Tamar Bridge & Torpoint Ferry balance relates to 50% of the debt on the Joint Committee balance sheet required to be brought onto the Council’s balance sheet from 2011-12.

The total investments at 31st March 2012 included £21.49m invested on behalf of the Heart of the South West Local Enterprise Partnership (LEP) in respect of the Growing Places Fund. This balance was transferred to Devon County Council who took over the administration of the Fund on 8th August 2012.

5. Borrowing

5.1 Figure I below shows the maturity profile of the long-term debt for the Council as at 31 March 2013.

Figure I



5.2 The debt portfolio continues to include £130m of LOBO (market) 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 adversely. This is reflected within the maturity profile shown above (in green) to enable officers to risk manage the Council’s cashflows. During the year £64m of LOBO loans entered the period where they could have been called, but options were not exercised by the relevant banks.

5.3 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 – This is the statutory limit which should not be breached. This can only be amended with the approval of Full Council.
- The Operational Boundary – This is based on the same estimate as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included within the Authorised Limit.

5.4 The borrowing limits for 2012/13, originally approved by Council in February 2012, were as follows:

- Authorised Limits £309m
- Operational Boundary £279m

The revised Prudential Indicators, as approved by Council on 25 February 2013, reduced the limits to fall in line with the Council’s updated capital programme and reduction in the forecast borrowing requirement. The approved updated limits were as follows:

- Authorised Limits £301m
- Operational Boundary £279m

5.5 The Director for Corporate Services confirms that there were no breaches to the authorised limit during the year. The maximum debt outstanding during 2012/13 was £282.988m on 9th November 2012 (including £41.486m for the PFI, finance lease liabilities and the Tamar Bridge loan). This was within the authorised limit but in excess of the operational boundary due to cashflow requirements. There were other occasions throughout the year where debt was above the operational boundary however by 31st March total debt had fallen to £267.688m (including £41.486m for PFI, finance lease liabilities and the Tamar Bridge loan) well within both of the borrowing limits.

5.6 Table 2 shows the movement in the borrowing portfolio during the year.

Table 2 Movement in Borrowing Portfolio

	Balance on 01/04/12 £000s	Debt Maturing £000s	Debt Repaid £000s	New Borrowing £000s	Balance on 31/03/13 £000s	Increase/ (Decrease) in Borrowing
Short-term Borrowing	15,000	(210,390)		230,190	34,800	19,800
Long-term Borrowing	191,398			5	191,403	5
Total Borrowing	206,398	(210,390)	0	230,195	226,203	19.805

5.7 The Council's underlying need to borrow as measured by the Capital Financing Requirement (CFR) as at 31st March 2013 was estimated at £276.552m (including PFI, finance leases and Tamar Bridge & Torpoint Ferry debt).

5.8 New borrowing in year

The use of short-term borrowing has been the most cost effective means of financing capital expenditure and cashflow requirements. Matching short-term borrowing with the availability of liquid deposits held in bank call accounts lowered overall treasury risk by allowing flexibility to reduce debt and investment levels at short notice when credit conditions deteriorated during the year.

At the start of the year the Council had £15m of short-term loans. These are generally taken for periods of one to three months and repaid and replenished with new loans, subject to availability and favourable rates, during the year. At the end of the year the Council had £34.8m of short-term loans.

The average period of new loans taken in the year was for 42.85 days at an average interest rate of 0.2742%. This is below the bank base rate. Short-term loans are generally taken from other local authorities.

5.9 Debt Repayment

There were no loan repayments made in 2012/13. The increase in overall debt is a result of externalising some borrowing to move closer to the Council's overall borrowing requirement as credit conditions improved in the second half of the year.

5.10 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 the Council's advisers Arlingclose will continue to monitor PWLB interest rates looking for opportunities to repay any debt, maximising the savings achieved whilst maintaining a balanced maturity profile.

5.11 Overall Debt Performance for the year

The average interest rate on the Council's borrowing has decreased over the course of the year from 4.4098% to 4.04778%. This rate reflects the position at the end of each financial year (i.e. 31st March 2012 and 2013). The reduction in rates is due to the increase in low rate short-term loans taken in periods maturing beyond the year end. Loan transactions were taken at various times throughout the year at various rates and, taking all transactions in the year, the overall average borrowing rate for 2012/13 was 4.2079% compared with a rate of 3.9652% for 2011/12. This increase is a result of a much lower average of short-term borrowing taken in 2012/13 compared to 2011-12. The reduced borrowing was due to deteriorating credit conditions during 2012/13 resulting from concerns over Eurozone sovereign debt. During these periods short-term loans were not replaced on maturity and investment balances were reduced.

6. Investments

6.1 Figure 2 below shows the actual split of deposits by country/sector as 31st March 2013. Table 4 provides more detail on the actual deposits by counterparty group.

Figure 2

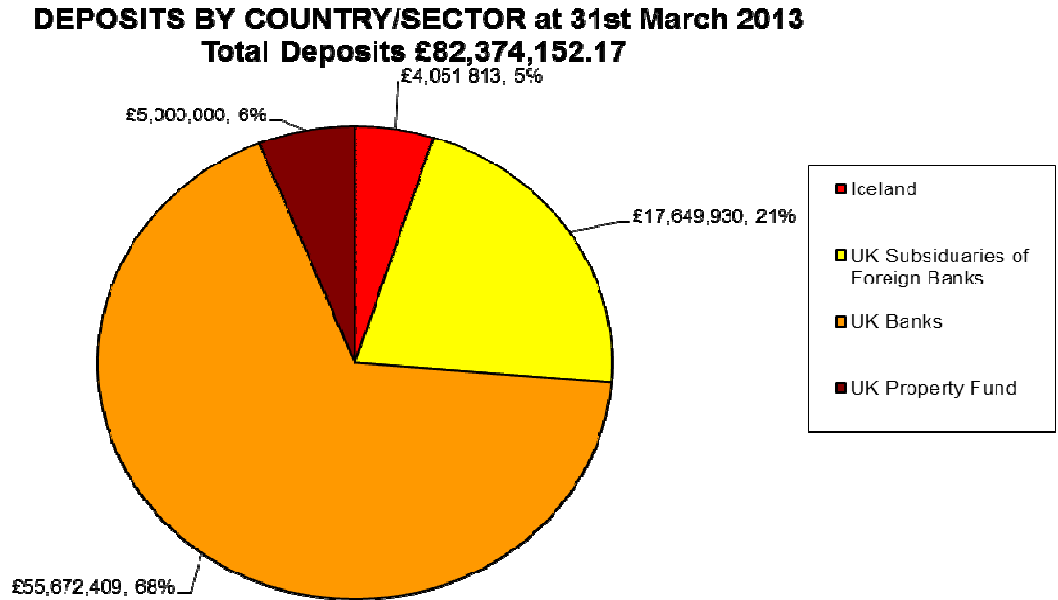


Table 4

Group	Bank/Institution	Total deposits £m
RBS Group	Royal Bank of Scotland	19.022
Lloyds Banking Group	Bank of Scotland	12.650
	Lloyds TSB	5.000
Barclays Banking Group	Barclays	19.000
Banco Santander Group	Santander UK	17.650
Iceland deposits	Landsbanki Island	2.112
	Heritable Bank	0.682
	Glitnir	1.258
Total Deposits @ 31st March 2013		77.374
Pooled Investment	CCLA Lamit Property Fund	5.000
Total Investments @ 31st March 2013		82.374

6.2 The movement in the investment portfolio during the year was as follows:

Table 5 Movement in Investment Portfolio

Investments	Balance on 31/3/12 £000	Investments Made £000	Maturities/ £000	Balance on 31/03/13 £000	Avg Rate % / Avg Life to maturity (days)
Short-term Investments (less than 1 year)	78,975	1,493,270	(1,494,871)	77,374	1.28%/ 11 days
Long-term Investments (over 1 year)	5,000	0	(5,000)	0	
Pooled Funds	0	5,000		5,000	Variable
Total Investments	83,975	1,498,270	(1,499,871)	82,374	

- 6.3 The majority of the short-term deposits were held in call or short-term notice accounts. In line with the Council's approved investment strategy for 2012/13 the following longer term deposits were taken in the year:

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
£5.0m	15/10/12	07/01/13	84	1.35
£5.0m	06/11/12	07/05/13	182	1.60

- 6.4 The above deposits have been taken above target rates and increased the return on investments in 2012/13. The maximum approved term for new deposits in 2012/13 was 1 year.
- 6.5 In line with the Council's approved strategy, to diversify investment away from purely cash deposits, a £5m investment was made in the CCLA Lamit Property Fund on 31st March 2013. This is a pooled investment fund meeting the criteria in SI 2004 No 534 and subsequent amendments. This is an available for sale investment that can be cashed in after 6 months or at any time thereafter. However this is seen as a long-term investment to generate additional income and realise a capital gain for the Council. The performance of this fund will be monitored throughout the year and included in the treasury management mid-year and out-turn reports for 2013/14.

6.6 Managing Investment Risk

- 6.6.1 The Guidance on Local Government Investments in England gives priority to security and liquidity of investments and the Council's aim is to achieve a yield commensurate with these principles.

6.6.2 Security

Security of capital remained the Council's main investment objective. This was maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2012/13. Investments made during the year were restricted to:

- Deposits with the Debt Management Office.
- Call Accounts and deposits with UK Banks and Building Societies systemically important to the UK banking system.
- Pooled funds (collective investment schemes) meeting the criteria in SI 2004 No 534 and subsequent amendments.

6.7 Credit Risk

- 6.7.1 Counterparty credit quality was assessed and monitored with reference to credit ratings; credit default swaps; GDP of the country in which the institutions operates; the country's net debt as a percentage of GDP; any potential support mechanisms and share price. The minimum long-term counterparty rating determined for the 2012/13 treasury strategy was A-/A-/A3 across rating agencies Fitch, S&P and Moody's.

6.7.2 In June Moody's downgraded a swathe of banks with global capital market operations, including the UK banks on the Council's lending list. This included Barclays, HSBC, Royal Bank of Scotland/Natwest, Lloyds TSB/Bank of Scotland and Santander UK Plc as well as several non UK banks. However none of the ratings fell below the Council's minimum credit rating threshold.

6.7.3 The Council reacted to changes in credit conditions during the year by changing the maximum maturity limits for deposits with banks and building societies. Between 18th May 2012 and 20th August 2012 £15m was kept on overnight deposit with the Debt Management Office (DMO) and deposits suspended with Santander UK Plc in this period as a reaction to concerns over the Eurozone and global credit conditions.

6.8 Credit Score Analysis

6.8.1 The Council's treasury advisers, Arlingclose, have developed a matrix to score the credit risk of an authority's investment portfolio. The matrix allocates a numerical score based on the credit rating of an institution, with a AAA rated institution scoring 1 and a D rated institution scoring 15. This is then weighted to reflect both the size of the deposit and the maturity term of the deposit. The aim is to achieve an overall score of 7 or lower on both weighted averages to reflect an investment approach based on security. The lower the score the better the security of the deposit.

6.8.2 Table 6 shows the rating currently attached to the Council's portfolio and its movement during the year using this matrix.

Table 6 Credit Risk Matrix

Date	Value Weighted Average – Credit Risk Score	Value Weighted Average – Credit Rating	Time Weighted Average – Credit Risk Score	Time Weighted Average – Credit Rating
31/03/2012	5.48	A+	5.42	A+
30/06/2012	5.10	A+	5.65	A
30/09/2012	5.99	A	6.06	A
31/12/2012	6.01	A	6.01	A
31/03/2013	6.00	A	6.25	A

Note : These scores exclude any deposits with Icelandic banks.

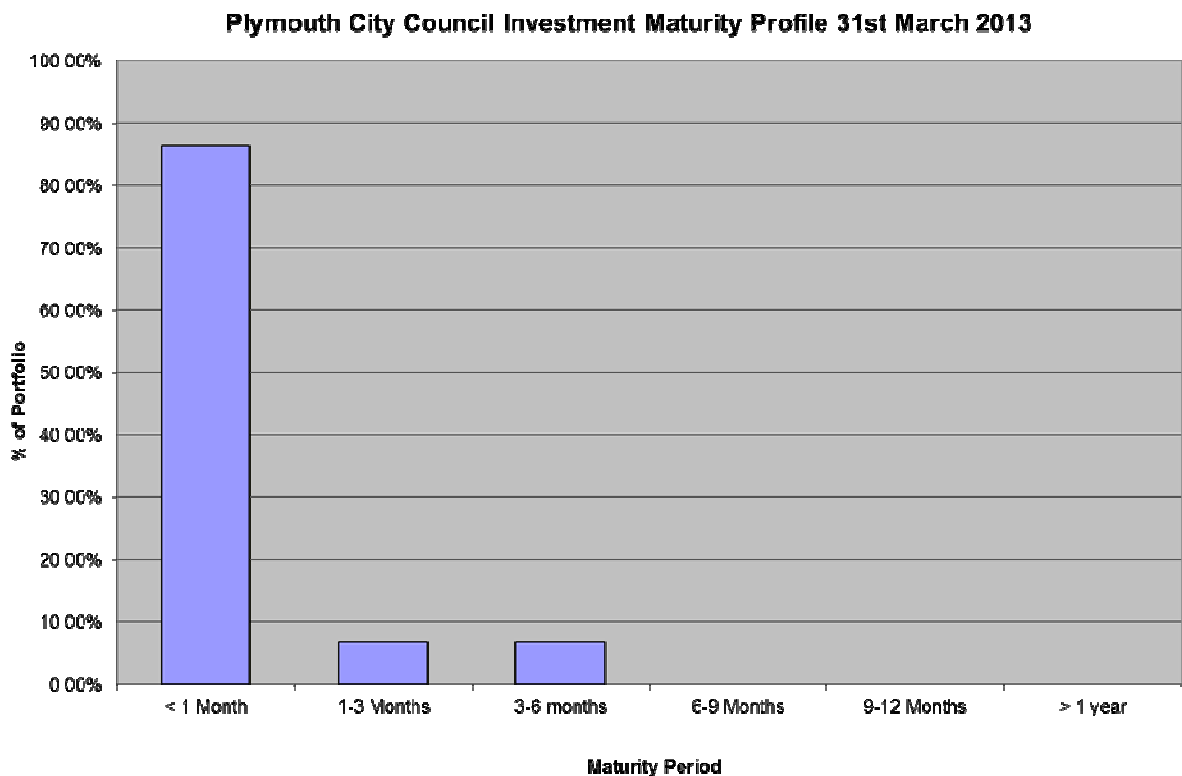
Based on the scoring methodology, the Council's counterparty credit quality has reduced over the course of the year. This is due to the credit rating downgrade of the counterparties used by the Council. All Council deposits in 12-13 have been made with UK banks considered to be systemically important to the UK financial system. Despite the downgrades the credit score has still been maintained below the 7 score set in the Council's Treasury Management Strategy for 2012/13. Council officers are currently in the process of taking alternative investments to reduce the credit score of the Council's investment portfolio.

6.9 Liquidity

6.9.1 In keeping with the CLG’s guidance on investments, the Council maintained a sufficient level of liquidity through the use of overnight deposits and the use of call accounts.

6.9.2 The maturity profile of the Councils 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 cover any adverse changes in market conditions. The Treasury Management Board has set a requirement that at least £15m should remain within callable deposits at all times.

Figure 3



6.10 Yield- Investment performance for the year

6.10.1 The Council sought to optimise returns commensurate with its objectives of security and liquidity. The UK Bank Rate was maintained at 0.5% through the year.

6.10.2 Investments are made short-term to cover cashflow and liquidity requirements and longer-term to maximise and guarantee future income. During 2012/13 the Council invested for a range of periods from overnight to 6 months, dependent on the Council’s cash flows, officers’ interest rate view, the interest rates on offer and the economic climate/credit risk. The Council’s treasury management officers work to a benchmark rate of return, the 7 day London Interbank Bid (LIBID) rate – which is the rate which can be achieved on the London interbank market for cash deposits of 7 days and is regarded as the standard benchmark.

The 7 day rate is calculated on a daily basis and averaged for the year. Table 7 below compares the average return achieved by the in-house team with the benchmark. An average rate of 0.8917% was achieved for new investments in the year against a budget of 0.8%.

Table 7

	Weighted Average Investment	Benchmark Rate %	Actual Return %
Internally Managed:	£99.035m	0.47	0.9456

The table shows that the internal performance exceeded the benchmark for the year, despite the restricted investment counterparty list and the tighter limitations placed on deposits in periods throughout the year.

6.11 Breach of Counterparty Limit with Santander UK Plc

6.11.1 Council officers work within approved counterparty limits. This is set at a maximum of £30m for approved UK banks and building societies, included on the council's lending list, meeting the credit criteria set out in 6.7.1. An error occurred on 14th November when a £0.6m recorded on the Council's cashflow and dealing reconciliations worksheets as being paid to our Barclays call account was paid to Santander. This led to a balance in our Santander call account of £0.6m more than recorded on the cashflow, dealing record and reconciliation sheets. Due to this error, when funds were paid into the Santander call account on certain dates in December and January, the total investment with Santander exceeded £30m. On 20th December the balance reached £30.6m and on 3rd January £30.1m. When discovered following the reconciliation of the Council's Santander account statement on 8th January, the Director of Corporate Services was informed and an immediate withdrawal made to bring the account balance back below £30m.

6.11.2 The Devon Audit Partnership were immediately informed of the breach. The Senior Accountant reviewed working practices and introduced additional controls, improving the check and authorisation process, to ensure all future payments are made to the correct call account and deposits were maintained within approved limits. Audit was requested to review these controls in its annual audit of Treasury Management. They viewed the controls in place to be of a high standard.

6.12 Benchmarking

6.12.1 As outlined above, Arlingclose have developed a set of benchmarking criteria to enable comparisons on investment performance to be made on data provided by all their clients. To compare like with like, the graphs compare our investment performance with other unitary authorities. This is based on data provided to 31st March 2013. The results of the benchmarking are discussed at regular strategy meetings with our advisers. The benchmarking has to be taken in the

context of risk appetite and the legacy investments that the Council has in its portfolio.

The graphs used for comparison attached as appendix 2 to this report are:

1. Average rate of investments against average maturity period
2. Average rate of investments against value weighted average credit risk score
3. Average rate of investments against time weighted average credit risk score

7. Icelandic Banks Update

7.1 The latest position on the recoveries of monies invested in the Icelandic banks is as follows:

7.2 Heritable Bank £3m

The Council received further dividends totaling 9.36p in the £ in 2012/13, made up of principal of £0.281m and interest of £0.014m, bringing total dividends paid to 31st March 2013 to 77.28%. This left a balance left to recover of £0.716m.

7.3 Glitnir £6m

No further payments were received in 2012/13. With 79.03% recovered to date this leaves £1.335m left to recover.

7.4 Landsbanki £4m

The Council received further dividends totaling 18.06p in the £ in 2012/13, made up of principal of £0.722m and interest of £0.04m, bringing total dividends paid to 31st March 2013 to 47.19%.

7.5 Impairment of Icelandic bank deposits

In the 2009-10 accounts impairment was calculated based on an estimate of future collections. At this point the impairment of the deposits was calculated as £5,903,956.28. To cover this impairment a capital direction was applied for and agreed to the value of £5.7m. This allowed the Council to capitalise this expenditure and spread the charge to revenue over 20 years. The remaining balance of £203,956.28 was met by a transfer from the internal Icelandic Bank reserve. This reserve had been created to cover Icelandic legal costs and losses on recovery of the Icelandic deposits. Following the receipt of dividends in 2011-12 and the early part of 2012/13 the impairment had been recalculated and reduced by £1,284,162.58 in the 2011/12 accounts to bring the impairment in line with the unrecovered deposits. Additional receipts of £297,985.83 were received in 2012/13 and the impairment reduced accordingly. Any additional receipts prior to the publication of the 2012/13 Statement of Accounts will result in an amendment to these accounts and a further reduction in the impairment.

7.6 Further recoveries

The Council continues to pursue recovery of the outstanding monies through the Icelandic courts in partnership with the LGA. The cost of the continuing external legal advice has been met from the Council's internal reserve set up

for Icelandic bank issues. No costs were incurred in 2012/13 but a fee of £9,845.37 was paid in April 2013.

8. Revenue Implications of Treasury Management

- 8.1 The expenditure arising from the Council's borrowing and lending 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 onto 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. Table 8 below shows the income and expenditure arising from these transactions in 2012/13.
- 8.2 The net cost of capital financing to the General Fund in 2012/13 reduced by £0.526m from the 2012/13 budget due to a reduction in MRP of £0.09m, reduced treasury management costs of £1.128m and other cost increases of £0.692m. The MRP is a statutory charge to revenue based on the Council's capital expenditure financed from borrowing. The reduction in treasury management costs is due to the use of low rate short-term borrowing, as an alternative to the use of long-term borrowing or internal balances, to fund capital expenditure and a reduction in debt management costs.

Summary of Capital Financing Costs 2012/13

Table 8

	2012/13 Budget £000	2012/13 Outturn £000	Variance £000
External interest payments	9,660	9,198	(462)
External interest received	(503)	(1,074)	(571)
Interest transferred to other accounts	115	52	(63)
Premiums / Discounts written out to Revenue	(189)	(189)	0
Debt Management Expenses	143	111	(32)
Treasury Management Cost	9,226	8,098	(1,128)
Minimum Revenue Provision	7,897	7,807	(90)
Recharges for unsupported borrowing	(4,295)	(3,886)	409
Recovered from trading Accounts	(3,142)	(2,859)	283
Net Cost to General Fund	9,686	9,160	(526)

9. Compliance with Prudential Indicators

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 compliance of borrowing within the Authorised

Limit and Operational Boundary is confirmed in section 5.5 of this report. The Prudential Indicators for 2012/13 were approved by Council on 27th February 2012 and updated on 25th February 2013 as part of the approved Treasury Management strategy for 2013/14. The latest position on the indicators is set out in Appendix 3.

10. External Service Providers

- 10.1 Arlingclose is appointed as the Council's treasury management adviser. The Council is clear as to the services it expects and is provided under the contract. The service provision is comprehensively documented. The Council paid a sum of £23,000 in 2012/13 for this service.
- 10.2 The Council is also clear that overall responsibility for treasury management remains with the Council.

11. Training

- 11.1 CIPFA's revised Code requires the Director for Corporate Services to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.
- 11.2 The CLG's revised investment guidance also recommends that a process is adopted for reviewing and addressing the needs of the authority's treasury management staff for training in investment management.
- 11.3 The Council commissioned a treasury management awareness and training session from external consultants Griffiths Morley and this was delivered on 22nd January 2010. The Council subsequently provided an updated session for Members on 10th January 2011. Additional training was provided to Council Members by Arlingclose in October 2012. The provision of 1 days training is included in the contract with Arlingclose running to 31st December 2014. Member training will be provided on an annual basis.
- 11.4 The Council continues to keep its training requirement under review.

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	1.24	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	1.01
30/09/2012	0.50	0.25	0.52	0.40	0.47	0.66	0.95	0.70	0.76	1.00
31/10/2012	0.50	0.25	0.44	0.40	0.44	0.55	0.82	0.69	0.77	1.05
30/11/2012	0.50	0.25	0.30	0.40	0.44	0.54	0.80	0.73	0.80	1.05
31/12/2012	0.50	0.25	0.43	0.40	0.44	0.54	0.80	0.69	0.76	1.00
31/01/2013	0.50	0.42	0.43	0.40	0.44	0.54	0.80	0.73	0.86	1.17
29/02/2013	0.50	0.41	0.42	0.40	0.44	0.54	0.80	0.59	0.69	1.05
31/03/2013	0.50	0.40	0.40	0.40	0.44	0.51	0.75	0.59	0.68	0.97
Minimum	0.50	0.25	0.30	0.40	0.44	0.51	0.75	0.55	0.65	0.90
Average	0.50	0.39	0.49	0.45	0.62	0.82	1.19	0.84	0.90	1.17
Maximum	0.50	0.55	0.65	0.61	1.00	1.33	1.84	1.38	1.45	1.72
Spread	--									

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	1.2	1.84	2.83	3.79	4.11	4.19	4.16
31/07/2012	292/12	1.01	1.57	2.58	3.6	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	4.2	4.14
28/10/2012	422/12	1.19	1.82	2.82	3.81	4.17	4.25	4.19
30/11/2012	466/12	1.22	1.81	2.74	3.74	4.1	4.16	4.11
31/12/2012	504/12	1.22	1.89	2.83	3.82	4.18	4.25	4.21
31/01/2013	044/13	1.26	2.06	3.1	4.06	4.37	4.43	4.4
28/02/2013	084/13	1.16	1.91	3.04	4.04	4.36	4.43	4.4
28/03/2013	124/13	1.13	1.75	2.84	3.87	4.18	4.25	4.22
	Low	1.01	1.57	2.58	3.60	3.97	4.07	4.05
	Average	1.18	1.84	2.86	3.86	4.20	4.26	4.23
	High	1.31	2.09	3.25	4.22	4.43	4.46	4.41

Table 3: PWLB Repayment 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	0.18	0.84	2.04	3.08	3.32	3.31	3.24
30/04/2012	166/12	0.20	0.87	1.95	3.00	3.27	3.27	3.22
31/05/2012	210/12	0.07	0.54	1.53	2.64	3.01	3.07	3.04
29/06/2012	248/12	0.07	0.62	1.63	2.64	2.99	3.07	3.04
31/07/2012	292/12	0.02	0.35	1.37	2.44	2.84	2.94	2.92
31/08/2012	336/12	0.02	0.40	1.41	2.47	2.92	3.02	2.99
28/09/2012	376/12	0.03	0.46	1.44	2.55	2.99	3.08	3.02
28/10/2012	422/12	0.07	0.59	1.62	2.66	3.05	3.13	3.07
30/11/2012	466/12	0.10	0.60	1.54	2.59	2.97	3.04	2.98
31/12/2012	504/12	0.10	0.66	1.63	2.67	3.05	3.13	3.09
31/01/2013	044/13	0.14	0.81	1.90	2.91	3.24	3.31	3.27
28/02/2013	084/13	0.04	0.66	1.83	2.89	3.23	3.31	3.27
28/03/2013	124/13	0.02	0.52	1.62	2.72	3.05	3.13	3.10
	Low	0.02	0.30	1.31	2.41	2.81	2.88	2.84
	Average	0.08	0.62	1.67	2.72	3.09	3.16	3.12
	High	0.22	0.92	2.10	3.11	3.42	3.50	3.47

Table 4: PWLB Borrowing Rates - Fixed Rate, EIP 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	-	1.56	1.77	2.14	2.77	3.91	4.38
30/04/2012	166/12	-	1.60	1.81	2.15	2.72	3.81	4.31
31/05/2012	210/12	-	1.37	1.52	1.81	2.33	3.41	4.03
29/06/2012	248/12	-	1.41	1.59	1.89	2.42	3.45	4.01
31/07/2012	292/12	-	1.17	1.33	1.63	2.16	3.23	3.85
31/08/2012	336/12	-	1.22	1.38	1.67	2.20	3.25	3.90
28/09/2012	376/12	-	1.29	1.44	1.72	2.23	3.31	3.99
28/10/2012	422/12	-	1.39	1.56	1.88	2.42	3.46	4.05
30/11/2012	466/12	-	1.41	1.58	1.86	2.36	3.37	3.98
31/12/2012	504/12	-	1.45	1.64	1.94	2.45	3.46	4.06
31/01/2013	044/13	-	1.54	1.76	2.12	2.69	3.73	4.27
28/02/2013	084/13	-	1.39	1.60	1.97	2.59	3.70	4.25
28/03/2013	124/13	-	1.31	1.49	1.81	2.38	3.53	4.08
	Low	-	1.14	1.28	1.57	2.10	3.18	3.81
	Average	-	1.40	1.58	1.90	2.45	3.52	4.10
	High	-	1.64	1.85	2.21	2.85	3.94	4.45

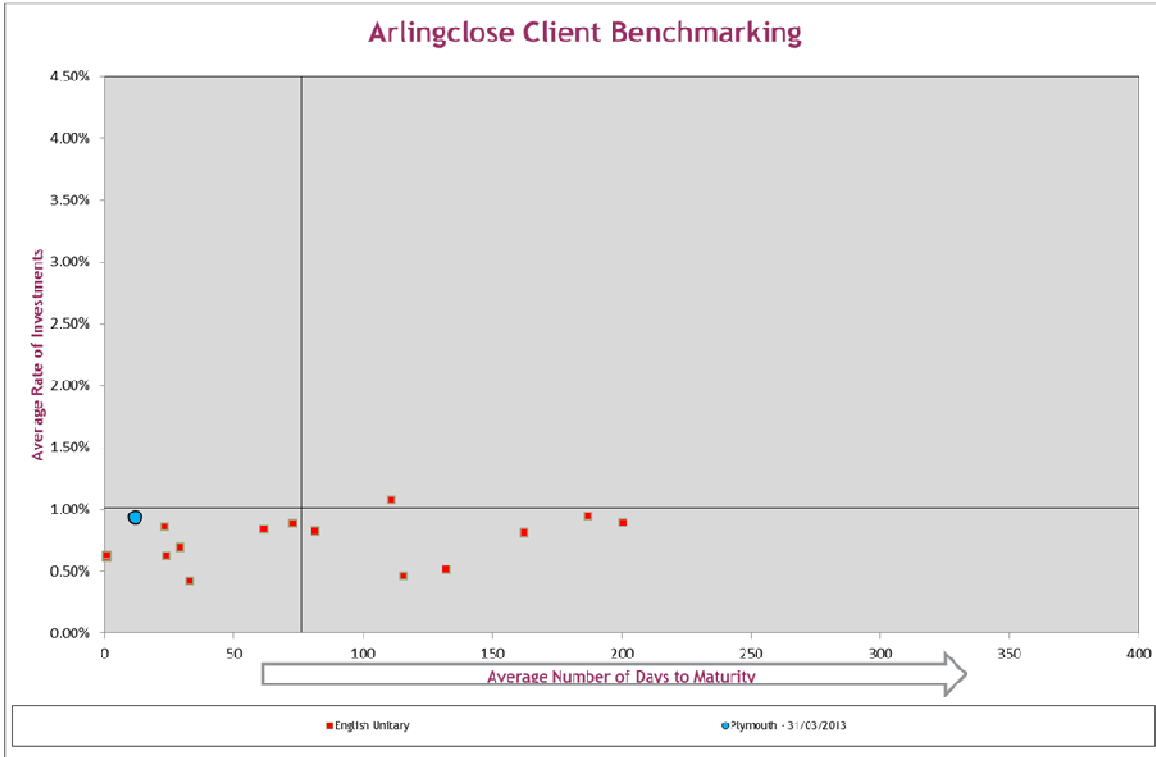
Table 5: PWLB Repayment Rates - Fixed Rate, EIP Loans

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	-	0.40	0.60	0.96	1.60	2.78	3.26
30/04/2012	166/12	-	0.44	0.64	0.98	1.56	2.67	3.20
31/05/2012	210/12	-	0.21	0.36	0.64	1.16	2.27	2.90
29/06/2012	248/12	-	0.25	0.42	0.72	1.25	2.31	2.88
31/07/2012	292/12	-	0.02	0.17	0.45	0.99	2.09	2.72
31/08/2012	336/12	-	0.07	0.21	0.50	1.03	2.10	2.77
28/09/2012	376/12	-	0.14	0.28	0.55	1.06	2.16	2.86
28/10/2012	422/12	-	0.23	0.39	0.70	1.24	2.32	2.93
30/11/2012	466/12	-	0.26	0.41	0.69	1.19	2.23	2.86
31/12/2012	504/12	-	0.29	0.47	0.77	1.28	2.32	2.93
31/01/2013	044/13	-	0.37	0.58	0.94	1.52	2.59	3.14
28/02/2013	084/13	-	0.22	0.42	0.79	1.41	2.56	3.12
28/03/2013	124/13	-	0.16	0.32	0.63	1.21	2.39	2.95
	Low		0.02	0.12	0.40	0.93	2.04	2.69
	Average		0.24	0.41	0.73	1.28	2.37	2.98
	High		0.48	0.69	1.04	1.68	2.81	3.32

Table 6: PWLB Variable Rates

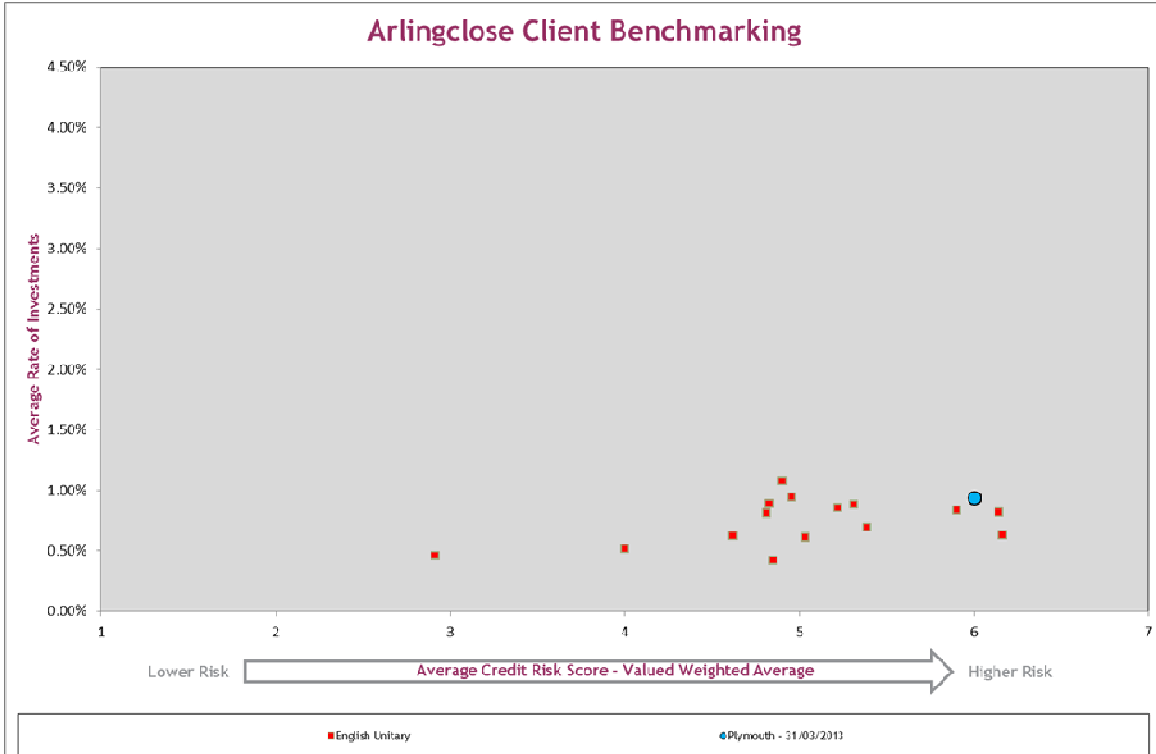
	1-M Rate	3-M Rate	6-M Rate	1-M Rate	3-M Rate	6-M Rate
	Pre-CSR			Post-CSR		
02/04/2012	0.5900	0.6000	0.6200	1.4900	1.5000	1.5200
29/06/2012	0.5800	0.5700	0.5600	1.4800	1.4700	1.4600
28/09/2012	0.5700	0.5600	0.5400	1.4700	1.4600	1.4400
31/12/2012	0.5600	0.5600	0.5600	1.4600	1.4600	1.4600
28/03/2013	0.5700	0.5600	0.5500	1.4700	1.4600	1.4500
Low	0.5400	0.5300	0.4800	1.4400	1.4300	1.3800
Average	0.5700	0.5600	0.5500	1.4700	1.4600	1.4500
High	0.6000	0.6000	0.6200	1.5000	1.5000	1.5200

Graph I Average Number of days to Maturity V Return



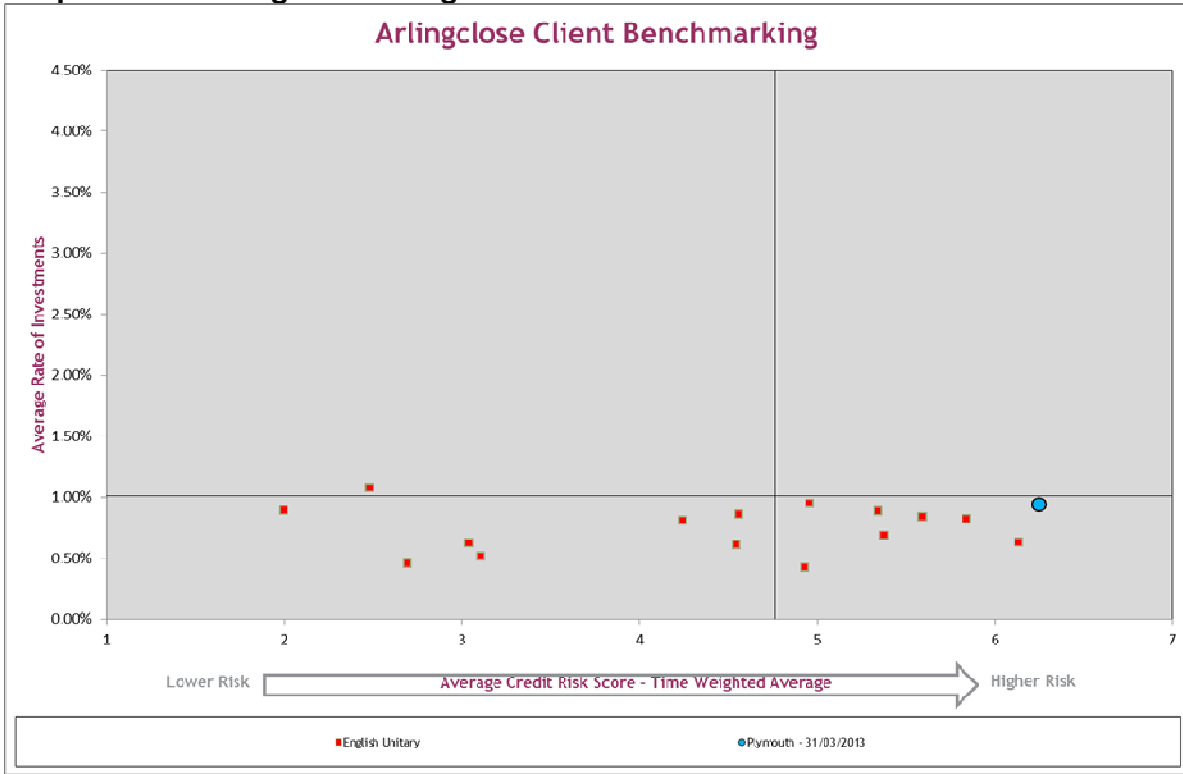
This graph shows the duration of investments against return. It shows the Council's investments have performed well against other unitary authorities. Despite reducing maturity periods of deposits the Council's return on investments as held up as a result higher rates negotiated by the treasury management officer on the Council's call accounts.

Graph 2 Value Weighted Average V Return



As a general rule the aim should be to convert a greater average length of portfolio duration into a greater than average return. There should be a positive correlation between duration and return. However, this chart should not be viewed in isolation from other measured parameters and it should be noted that a high average number of days to maturity does not necessarily mean a higher risk, in fact the reverse may be considered to be true in some cases. As can be seen from this graph, Plymouth City Council is converting duration into a higher return than many of their peer group. However with the maturity of some of the higher rate deposit previously held in the Council’s portfolio and the credit rating downgrades for the banks currently used for the Council’s deposits the Council’s score has increased over time. Council officers will look at alternative investment to reduce the credit risk of the Council’s investments.

Graph 3 Time Weighted Average V Return



Longer term investments are inherently more risky. Ideally authorities should move towards the top left hand corner of the graph. Therefore it is preferable to see risk taken converted into return at a greater than average rate. This should be seen as a longer term goal within the Council’s investment portfolio which has been affected by a number of rating downgrades on banks currently used increasing the credit risk score. As previously stated Council officers are investigating alternative investments that will reduce the credit risks.

Prudential Indicator Compliance**(a) 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.

	Limits for 2012/13 %	Maximum during 2012/13 %
Upper Limit for Fixed Rate Exposure	200	122.35
Compliance with Limits:	Yes	Yes
Upper Limit for Variable Rate Exposure	50	27.92
Compliance with Limits:	Yes	Yes

(b) 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.

Maturity Structure of Fixed Rate Borrowing	Upper Limit %	Lower Limit %	Actual Fixed Rate Borrowing in 2012/13		Compliance with Set Limits?
			High %	Low %	
Under 12 months	50	0	49.68	23.03	Yes
12 months and within 24 months	60	0	31.87	7.84	Yes
24 months and within 5 years	40	0	23.51	7.84	Yes
5 years and within 10 years	25	0	1.94	1.94	Yes
10 years and within 20 years	30	0	2.86	2.50	Yes
20 years and within 30 years	30	0	5.73	5.37	Yes
30 years and within 40 years	25	0	4.67	2.33	Yes
40 years and within 50 years	30	0	19.52	17.18	Yes
50 years and above	25	0	0	0	Yes

(The 2011 revision to the CIPFA Treasury Management Code now requires the prudential indicator relating to Maturity of Fixed Rate Borrowing to reference the maturity of LOBO loans to the earliest date on which the lender can require payment, i.e. the next call date)

(c) Actual External Debt

- This indicator is obtained directly from the Authority's balance sheet. It is the closing balance for actual gross borrowing (short and long-term) plus other deferred liabilities.
- The indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 31/03/2013	£m
Borrowing	226.202
Other Long-term Liabilities	41.591
Total	267.793

(d) Capital Expenditure

- This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits, and, in particular, to consider the impact on council tax.

Capital Expenditure	2012/13 Approved £m	2012/13 Revised £m	2012/13 Actual £m	2013/14 Estimate £m	2014/15 Estimate £m
Total	52.121	53.691	46.504	71.096	34.886

Capital expenditure has been and will be financed or funded as follows:

Capital Financing	2012/13 Approved £m	2012/13 Revised Estimate £m	2012/13 Actual £m	2013/14 Estimate £m	2014/15 Estimate £m
Capital receipts	9.955	6.775	3.977	4.514	7.279
Government Grants/Contributions	33.578	36.655	33.145	50.046	14.599
Section 106/Tariff/RIF	0.956	0.801	0.706	0.886	0.750
Revenue Contribution/Funds	1.390	3.188	0.973	3.903	1.049
Total Financing	45.879	47.419	38.801	59.349	23.677
Supported borrowing	0.047	0.107	0.107	0	0
Unsupported borrowing	6.195	6.165	7.596	11.747	11.209
Total Funding	6.242	6.272	7.703	11.747	11.209
Total Financing and Funding	52.121	53.691	46.504	71.096	34.886

The table shows that the capital expenditure plans of the Authority could not be funded entirely from sources other than external borrowing.

(e) Ratio of Financing Costs to Net Revenue Stream

- This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs.
- The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2012/13 Estimate %	2012/13 Revised %	2012/13 Actual %	2013/14 Estimate %	2014/15 Estimate %
Total	8.56	7.91	7.64	8.22	9.15

(f) Incremental Impact of Capital Investment Decisions

- This is an indicator of affordability that shows the impact of capital investment decisions on Council levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2012/13 Estimate £	2012/13 Revised £	2012/13 Actual £	2013/14 Estimate £	2014/15 Estimate £
Increase in Band D Council Tax	0.92	0.71	0.55	1.17	10.22

(g) Upper Limit for Total Principal Sums Invested Over 364 Days

- The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Authority having to seek early repayment of the sums invested.

Upper Limit for total principal sums invested over 364 days	2012/13 Approved £m	2012/13 Revised £m	2012/13 Actual £m	2013/14 Estimate £m	2014/15 Estimate £m
	20	20	5	30	30

The Council's investment policy for 2012/13 was to keep deposit maturities to a maximum of 12 months. No deposits were made beyond 364 days. As stated in 6.5 of this a £5m has been invested in a Property Fund, seen as a long-term investment, in order to diversify the investment portfolio and achieve additional returns.

CITY COUNCIL

22 July 2013



AUDIT COMMITTEE MINUTE 15 OF 13 JUNE 2013

The Senior Accountant provided the Committee with an update on the Treasury Management Activities for the financial year 2012 - 13. It was reported that -

- a. £5m had been invested into a property fund to diversify the Council's investments and achieve an additional return. The yield on the fund will be approximately 6%;
- b. there is a limit with banks that the Council can invest in and an error had been made with the amount of money invested in one bank. The money was withdrawn and the incident was reported to the Director for Corporate Services and Devon Audit Partnership and procedures were put in place to ensure this would not happen again;
- c. officers had performed well against the budget reducing the borrowing costs and negotiating increased rates on investments;
- d. the Chair recommends that all members of this committee attend Treasury Management training provided by Arlingclose to be arranged later in the year.

Agreed that –

1. the Audit Committee note the Treasury Management annual report for 2012 – 13.
2. the report be referred to Full Council as required by CIPFA Treasury Management Code of Practice (TMP note 6).
3. an invitation to be sent to members of the Audit committee and to extend the invitation to members of the Co-operative Management Board to attend Treasury Management Training to be arranged later in the year.

Note:

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

www.plymouth.gov.uk/democracy

or by contacting Democratic Support on 01752 304867

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PLYMOUTH CITY COUNCIL

Subject: Neighbourhood Planning: Neighbourhood
Forums and Areas

Committee: City Council

Date: 22 July 2013

Cabinet Member: Councillor Vincent

CMT Member: Anthony Payne, Director for Place

Author: Adam Williams, Planning Officer

Contact: Tel: 01752 304340
e-mail: adam.williams@plymouth.gov.uk

Ref: AW/NP/I

Key Decision: No

Part: I

Purpose of the report:

The Localism Act 2011 and associated Neighbourhood Planning Regulations 2012 give new statutory responsibilities to the City Council as Local Planning Authority (LPA) in relation to neighbourhood planning. These measures were established to give members of the community a more hands on role in the planning of their neighbourhood. The intention is that neighbourhood plans will be led by local communities (through a Neighbourhood Forum), supported by LPAs and, once found sound through an independent public examination and given public support through a local referendum, formally adopted by the Council as part of the statutory development plan.

This report is concerned with the first duty of neighbourhood planning, namely the receipt and determination of applications from the community to set up Neighbourhood Forums and Areas. Other elements of the neighbourhood planning process are still under consideration and will be incorporated into a Neighbourhood Planning Protocol in consultation with Members over the coming months. Specifically, the report is about putting in place decision making authority so that such applications can be processed and determined.

It should be noted that a wider review of community engagement is currently underway, and this report is separate to that review given that its focus is on a specific area of responsibility vested with the LPA. However, the development of the Neighbourhood Planning Protocol will be aligned with this work with the aim of investing in our communities by putting citizens at the heart of decision making.

Corporate Plan 2012 - 2015:

Each Neighbourhood Plan brought forward under the new legislative provisions will be different as they will be developed in response to local issues and needs of a particular area. However, each plan is required to be consistent with the Council's local plan and thus to support the wider strategic objectives of the city, including the Corporate Plan objectives of a growing and caring Plymouth, and will align with the outcome of any review of community engagement to meet the objectives of the new corporate plan.

The specific provisions of the Localism Act and its associated Regulations do not in themselves provide safeguards to ensure full compliance of neighbourhood planning with co-operative values. Particular attention will therefore need to be given in the implementation of neighbourhood planning in Plymouth to the Corporate Plan's four Co-operative values: Democratic; Fair; Responsible; and Partners. A Civil Society Policy will be developed in the coming months and this will provide an opportunity to ensure that Plymouth promotes a neighbourhood planning process which meets these values.

Implications for Medium Term Financial Plan and Resource Implications:

Including finance, human, IT and land

The resource implications of the first stages of neighbourhood planning process, as covered in this report, are relatively limited. They are primarily staffing and consultation related, and can be managed largely within the existing revenue budget of the Planning Department. However, the costs of supporting a neighbourhood plan through the entire process to adoption could cost in the order of £50,000 to £60,000 per plan.

Local authorities are able to seek financial support from central government in relation to their new neighbourhood planning responsibilities, up to a maximum of £30,000 for the entire process. In relation to the first stages of the process (determining applications for Neighbourhood Areas and Neighbourhood Forums) a total of £5,000 may be sought per application received. Officers will ensure that the maximum level of central government contribution is sought in each case. However, this funding is unlikely to be sufficient and this could limit the Council's ability to actively support more than one neighbourhood plan at any one time.

The resource implications of the entire neighbourhood planning process will be considered in a separate report as part of the development of a Neighbourhood Planning Protocol for the city.

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

Through working in partnership with the City Council and other agencies, it will be essential that neighbourhood plans support community safety, address child poverty and local health and safety by, for example, providing for housing, child care and health care in local communities.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Not specifically in respect of this report. However each neighbourhood forum is required by legislation to consider drawing people from different places in the neighbourhood concerned and from different sections of the community, and an equality impact assessment will be required for each neighbourhood plan.

Recommendations & Reasons for recommended action:

It is recommended that Full Council:

- I. Grant delegated authority for the Assistant Director for Planning, in consultation with the Portfolio Holder for Environment and the Portfolio Holder for Co-operatives and Community Development, to publicise applications for Neighbourhood Forums and Areas, to consider representations, and to determine the applications.

Reason: To ensure that local communities are able to apply for forum and area designation and to receive decisions in a timely manner in order for them to commence work on their neighbourhood plans promptly.

Alternative options considered and reasons for recommended action:

Given that the neighbourhood planning process is a statutory one, whose responsibility is vested with the local planning authority (lpa), there is a legal requirement for decision making processes to be put in place on behalf of the lpa. It is recommended that this decision making is undertaken by the Assistant Director for Planning, in consultation with the Portfolio Holder for the Environment, so as to ensure that there is an expeditious but clear line of delegation in place. However, alternative options include the decisions being made by directly by Full Council or delegated to Planning Committee.

Published Work / Information:

- National Planning Policy Framework, March 2012 – see https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf
- The Neighbourhood Planning (General) Regulations 2012 – see <http://www.legislation.gov.uk/ukxi/2012/637/contents/made>
- Neighbourhood Planning Guidance – see <https://www.gov.uk/neighbourhood-planning>
- The Neighbourhood Planning (Referendums) (Amendment) Regulations 2013 - see http://www.legislation.gov.uk/ukdsi/2013/9780111534984/contentshttp://www.legislation.gov.uk/ukxi/2011/987/pdfs/ukxi_20110987_en.pdf
- Neighbourhood Planning Local Authority Funding – see https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/44127/Neighbourhood_Planning_Local_Authority_Funding_18_December_20122.pdf

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
N/A										

Sign off:

Fin	PC/PlaceF PC131 4 001.02. 07.13	Leg	1787 7/2/7/ 13/A C	Mon Off	TH 119	HR	n/a	Assets	n/a	IT	n/a	Strat Proc	n/a
Originating SMT Member: Paul Barnard, Assistant Director for Planning, Directorate of Place													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

1.0 NEIGHBOURHOOD PLANNING AND THE CO-OPERATIVE COUNCIL

- 1.1 At its meeting of 18 June 2013 the Cabinet agreed a Co-operative Council Corporate Plan for the City Council which, subject to formal adoption at this Full Council meeting, will set a clear strategic direction and focus for delivering the Council's co-operative agenda.
- 1.2 Clearly there are many strands to the delivery of a 'Brilliant Co-operative Council' and one element of this relates to how local communities are engaged and empowered to influence and effect change in their own neighbourhoods.
- 1.3 This report is specifically concerned with one element of this topic – namely the initiation of the process by which local communities are able to prepare neighbourhood plans for their areas as part of the statutory development plan for the city. Neighbourhood plans are one element of a wider neighbourhood planning process which will be developed in Plymouth over the coming months as part of the Civil Society Policy, to ensure that the approach supports the overall co-operative agenda of the Council.

2.0 THE LEGAL FRAMEWORK FOR NEIGHBOURHOOD PLANS

- 2.1 The Localism Act received Royal Assent on 15 November 2011 and is now law. The Act included measures relating to the introduction of neighbourhood planning, established to give members of the community a more hands on role in the planning of their neighbourhood. The measures that the Act introduced for neighbourhood planning, together with the accompanying Neighbourhood Planning Regulations, came into force on 6 April 2012.
- 2.2 The new legislation provides for the following statutory duties for local planning authorities (LPAs) in neighbourhood planning:
 - Receive applications from the community to set up Neighbourhood Forums and define the boundary for the Forum's plan area (the Neighbourhood Area).
 - Publicise and consult on received applications for Neighbourhood Forums and Neighbourhood Areas.
 - Decide on whether to designate said Neighbourhood Forums and Neighbourhood Areas and publicise such decisions. There is an assumption that LPAs must approve the neighbourhood area unless there are clear planning reasons for refusing or modifying the area. With regards to Forums the decision making process is purely down to meeting the requirements which are:
 - Having a minimum of 21 people each of whom either live in the neighbourhood area, works there (including carrying out a business there) or is a ward councillor; and include at least one person from each of these groups (or describing efforts made if this wasn't achieved)
 - A statement explaining how the forum has drawn members from different places in the neighbourhood area concerned and from different sections of the community in that area
 - The submission of a constitution

- The map of the proposed area
- Support the designated Neighbourhood Forum with the production of the neighbourhood plan under a 'Duty to Support', however this Duty to Support does not extend to financial aid.
- Consult on the final plan produced by the community.
- Appoint an independent examiner to consider whether the plan meet the basic conditions set out by law.
- Run a referendum if the plan meets the basic conditions.

3.0 THE NATIONAL PLANNING POLICY FRAMEWORK FOR NEIGHBOURHOOD PLANNING

- 3.1 The National Planning Policy Framework (NPPF) came into force on 28 March 2012 and set out new guidance for the operation of the planning system. In relation to Neighbourhood Planning the NPPF re-iterates that 'the ambition of the neighbourhood should be aligned with the strategic needs and priorities of the wider local area'. Neighbourhoods should:
- Develop plans that support the strategic development needs set out in Local Plans.
 - Plan positively to support local development.
 - Identify opportunities to use Neighbourhood Development Orders to enable development that is consistent with the Neighbourhood plan to proceed.
- 3.2 The NPPF provides no specific guidance on what the local authority's role should be in neighbourhood planning, nor on what form the 'duty to support' referred to in the Act should take.

4.0 NEIGHBOURHOOD PLANNING IN PLYMOUTH

- 4.1 There are many strands to neighbourhood planning. The concept does not just include neighbourhood forums, neighbourhood areas and neighbourhood plans. It also covers initiatives such as neighbourhood development orders and community right to build. These need to be considered and planned for in an integrated way, to be consistent with the co-operative values of the City Council. To this end, a Neighbourhood Planning Protocol will be developed in consultation with Members and partners to provide a clear framework for the neighbourhood planning process in Plymouth, as part of a Civil Society Policy, which is now being developed to come forward later in the year.
- 4.2 However, given that applications can be made at any time from a local community to form a Neighbourhood Forum and Area it is essential that provisions at put in place at the earliest opportunity to determine such applications. That is the primary purpose of this report, and it does not consider the wider implications of our community engagement framework which is currently under review.

- 4.3 There is currently interest in neighbourhood planning amongst the local community in Barne Barton. A local group has been working on ideas and proposals, and is currently finalising its membership in readiness to submit an application for Forum and Area designation very soon. The local group has already worked on the initial parts of a neighbourhood plan with the help of planning consultants, and much consultation work and visioning has been undertaken. The group has already secured further funding from 'Locality' (a leading nationwide network of development trusts, community enterprises, settlements and social action centres) to help them with their neighbourhood planning activities. The funding is time constrained and therefore they must be able to apply for forum status and have their area designated as soon as possible. The Neighbourhood Planning Team of the Council's Planning Department have been supporting the work of the group on this plan together with the Neighbourhood Regeneration team, and the experience gained will prove valuable to the development of the Neighbourhood Planning Protocol, and wider community engagement.

5.0 DELEGATED DECISION MAKING

- 5.1 Given the legal framework summarised in para. 2.2 above, which sets out the basis on which applications for Neighbourhood Forums and Areas must be considered, together with the need to process such applications expeditiously, this report proposes that delegated authority to publicise, consider and determine applications for Neighbourhood Forums and Areas is provided to the Assistant Director for Planning in consultation with the Portfolio Holders for the Environment and for Co-operatives and Community Development.
- 5.2 A wider issue relates to decision making in respect of other elements of neighbourhood planning, and future reports will be brought to Members as the Neighbourhood Planning Protocol is developed over the coming months.

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PLYMOUTH CITY COUNCIL

Subject: Implementation of the Living Wage at Plymouth City Council

Committee: City Council

Date: 22 July 2013

Cabinet Member: Councillor Peter Smith

CMT Member: Adam Broome, Director for Corporate Services

Author: Mark Grimley, Assistant Director for Human Resources and Organisational Development

Contact details: 01752 398111

Ref:

Key Decision: Yes

Part: I

Purpose of the report:

The adoption of the principles of the Living Wage at Plymouth City Council requires a policy decision of the City Council.

Corporate Plan 2012 – 2015:

Supports the Corporate Plan by supporting the lowest paid employees of the Council.

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

The Council has already made provision for the implementation through the annual budget setting and within allocated resources.

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

The introduction of the living wage will reduce inequalities and allow the council to lead by example.

Equality and Diversity:

Has an Equality Impact Assessment been undertaken? Yes

Recommendations and Reasons for recommended action:

Plymouth City Council adopts the principles of the Living Wage and recommends implementation in 2013/14 or as soon as reasonably practicable.

Alternative options considered and rejected:

Published work / information:

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

Sign off:

Fin	CF	Leg	TH0 123	Mon Off	TH0 123	HR	MG 1307 /001	Assets		IT		Strat Proc	
Originating SMT Member Mark Grimley													
Has the Cabinet Member(s) agreed the content of the report? Yes													

I INTRODUCTION

Plymouth City Council has pledged to support the principles of the 'living wage' and is seeking to lead, by example, with its introduction. This will ensure that the Council's lowest paid workers are paid a reasonable living wage and the council will be able to promote the living wage to partners across the City in public, private and voluntary sector organisations.

This introduction is the application of a national initiative to address poverty.

2 BACKGROUND

2.1 What is the Living Wage?

The Living Wage is a rate of pay which takes into account real living costs of low paid workers, including rent, food and travel costs, resulting in a level of wages that enables working people to enjoy a reasonable quality of life. It is calculated by the Centre of Social Policy Research.

Employers can currently choose to pay the living wage on a voluntary basis.

Research on the living wage shows that low paid workers experience a larger scale of social challenges, including health problems and a lower propensity to progress in education and learning, embedding low pay for a lifetime.

The living wage will generally improve the income levels for the lowest paid workers in the Council and will therefore the City which will improve the quality of life but also increase spending power, which will, in turn, impact on the local economy.

2.2 Why should the living wage be considered?

Plymouth City Council is keen to lead the way in adopting the principles of the living wage and has publicly pledged to implement during 2013/14. In addition to financial benefits for employees in receipt of the living wage, national research has identified the following benefits, which are consistent with any salary increase:-

- Reduced absenteeism
- Increased productivity
- Improved employer of choice
- Improved employee engagement
- Improved retention of staff, lower turnover
- Savings on recruitment and retention costs
- Higher work morale and motivation
- Reputational benefits of being an ethical employer

2.3 Implementation of the Living Wage

It is the Council's intention to implement during 2013/14 and use a methodology that will not affect the pay and grading structure or the pay scales.

Negotiations are ongoing with the council's recognised trade unions and it is intended that the implementation of the principles of the living wage will be enabled as part of a proposed collective agreement.

The Council will review the level of the Living Wage with regard to changes in the national figures as part of the annual budget setting process.

3. Financial Implications

The Council has already made provision for the implementation through the annual budget setting and within allocated resources.

4. Impact on Schools

The Council's intention to adopt the principles of the Living Wage has been shared with the Schools Forum, who received it warmly in respect of tackling child poverty and being responsible employers.

PLYMOUTH CITY COUNCIL

Subject: Designation of the Section 151 Officer
Committee: City Council
Date: 22 July 2013
Cabinet Member: Councillor Lowry
CMT Member: Tracey Lee (Chief Executive)
Author: Mark Grimley (Assistant Director HR & OD)
Contact details: mark.grimley@plymouth.gov.uk
(01752) 398111

Ref:

Key Decision: No

Part: I

Purpose of the report:

There is a statutory requirement on the Authority to designate three statutory officers: Head of Paid Service, Monitoring Officer and Section 151 Officer/Chief Finance Officer. The latter is required to be a suitably qualified individual. The Section 151 Officer, along with the Head of Paid Service and the Monitoring Officer combine to form the Council's Statutory Officer functions.

These roles are key to ensuring lawfulness, fairness, probity and general good governance that support the council in achieving its aims. It is important that they work effectively together yet maintain appropriate independence and that the roles are undertaken by adequately skilled and experienced staff supported by appropriate resources. Typical arrangements in local authorities are for the Chief Executive to be Head of Paid Service whilst the other statutory roles are occupied at either Director or, as senior management structures shrink, increasingly at Assistant Director levels.

Corporate Plan 2012 – 2015:

The Section 151 Officer is the statutory officer for the discharge of the Council's duties in relation to finances.

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

The Section 151 Officer is the statutory officer for the discharge of the Council's duties in relation to finances.

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

Equality and Diversity:

Has an Equality Impact Assessment been undertaken? No

Recommendations and Reasons for recommended action:

It is recommended to the City Council that Malcolm Coe, the Assistant Director for Finance, Efficiencies, Technology and Assets be designated as the Council's officer responsible for the administration of its financial affairs in accordance with Section 151 of the Local Government Act 1972 with effect from the 13 August 2013.

The reasons for these recommendations are to meet the Council's statutory responsibility to designate one of its officers to undertake these duties.

Alternative options considered and rejected:

The Chief Executive (Head of Paid Service) is currently reviewing the senior management structures and will consider any longer-term arrangements as part of this review and will present her recommendations to City Council following formal consultation with those affected and the trade unions.

An interim Director will be selected in the meantime to fulfill line management responsibilities for Corporate Services pending the new senior management structure. The Leader of the Council and Leader of the Opposition will be involved in the selection of the interim candidate.

Published work / information:

None applicable.

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

Sign off:

Fin	AB 1007 13- 69	Leg	TH 0124	Mon Off	TH 0124	HR		Assets		IT		Strat Proc	
Originating SMT Member Mark Grimley, Assistant Director.													
Has the Cabinet Member(s) agreed the content of the report? Yes / No													

1.0 Report

- 1.1 In accordance with the Local Government Act 1972, there is a statutory requirement on the Authority to designate one of its officers as a Responsible Finance Officer (Section 151 Officer). This role is required to be designated to a suitable qualified individual.
- 1.2 The Section 151 Officer, along with the Head of Paid Service and the Monitoring Officer combine to form the Council's Statutory Officer functions. These roles are key to ensuring lawfulness, fairness, probity and general good governance that support the council in achieving its aims.
- 1.3 It is important that they work effectively together yet maintain appropriate independence and that the roles are undertaken by adequately skilled and experienced staff supported by appropriate resources.
- 1.4 With the resignation of the Director for Corporate Support, the Council is required to designate one of its officers to undertake the role of Responsible Finance Officer (Section 151). As the Council's most senior, qualified finance officer, Malcolm Coe, the Assistant Director for Finance, Efficiencies, Technology and Assets is the most logical and appropriate role for the Section 151 designation to be placed.
- 1.6 Pending the outcome of a consultation with senior officers and trade unions, the chief executive will appoint a Director-level position to cover the duties of the Director for Corporate Services. As an interim arrangement, the Leader of the Council and Leader of the opposition will be consulted over the appointment. Members will be involved in any substantive appointment in due course.

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