

Public Document Pack



#plymcabinet

Democratic and Member Support

Chief Executive's Department
Plymouth City Council
Ballard House
Plymouth PL1 3BJ

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Published 01 June 2015

CABINET

Tuesday 9 June 2015
2.00 pm
Warspite Room, Council House

Members:

Councillor Evans, Chair
Councillor Smith, Vice Chair
Councillors Coker, Lowry, McDonald, Penberthy, Jon Taylor, Tuffin and Vincent.

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

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

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

If you are seated in the public area of the Warspite Room, it is likely that your image will be captured by the recording cameras and this will result in your image becoming part of the broadcast. This may infringe your Human Rights and if you wish to avoid this, you should inform any council officer present at the meeting.

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Tracey Lee

Chief Executive

CABINET

AGENDA

PART I (PUBLIC MEETING)

1. APOLOGIES

To receive apologies for absence submitted by Cabinet Members.

2. DECLARATIONS OF INTEREST (Pages 1 - 2)

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

3. MINUTES (Pages 3 - 6)

To sign and confirm as a correct record the minutes of the meeting held on 31 March 2015.

4. QUESTIONS FROM THE PUBLIC

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

Questions, of no longer than 50 words, can be submitted to the Democratic Support Unit, Plymouth City Council, Ballard House, Plymouth, PL1 3BJ, or email to democraticsupport@plymouth.gov.uk. Any questions must be received at least five clear working days before the date of the meeting.

5. CHAIR'S URGENT BUSINESS

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

6. CORPORATE PLAN PLEDGES UPDATE - 1 JUNE 2015 (Pages 7 - 16)

Tracey Lee (Chief Executive) will submit a progress report on the 2014 pledges which form part of the Corporate Plan. The report will identify pledges completed to date, any overdue pledges and target completion dates for all outstanding pledges.

7. FINANCIAL OUTTURN 2014/15 INCLUDING CAPITAL PROGRAMME UPDATE (Pages 17 - 40)

Lesa Annear (Strategic Director for Transformation and Change) will submit a report on the final financial outturn report for 2014/15 and detailing the financial monitoring position of the Council as at 31 March 2015.

The report will also propose a number of adjustments to the financial accounts and subject to approval, there will be a requirement for a transfer of £0.119m from the Working Balance, leaving a balance of £10.620m at 31 March 2015.

Decisions taken as part of this report will feed into the Council's annual Statement of Accounts which is subject to external audit.

The final capital outturn position will also be reported.

8. FLEET REPLACEMENT PROGRAMME: PURCHASE OF REFUSE COLLECTION VEHICLES (Pages 41 - 76)

Following the Leader's approval on 9 April 2015 of the full business case and capital allocation of £4.2m for the fleet replacement programme, which is to be phased over two years, 2015/16 and 2016/17, Anthony Payne (Strategic Director for Place) will submit a report seeking the approval of Cabinet to delegate to the Cabinet Member for Environment the key decision to authorise the contract award for the purchase outright of 26 tonne and 22 tonne refuse collection vehicles at a value in the region of £3.9m with phased delivery of the vehicles.

9. CABINET APPOINTMENTS TO COMMITTEES, OUTSIDE BODIES AND ADVISORY GROUPS 2015/16 (Pages 77 - 80)

Giles Perritt (Assistant Chief Executive) will submit a report seeking ratification of the Cabinet appointments to committees, outside bodies and advisory groups to Cabinet submitted to the Annual Meeting of the City Council for 2015/16.

10. 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 the likely disclosure of exempt information as defined in paragraph of Part I of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000. At the time this agenda is published no representations have been made that this part of the meeting should be in public.

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

PART II (PRIVATE MEETING)

AGENDA

MEMBERS OF THE PUBLIC TO NOTE

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

Nil

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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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Cabinet

Tuesday 31 March 2015

PRESENT:

Councillor Evans, in the Chair.

Councillor Peter Smith, Vice Chair.

Councillors Coker, McDonald, Penberthy, Jon Taylor, Tuffin and Vincent.

Apologies for absence: Councillors Lowry

Also in attendance: Paul Barnard (Assistant Director for Strategic Planning and Infrastructure), Carole Burgoyne (Strategic Director for People), Tracey Lee (Chief Executive), Kelechi Nnoaham (Director of Public Health), David Northey (Head of Corporate Strategy), David Shepperd (Head of Legal Services), and Katey Johns (Democratic Support Officer).

For part of the meeting: Martine Collins (Head of Commercial Services), Faye Batchelor-Hamilton (Assistant Director for Customer Services), Peter Honeywell (Transformation Programmes Manager), Craig McArdle (Head of Co-operative Commissioning) and Joan Bird (Project Manager Joint Commissioning and ASC).

The meeting started at 2.00 pm and finished at 3.15 pm.

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

145. **DECLARATIONS OF INTEREST**

No declarations of interest were made in accordance with the code of conduct in respect of items under consideration at this meeting.

146. **MINUTES**

Agreed the minutes of the meeting held on 10 March 2015.

147. **QUESTIONS FROM THE PUBLIC**

There were no public questions submitted for this meeting.

148. **CHAIR'S URGENT BUSINESS**

There were no items of Chair's urgent business.

149. **PLEDGE UPDATE REPORT**

Tracey Lee (Chief Executive) submitted a report on progress made towards achieving the 50 new Pledges which were introduced in 2014. Cabinet heard that the target to complete 20 pledges had been exceeded, with 36 of the 50 of the pledges having been completed to date, and work was continuing to complete the remainder. Individual cabinet members then took the opportunity to comment on some of the pledges that fell within their respective portfolio areas.

Alternative options considered and the reasons for the decision –

As set out in the report.

Cabinet's commitment to the delivery of the commitments appended to the report was noted.

150. **CUSTOMER SERVICE TRANSFORMATION PROGRAMME**

Kelechi Nnoaham (Director for Public Health) submitted a report reconfirming plans for Customer and Service Transformation over 2015/16 and beyond. The report also provided more detail on the proposals for channel shift benefits.

Councillor Jon Taylor (Cabinet Member for Transformation and Change) introduced the report and asked Cabinet to support the proposals which would ultimately lead to an improved and more satisfying customer experience.

Peter Honeywell (Transformation Programmes Manager) was also in attendance for the item and provided members with a brief presentation on the proposals.

Alternative options considered and the reasons for the decision –

As set out in the report.

Agreed the business case for procurement of a web/digital service platform to support the Customer and Service Transformation Programme and other programmes within the Transformation Portfolio (Option 3).

151. **SOCIAL VALUE POLICY AND SUSTAINABILITY STATEMENT**

Lesia Annear (Strategic Director for Transformation and Change) submitted Plymouth City Council's draft statement of intent regarding Social Value and Sustainability.

Councillor Penberthy (Cabinet Member for Co-operatives, Housing and Community Housing) introduced the report and asked Cabinet to support the proposals which addressed the Fairness Commission's conclusion that the Council should use its economic power, through its commissioning of goods and services, to benefit the City as a whole.

Martine Collins (Head of Commercial Services) was also in attendance for this item.

Alternative options considered and the reasons for the decision –

As set out in the report.

Agreed that Plymouth City Council will develop a social value and sustainability policy that will build on the work already being undertaken to meet legislative requirements, but also going beyond this, as recommended by the Fairness Commission.

152. **RECOMMENDATIONS FOR RESIDENTIAL / NURSING CARE HOME FEES FOR OLDER PEOPLE**

Carole Burgoyne (Strategic Director for People) submitted a report setting out the Council's proposed fees for residential and nursing care for older people and the legal framework for payment of care home fees, together with details of the consultation process undertaken in developing a fair price for care and recommendations for future years.

Councillor Tuffin (Cabinet Member for Health and Adult Social Care) introduced the report and asked Cabinet to support the proposals which represented a fair price for care without lowering standards.

Craig McArdle (Head of Co-operative Commissioning) and Joan Bird (Project Manager Joint Commissioning and ASC) were also in attendance for this item.

Councillor Evans drew members' attention to the private report on the agenda and stated that he did not intend to move the meeting into Part II, taking it as read that they had all considered and noted its content. He reminded members not to discuss the detail of that paper during this item.

Councillor Evans welcomed culmination of what had been a significant amount of work and offered his congratulations to everyone involved.

Alternative options considered and the reasons for the decision –

As set out in the report.

Agreed –

- (1) a new fee structure for residential and nursing homes starting from April 2015;
- (2) to work with the sector during 2015/16 to agree a three-year fee settlement that takes into account the requirements of the Care Act 2014. The report to be brought back to Cabinet during 2015;
- (3) that the recommendations for those fees at the Dementia Quality Mark (DQM) rate are maintained until a review is carried out to determine the level of need. If assessed as enhanced or complex the new fee to be backdated to April. If assessed as standard the DQM rate to be protected.

153. **EXEMPT BUSINESS**

Agreed that under Section 100(A)(4) of the Local Government Act, 1972, the press and public are excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

154. **RESIDENTIAL / NURSING CARE HOME FEES FOR OLDER PEOPLE (E3)**

Further to minute 152 above, Carole Burgoyne (Strategic Director for People) submitted a private report on commercially sensitive details relating to residential/nursing care home fees for older people.

PLYMOUTH CITY COUNCIL

Subject: Corporate Plan Pledges Update – 1 June 2015
Committee: Cabinet
Date: 9 June 2015
Cabinet Member: Councillor Evans
CMT Member: Tracey Lee, Chief Executive and Head of Paid Service
Author: Peter Honeywell, Performance Manager
Contact details: peter.honeywell@plymouth.gov.uk
Ref:
Key Decision: No
Part: 1

Purpose of the report:

This is the progress report of the 2014 Pledges. The report identifies Pledges completed to date, any overdue Pledges and target completion dates for all outstanding Pledges.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

The Council remains committed to the vision, values, objectives and outcomes set out in the Corporate Plan, but will seek to update the milestones and actions to reflect the new pledges appended to this report, before seeking approval of the Council of the updated plan.

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

The Council set a three year balanced budget in February 2014, and will continue to manage its commitments within the revenue and capital envelope agreed at that time.

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

The new pledges complement the Council's existing policy framework with respect to the above.

Equality and Diversity:

Where potential equality and diversity implications are identified from the implementation of any new activities arising from the pledges, assessments will be undertaken in line with the Council's policies.

Recommendations and Reasons for recommended action:

Cabinet note the progress towards delivery of the Pledges for completion on or before March 2016.

Cabinet also to confirm the re-instatement of the previous pledge covering late night alcohol license fees - which was previously unable to be completed – This pledge would effectively become pledge 51 to be delivered before the end of March 2016.

Alternative options considered and rejected:

None

Published work / information:

None

Background papers:

None

Sign off:

Fin	djn15 16.09	Leg	LT/ 23100/ 290515	Mon Off	LT/ 23100/ 290515	HR		Assets		IT		Strat Proc	
Originating SMT Member: GP													
Has the Cabinet Member(s) agreed the content of the report? Yes													

I. Pledge Summary

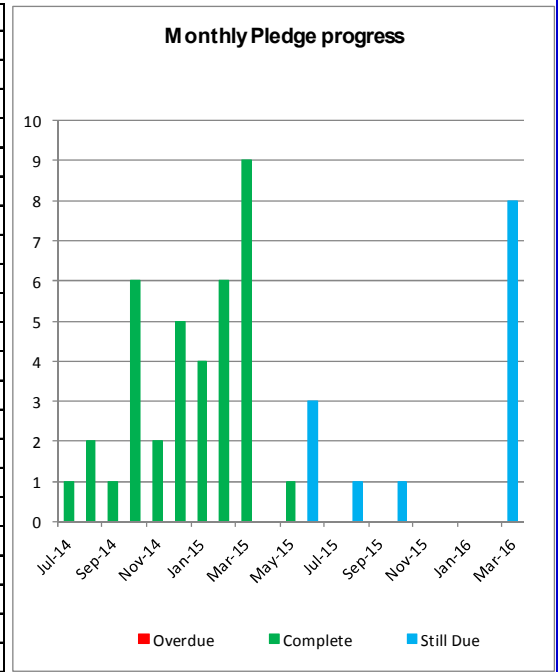
As at 1st June 2015, 37 of 50 pledges have been completed against a target of 37. Target dates are currently being reviewed but where this has not happened, they have been reset to March 2016.

1.1	Total Pledges planned for completion by this date	37
	Total Pledges completed to date	37

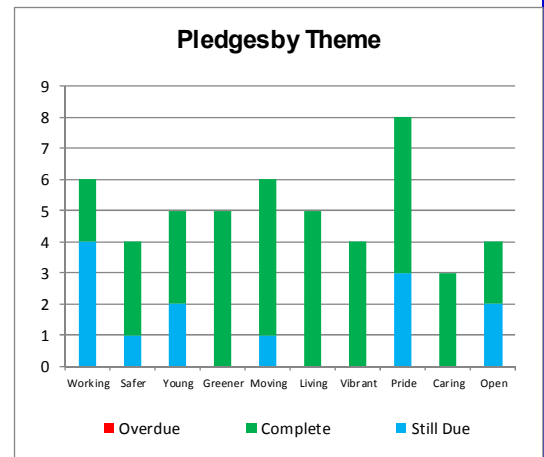
The table and graph below compares the number over overall pledges completed against those expected to have been completed each quarter.

1.2 Progress summary

Month agreed to complete	Original	Still Due	Complete	Overdue
Jul-14	1		1	
Aug-14	1		2	
Sep-14	0		1	
Oct-14	3		6	
Nov-14	1		2	
Dec-14	7		5	
Jan-15	3		4	
Feb-15	2		6	
Mar-15	18		9	
Apr-15				
May-15	1		1	
Jun-15	3	3		
Jul-15				
Aug-15	1	1		
Sep-15				
Oct-15	1	1		
Nov-15				
Dec-15				
Jan-16				
Feb-16				
Mar-16	8	8		
Total	50	13	37	0



1.3 Pledges by Theme	Original	Still Due	Complete	Overdue
Working	6	4	2	
Safer	4	1	3	
Young	5	2	3	
Greener	5	0	5	
Moving	6	1	5	
Living	5	0	5	
Vibrant	4	0	4	
Pride	8	3	5	
Caring	3	0	3	
Open	4	2	2	
Total	50	13	37	0



1.4 **Pledges Overdue**
There are currently no pledges overdue.

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2014/15 - 2015/16 Pledges

Progress report: 1st June 2015

Pledge Overview.

As at 1st June 2015, 37 of 50 pledges have been completed against a target of 37. Target dates are currently being reviewed but where this has not happened, they have been reset to March 2016.

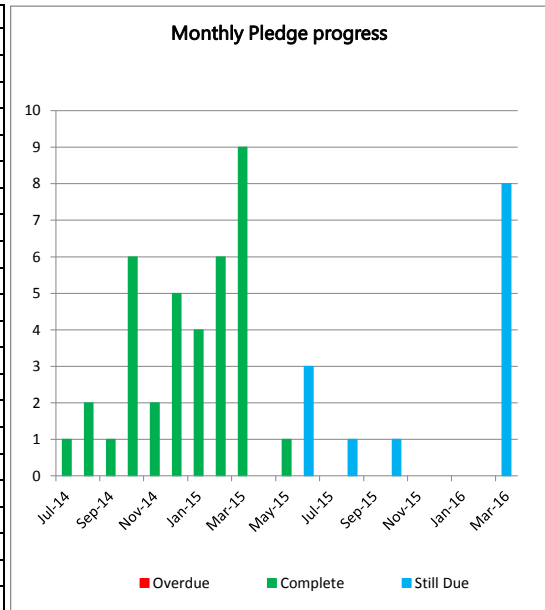
1.1

Total Pledges planned for completion by this date	37
Total Pledges completed to date	37

The table and graph below compares the number over overall pledges completed against those expected to have been completed each quarter.

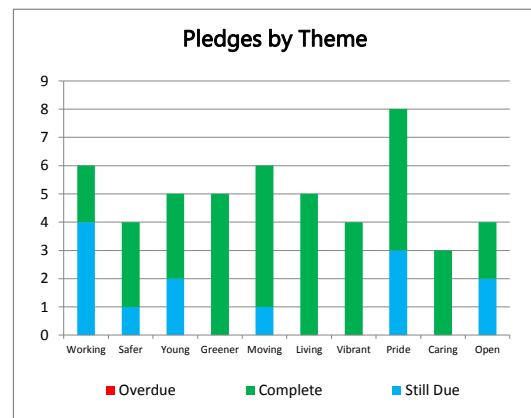
1.2 Progress summary

Month agreed to complete	Original	Still Due	Complete	Overdue
Jul-14	1		1	
Aug-14	1		2	
Sep-14	0		1	
Oct-14	3		6	
Nov-14	1		2	
Dec-14	7		5	
Jan-15	3		4	
Feb-15	2		6	
Mar-15	18		9	
Apr-15				
May-15	1		1	
Jun-15	3	3		
Jul-15				
Aug-15	1	1		
Sep-15				
Oct-15	1	1		
Nov-15				
Dec-15				
Jan-16				
Feb-16				
Mar-16	8	8		
Total	50	13	37	0



1.3

Pledges by Theme	Original	Still Due	Complete	Overdue
Working	6	4	2	
Safer	4	1	3	
Young	5	2	3	
Greener	5	0	5	
Moving	6	1	5	
Living	5	0	5	
Vibrant	4	0	4	
Pride	8	3	5	
Caring	3	0	3	
Open	4	2	2	
Total	50	13	37	0



1.4

Pledges Overdue

There are currently no pledges overdue.

Pledge list (in order of Pledge due date)

No	Theme	Pledge	Portfolio Holder	Lead	Dept	Description of End State What is required for sign off.	Due Date	Complete Date
28	Living Plymouth	2. Continue our multi-million pound investment through the ECO initiative to bring affordable warmth to people who live in private rented housing as well as housing association tenants. (28)	Cllr Penberthy	Paul Barnard	Strategic Planning	Launch £3 Million Green Deal for Communities Fund in July 2014.	Jul-14	Jul-14
8	Safer Plymouth	2. Ensure the street lights are kept on by replacing old bulbs with new energy saving and greener LED lights that will save money, reduce light pollution and save 3,200 tonnes of carbon a year. In 2012 we promised not to turn off street lighting as some councils are doing. We make that promise again now. (8)	Cllr Coker	Simon Dale	Street Services	Commencement of programme of replacement in August 2014. No further discussion required in respect of turn off because it has not been considered by PCC.	Aug-14	Aug-14
39	Pride Plymouth	4. Recognise the contribution of Plymouth's men and women who served in the First World War in the military and on the home front with a series of events marking the 100th anniversary of the Great War. (39)	Cllr Smith	David Draffan	Economic Development	Deliver the first in a series a commemorative events around the centenary of the great war - Dec 2014. Next in the series Dec 2015.	Dec-14	Aug-14
5	Working Plymouth	5. Launch the 'Building Plymouth' initiative, a new partnership to grow and support jobs in the construction industry. (5)	Cllr Evans	David Draffan	Economic Development	Awareness events (minimum of 4) by Sept 2014. Summit held to launch the initiative with public /private sector Oct 2014.	Oct-14	Sep-14
30	Living Plymouth	4. Develop a programme to improve the quality of private rented housing and take action against rogue landlords. (30)	Cllr Penberthy	Matt Garrett	Housing Services	Plymouth Private Sector Housing Charter launched by October 2014 - impact evaluated February 2015	Oct-14	Oct-14
35	Vibrant Plymouth	4. Further develop the Plymouth Armed Forces Community Covenant to make sure more of our veterans, ex-service personnel and their families are properly supported. (35)	Cllr Smith	Judith Harwood	Learning and Communities	A revitalised Plymouth community covenant work plan to be developed with veterans and complete/ publicised by October 2014	Oct-14	Oct-14
27	Living Plymouth	1. Deliver our plan for homes and maintain our commitment to build 1,000 homes every year for the next five years including homes affordable to rent as well as affordable to buy. (27)	Cllr Penberthy	Paul Barnard	Strategic Planning	1st Year Plan for Homes Monitoring Report to Working Plymouth Scrutiny Panel in December 2014.	Dec-14	Oct-14
31	Living Plymouth	5. Continue to encourage self build, co-operative housing and the widest possible range of tenure and ownership. (31)	Cllr Penberthy	Paul Barnard	Strategic Planning	Promote self build opportunities through a Plymouth Housing Summit by December 2014.	Dec-14	Oct-14
26	Moving Plymouth	6. Seeking funding for the Forder Valley relief road to open up Derriford for new housing, jobs, a primary school and a community park. (26)	Cllr Coker	Paul Barnard	Strategic Planning	Agree Outline Business Case to HOTSW LEP to secure Growth Deal funding towards the FVLR by March 2015.	Mar-15	Oct-14
44	Caring Plymouth	1. Continue our pioneering work to make Plymouth a dementia friendly city. (44)	Cllr Tuffin	Dave Simpkins	Commissioning and Adult Social Care	The Joint Dementia Strategy & Action Plan approved by Plymouth City Council Governance arrangements in place to oversee and monitor the delivery of the Action Plan. All actions due for completion in 2014/15 are delivered on time	Mar-15	Oct-14
47	Open Plymouth	1. Open a new one-stop shop in the City Centre so that more of the City Council's services are available in one prominent and cost-effective location. (47)	Cllr Smith	Faye Batchelor-Hambleton	Customer Services	Open the new 1st Stop in City Centre by Nov 14	Nov-14	Nov-14
23	Moving Plymouth	3. Slow traffic down in residential areas with plans for more 20mph zones. (23)	Cllr Coker	Simon Dale	Street Services	Identify locations in which zone is desired or been requested to be presented to Cabinet planning.	Dec-14	Nov-14
18	Greener Plymouth	3. Relaunch a home composting scheme to encourage more recycling of garden and vegetable waste. (18)	Cllr Vincent	Simon Dale	Street Services	VCS to be commissioned to undertake this work by October 2014	Dec-14	Dec-14
33	Vibrant Plymouth	2. Begin to introduce free Wi-Fi in the city centre and reinvest the proceeds to widen the Wi-Fi network so that everyone in Plymouth can get connected to the internet. (33)	Cllr Smith	David Draffan	Economic Development	Wi-Fi coverage operational in city centre by Dec 2014.	Dec-14	Dec-14

42	Pride Plymouth	7. Use Plymouth's recent designation as a 'City of Service' to grow our reputation for volunteering by developing a programme to encourage people and communities from across the city to work together. (42)	Cllr Smith	Darrin Halifax	Learning and Communities	Launch Cities of Services energy and food initiatives, implement the Plymouth Pledge Programme and re-commission volunteering service citywide to support city priorities by January 2015	Jan-15	Dec-14
15	Young Plymouth	5. Keep a discounted entrance fee for Plymouth's children to city leisure services and find more ways of getting young people engaged in sport. (15)	Cllr Smith	Judith Harwood	Homes and Communities	Restate contractual obligation with provider and the delivery of 1,000 sporting opportunities for young people (14yrs +)	Mar-15	Dec-14
37	Pride Plymouth	2. Having launched the celebration of Plymouth's 100 anniversary we will continue the festivities with a huge programme of cultural and historical events across the city. (37)	Cllr Smith	David Draffan	Economic Development	Programme of historic and culture events delivered by March 2015.	Mar-15	Dec-14
9	Safer Plymouth	3. Continue the programme of replacement or refurbishment of Plymouth's public toilets and investigate more businesses opening their toilets to the public. (9)	Cllr Vincent	Simon Dale	Street Services	Continue the programme of investment by forming the Capital Plan mandate "Public Conveniences proposals 2015/16 - 2016/17" into a business case for consideration by CP. The First phase of which is to ensure orders are placed for "New build projects" (manufactured off site) by Autumn 2014. Second phase by autumn 2015. New builds to be on site for February for completion April 2015 and 2016 respectfully.	Dec-14	Jan-15
17	Greener Plymouth	2. Identify more sites and locations for green energy generation especially for solar panels producing green energy. (17)	Cllr Lowry	Paul Barnard	Strategic Planning	Release of new sites for green energy generation by January 2015.	Jan-15	Jan-15
50	Open Plymouth	4. Continue the campaign to encourage people to register to vote so everyone in Plymouth is able to have their voice heard at election time. (50)	Cllr Smith	Giles Perritt	Policy Performance and Partnerships	Evidence of revitalised campaign in 2015 which will increase the total percentage of voter turnout	Jan-15	Jan-15
24	Moving Plymouth	4. Propose more safer cycling and walking routes in and out of Plymouth for leisure and commuting. (24)	Cllr Coker	Paul Barnard	Strategic Planning	Finalise costed plans for Oreston Cycling and Walking Bridge by March 2015.	Mar-15	Jan-15
11	Young Plymouth	1. Introduce a 'second chance to swim' scheme so that any child who didn't learn to swim in primary school gets another opportunity to learn this essential skill. (11)	Cllr McDonald	Judith Harwood	Learning and Communities	Schools and facilities have agreed an extension of current activity and identified new opportunities to implement the scheme. Identified through agreed plan.	Feb-15	Feb-15
20	Greener Plymouth	5. Encourage the use of unused land around the city to grow crops, fruit and vegetables via a new land share scheme. (20)	Cllr Vincent	Paul Barnard	Strategic Planning	Launch Land Share Scheme in March 2015.	Mar-15	Feb-15
21	Moving Plymouth	1. Continue our programme of road resurfacing, repairing potholes and fixing pavements. (21)	Cllr Coker	Simon Dale	Street Services	Highways Action Plan delivered. VfM and Productivity demonstrated and work bank reduces to revised baseline.	Mar-15	Feb-15
25	Moving Plymouth	5. Welcome the Waterfront Partnership's review of Plymouth's potential as a cruise liner destination and evaluate options for growing the number of cruise ships that visit the city. (25)	Cllr Evans	David Draffan	Economic Development	Feasibility study and options analysis completed March 2015.	Mar-15	Feb-15
32	Vibrant Plymouth	1. Push for the Government to declare Plymouth as the centre for the Mayflower anniversary celebrations in 2020. (32)	Cllr Evans	David Draffan	Economic Development	Plymouth declared as the recognised lead city for the Mayflower 2020 celebrations. Dec 2015.	Mar-15	Feb-15
34	Vibrant Plymouth	3. Host a conference in partnership with University of St Mark and St John to promote a plan for sport for the whole of the city. (34)	Cllr Smith	Judith Harwood	Learning and Communities	Conference held and plan promoted by Feb 2015	Mar-15	Feb-15
6	Working Plymouth	6. Consult local businesses and education leaders to create a 'Plymouth Plan for Skills' with an objective of increasing the effectiveness of money spent on training. (6)	Cllr Evans / Cllr	Judith Harwood	Learning and Communities	The Plan will clearly commit activity and resource to measurable improvement in training for the right skills to meet the growth in jobs. The Plan will signpost how the LEP can support employers in this endeavour.	Feb-15	Mar-15
19	Greener Plymouth	4. Investigate replicating the successful 'Eyesore Gardens' project from Barking and Dagenham Council in Plymouth to deal with untidy and overgrown gardens in our community. (19)	Cllr Vincent	Kelechi Nnoaham	Street Services	The action plan has been revised (Feb 2015) to describe the work to be undertaken and the work has started according to this 5 point plan	Mar-15	Mar-15
7	Safer Plymouth	1. Campaign against any further Government cuts to Police, PCSOs and Firefighters in Plymouth. (7)	Cllr Evans	Giles Perritt	Chief Executives	Evidence of campaign with Safer Plymouth and One Plymouth which will result in no cuts - Mar 15	Mar-15	Mar-15

12	Young Plymouth	2. Increase the number of children leaving school with the ability to read and write. (12)	Cllr McDonald	Judith Harwood	Learning and Communities	ELAFs staff will integrate resource with schools to provide additional support for literacy and promote aspiration as a citywide issue. Identified through targeted programme.	Mar-15	Mar-15
16	Greener Plymouth	1. Support the expansion of the Plymouth Energy Community that we launched as part of our last manifesto. (16)	Cllr Penberthy	Paul Barnard	Strategic Planning	Publish an action plan of new initiatives by December 2014.	Mar-15	Mar-15
29	Living Plymouth	3. Agree a plan with registered social landlords to create more social housing. (29)	Cllr Penberthy	Paul Barnard	Strategic Planning	Agree a plan with the PHDP for delivery of social homes by January 2015.	Mar-15	Mar-15
40	Pride Plymouth	5. Press ahead with plans to improve Plymouth Museum. (40)	Cllr Smith	David Draffan	Economic Development	Completion of the mid term review of the HLF project. Preparations are in place for the second stage bid for the history centre to the HLF required mid 2015.	Mar-15	Mar-15
45	Caring Plymouth	2. Continue to work closely with the NHS to provide a seamless service for older people's care including smoother discharge from hospitals. (45)	Cllr Tuffin	Dave Simpkins	Commissioning and Adult Social Care	Evidence that individuals whose health and social care services have been consulted and involved in the co-design of services. Evidence of joined up pathways of assessment and support for citizens building on the Care Co-ordination Team model. Exploration of shared IT systems to support the integrated service model.	Mar-15	Mar-15
46	Caring Plymouth	3. Campaign for a fairer settlement for Plymouth for public health funding that sees our city receive £27 less per person than Portsmouth does. (46)	Cllr McDonald	Giles Perritt	Policy Performance and Partnerships	Implementation of Missing Millions campaign and evidence of a revision to Plymouths Public Health funding	Mar-15	Mar-15
38	Pride Plymouth	3. Campaign to open a walkway from Durnford Street in Stonehouse through Millbay Port to encourage greater use of the South West Coast Path. (38)	Cllr Coker	Paul Barnard	Strategic Planning	Hold a workshop with potential funding partners by December 2014.	Jun-15	
36	Pride Plymouth	1. Light our Landmarks by permanently lighting Smeaton's Tower and other prominent iconic structures and buildings so they can be enjoyed during the day and at night. (36)	Cllr Coker	David Draffan	Economic Development	Landmarks are identified and a funded plan is approved for new lighting to be installed. March 2015.	May-15	May-15
10	Safer Plymouth	4. Build a new CCTV control room to keep our streets safe. We will relocate the city's CCTV control centre from the soon to be demolished Mayflower Car Park to a new secure location to keep our city safe. (10)	Cllr Coker	Les Allen	Transformation	A relocated CCTV control unit in a location which facilitates its operations with the identified partners - In a timeframe which does not derail other projects. (Jan 2015).	Aug-15	
4	Working Plymouth	4. Set up a forum to help women return to work on family friendly policies after maternity or childcare leave. (4)	Cllr Evans	David Draffan	Economic Development	A forum established with a terms of reference by December 2014.	Mar-16	
1	Working Plymouth	1. Double the size of the award-winning and successful 1000 Club to help 2,000 more people into work and apprenticeships. (1)	Cllr Evans	David Draffan	Economic Development	Have assisted 2000 individuals into work and apprenticeships by March 2015.	Mar-16	
22	Moving Plymouth	2. Continue to press Government for improvements to the road and rail network to ensure that Plymouth is not cut off again by extreme weather in the future. (22)	Cllr Evans	Paul Barnard	Strategic Planning	Government confirms feasibility study into A303 improvements in 2014 Autumn Statement and confirms further feasibility work to take place on a fast and resilient rail line West of Exeter as part of Network Rail's Western Route Study	Jun-15	
41	Pride Plymouth	6. Start a public fundraising campaign for a fitting Mayflower memorial. (41)	Cllr Evans	David Draffan	Economic Development	Fund raising strategy written with key milestones. March 2015.	Mar-16	
43	Pride Plymouth	8. Begin a programme of commissioning public art for local and international artists. (43)	Cllr Evans	David Draffan	Economic Development	End State is still to be clarified with the Leader. Currently scoping what is expected.	Mar-16	
2	Working Plymouth	2. Begin to deliver the new plan for the city centre to attract shoppers and visitors. (2)	Cllr Lowry	David Draffan	Economic Development	Business plan for new innovation centre completed by October 2014. 10 Businesses approached March 2015.	Mar-16	
3	Working Plymouth	3. Increase the amount of local purchasing the Council does to keep more of Plymouth's wealth in our city. (3)	Cllr Lowry	Andrew Hardingham	Finance	Increase PCC spend within the PL post code from 45% to 48% by Mar 15	Mar-16	

14	Young Plymouth	4. Improve the quality of careers advice for young people so whether they want to go to University, start an apprenticeship, start a business or get a job they have the additional help they need to succeed. (14)	Cllr McDonald	Judith Harwood	Learning and Communities	Scope and then provide additional support to complement and supplement existing provision. Progress identified through Skills Plan.	Jun-15	
13	Young Plymouth	3. Introduce a 'Young People's Skills Passport' so all our young people are 'job ready' after leaving school. (13)	Cllr McDonald	Judith Harwood	Learning and Communities	Available support with employability skills will be understood across partners and the 'passport' will be recognised. Identified through Skills Plan.	Oct-15	
48	Open Plymouth	2. Put more Council services online so you can do more with us on the internet at a time more convenient for you. (48)	Cllr Smith	Faye Batchelor-Hambleton	Customer Services	Significantly increase online usage (target and date to be set in-line with Customer Transformation Programme)	Mar-16	
49	Open Plymouth	3. Further enhance the scrutiny programme of the City Council. By giving more responsibility to our City Councillors to scrutinise services offered across the city we have seen more transparency and shone a light onto services that are not performing at their best. (49)	Cllr Smith	Giles Perritt	Policy Performance and Partnerships	Demonstrate the impact of scrutiny recommendations on Council policy	Mar-16	

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PLYMOUTH CITY COUNCIL

Subject:	Financial Outturn 2014/15 (including Capital Programme update)
Committee:	Cabinet
Date:	9 June 2015
Cabinet Member:	Councillor Lowry
CMT Member:	Lesa Annear (Strategic Director for Transformation and Change)
Author:	David Northey, Interim Assistant Director for Finance
Contact details	Tel: 01752 305428 email: david.northey@plymouth.gov.uk
Ref:	
Key Decision:	No
Part:	I

Purpose of the report:

This report is the final monitoring, or outturn, report for 2014/15 and details the financial monitoring position of the Council as at the end of March 2015.

The Revenue position for the year, assuming the transfers to and from reserves as proposed in the report are approved, is a net spend of £204.799m.

As is normal practice, this report proposes a number of adjustments to the financial accounts following the financial health review always undertaken by the Section 151 Officer at the end of the year. Decisions made as part of this report will feed into the Council's annual Statement of Accounts which is subject to external audit.

Following approval there will be a requirement for a transfer of £0.119m from the Working Balance, leaving a balance of £10.620m at 31 March 2015.

The final Capital outturn position for 2014/15 is £53.791m.

The Corporate Plan 2013/14 – 2016/17:

This quarterly report is fundamentally linked to delivering the priorities within the Council's Corporate Plan and sets out how the Council allocates its limited resources to key priorities to maximise the benefits to the residents of Plymouth.

Implications for Medium Term Financial Plan and Resource Implications:

The final outturn at the end of the year was just £0.119m more than the budget target that we set, which is a tremendous achievement and testament to the strong financial management and discipline across all areas of the council.

Balancing the budget without the need to draw down against our financial reserves provides us with a strong foundation to address the challenges ahead. However, there are specific areas of departmental service that continued to present us with significant financial impact, mainly in relation to our demand-driven Children's Social Care which reported an overspend of £2.7m against the budget allocation of £26.5m, and our Co-operative Commissioning and Adult Social Care programme where costs exceeded the £70.5m budget by £2.5m at year end. The 2015/16 budget allocation in both areas has been reset based on client numbers and costs, and with increasing adult client numbers linked to people living longer, this has been a major driver for us to join in partnership with colleagues from health, with a pooled budget in place from April 2015, to place our combined limited funding into preventative work, supporting people to live healthy live-styles within the community.

The Medium Term Financial Forecast will now be updated to take account of the outturn position as detailed in this report

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

In considering the budget variations for the year, Directors will identify any potential risks to delivering the budget in future years. These will be monitored as part of the corporate reporting process.

All actions taken as part of the Corporate Adjustments have been considered for their impact on: council priorities, legal obligations, customers and other services and partners.

Equality and Diversity

We have given due-regard to our Public Sector Equality Duty for all relevant management actions.

Recommendations and Reasons for recommended action:

That Cabinet:-

1. Note the provisional outturn position as at 31 March 2015
2. Note the adjusted revenue deficit for the year of £0.119m and approve that this be met by a transfer from the General Fund Working Balance
3. Note the additional, unbudgeted, income of £1.500m included as part of the Corporate Adjustments for 2014/15. Our budget report approved in February 2014 stated we continue to review our Council Tax collection fund with the first call on any surplus being the need to top up reserves. In addition note the additional income, above the amount included in the budget from the Business Rates Pool of £0.150m.

4. Approve the additional transfers to and from reserves reflected within the outturn figures:

- Transfer to Waste Reserve £ 0.350m
- Creation of a Rail Reserve £ 0.070m
- Release from Insurance Reserve £ (0.400)m

5. Approve the following net nil transfers between reserves and provisions:

- Transfer from Collection Fund £ (1.500)m
- Creation of a Contingent Liabilities Provision £ 0.250m
- Creation of an Integrated Health Reserve £ 0.500m
- Transfer to Waste Reserve £ 0.750m
- Reduce Equal Pay Reserve £ (0.700)m
- Transfer to Redundancy Reserve £ 0.700m

6. Note the capital financing requirement of £53.791m and approve the borrowing requirement of £6.792m for 2014/15.

7. Note the re-profiling changes to the capital programme identified during the outturn process subsequent to Council approval in February 2015.

8. Note the additions to the Capital Programme which total £43.870m for the period January 2015 to April 2015

Alternative options considered and rejected:

None considered as it is a statutory requirement to report on the use of the Council's budget funds.

Published work / information:

The Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) (England) [Regulations](#) 2003

Capital Financing [Regulations](#) (2012)

Background papers:

2014/15 Capital & Revenue Monitoring [Report](#) Quarter 3 2014/15

[Annual Report 2015/16](#)

Sign off:

Fin	Djn151 6.10	Leg	DVS/23 055	Mon Off	DVS/23 055	H R		Assets		IT		Strat Proc	
Originating SMT Member: David Northey													
Have the Cabinet Members agreed the contents of the report? Yes													

**Plymouth City Council
Finance Monitoring – 2014/15
Quarter 4 Outturn at 31 March 2015**

I. Introduction

- I.1 This report reviews the Council's financial performance for the year ended 31 March 2015.
- I.2 It is appropriate, given the financial challenges facing the Council in the next financial year and the medium term, that as part of reporting the final position for 2014/15 further consideration is now given to future levels of the Working Balance and reserves. As is normal practice at this time of year, the Chief Finance Officer, the Assistant Director for Finance is recommending a number of adjustments to provisions and reserves within the report.
- I.3 The outturn figures will now feed into the Council's formal Statement of Accounts, which will include the balance sheet position. Under the Accounts and Audit Regulations 2011 the Assistant Director for Finance, as the Council's Section 151 Officer, is required to formally approve the accounts by 30 June 2015. The external auditor is required to audit the accounts by 30 September – the statutory deadline for their publication; the Audit Committee will be formally asked to approve the final accounts for the year following completion of the audit.
- I.4 This report contains the following sections and appendices:-
- **Section A Revenue Finance**
 - **Section B Capital Programme**

 - Appendix A Revenue Outturn variances by department 2014/15
 - Appendix B Movement in Reserves Summary 2014/15
 - Appendix C Movement in Provisions Summary 2014/15
 - Appendix D Capital Programme additions January 2015 – April 2015
- I.5 Full details of how we have allocated our financial resources to our priorities are set out in our Annual Report 2015/16, which can be accessed by following the link in "Background Papers". The Annual Report summaries how we are delivering the priorities for Plymouth.
- I.6 It sets out what we aim to achieve going forward and details what we achieved during 2014/15 despite the financial challenges we are facing including the creation of more jobs and homes for the city, and our ambitious capital investment.

SECTION A REVENUE FINANCE

2. General Fund Revenue Budget

- 2.1 Council approved a net revenue budget of £204.680m for 2014/15 at its meeting on 24 February 2014. Table I below provides a summary of the Council's overall revenue expenditure and compares the draft outturn with the latest approved budget.
- 2.2 The Council's Trading Accounts have been accounted for within the Place Directorate and Office for the Director of Public Health; a summary position is included within Appendix B.

2.3 Table I End of year revenue outturn by Directorate

Directorate	2014/15 Council Approved Budget	2014/15 Budget Virements	2014/15 Latest Budget	2014/15 Outturn	Year End Overspend / (Underspend)
	£m	£m	£m	£m	£m
Executive Office	3.697	0.173	3.870	3.869	(0.001)
Corporate Items	11.008	5.798	16.806	13.534	(3.272)
Transformation and Change Directorate	31.335	(0.612)	30.723	30.657	(0.066)
People Directorate	122.746	0.005	122.751	126.190	3.439
Public Health	0.184	0.027	0.211	0.205	(0.006)
Place Directorate	35.710	(5.391)	30.319	30.344	0.025
TOTAL	204.680	0.000	204.680	204.799	0.119

- 2.4 The monitoring report received by Cabinet on 10 February 2015 forecast a revenue outturn position of £1.746m overspend at the year end, and officers were tasked with continuing to take actions to reduce the overspend. Revenue spend has reduced by £1.627m over the last three months of the financial year which reduced the end of year overspend to £0.119m.
- 2.5 Within the People Directorate, both the Children's Social Care service and the Co-operative Commissioning and Adult Social Care service recorded overspends of £2.7m and £2.5m. However other savings within the directorate reduced the overall People Directorate overspend to £3.439m.
- 2.6 Across the Council, management actions to reduce the overspend included a full review of all discretionary spend and delayed expenditure wherever possible, with major savings being achieved within the Corporate Items.
- 2.7 Analysis of the final outturn position by directorate:

1. **Executive Office:** has recorded an overall minor underspend for the year of £0.001m.

2. **Corporate items:** has recorded a final underspend position for the year of £3.272m. The detail of this saving includes:
 1. The Corporate revenue contingency of £1m was established to fund one-off in-year budget pressures; we have not had to drawdown against this contingency and we have therefore released the unrequired £1m which has resulted in an increased underspend on Corporate Items.

 2. We were able to save more than £1.4m due to our continuing Treasury Management Strategy to broaden our investment portfolio and increase the returns available on our investments. We have built £1m of these savings into the 2015/16 Budget as sustainable savings.

 3. The cost of our Transformation Programme was included in the Corporate Items budget for 2014/15 with an allocation of £5.9m. The final outturn was £5.6m contributing a saving of £0.3m.

 4. The Council is part of a business rates pool with other Local Authorities in Devon which is in its second year of operation. On top of the income included in our budget assumptions we were able to benefit from an additional £0.150m. Also during the year we received a one-off VAT refund of £0.142m.

 5. As part of our December monitoring report we undertook a review of our overall reserves and provisions. Due to changes in our insurance liabilities, at that stage we released £0.600m and as part of this final outturn position we have been able to increase this release to £1m.

 6. At the start of the year we had a Redundancy Reserve of £0.300m which has been allocated to the cost of our Voluntary Release Scheme costs. Against the savings within Corporate Items itemised above we have funded the redundancy costs incurred within 2014/15 amounting to £0.700m.

3. **Transformation and Change:** has been showing a range of areas of possible overspend across the directorate with management actions to show an overall balanced position. In March savings totalling £0.066m have been identified with additional savings from Finance and HR & OD together with additional income from Legal Services.

- 4. People Directorate:** In the December 2014 report the directorate was showing a forecast £4.852m over spend and was set a target to finish the year no more than £4m overspend; the directorate has continued to work closely with finance colleagues to minimise the outturn overspend. The improvement in the quarter is £1.413m leaving an over spend for the year of £3.439m. Although this is a significant improvement in the final quarter, officers have been tasked to understand the final movements and learn the lessons around improving monitoring.

The detail of this final outturn position includes:

1. Children's Social Care; ended the year with a total spend of £29.243m against the budget allocation of £26.519m, an overspend of £2.724m. This is attributable to the increased cost of young people's placement, including more complex care needs and a number of strategies were put in place during the year to address the rising number of children in care.
2. Adult Social Care; ended the year with a total spend of £72.998m against the budget of £70.489m, an overspend of £2.509m. Management action to contain this overspend included measures around sign off of spend at the front door and a review of high cost packages. The main additional costs relate to Care Packages; Supported Living; Direct Payments; Re-ablement and an increase in the forecasted cost of the Rapid Response Service and DoLS assessments and associated costs.
3. ELAFs recorded an underspend of £1.486m and Homes and Communities an underspend of £0.321m. In both departments it should be noted that managers did their best to reduce or defer spend wherever possible, and worked to bring forward savings to reduce the directorate's forecasted overspend.

As shown above, there are specific areas of departmental service that continued to present us with significant financial impact, mainly in relation to our demand-driven Children's Social Care and our Co-operative Commissioning and Adult Social Care programme. In setting the 2015/16 budget allocation in both areas we have reset based on client numbers and costs of provision. This resetting of the budget baseline, based on latest data modelling should ensure we do not report over spend positions at the end of 2015/16, although we must always be mindful that both services are demand-driven.

5. Public Health: A small movement in March of £0.006m has resulted in an overall minor underspend for the year.

1. Public Health came in as a balanced budget within the ring fenced grant.
2. Public Protection Service overspent by £0.021m due to a variance in Bereavement Service income
3. Civil Protection Unit had an underspend of £0.027m due to cost recovery.

6. Place Directorate: has been forecasting a breakeven position for the year and has finished with a small overspend of £0.025m.

This final outturn position includes:

1. Economic Development came in on budget at 0.898m The ED team has worked hard to mitigate significant pressures in the Events programme and circa £300k economic pressure on the £4m pa commercial rent roll. Rents will continue to require careful management as the economy recovers gradually over the next few years
2. Strategic Planning & Infrastructure (SPI) came in £0.222m under budget with an outturn of £8.614m against the budget allocation of £8.836m, largely due to a restructure.
3. Street Services recorded an over spend of £0.145m with an outturn of £22.649m against the budget allocation of £22.504m. The department has addressed a range of demand based pressures during the course of the year by implementing a number of changes. Action within car parking to review back office costs and other procurement savings has partially offset lower than expected levels of income. The street cleansing team has reviewed and reduced the need for seasonal agency workers. Additional savings on the fleet and transport and the wider street services restructure has also enabled savings targets to be met. Finally, the delays in the opening of the new Waste Disposal Facility (WDF) has been offset with contracted compensation whilst the delay in receipt of PFI credits has been met by the negotiated and shared gain on the exchange rates relating to the construction costs of the WDF

3 2014/15 Financial Review

- 3.1 As part of consideration of the outturn position, and before officially 'closing the accounts', it is necessary to review the Council's overall financial position, looking not only at the outturn position for the year, but reviewing the adequacy of reserves and provisions in the light of financial liabilities identified over the short to medium term. Decisions made feed into the Council's statutory Statement of Accounts which is subject to external audit.
- 3.2 As an integral part of the financial review the Assistant Director for Finance and Corporate Management Team (CMT) are recommending the following Corporate Adjustments, including transfers to and from reserves, which amount to a net improvement to the overall outturn of £0.130m:

- a. Transfer to Redundancy Reserve £0.700m

The balance brought forward 1 April 2014 of £0.300m has been used towards funding our Voluntary Release Scheme (VRS) during 2014/15 and prior to any adjustment will stand at zero at 31 March 2015. As part of our Transformation Programme we have highlighted the need to reduce our workforce and it is proposed to transfer £0.700m to the Redundancy Reserve for staffing changes anticipated during 2015/16.

- b. Transfer from Equal Pay Reserve £(0.700)m

Prior to this proposed adjustment and following claims settled in the year, the balance at 31 March 2015 was £1.200m. Modelling by Finance and HR & OD suggests carrying forward a reserve balance of £0.500m for the remaining advised claims liability.

- c. Creation of a Rail Reserve £0.070m

The importance of a reliable, high speed rail link to London cannot be underestimated. It is proposed to set up a Rail Reserve to allow the allocation of additional resource to head up this area. It is envisaged that this post will be required for a minimum of three years; the following two years costs have been included in the Medium Term Financial Strategy.

- d. Transfer to Waste Reserve £1.100m

The Council has made a commitment to its waste disposal for the City with the building and commissioning of a new Waste Disposal Facility (WDF). As part of the construction contract a risk and gain sharing agreement was negotiated with MVV (the WDF provider) in relation to the cost of construction and the Euro exchange rate. The results of which were a financial gain to the Council which has been used to top up the Waste Reserve. The WDF is due to be fully operational from early May 2015. The Waste Reserve can be further divided to cover:

- i. The impact of delayed PFI credits to cover the period from 1 April 2015 to the date the plant becomes operational £0.250m
- ii. The additional waste disposal costs from 1 April 2015 to the date the plant becomes operational £0.550m
- iii. Contingency against these two items in the event of any further delay in the commissioning date £0.300m

e. Release from Collection Fund Reserve £(1.500)m

Cabinet is requested to note the additional, unbudgeted, income of £1.500m included as part of these Corporate Adjustments for 2014/15. Our budget report approved in February 2014 stated we continue to review our Council Tax collection fund with the first call on any residue surplus being the need to top up reserves. Each year we set our collection targets as part of the budget process. Given the economic climate it was prudent to set our income assumptions at a lower rate than previously. This £1.5m relates to Council Tax collected in the period up to 31 March 2014 where we have been able to maintain our collection rates and therefore exceeding our income assumptions. These additional resources were not able to be used prior to the 2014/15 financial period.

f. Additional Business Rates 2014/15 £0.150)m

In addition to the additional income included in our base 2014/15 budget, generated from our inclusion in the Devon Business Rates Pool, the benefit for the year has been confirmed as an additional £0.150m which is being recognised as part of the Corporate Adjustments.

g. Transfer from Insurance Reserve £(0.400)m

Following a full review of our claims history, as part of the closedown procedures, we are able to release the additional amount of £0.400m from our Insurance Reserve. This is in addition to the release of £0.600m reported as part of the December outturn position approved by Cabinet in February 2015. This will leave a balance to carry forward into 2015/16 of £1.3m

h. Creation of an Integrated Health Reserve £0.500m

As part of the 2015/16 budget setting we calculated an estimated financial impact for the year of £0.518m. This cost is still an estimate at this stage as the full implications of the Care Act are as yet still to be clarified. It is proposed that we recognise this £0.500m in the accounts whilst continuing to work through the legislation and impact.

i. Creation of a Contingent Liability Provision £0.250m

Each quarter as part of our Monitoring Officer and S151 CFO Assurance Review, the Council produces a contingent liability report, detailing known possible future liabilities. During March 2015 we have become aware of the possibility of one of these contingent liabilities crystallising early in 2015/16. It is proposed to set up a provision for 50% of the liability at this stage until further details are known.

Reserves and Provisions at 31 March 2015

3.3 Working Balance

Approval of the actions outlined above would leave a Working Balance at 31 March 2015 of £10.620m

Table 2 Working Balance

	March 2014	Less Outturn	March 2015
	£m	£m	£m
Working Balance	10.739	0.119	10.620

A working balance of £10.620m equates to approximately 5.5% of the net revenue budget for 2015/16 of £193.009m and remains in line with the approved Medium Term Financial Strategy (MTFS) which is to maintain a Working Balance of at least 5%.

3.4 Earmarked Reserves and Provisions

3.4.1 In addition to the Working Balance, the Council maintains a number of reserves which may be required for statutory purposes or set up voluntarily to earmark resources for future spending plans. Assuming the Corporate Adjustments outlined above are approved, the Council's earmarked reserves will stand at £28.700m at 31 March 2015 (up from £27.419m at 31 March 2014). This includes schools balances and reserves of £8.904m (down from £9.619m). At this point the details of the Tamar Bridge and Torpoint Ferry accounts have not been received from Cornwall Council who prepare the accounts and so any balances relating to this activity cannot be updated.

3.4.2 These figures are subject to change as the final statement of accounts is produced over the next month but any changes should be minimal. Appendix B shows the provisional movement in the reserves over the year, together with the main purpose of the reserve.

3.4.3 The Council has a number of budget provisions set up to meet known liabilities. Provisions are compulsory and required to comply with accounting standards. The balance on the provisions at year end together with movement in the year is outlined in Appendix C.

3.4.4 Schools Balances

At the end of the year there was a total of £8.904m unspent monies against schools' delegated budgets and other reserves. The main reasons why schools hold balances are:

- anticipation of future budget pressures usually arising from pupil number variations;
- to provide for the balance of Government grants paid during the financial year (April–March) which cover expenditure occurring across the academic year (September – August).
- Schools are also holding extra funds whilst they put together proposals for Early Help and the Council will be working with schools in 2015/16 to bring joint commissioning of such services to a reality.

Recommendations:

That Cabinet:-

1. note the provisional outturn position as at 31 March 2015
2. Note the adjusted revenue deficit for the year of £0.119m and approve that this be met by a transfer from the General Fund Working Balance
3. Note the additional, unbudgeted, income of £1.500m included as part of the Corporate Adjustments for 2014/15. In addition note the additional income, above the amount included in the budget from the Business Rates Pool of £0.150m.
4. Approve the additional transfers to and from reserves reflected within the outturn figures:

- | | |
|----------------------------------|------------|
| • Transfer to Waste Reserve | £ 0.350m |
| • Creation of a Rail Reserve | £ 0.070m |
| • Release from Insurance Reserve | £ (0.400)m |

5. Approve the following net nil transfers between reserves and provisions:

- | | |
|--|------------|
| • Transfer from Collection Fund | £ (1.500)m |
| • Creation of a Contingent Liabilities Provision | £ 0.250m |
| • Creation of an Integrated Health Reserve | £ 0.500m |
| • Transfer to Waste Reserve | £ 0.750m |
| • Reduce Equal Pay Reserve | £ (0.700)m |
| • Transfer to Redundancy Reserve | £ 0.700m |

SECTION B CAPITAL PROGRAMME

4. Capital Programme

- 4.1 The final outturn position for 2014/15 is £53.791m which is shown by Directorate in the table below. The Latest Budget is the revised position as reported to Full Council at its meeting in February 2015.

Table 3 – Capital Outturn 2014/15

Directorate	Latest Budget	Re-profiling	New Approvals	Variations	Outturn	Change	%
	£m	£m	£m	£m	£m	£m	
Place Directorate	32.240	(1.406)	1.548	1.106	33.488	1.248	104%
People Directorate	14.307	(0.555)	0.113	0.000	13.865	(0.442)	97%
Transformation and Change Directorate	9.938	(5.068)	0.975	0.407	6.252	(3.686)	63%
Public Health	0.186	0.000	0.000	0.000	0.186	0.000	100%
TOTAL	56.671	(7.029)	2.636	1.513	53.791	(2.880)	95%

- 4.2 The 2014/15 programme has enabled investment in some notable schemes, including £11m on improving and maintaining primary schools and academies; £2m on upgrading disabled facilities in homes; £2.9m contribution to upgrading of the Materials Recycling Facility at Chelson Meadow; £11m on highway improvements and £1.3m towards vehicle and plant replacement.
- 4.3 The year- end position highlights £7.029m re-profiling of schemes into 2015/16 with the most significant project being the decant of council staff from the Civic Centre at £3.848m. The project has slipped by six months with completion expected in September 2015 rather than the originally planned March 2015.
- 4.4 There are some projects which are ahead of schedule such as carriageway resurfacing and pothole removal £1.414m, and replacement of street lighting £0.794m.
- 4.5 The additions to the four year capital programme in the period January – April 2015 alone total £43.870m and include a further investment of £21.2m in our road network, including £10.2m on two major junctions upgrades at Derriford roundabout, with a further £0.9m on the replacement and upgrade of street lighting equipment and traffic signals to make our roads safer. Direct investment in developing our city includes a further £1.5m in the South Yard project, and there is a further £3.3m to fund two school expansions.

Capital Financing

4.6 Table 4 below shows the final financing position:

Table 4 – Financing of 2014/15 Capital Programme

Method of Financing	£m
Total Borrowing	6.792
Ring fenced funding	12.619
Un-ring fenced funding	34.380
Sub-Total Other Financing	46.999
Total Capital Financing	53.791

4.7 Appendix D sets out the additions to the Capital Programme for the final quarter of 2014/15 and April 2015.

Recommendations:

That Cabinet:-

6. Note the capital financing requirement of £53.791m and approve the borrowing requirement of £6.792m for 2014/15.
7. Note the re-profiling changes to the capital programme identified during the outturn process subsequent to Council approval in February 2015.
8. Note the additions to the Capital Programme which total £43.870m for the period January 2015 to April 2015

DEPARTMENTS	Latest Approved Final	Outturn	Outturn Variation
	£m	£m	£m
Chief Executive Office	3.109	3.025	(0.084)
Departmental Management	0.761	0.844	0.083
Total Executive Office	3.870	3.869	(0.001)
Capital Financing	10.942	9.533	(1.409)
Transformation	5.864	5.561	(0.303)
Other Corporate Items	0.000	(1.560)	(1.560)
Total Corporate Items	16.806	13.534	(3.272)
Finance	15.961	15.922	(0.039)
Legal	2.847	2.822	(0.025)
Customer Services	3.661	3.655	(0.006)
Human Resources & OD	2.629	2.399	(0.230)
Management and Support	0.268	0.502	0.234
ICT	5.357	5.357	0.000
Total Transformation and Change	30.723	30.657	(0.066)
Childrens Social Care	26.519	29.243	2.724
Co-operative Commissioning & Adult Social Care	70.489	72.998	2.509
Education, Learning & Family Support Services	15.452	13.966	(1.486)
Homes & Communities	10.101	9.780	(0.321)
Management and Support	0.190	0.203	0.013
Total People Directorate	122.751	126.190	3.439
Economic Development	0.898	0.898	0.000
Strategic Planning	8.835	8.614	(0.221)
Street Services	22.504	22.649	0.145
Management & Support	(1.918)	(1.817)	0.101
Total Place Directorate	30.319	30.344	0.025
Public Health (100% Grant Funded)	0.000	0.000	0.000
Public Protection Services	0.048	0.069	0.021
Civil Protection Unit	0.163	0.136	(0.027)
Total Office of Director of Public Health (ODPH)	0.211	0.205	(0.006)
Total General Fund budget	204.680	204.799	0.119

Reserves

Appendix B

High Level Summary group	Balance March 2014	Transfer to Reserves 14/15	Transfer from Reserves 14/15	Balance March 2015	
	£m	£m	£m	£m	
Trading Account & other statutory reserves	(0.493)	(4.845)	4.791	(0.567)	
Education/schools Earmarked reserves	(9.619)	(7.476)	8.191	(8.904)	
Commuted maintenance	(2.990)	(0.127)	(0.016)	(3.101)	
Earmarked General Reserves	(13.221)	(5.598)	(1.508)	(15.457)	
Other Reserves	(1.096)	(0.361)	(0.064)	(0.671)	
Working balance	(10.738)	0.000	0.119	(10.619)	
	(38.157)	(18.407)	11.513	(39.319)	

Summary group	Balance March 2014	Transfer to Reserves 14/15	Transfer from Reserves 14/15	Balance March 2015	Purpose of Reserve
	£m	£m	£m	£m	
<u>Trading Account & other statutory reserves</u>					
Off Street Parking	(0.037)	(2.583)	2.640	0.000	Represents Accumulated trading position
On Street Parking	0.057	(1.806)	1.749	0.000	Represents Accumulated trading position
City Market	(0.144)	(0.432)	0.434	(0.142)	Represents Accumulated trading position
Taxis	(0.311)	(0.017)	0.000	(0.328)	Represents Accumulated trading position
Street Trading	(0.007)	(0.007)	0.004	(0.010)	Represents Accumulated trading position
Land Charges Development Fund	(0.051)	0.000	(0.036)	(0.087)	To fund improvements in the LLC service
<u>Education/schools Earmarked reserves</u>					
Education Carry Forwards	(0.014)	0.000	0.001	(0.013)	Schools ringfenced resources mainly from grants
School Budget Share	(8.189)	(7.372)	8.196	(7.365)	Represents schools balances under delegated budgets
PFI reserves	(1.385)	0.000	(0.006)	(1.391)	PFI credits towards the schools PFI contract at Wood View are received in equal instalments over the course of the contract. This reserve enables the matching of the credits to actual expenditure incurred from year to year.

Summary group	Balance March 2014	Transfer to Reserves 14/15	Transfer from Reserves 14/15	Balance March 2015	Purpose of Reserve
	£m	£m	£m	£m	
Beechwood Campus Drs Surgery Reserve	(0.031)	(0.004)	0.000	(0.035)	transfer from revenue account difference between rent rec'd and unsupported borrowing cost, this is needed to pay final year of rent (contract for 25 years but surgery only paying 24)
Plymouth Adult & Community Learning	0.000	(0.100)	0.000	(0.100)	
<u>Commuted Maintenance</u>	(2.990)	(0.127)	(0.016)	(3.101)	Revenue contribution from developers /section 106 agreements to provide for future maintenance over a period of years
<u>Earmarked General Reserves</u>					
Insurance and Risk Management Reserves	(1.268)	0.000	0.055	(1.213)	To meet any unforeseen/increased costs of insurance claims or works to minimise insurance risk. The fund is available to meet the costs of urgent health and safety works that cannot be contained within existing budgets.
Budget Carry Forwards	(0.804)	(0.832)	0.281	(1.355)	various agreed c/forwards in General Reserve code
Pensions Fund	(0.567)	0.000	0.000	(0.567)	Following the triennial pensions review the council's contribution rate has been held at current levels for the next three years. However, this is on the understanding that contributions into the fund remain at least at 10/11 levels. Any shortfall will require a one off lump sum payment in year 3. Given further outsourcing, transfer of schools to academies and the anticipated reduction in workforce, it is likely that a shortfall will be incurred.
Redundancies	(0.300)	0.300	(0.700)	(0.700)	To meet potential costs of redundancies, including strain payments to the pension fund
Capital Reserve	(0.018)	0.000	0.000	(0.018)	To be used to support the capital programme and potential shortfall in capital receipts

Summary group	Balance March 2014	Transfer to Reserves 14/15	Transfer from Reserves 14/15	Balance March 2015	Purpose of Reserve
	£m	£m	£m	£m	
Job Evaluation/Equal Pay	(0.900)	(0.700)	0.000	(0.200)	To support the ongoing JE appeals process as well as potentially increased revenue costs if current claims are successful at tribunal. A sum of £0.350m has been set aside. In accordance with accounting regulations a provision for potential claims must be set up, but Capital Financing Regulations only require the Council to actually charge the revenue accounts when claims are actually paid. The provision is therefore offset by a negative reserve entry of £1.843m giving a net negative reserve of £1.493m.
Recovery costs - Icelandic Banks	(0.085)	0.000	0.000	(0.085)	Allowance for investment losses of the money invested in the Icelandic banks. Reserve currently meeting the ongoing legal costs and borrowing costs from utilising the capitalisation direction in 09/10.
Grants carryforward	(0.747)	(2.500)	(0.747)	(2.500)	Under IFRS all grant income must be released to revenue unless there are pay back conditions attached. Previously unspent balances at year end would have been carried forward as a creditor accrual. This is no longer permitted and authorities are required to use their locally approved reserve mechanisms to carry balances forward. This reserve therefore reflects unspent balances on ringfenced grant income at the year end, where there are continuing commitments.
Waste Reserve	(0.802)	(1.100)	(0.802)	(1.100)	Reserve set up to proactively provide and manage the future budget shortfall due to increasing landfill tax liability pending the new energy from waste plant becoming operational.
Stock transfer residual liabilities	(1.005)	0.000	0.000	(1.005)	Stock transfer remaining liabilities
Life Centre Dowry	(0.450)	(0.150)	0.000	(0.600)	Creation of Life Centre Dowry to release Sport England Grant Retention for capital scheme
Plan for Jobs	(0.400)	0.000	0.010	(0.390)	Revenue support to Plan for Jobs scheme
Investment Fund	(1.659)	(0.024)	0.105	(1.578)	Revenue reserve relating to Investment Fund
CEDT reserve	(0.042)	0.000	0.008	(0.034)	Reserve to support developing a new Community Economic Development Trust in the City
Transformational Change Reserve	(0.216)	0.216	(0.135)	(0.135)	Reserve to fund the acceleration of the Corporate Transformation Programme
Plymouth Plan reserve	(0.168)	0.000	(0.168)	0.000	

Summary group	Balance March 2014	Transfer to Reserves 14/15	Transfer from Reserves 14/15	Balance March 2015	Purpose of Reserve
	£m	£m	£m	£m	
Centenary Celebrations	(0.400)	0.000	0.400	0.000	
Skills Agenda	(0.100)	0.000	0.013	(0.087)	
City Deal for Young People	(0.100)	0.000	0.100	0.000	
People Directorate	0.000	(0.500)	0.000	(0.500)	Monies set aside whilst the financial impact of the Care Act and other initiatives are assessed.
Rail Manager	0.000	(0.070)	0.000	(0.070)	To ensure central government deliver rail promises
Tamar Bridge & Torpoint Ferry	(2.153)	0.000	0.000	(2.153)	Plymouth's 50% share of the operations ringfenced reserves
DRCP	(0.090)	0.000	0.046	(0.044)	Reserve set aside to meet future expenditure in Devonport, in lieu of grant funding in 2007/08, and fund DNM post
Tamar house - Commercial rents sinking fund	(0.503)	(0.238)	(0.018)	(0.723)	RDA rents sinking fund Tamar House - name changed to Commercial Property Client Account
A386 Park & Ride Leased Spaces	(0.444)	0.000	0.044	(0.400)	Upfront payment from PCT for leased spaces at George Park & Ride site. Released to revenue annually in lieu of rental income.
<u>Other Reserves</u>	(1.096)	(0.361)	(0.064)	(0.671)	All reserves have been reviewed and confirmed as required to meet specific policy commitments
Sub Total Earmarked Reserves	(27.419)	(18.407)	11.394	(28.700)	
Working Balance	(10.738)	0.000	0.119	(10.619)	General Balance available to meet unforeseen expenditure. This balance represents 5.5% of net revenue expenditure and is in line with Unitary Council averages
Total Reserves	(38.157)	(18.407)	11.513	(39.319)	

Provisions

Appendix C

DESCRIPTION	Balance March 2014	Provisions made in year	Provisions used in year	Balance March 2015
	£m	£m	£m	£m
Contingent Liabilities		(0.250)		(0.250)
Music Tutors	(0.099)			(0.099)
Landfill Site Provision	(8.794)			(8.794)
Business Rate Appeals	(0.676)	(0.704)		(1.380)
Backdated equal pay	(0.696)		0.457	(0.239)
Insurance Provision	(6.574)	(2.690)	3.852	(5.412)
General Fund Bad Debts	(1.322)	(0.274)	1.390	(1.457)
Other Bad Debt Provisions	(5.747)	(1.309)	4.490	(6.607)
Total	(23.908)	(5.227)	10.189	(24.238)

Capital Programme

Appendix D

Additions to the Capital Programme January 2015 – April 2015

Project	£m	Brief Description	PCC funded	Ring fenced grant Funded
Total individual approvals under £0.200m Jan-Mar 2015	1.510	Various incl. £0.150m Widey Lane CPO, £0.187m Flood Defence projects, £0.173m lighting of landmarks		
Total individual approvals under £0.200m Apr 2015	1.361	Various incl. £0.986m capitalised highway maintenance projects, £0.140m North Corner Pontoon		
Sub Total additions – under £0.200m	2.871		£2.240m un-ring-fenced £0.046m S106 £0.078m revenue	£0.507m
<u>Strategic Planning and Infrastructure - Transport Projects:</u>				
Forder Valley Link Road	0.304	Development costs only for the £33m proposed 1km new road that will connect Brest Road, in Derriford, with Forder Valley Road and Novorossiysk Road.	Un-ring-fenced £0.304m	
Clean Vehicle Technology Improvements	0.485	Dft grant which will be largely passported via legal agreement to bus operators for upgrade of buses.		Ring fenced grant £0.485m
<u>Greenspace Projects:</u>				
Marsh Mills Cycle Crossings	0.242	Cycle improvements at Marsh Mills		Ring fenced grant £0.242m
Derriford Community Park - Phase I	0.290	Habitat improvements including weed clearance, boundary works, hedge restoration etc	S106 £0.290m	
<u>Transport capitalised maintenance programme:</u>				
Street Lighting Columns Replacement	0.500	Repairs, replacement and upgrade of street lighting equipment and traffic signals	Un-ring-fenced £0.5m	
Living Streets - 20mph zones	0.400	Various Community Improvement Schemes	Un-ring-fenced £0.4m	

Project	£m	Brief Description	PCC funded	Ring fenced grant Funded
Carriageway resurfacing	0.359	Carriageway repairs, resurfacing, patching and micro asphalt treatments		Ring-fenced grant £0.359m
<u>Other:</u>				
Domestic Energy Improvements	0.425	Including heating control thermostats, draft proofing to prioritised properties within the North Yard area	S106 £0.425m	
Plymouth City Market Stalls & Entrance Doors	0.245	Replacement entrance doors, enhanced customer entrance to the East Car Park; replacement of daily benches with new main stalls	Un-ring-fenced £0.245m	
Mt Edgcumbe Higher level Stewardship	0.429	Historical and archaeological feature protection plus fencing & installation of bird and bat boxes.		Ring-fenced grant £0.429m
Staddiscombe Sports improvements	0.370	Pitch improvement works and installation of a primary drainage system to the 8 senior pitches.	Revenue budget £0.030m	Ring-fenced grant and contribution £0.340m
<u>Strategic Planning and Infrastructure - Transport Projects:</u>				
Derriford Transport scheme	10.160	2 major junction upgrades at Derriford Roundabout and the Tavistock Road / William Prance Road junction.		Ring-fenced grant £10.160m
Northern Corridor Strategic Cycle Network	3.303	On and off road cycling facilities & pedestrian measures on key routes into and out of the Derriford growth area	£0.843m un-ring-fenced	£2.460m ring-fenced grant
Derriford Hospital interchange scheme	2.240	Two-way bus link through Derriford Hospital. The four existing bus stops will be replaced with seven new stops, each with shelters and real time passenger information.	£0.840m un-ring-fenced	£1.400m Ring-fenced grant
<u>Transport capitalised maintenance programme:</u>				
Carriageway Resurfacing	3.800	Carriageway repairs, resurfacing, patching and micro asphalt treatments	Un-ring-fenced £3.800m	
Footway resurfacing programme	0.850		Un-ring-fenced £0.850m	

Project	£m	Brief Description	PCC funded	Ring fenced grant Funded
<u>Economic Development:</u>				
South Yard - Area East Direct Development	1.500	The total cost of the Area East proposed works are £5.6m. This is the addition of £1.5m not previously approved.		£1.500m Ring-fenced grant
Whitleigh HQ Four Greens Community Trust	1.275	Development of a HQ for the new Four Greens Community Trust in the former Whitleigh Care Home. The building will house 22 business units, 5 business incubator units and 3 community spaces.	Un-ring-fenced £1.275m	
Acquisition of Units 6a – 9a Kay Close	0.603	Investment Opportunity - Purchase of the lease and associated costs	£0.603m Ring-fenced capital receipts	
<u>Schools:</u>				
Pennycross School	2.139	School expansion as part of Basic Need Programme	£1.936m un-ring-fenced £0.203m S106	
Pomphlett Shool	1.200	School expansion as part of Basic Need Programme	£0.570m un-ring-fenced £0.630m S106	
<u>Other:</u>				
Contribution to redevelopment of Devonport Market Hall.	2.903	Towards £4m re-development by R.I.O to become a high tech facility for the development of digital gaming.	£0.225m S106	£2.678m Ring-fenced
2015-16 Fleet Replacement Programme	2.610	Phased replacement of the vehicle, plant and equipment fleet	£2.610m borrowing (invest to save)	
2016-17 Fleet Replacement Programme	1.619	Phased replacement of the vehicle, plant and equipment fleet	£1.619m borrowing - (invest to save)	
Accommodation Changes	1.353	Civic Centre decant project.	£1.353m un-ring-fenced	
New Central Library	1.395	Renovation of Taylor Maxwell House	£1.395m un-ring-fenced	
Total Additions to Capital Programme	43.870		23.310m	20.560m

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PLYMOUTH CITY COUNCIL

Subject: Fleet Replacement Programme: Purchase of Refuse Collection Vehicles
Committee: Cabinet
Date: 9 June 2015
Cabinet Member: Councillor Evans
CMT Member: Anthony Payne (Strategic Director for Place)
Author: Garry Stainer, Fleet and Garage Manager
Contact details: Tel: 01752-304682 Email: Garry.stainer@plymouth.gov.uk.
Ref:
Key Decision: No
Part: I

Purpose of the report:

This report is seeking approval of the Cabinet to delegate to the Cabinet Member for Environment to make the decision and authorise contract award, once tenders are evaluated through procurement.

The Leader approved the full business case and made an executive decision on 9 April 2015 to include the allocation of £4.2m for vehicle replacements, which is to be phased over two years, 2015/16 and 2016/17.

This £3.9m allocation of the £4.2m, will form the largest element of the overall spend of capital funding and will be a single supplier contract.

This contract award will be for the purchase outright of 26 tonne and 22 tonne refuse collection vehicles at a value in the region of £3.9m with phased delivery of the vehicles.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

This project will support a 'Pioneering Plymouth' by ensuring that the best value for money approach is taken when considering fleet procurement and maintenance, allowing for the more efficient and considerate utilisation of financial resources. Where financial opportunities can be realised, that won't affect the delivery of services (in terms of quality and professionalism), the project will pursue to realise all benefits that can contribute towards achieving an effective, effective and sustainable Council.

This project will support a 'Growing Plymouth' by ensuring that the money and efficiencies that can be saved are sourced and secured. The financial benefits generated will allow for the Council to further invest in greater living and learning opportunities. The project will ensure that the Council is able to continue to deliver its services to a high standard, and plan for the future, where growth is considered. From an external point of view, Plymouth City Council will be regarded as an efficient and effective governing body, attracting further external investment.

This project will support a 'Caring Plymouth' by ensuring that all citizens are the first point of consideration for any changes. The project will ensure that financial opportunities are realised, allowing for the safeguarding of services and ensuring all citizens continue to be supported and treated fairly. The supporting of this project will allow for a much more reliable and effective fleet of vehicles and will reduce an ageing fleet's carbon footprint, proving a cleaner and safer city for the residents of Plymouth.

This project will support a 'Confident Plymouth' by contributing to the increase in efficiencies of all departments within the Council, by ensuring all areas for improvement are considered, and benefits are realised. This will allow external parties to consider Plymouth as an efficient, cost-effective and reliable city, which in turn is likely to have a positive effect on investment within the city.

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

Value-For-Money Procurement – having the ability to plan in advance what the Council's fleet requirements will be will allow for bulk orders to be placed far in advance of when the Council requires the vehicles. This will have 2 main benefits, the first being the significant reduction in lead/construction time, which will allow for the vehicles to be built and ready exactly when the Council requires the assets. The second main benefit stems from the bulk ordering in advance, which will allow for a more cost-effective deal with suppliers to be captured, driving further savings for the Council. If this project was not undertaken, the Council would continue to purchase vehicle as and when they are required, disallowing the possibility for bulk discounts and offers.

Reduced Imprest Stock – a replacement programme will allow for a single supplier to be chosen for a particular set of vehicles, which the Council has deemed the most cost effective solution. This will allow for a much simpler fleet management of vehicles, through the reduction of the number of makes and models of vehicles within the fleet, as all the vehicles will now be procured from a significantly reduced supplier list. As there are much fewer vehicle makes and models, the Fleet and Garage department will be able to stock less parts in total and the amount of imprest stock will be reduced. If this project was not undertaken, the Council would continue to stock a significantly large amount of items to satisfy the demand of an ageing and diverse fleet of vehicles.

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

Reduced Training Requirements – likewise with the reduced imprest stock, the reduction in the amount of vehicle makes, models and suppliers will result in a much more uniform and similar fleet of vehicles. This will reduce training requirements, including time and costs, for members of staff as they will be operating on the same makes and models of vehicles. If this project was not undertaken, the training requirements would be maintained at a high level, leading to all members of maintenance staff having to learn how to maintain a very large variety of vehicles.

Equality and Diversity:

Has an Equality Impact Assessment been undertaken? Yes

The equality impact assessment is contained within the fleet replacement programme executive decision attached.

Recommendations and Reasons for recommended action:

It is recommended that Cabinet approve delegated authority for the Cabinet Member for Environment to approve the contract award for the purchase outright of 26 tonne and 22 tonne refuse collection vehicles at a value in the region of £3.9m with phased deliveries.

Delegated decisions for this contract will reduce the delivery timescales and offer immediate and greater savings for the Council. Delaying this process adds pressure to the front line services. PCC will also incur higher defects and running costs of the current vehicles if this option is not authorised.

Alternative options considered and rejected:

To obtain approval for award of contract at Cabinet. This option has been rejected due to missed savings opportunities.

Published work / information:

Decision by the Leader on the Fleet replacement programme and business case – April 2015. Authorisation to add capital funding 2015-6 - £4.2m attached.

Background papers:

None

Sign off:

Fin	ABPla ceFES C151 6001. 2605 15	Leg	SC/22 646.	Mon Off	N/A	HR	N/A	Assets	N/A	IT	N/A	Strat Proc	HG/C S/395 /DD/ 0515
Originating SMT Member Simon Dale 26/05/2015													
Has the Cabinet Member(s) agreed the content of the report? Yes													

1.0 Background

- 1.1 PCC are in the process of implementing Category Management into Fleet services, this will then give the fleet manager the responsibility of deciding which assets are required and when they need to be replaced, based on data of mileage, servicing costs etc. Vehicles are currently reviewed and assessed periodically for eligibility to be renewed, and commonly driven by a service department request. This is a shift in attitude, as previously vehicles have been purchased as and when revenue has been available to pay for these assets. It has also driven detrimental behaviour, as when an asset has repaid its loan, the cost of the vehicle reduces to the budget holder, and they see it as cheap motoring, without factoring in the increased cost of repairs and maintenance and the risk of break down during critical times.
- 1.2 The capital will be repaid by the business over the life of the asset/loan via budget holder's revenue, with the implementation of category management; each vehicle will come with a monthly charge that covers the capital repayment, servicing and fleet and garage overheads. This charge is within the overall budget for PCC for vehicles and plant. Where it is decided that assets can continue in use beyond their useful life, the capital charge will be set aside to fund future vehicle purchases, reducing the requirement for capital funding.
- 1.3 Previous procurement exercises have identified that purchase outright with the use of unsupported borrowing has been the favoured option, and this option is being recommended for this procurement.
- 1.4 If replacements are not authorised then it is expected that the waste collection vehicles will need to be removed from service within the next 12 months as the cost of running the vehicles and the service will increase, as it will be dearer to move to a short term hire position. Therefore it is recommended to replace the vehicles as soon as possible to reduce ongoing and future costs.
- 1.5 The proposal will support the Transformation agenda by introducing new methods and ways of working towards achieving financial savings, driving efficiencies within services and influencing the future behaviours of the Council.

EXECUTIVE DECISION

made by a Cabinet Member



REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL CABINET MEMBER

Executive Decision Reference Number – L41 14/15

Decision	
1	<p>Title of decision: Fleet Replacement Programme 2015-2017</p>
2	<p>Decision maker (Cabinet Member): Councillor Evans, Leader of Plymouth City Council</p>
3	<p>Report author and contact details: Garry Stainer, Fleet and Garage Manager, Street Services Garry.Stainer@plymouth.gov.uk tel: 01752 304682</p>
4	<p>Decision to be taken: To approve the business case for the Fleet Replacement Programme 2015-2017 To allocate the funding required (£4,229,500) to the capital programme in the form of a loan of unsupported borrowing to be repaid by the front line service over the life of the asset.</p>
5	<p>Reasons for decision: A holistic replacement plan is required for the most appropriate and cost effective solution to drastically reducing maintenance costs, and to increase the reliability of the Council's fleet of vehicles. The objectives of the project are:</p> <ul style="list-style-type: none"> • To replace the fleet of vehicles that the Council operates over a 5 year period, from the point of approval for the fleet replacement business case • To amend procurement policies and challenges within departments to ensure long-term viability and sustainability of vehicles, including the most value-for-money option, is always considered • To significantly reduce the maintenance costs of the Council's fleet of vehicles by introducing newer, more reliable and efficient vehicles into the fleet <p>The financial benefits are:</p> <ul style="list-style-type: none"> • Improved value for money • More challenge and control in procurement providing a 'fit for purpose' fleet, meeting service requirements • Reduction in short term hire costs

- Significant reduction in maintenance costs
- Reduction in fuel costs, as vehicles are more efficient
- Realignment and forecast of spend for better budget control / risk control

The non-financial benefits are:

- A much more efficient, reliable and fit-for-purpose fleet of vehicles
- Safer fleet of vehicles, which are less likely to fail and cause disruption to Council services
- Greater public image of the Council and it's services through the introduction of newer, more environmentally friendly and safer vehicles
- Significant decrease in the environmental impact of the Council's vehicles, as a newer fleet will be much more fuel efficient and will require less maintenance

The main critical success factor is efficient vehicle utilisation and procurement, which can be measured by the total overhead costs, fleet downtime, maintenance turnaround times, vehicle utilisation (including numbers, mileage) and how successful the procurement process is within the Council.

If the Council doesn't undertake the recommended approach within this business case, then the Council-owned vehicular assets will continue to be a risk to the service, the maintenance of these ageing vehicles will cause increased stress on services and they will develop into liabilities.

The approach is needed now because the fleet of vehicles is currently costing an excessive amount of resources to be maintained, which amounts to an estimated 965k over the life of vehicles which could be invested elsewhere in the Council. The sooner the fleet replacement programme is approved and undertaken, the sooner inefficiencies and replacement costs, as well as risks to Council services, can be significantly reduced.

6 Alternative options considered and rejected:

- **Do Nothing / Continue As Normal**

Key Benefits:

No requirement to undertake a £5.5m plan

Key Risks:

Opportunities for significant financial, environmental and non-financial benefits are not exploited

Services continue to run vehicles that are at risk to failure

Vehicles continue to be maintained at significantly high operating costs

Continuation of limited controls on fleet procurement, incurring additional costs

Increasing pressure on the Fleet and Garage service to maintain an unreliable and ageing fleet

- **Annual Capital Request**

Key Benefits:

Reviewing on an annual basis that can be planned around financial years through formal requests. requirement to undertake a £5.5m plan

Key Risks:

This option doesn't present complete surety or consistency with regards to procurement and forecasting

Financial implications:

A cost benefit analysis of replacing the dilapidated and expensive vehicles in 2015/16 has been provided as appendix no 3 to this business case. This set out the anticipated net cost avoidance over the life of the assets has an Net Present Value of £0.965m.

Cash costs are shown below:

	£'000s
Costs	4,843
Benefits	(5,935)
Net Benefit	(1,091)

The costs avoided are the increasing cost of repairing older vehicles, per a Price Waterhouse Cooper report the cost increases by 7% per annum. There are also 17 vehicles currently on lease that will be replaced, making significant savings.

In addition, it is expected that service efficiencies can be gained through the use of more suitable, modern and reliable vehicles, resulting in further budget savings or cost avoidance and improved service delivery.

The replacement of dilapidated and expensive vehicles has a total estimated capital cost of £4.229m. These costs will be funded from unsupported borrowing, to be taken over the life of the asset. Whilst the related borrowing costs create an initial pressure on the revenue accounts this is significantly lower than revenue costs that will be incurred if these proposals do not go ahead. These capital repayment costs have been factored into the budget for 15/16.


In 2013 an independent financial consultant named Sector reported on the cost of borrowing versus leasing and identified it was cheaper to buy, this has been reviewed and it is still cheaper to borrow than take out operating or purchasing leases. It also allows Plymouth City Council to have greater flexibility over the assets use and life.

The capital will be repaid over the life of the asset/loan via budget holder's revenue, with the implementation of category management; each vehicle will come with a monthly charge that covers the capital repayment, servicing and fleet and garage overheads. This charge is within the overall budget for PCC for vehicles and plant.

8	Is the decision a Key Decision?	Yes	No	
	(Contact Nicola Kirby, Democratic Support, 4867 for further advice)		x	Results in the Council spending or raising annual income by more than £500,000 (or more than £2,000,000 if that is the total cost of a contract award)?
				Results in the Council saving more than £1,000,000?
				Results in the Council saving less than £1,000,000 and the saving will have a material impact upon service provision such as a significant change or a cessation of service delivery and associated staff redundancies or a significant impact on customers?

				Has a significant impact on communities living or working in two or more wards?
If yes, date of publication of the notice in the Forward Plan				
9	Please specify how this decision is linked to the Council's corporate plan 2013/14 to 2016/17 and/or the policy framework and/or the revenue/capital budget:	<p>This project will support a 'Pioneering Plymouth' by ensuring that the best value for money approach is taken when considering fleet procurement and maintenance, allowing for the more efficient and considerate utilisation of financial resources. Where financial opportunities can be realised, that won't affect the delivery of services (in terms of quality and professionalism), the project will pursue to realise all benefits that can contribute towards achieving an effective, effective and sustainable Council.</p> <p>This project will support a 'Growing Plymouth' by ensuring that the money and efficiencies that can be saved are sourced and secured. The financial benefits generated will allow for the Council to further invest in greater living and learning opportunities. The project will ensure that the Council is able to continue to deliver its services to a high standard, and plan for the future, where growth is considered. From an external point of view, Plymouth City Council will be regarded as an efficient and effective governing body, attracting further external investment.</p> <p>This project will support a 'Caring Plymouth' by ensuring that all citizens are the first point of consideration for any changes. The project will ensure that financial opportunities are realised, allowing for the safeguarding of services and ensuring all citizens continue to be supported and treated fairly. The supporting of this project will allow for a much more reliable and effective fleet of vehicles, including refuse collection and minibuses used for school's transport, and will reduce an ageing fleet's carbon footprint, proving a cleaner and safer city for the residents of Plymouth.</p> <p>This project will support a 'Confident Plymouth' by contributing to the increase in efficiencies of all departments within the Council, by ensuring all areas for improvement are considered, and benefits are realised. This will allow external parties to consider Plymouth as an efficient, cost-effective and reliable city, which in turn is likely to have a positive effect on investment within the city.</p>		
Urgent decisions				
10	Is the decision urgent and to be implemented immediately in the interests of the Council or the public?	Yes		(If yes, the Lead Scrutiny Officer must be consulted before approaching the Chair of the Cooperative Scrutiny Board. Ensure that the Chair signs the report at section I Ia and that section

				I 1b is completed <u>after</u> the sign off codes in Section 17 are completed)
		No	x	(If no, go to section 12)
I 1a	Signature			Date
	Print Name			
I 1b	Reason for urgency:			
Consultation				
12	Are any other Cabinet members affected by the decision?	Yes	x	(If yes, go to sections 13 and 14)
		No		(If no, go to section 15)
13	Which other Cabinet member is affected by the decision?	Councillor Vincent, Cabinet Member for Environment –Councillor Coker, Cabinet Member for Transport		
14	Please confirm that you have consulted this Cabinet member	Yes		(No is not an option)
15	Has any Cabinet member declared a conflict of interest?	Yes		Need a note of dispensation granted by the Council's Monitoring Officer
		No	x	
16	Which Corporate Management Team member has been consulted?	Name and title	Anthony Payne Strategic Director for Place	
17	Please include the sign off codes from the relevant departments consulted:	Democratic Support (mandatory)	DSO105 14/15	
		Finance (mandatory)	Place F ESD1415 003/RB/23-03-2015	
		Legal (mandatory)	SC/22646	
		Human Resources		
		Assets		
		IT		
		Procurement		
Other Information				

18	An Equalities Impact Assessment should be attached to the report	Yes	<input checked="" type="checkbox"/>	(Please attach the EIA to this report)						
Briefing report										
19	Is the briefing report attached?	Yes	<input checked="" type="checkbox"/>	(No is not an option)						
	List (and include a hyper link to <u>published</u> work/information used to prepare the report.									
	Do you need to include any confidential/exempt information?	If yes, prepare a second, Part II, report and indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box. (Remember to keep as much information as possible in the briefing report that will be in the public domain)								
			Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Confidential/exempt briefing report title										
Background Papers										
20	Please list all background papers relevant to the decision in the table below. Background papers are <u>unpublished</u> works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. A folder or a file should not be cited as a background paper, though individual items within the folder or file may be. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.									
Title		Part I	Part II	Exemption Paragraph Number						
				1	2	3	4	5	6	7
Fleet Replacement Programme 2015-2017 full business case.		<input checked="" type="checkbox"/>								
EIA		<input checked="" type="checkbox"/>								
Cabinet Member Signature										
21	I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan and Medium Term Financial Plan.									
Signature					Date of decision		9 April 2015			
Print Name		Councillor Tudor Evans								



DRAFT Business Case

Department:	<i>Fleet and Garage</i>		
Date:	17/02/2015	Version:	v0.17
Projects:	Fleet Replacement Programme – Full Business Case		
Author:	Garry Stainer		
Owner (SRO):	Anthony Payne		

EXECUTIVE SUMMARY

NOTE - Since undertaking and developing the original mandate for fleet replacement, there has been continual review of the fleet requirement, and a confirmed list of vehicle replacement has been updated. This has been demonstrated, and the supporting text articulated as an appendix item, to show the updated mandate content. The amended version articulates the current fleet and capital requirement, as well the anticipated distribution of funding, to allow for the £925k financial benefit to be achieved.

Executive Summary

PCC are in the process of implementing Category Management into Fleet services, this will then give the fleet manager the responsibility of deciding which assets are required and when they need to be replaced, based on data of mileage, servicing costs etc. Vehicles are currently reviewed and assessed periodically for eligibility to be renewed, and commonly driven by a service department request. This is a shift in attitude, as previously vehicles have been purchased as and when revenue has been available to pay for these assets. It has also driven detrimental behaviour, as when an asset has repaid its loan, the cost of the vehicle reduces to the budget holder, and they see it as cheap motoring, without factoring in the increased cost of repairs and maintenance and the risk of break down during critical times.

The category management process will give a fixed cost based on the vehicle type which covers the capital cost, repairs and maintenance, regardless of the age of the asset. This will ensure that the capital loan is repaid via revenue, and allows the Fleet Manager to make informed decisions regarding which vehicles to replace and when. This will lead to a relatively low level of capital requirements annually, circa £1m. The ability to pay often results in the provision of the new vehicle to the specification requested by the service without robust challenge. Replacement should be reviewed holistically against the availability and utilisation of the wider fleet of surplus vehicles. The service has improved procurement mechanisms and driving better value through review of fleet profile and specifications. However PCC would benefit from a robust renewal strategy. The current vehicle renewal policy has led to a fleet age profile issue with the average age of the fleet at 5.5 years.

However PCC are not at this point of steady state, due to a currently aging fleet, and will require funding over the next 5 years to bring the fleet into a sustainable position. This paper requests the funding for the next 2 years (£4,229,500), of a 5 year replacement scheme (Cost required for the next 5 years, circa £6m), to replace vehicles which are on hire and vehicles at risk of break down beyond repair.

A five year forward looking renewal plan to ensure full assessment of each replacement is required. This should not rely on services requesting renewal and this should not rely on a prescribed policy of lifespan across the fleet. Whilst it is prudent to have a plan which has an ideal lifespan for each vehicle type and which maximises any residual (re-sale) value of owned vehicles it should also consider the escalation of maintenance costs as the vehicle ages, the plan should consider vehicles on their own merits and therefore consider how the vehicle has been driven and utilised throughout its lifecycle.

The capital will be repaid by the business over the life of the asset/loan via budget holder's revenue, with the implementation of category management; each vehicle will come with a monthly charge that covers the capital repayment, servicing and fleet and garage overheads. This charge is within the overall budget for PCC for vehicles and plant. Where it is decided that assets can continue in use beyond their useful life, the capital charge will be set aside to fund future vehicle purchases, reducing the requirement for capital funding.

The revenue savings from purchasing these vehicles will be £925k, over the life of the new assets, this includes reduction in hire costs, spiralling repair and maintenance costs, and resale values.

This business case requires the approval of the capital budget of £4,229,500 for the next two years, which will ease significant pressures on the PCC revenue budget, and in principle agree the 5 year replacement programme, with an update to CCIB in 17/18 for the remainder of the capital required along with clarity over the ongoing replacement programme.

Previous procurement exercises have identified that purchase outright with the use of unsupported borrowing has been the favoured option, and this option is being recommended for this procurement.

If replacements are not authorised then It is expected that the waste collection vehicles will need to be removed from service within the next 12 months as the cost of running the vehicles and the service will increase, as it will be dearer to move to a short term hire position. Therefore it is recommended to replace the vehicles as soon as possible to reduce ongoing and future costs.

Note; The annual estimated values are subject to inflationary increases and are subject to interest charge fluctuations

It is recommended that:

The Leader of the Council, having considered this business case:

- To approve the business case
- To allocate the funding required (£4,229,500) to the capital programme in the form of a loan of unsupported borrowing to be repaid by the business over the life of the asset.

Author of Business case	Date	Document version
<i>Garry Stainer, Project Manager</i>	<i>17/02/2015</i>	<i>0.17</i>

PART I PROJECT PARTICULARS			
Description of the proposal	<p>The primary purpose of this proposal is to secure the funding required to initiate phase I of the proposed fleet replacement programme. The approval of the Fleet Replacement Business Case will provide the funding to ensure the Council continues to operate a fit-for-purpose fleet of vehicles that drives maximum service, efficiencies and reliability. This Fleet Replacement Business Case will apply to every vehicle within every department and service that the Council currently operates and supports for the residents of Plymouth. The project will also review procurement policies, procedures and processes to ensure they conform to the category management approach adopted. Vehicles operated by partners of the Council are not covered within this replacement business case, and are out of scope.</p> <p>The key outcomes (fully articulated within section 2) for the project are:</p> <ul style="list-style-type: none"> - Security planning / stability planning / risk forecasting - Value-for-money procurement - Reduced impressed stock - Reduced training requirements - Continuity for fleet procurement - Fit-for-purpose vehicles - Sustainability - Increased reliability - Budget realignment 		
Responsible Officer	Simon Dale (Interim Assistant Director - Street Services)	Project value	£4,229,500 over 2 years (phase I)
Project Number	TBC	Project Manager	Garry Stainer (Fleet and Garage Manager)
Programme	Growth, Assets and Municipal Enterprise (GAME) – Transformation Programme Incorporating the EDGE Public Solutions review of Plymouth City Council's Street Services	Corporate plan Objective and Outcome	This project aims to provide: <ul style="list-style-type: none"> • Continuity for fleet procurement • Best value procurement • Fit-for-purpose vehicles • Sustainability • Increased reliability
Directorate	Place	Assistant Director	Simon Dale
Location	All PCC Departments	Ward	N/A

PART 2: VISION AND STRATEGIC CASE INCLUDING RATIONALE AND OUTCOMES	
Pioneering Plymouth	This project will support a 'Pioneering Plymouth' by ensuring that the best value for money approach is taken when considering fleet procurement and maintenance, allowing for the more efficient and considerate utilisation of financial resources. Where financial opportunities can be realised, that won't affect the delivery of services (in terms of quality and professionalism), the project will pursue to realise all benefits that can contribute towards achieving an effective, effective and sustainable Council.
Growing Plymouth	This project will support a 'Growing Plymouth' by ensuring that the money and efficiencies that can be saved are sourced and secured. The financial benefits generated will allow for the Council to further invest in greater living and learning opportunities. The project will ensure that the Council is able to continue to deliver its services to a high standard, and plan for the future, where growth is considered. From an external point of view, Plymouth City Council will be regarded as an efficient and effective governing body, attracting further external investment.
Caring Plymouth	This project will support a 'Caring Plymouth' by ensuring that all citizens are the first point of consideration for any changes. The project will ensure that financial opportunities are realised, allowing for the safeguarding of services and ensuring all citizens continue to be supported and treated fairly. The supporting of this project will allow for a much more reliable and effective fleet of vehicles, including refuse collection and minibuses used for school's transport, and will reduce an ageing fleet's carbon footprint, proving a cleaner and safer city for the residents of Plymouth.
Confident Plymouth	This project will support a 'Confident Plymouth' by contributing to the increase in efficiencies of all departments within the Council, by ensuring all areas for improvement are considered, and benefits are realised. This will allow external parties to consider Plymouth as an efficient, cost-effective and reliable city, which in turn is likely to have a positive effect on investment within the city.
Benefits/Need / Outcomes	<p><u>Security Planning</u> – undertaking a 5 year investment plan with regards to fleet replacement will allow the Council to project its fleet requirements and financial elements over a much longer time, allowing for increase security relating to finances. If this project was not undertaken, then there would be significant uncertainty surrounding fleet requirements for the future, and financial projections of procurement and maintenance would be unknown.</p> <p><u>Value-For-Money Procurement</u> – having the ability to plan in advance what the Council's fleet requirements will be will allow for bulk orders to be placed far in advance of when the Council requires the vehicles. This will have 2 main benefits, the first being the significant reduction in lead/construction time, which will allow for the vehicles to be built and ready exactly when the Council requires the assets. The second main benefit stems from the bulk ordering in advance, which will allow for a more cost-effective deal with suppliers to be captured, driving further savings for the Council. If this project was not undertaken, the Council would continue to purchase vehicle as and when they are required, disallowing the possibility for bulk discounts and offers.</p> <p><u>Reduced Imprest Stock</u> – a 5 year replacement programme will allow for a single supplier to be chosen for a particular set of vehicles, which the Council has deemed the most cost effective solution. This will allow for a much simpler fleet management of vehicles, through the reduction of the number of makes and models of vehicles within the fleet, as all the vehicles will now be procured from a</p>

significantly reduced supplier list. As there are much fewer vehicle makes and models, the Fleet and Garage department will be able to stock less parts in total and the amount of imprest stock will be reduced. If this project was not undertaken, the Council would continue to stock a significantly large amount of items to satisfy the demand of an ageing and diverse fleet of vehicles.

Reduced Training Requirements – likewise with the reduced imprest stock, the reduction in the amount of vehicle makes, models and suppliers will result in a much more uniform and similar fleet of vehicles. This will reduce training requirements, including time and costs, for members of staff as they will be operating on the same makes and models of vehicles. If this project was not undertaken, the training requirements would be maintained at a high level, leading to all members of maintenance staff having to learn how to main a very large variety of vehicles.

This project will fit with the corporate plan and will aid the delivering a Brilliant and Co-operative Council, through achieving the co-operative values stated above.

The proposal will support the Transformation agenda by introducing new methods and ways of working towards achieving financial savings, driving efficiencies within services and influencing the future behaviours of the Council. This project will ensure that the correct procedures are in place with regards to procurement, to ensure the best value-for-money approach is undertaken, to ensure the long-term sustainability and viability of the council’s vehicular assets.

Mandatory compliance

The fleet has to be updated to maintain its mandatory requirements and the Council’s duties/services to the City of Plymouth. The fleet of vehicles needs to be as efficient and fit-for-purpose as possible in order to allow for the continued delivery of services to the residents of the City. Plymouth City Council has the responsibility of ensuring that they are always capable of delivering the agreed services to the public, and having an ageing fleet that is unreliable and costly to maintain jeopardises this agreement. Therefore the supporting of this project is the recommended option that is best suited to allow the Council to conform to its responsibilities and agreements regarding the delivery of services to the highest standard.

Rationale of the Project

Is it the belief of this project that a more holistic replacement plan is required to propose the most appropriate and cost effective solution to drastically reducing maintenance costs, and increase the reliability of the Council’s fleet of vehicles.

The outcomes of the project are detailed in the “Benefits/Needs/Outcomes” section above.

The objectives of the project are:

- To replace the fleet of vehicles that the Council operates over a 5 year period, from the point of approval for the fleet replacement business case
- To amend procurement policies and challenges within departments to ensure long-term viability and sustainability of vehicles, including the most value-for-money option, is always considered
- To significantly reduce the maintenance costs of the Council’s fleet of vehicles by introducing newer, more reliable and efficient vehicles into the fleet

The financial benefits are:

- Improved value for money
- More challenge and control in procurement providing a ‘fit for purpose’ fleet, meeting service requirements

- Reduction in short term hire costs
- Significant reduction in maintenance costs
- Reduction in fuel costs, as vehicles are more efficient
- Realignment and forecast of spend for better budget control / risk control

The non-financial benefits are:

- A much more efficient, reliable and fit-for-purpose fleet of vehicles
- Safer fleet of vehicles, which are less likely to fail and cause disruption to Council services
- Greater public image of the Council and it’s services through the introduction of newer, more environmentally friendly and safer vehicles
- Significant decrease in the environmental impact of the Council’s vehicles, as a newer fleet will be much more fuel efficient and will require less maintenance

The main critical success factor is efficient vehicle utilisation and procurement, which can be measured by the total overhead costs, fleet downtime, maintenance turnaround times, vehicle utilisation (including numbers, mileage) and how successful the procurement process is within the Council.

If the Council doesn’t undertake the recommended approach within this business case, then the Council-owned vehicular assets will continue to be a risk to the service, the maintenance of these ageing vehicles will cause increased stress on services and they will develop into liabilities.

The approach is needed now because the fleet of vehicles is currently costing an excessive amount of resources to be maintained, which could be invested elsewhere in the Council. The sooner the fleet replacement programme is approved and undertaken, the sooner inefficiencies and replacement costs, as well as risks to Council services, can be significantly reduced.

In Scope	Out of Scope
<p>This project applies to every vehicle within every department and service that the Council currently offers and supports. Procurement processes and orders will be reviewed and amended as part of the category management approach in which the Council has undertaken. This project will also verify whether current hires are a viable option, and whether these contracts can be terminated through the introduction of newer vehicles to the fleet.</p>	<p>The scope of this project does not cover the vehicles utilised by partners to the Council, the Fleet Replacement Programme only covers PCC vehicle utilisation.</p>

PART 3: PROJECT DEVELOPMENT AND OPTIONS ANALYSIS			
Stakeholder and partner engagement	<p>A communications plan has been developed as part of the ICMFS project, which can be located here:</p> <p>S:\Transformation\Programme and Project Folders\4. Growth Asset and Municipal Enterprise Programme\22. GAME_06 ICMFS\10. GAME_06 ICMFS Communication Plan</p> <p>The Stakeholder Analysis grid, which has been developed as part of this projects communications and engagement plan, can be found as Appendix item I at the end of this document. The Stakeholder Analysis grid details the different types of stakeholders, the interests within the project and whether they would have positive or negative input/outputs from its delivery.</p>		
Stakeholders	<p>Cabinet Members</p> <p>Opposition Members</p> <p>PCC DMT</p> <p>PCC Fleet and Garage Staff</p> <p>PCC Department Vehicle Drivers and Crews</p> <p>Plymouth Residents</p> <p>Partner Agencies</p> <p>Trade Unions</p>	Partners	<p>Additional Organisations e.g. Dennis, Mercedes, Vauxhall</p>
Customer and community engagement	<p>The Fleet Service considers service users to be its primary customers and will engage fully in the identification of needs and procurement of fleet with those customers prior to any contractual agreements being proposed and/or accepted.</p> <p>The public customer and community engagement won't be integral to the delivery of this project, as this project will not be co-designed with members of the community, nor will it have any negative effects on customers or the services they receive. The Fleet replacement programme will have no effect on customers, apart from the increase in reliability of services through the introduction of a more dependable fleet. Regardless of this, the fleet replacement programme provides the basis for communicating the positive work the Council is undertaken, to drive savings and provide better services, without any risk to staff or services. Good news stories, in the form of efficiencies, reliabilities and environmental factors can be displayed as positive messages.</p>		
Member engagement	<p>Members will be briefed on progress throughout the project and achievement of key deliverables will serve as positive messages that can be shared with the community. Members will be periodically briefed on the progress and savings made to date with regards to the investment spent, to ensure key messages and information is shared.</p>		
Equalities Impact Statement	<p>An Equalities Impact Assessment has been carried out for the ICMFS Project in general, and can be applied to this workstream, as it covers the same area of work, within the same department. Further to this, both projects have the same set of stakeholders.</p> <p>S:\Transformation\Programme and Project Folders\4. Growth Asset and Municipal Enterprise Programme\22. GAME_06 ICMFS\26. GAME_06 ICMFS Equality Impact Assessment</p>		

Option Analysis Undertaken

Option 1 – Acceptance and Implementation of the Fleet Vehicle Replacement Business Case document

Key Benefits	Key Risks
<p>Improvements to the efficiency, safety and reliability of the Council's fleet</p> <p>Long term sustainability and viability of the vehicles, with benefits to the service themselves</p> <p>Reduction in operating and maintenance costs of the vehicles</p> <p>Reduced maintenance pressure on the fleet and garage department</p> <p>Increase value-for-money in vehicle and parts procurement from suppliers</p> <p>Reduced training requirements</p> <p>Reduction in imprest stock.</p>	<p>Long term commitment to funding mitigated by better fleet management and supervision</p> <p>Requirement for management of expenditure, financial oversight</p>

Option 2 – Do Nothing / Continue As Normal

Key Benefits	Key Risks
<p>No requirement to undertake a £5.5m plan</p>	<p>Opportunities for significant financial, environmental and non-financial benefits are not exploited</p> <p>Services continue to run vehicles that are at risk to failure</p> <p>Vehicles continue to be maintained at significantly high operating costs</p> <p>Continuation of limited controls on fleet procurement, incurring additional costs</p> <p>Increasing pressure on the Fleet and Garage service to maintain an unreliable and ageing fleet</p>

Option 3 – Annual Capital Request

Key Benefits	Key Risks
<p>Reviewing on an annual basis that can be planned around financial years through formal requests.</p>	<p>This option doesn't present complete surety or consistency with regards to procurement and forecasting</p>

PART 4: TIMESCALES AND CONSTRAINTS

Timescale	<p>This project proposes a 5 year plan (with the request for the capital to undertake phase I only) for fleet replacement, which is due to initiate upon the completion, submission and approval of a Business Case and business case to undertake the Fleet Replacement Programme.</p> <p>Development of the Business Case will be undertaken throughout December 2014 and January 2015, with the Business Case's submission to Cabinet on the 19th January 2015. Assuming that the business case is supporting and approved by cabinet and the funding granted for the FRP, the work will be initiated immediately by the project team and project manager.</p> <p>Consultation time with stakeholders will need to be considered as a delay to the project, as it will be essential to capture all the stakeholders' requirements and ensure buy-in from all stakeholders that have been captured. Communications and engagement will be vital to ensure that all the relevant and realistic information is conveyed to all the appropriate stakeholders, at the right time, and in the right format, to ensure they understand the projects outcomes and products.</p> <p>Procurement time (lead time) will need to be considered as a delay, which also includes the construction and delivery of all vehicle orders. It has been previously stated that the vehicle orders will need to be placed within financial year 14/15 in order to ensure this lead and construction time is accounted for, to allow for delivery of assets when they are required in financial year 15/16.</p> <p>The detailed annualised fleet replacement programme is attached as appendix items 2 and 3.</p>			
Specific completion deadline	<p>Capital will need to be spent in accordance with the Fleet Replacement Programme detailed in the proposal section of this document, ensuring that the appropriate vehicles are procured during the correct financial year. There is no specific deadline for the delivery of this project, apart from the delivery of the allocated vehicles over the course of the 5 year programme.</p>			
Reason for constraints	<p>The expenditure will need to follow the Fleet Replacement Programme, in order to ensure the correct amounts of capital are spent at the correct times. This has been raised as a constraint as the capital is restricted to the procurement of the vehicles types and quantities agreed in the updated mandate (appendix item), and provides minimal room for scope change.</p>			
Mandate date	Project Plan	Business case	Contract	Completion
3 rd December 2014	The project plan will consist of the Fleet Replacement Programme, detailed in the 'Proposal' section of the updated mandate (appendix Item)	The business case will be produced from December 2014, through January and February 2015 for delivery to CCIB on 17 th February 2015.	As the FRP procurement exercise is ongoing throughout the project life cycle, the contract date will be the same as the completion date, whereby the procurement exercise has been completed	Project completion will occur at the end of the 5 year Fleet Replacement Programme, likely to be at the end of financial year 2019/20

PART 5: AFFORDABILITY AND FINANCING									
Anticipated Capital Commitment									
Finance arrangements	<p>A cost benefit analysis of replacing the dilapidated and expensive vehicles in 2015/16 has been provided as an appendix to this business case. This sets out the anticipated net cost avoidance over the life of the assets has an NPV of £0.925m.</p> <p>Cash costs are shown below:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>£'000s</u></th> </tr> </thead> <tbody> <tr> <td>Costs</td> <td style="text-align: center;">4,843</td> </tr> <tr> <td>Benefits</td> <td style="text-align: center;">(5,935)</td> </tr> <tr> <td> Net Benefit</td> <td style="text-align: center;"> (1,091)</td> </tr> </tbody> </table> <p>The costs avoided are the increasing cost of repairing older vehicles, per a PWC report the cost increases by 7% per annum. There are also 17 vehicles currently on lease that will be replaced, making significant savings.</p> <p>In addition, it is expected that service efficiencies can be gained through the use of more suitable, modern and reliable vehicles, resulting in further budget savings or cost avoidance and improved service delivery.</p> <p>The replacement of dilapidated and expensive vehicles has a total estimated capital cost of £4.229m. These costs will be funded from unsupported borrowing, to be taken over the life of the asset. Whilst the related borrowing costs create an initial pressure on the revenue accounts this is significantly lower than revenue costs that will be incurred if these proposals do not go ahead. These capital repayment costs have been factored into the budget for 15/16.</p> <p>In 2013 Sector reported on the cost of borrowing versus leasing and identified it was cheaper to buy, this has been reviewed and it is still cheaper to borrow than take out operating or purchasing leases. It also allows PCC to have greater flexibility over the assets use and life.</p> <p>The capital will be repaid over the life of the asset/loan via budget holders' revenue, with the implementation of category management; each vehicle will come with a monthly charge that covers the capital repayment, servicing and fleet and garage overheads. This charge is within the overall budget for PCC for vehicles and plant.</p>		<u>£'000s</u>	Costs	4,843	Benefits	(5,935)	 Net Benefit	 (1,091)
	<u>£'000s</u>								
Costs	4,843								
Benefits	(5,935)								
 Net Benefit	 (1,091)								
Bidding constraints	N/A								
Need for Match funding	N/A								
Level of commitment to the project	Although this paper is seeking for funding for the next two years, the fleet replacement project is an ongoing programme that will see the fleet need to be replaced over the asset life's (3 to 10 years). Therefore at regular intervals the council will be asked to approve further tranches of capital spend.								
Capital Avoidance	N/A								

Ring fenced Spend Profile	Previous	Y15/16	Y16/17	Y17/18	Y18/19	Future	Status
Unsupported Borrowing	0	2,610,500	1,619,000	0	0	0	4,229,500
Anticipated capital spend	0	2,610,500	1,619,000	0	0	0	4,229,500
SI06 and Tariff	N/A						
Contingency allowance	None						
Anticipated revenue commitment							
<p>EDGE Consultancy has been engaged by the GAME transformation board to assist with implementing Fleet Category Management, Fleet Commercialisation, Staff and Passenger travel. As part of that brief EDGE have assisted the Fleet team in putting together this business case. It is difficult to split the fees out amongst the different activities however an assumption of 10% of their consultancy fee is reasonable.</p> <p>Ongoing revenue costs are minimal, as the project will be supported internally by the Fleet Manager, Finance and Procurement.</p>							
	Previous	Y15/16	Y16/17	Y17/18	Y18/19	Future	Revenue budget code
Revenue costs of developing the project	1,000	4,000	2,000	0	0	0	5701
Ongoing revenue costs when project complete	<ul style="list-style-type: none"> No additional operating costs are attached with this programme. 						
Borrowing cost	3.44% - 3.88%, rates vary as the loan lengths vary.			Period of loan		Loan periods range from 3 to 10 years depending on the life of the asset.	
Transformational savings	ICMFS is an integral part of the GAME transformation programme, and will be supporting Fleet Savings of £1.135m per annum.						

PART 6: ACHIEVABILITY		
Governance arrangements	This project will make informed decisions through directional management at senior levels within the organisation, following the management hierarchy that is set out. The project will adhere to all escalation lines, through the management structure, which significant issues/risks/topics need to be escalated to senior members of staff. This project will be led by the Project Manager, overseen by the Project Executive, with oversight from the Director for Place.	
Impact assessment on service and client capability	<p>If this FRP isn't undertaken, there will be a negative impact on many aspects of the council where the fleet of vehicles are relied upon to deliver services to the residents of Plymouth. The frontline services will continue to operate and carry out their work, but in unreliable and cost-ineffective vehicles, which pose a risk to the delivery of the Service, as well as the Council as a whole.</p> <p>The project team are recommending undertaking this to ensure the continued optimum performance of the vehicles to provide the services to residents, in a reliable and cost-effective manner.</p>	
Project, programme and portfolio management arrangements	<p>The replacement plan is a 5 year plan (with a view to undertake phase I, years 15/16 and 16/17) defined by the fleet management technology and the consultation with service users, including experience and knowledge of fleet requirements for the future.</p> <p>This project doesn't sit specifically within Transformation but is being led as such given the project support currently available, The project should be considered as operational business as usual for the Fleet Manager. This project won't be governed or managed by Transformation, and is to be a separate piece of work across all departments within the Council as part of increasing the Fleet and Garage services viability, efficiency and productivity.</p> <p>However, this project does link back to transformation with regards to the finance workstream and category management approach to fleet management, as defined by the "Introduction of Category Management – Fleet Services" project. Both projects will be assessing the procurement methods to source inefficiencies, and attempt to promote value-for-money procurement from a centralised, holistic point, rather than departments managing their own fleet requirements.</p>	
Quality management arrangements	<p>The project aims to control the replacement of vehicles across the whole of the Council in order to ensure the fleet is fit for purpose, and represents the best value for money. The management of fleet requirements will be organised through the fleet manager, who is highly qualified in this area and opposed to individual service managers making uninformed decisions. The Fleet manager has a more holistic approach to the fleet requirements, and is therefore the best person to judge the Council's fleet utilisation requirements.</p> <p>This will produce a consistent procurement approach; ensuring quality, safety and best value are achieved wherever possible. Frontline services that the Council provide will be able to achieve a much higher level of quality from a vehicular point of view, through the utilisation of safer, more efficient and reliable vehicles.</p>	
Capital drawdown	Handover date	Defect Liability period
We intend to be flexible with our replacement plan within the initial section of the document, in terms of the annual capital drawdown expectations. Rather than bulk purchasing and replacing of vehicles, a group of the same vehicles will be procured from a staggered approach, in order to mitigate peaks and troughs of procurement and maintenance scheduling i.e. MOT's.	TBC	As per manufacturing warranties provided by the vehicle suppliers.

<p>Key assumptions in the business case</p>	<p>The Fleet replacement project activities articulated within this document are based off of factual information derived from fleet management technology regarding vehicle performance, reliability and usage. Analysis is made from fleet management data and interpreted by the fleet manager with support from senior management and EDGE Public Solutions.</p> <p>Assumptions made regarding source funding are made based on current interest rates and may require review should the financial climate change during the project period. Close oversight from Finance will mitigate this risk.</p>
<p>Interdependencies</p>	<p>This project has a dependency with operational and departmental services, as they require a fit for purpose fleet, and rely on experience and knowledge of the fleet service to deliver appropriate fleet replacements when required.</p> <p>Assuming that this project is approved, there will be a requirement to develop a replacement rota so that frontline services are not affected by the vehicle replacements.</p> <p>The project will also be dependent upon frontline services providing accurate and honest information regarding their vehicle requirements, in order to assign the appropriate number of vehicles, in the appropriate form to meet their demand from the public.</p>

KEY RISKS					
1	Description	Long term commitment to finance will require ongoing management of expenditure in line with the original plan			
	Mitigation	Any deviations from the original expenditure budget, in terms of financial amounts, or products purchased, are to be reported to the project executive.			
	Risk assessment (Low 1 – 5 High)				
		Initial	Post mitigation	Current	Total rating
	Likelihood	3	1	3	7
	Impact	2	1	2	5
	Trend		Lead Officer	Garry Stainer	
		Risk Champion	Garry Stainer		

2	Description	Fluctuation in financial markets causing changes to interest rates, for example, would influence procurement strategy i.e. outright purchase, lease hire etc.			
	Mitigation	Requiring a review of funding sources, including operational and financial management oversight			
	Risk assessment (Low 1 – 5 High)				
		Initial	Post mitigation	Current	Total rating
	Likelihood	2	1	2	5
	Impact	2	1	2	5
	Trend		Lead Officer	Garry Stainer	
		Risk Champion	Garry Stainer		

3	Description	Changes to fleet requirements and operational demand for vehicles may change over time			
	Mitigation	Operational and financial management oversight to provide guidance and support where required, as well as minimising the potential for risks to occur through earlier identification, evaluation and mitigation.			
	Risk assessment (Low 1 – 5 High)				
		Initial	Post mitigation	Current	Total rating
	Likelihood	3	1	3	7
	Impact	1	1	1	3
	Trend		Lead Officer	Garry Stainer	
		Risk Champion	Garry Stainer		

PART 7 PROCUREMENT AND DELIVERY	
Procurement strategy	<p>All procurement activity will be carried out in line with the Council's Contract Standing Orders and UK legislation.</p> <p>Before any procurement activity commences a procurement strategy will be written to capture the most effective method to procure each vehicle/plant type, which results in the most value for money.</p> <p>The procurement strategy will consider:</p> <ul style="list-style-type: none"> • The value of the procurement – this will often determine the procurement route, i.e. low value or high value • the procurement approach – whether to use an RFQ process, identify appropriate frameworks or Council own tender activity • value for money options – what evaluation criteria will be used, i.e. lowest cost or a mixture of technical and price • ability to use local suppliers • economies of scale - consider the requirements of the 5 year replacement programme, but commit to only the two years to be approved through this paper • the competitive nature of the market in which the vehicles/plant are being procured • ability to incorporate social values into any procurement activity • opportunities for collaborative/co-operative procurement activity with other public sector bodies/local authorities • consideration of how vehicles/plant are 'lotted' through any tendering activity to encourage SMEs to be for the work
Procurement options considered	<p>A number of different procurement approaches will be identified through the strategy. This may include whether to use an RFQ process, identify appropriate frameworks or Council own tender activity. There will not be a one size fits all for this fleet replacement programme.</p>
Evaluation criteria	<p>The evaluation criterion for each procurement activity has yet to be determined. For each element of procurement valued over £100K sign off will be obtained from the appropriate Assistant Director in accordance with Contract Standing Orders.</p>

PART 8 RECOMMENDATION AND DECISION	
Summary of proposal	The proposal from this document is to justify the undertaking of phase I of the projected fleet replacement programme. The investment cost of £4,229,500 is unavoidable in order to ensure Council vehicles are operational, but presents the opportunity to generate a financial benefit of £925k over the life expectancies of the vehicles. These figures are supported by accurate and reliable data, with the NPV being calculated by the Council's Finance department.
Analysis and Recommendations	<p><u>Analysis</u></p> <p>Fleet replacement is an ongoing requirement for the Council to undertake, as its services rely heavily on vehicles which are kept operational and as efficient as possible. The proposed plans set to alter the method of procurement of these vehicles, to smooth the requirement for maintenance and life spans, to generate financial benefits over a period of time, amounting to £925k benefit.</p> <p>This decision will see proposed savings in the region of £925k over the life span of the vehicles which are due to be procured</p> <p>Ongoing amendments and smoothing/levelling of vehicle procurement in line with the organisation requirements will generate ongoing, significant financial benefits, through a number of outcomes detailed previously.</p> <p>The organisation regularly undertakes fleet replacement, but not long a large scale. This plan sets to undertake a justified approach to vehicle replacement to generate those benefits.</p> <p>No previous lessons can be reviewed as this is the first type of project developed of this nature.</p> <p><u>Recommendations:</u></p> <p>It is recommended that:</p> <p>The Leader of the Council, having considered this business case:</p> <ul style="list-style-type: none"> • To approve the business case • To allocate the funding required (£4,229,500) to the capital programme in the form of a loan of unsupported borrowing to be repaid by the business over the life of the asset.
Decision required	The project team seeks to secure funding to undertake phase I of the procurement exercise outlined previously within this document. Ultimately, members of the CIB are required to review the proposal, and accept the document based on the recommendation and evidence provided.

CONFIRMATION OF PROMOTORS APPROVAL

Cabinet Member	*Assistant Director (Proposer) and AD (Finance)
Councillor Brian Vincent Cabinet Member for Environment	Simon Dale Assistant Director for Street Services

Either email dated:		Either email dated:	
Signed:		Signed:	
Date:		Date:	

Fleet Replacement Programme – Business Case Appendix Items

Appendix Item I – Stakeholder Analysis

Key People (a)	What's in it for them?		What could they do to support or prevent the change from taking place? (d)	What could we do to reduce the impact or encourage support? (e)
	Impact (+/-) (b)	Level of Risk (H/M/L) (c)		
Elected Members – Leader and Portfolio holders	+ve	M	<ul style="list-style-type: none"> Support the project aims and objectives (+) Require changes of pace and areas of focus (+ or -) Disagree with elements of the project (-) 	<ol style="list-style-type: none"> Regular project briefing sessions with Members, specifically the Cabinet Member for Environment, to inform them of progress made in relation to projected targets and their current status as part of continuous updates. Ensure members responsible for the project are well briefed and kept up-to-date on progress and target status, including any risks and issues that may be considered threatening
Elected members – Opposition	+ve to neutral	L	<ul style="list-style-type: none"> Support some/all of the project aims and objectives (+) Disagree with elements of the project (-) 	<ol style="list-style-type: none"> Regular Monthly project briefing sessions with Members to inform them of progress and target hitting.
PCC Staff – Fleet and Garage	Neutral	L	<ul style="list-style-type: none"> No change to working hours or workload, only a more uniform fleet (+) Increased job security through the approval of a 5-year programme, requiring maintenance (+) Disengaged staff will have more difficulty transitioning to the new ways of working, which may lead to industrial action in extreme circumstances (-) 	<ol style="list-style-type: none"> Staff engagement sessions through their respective management teams to inform of progress and reasoning Regular 1 to 1 sessions for staff Incorporation of “Toolbox Talks” techniques as methods of communication Staff feedback and suggestion mechanism Supporting members of staff who are undergoing change, through structured and tailored training
PCC Staff – Additional	Neutral to -ve	L	<ul style="list-style-type: none"> Engaged staff will aid the success of the project by understanding that a fleet replacement scheme will aid the delivery of services, providing more reliable and efficient vehicles for departments to operate (+) Disengaged staff will have more difficulty transitioning 	<ol style="list-style-type: none"> Regular staff engagement and briefing sessions through their respective management teams to inform of reasoning and progress Staff feedback and suggestion mechanism regarding the project Supporting members of staff who are undergoing change (if any), through structured and

			to the new ways of working, and won't understand the benefits of operating a 5-year replacement programme (-)	tailored training
Plymouth Residents	+ve	L	<ul style="list-style-type: none"> Positive impact on residents, as the replacement programme will ensure front-line services continue to be delivered in a reliable, efficient and environmentally-friendly manner. 	<ol style="list-style-type: none"> Positive communications through website updates to include positive outcomes from the project i.e. emissions, safety. Communications through alternate methods, such as newsletters, to promote the positive aspects of the replacement programme
Trade Unions	Neutral	M	<ul style="list-style-type: none"> Increased job security for workshop fitters, as the fleet replacement programme covers a 5 year period, where vehicle maintenance will be key to the successful delivery of services (+) 	<ol style="list-style-type: none"> Clear briefing Regular update on project and impact on staff of changes Consultation with TUs on changes and the implementation of viable suggestions made to show TU's their opinions are being considered.
Partner agencies	Neutral	L	<ul style="list-style-type: none"> Understanding of changes (neutral) 	<ol style="list-style-type: none"> Regular briefings sessions to monthly/bi-monthly board meetings Use of existing Newsletters/e-mails
Transformation Programme	+ve	L	<ul style="list-style-type: none"> Potential to link in with other projects (+) 	<ol style="list-style-type: none"> Alignment sessions between programme managers and project managers Sharing of progress, lessons learnt Involvement on projects where needed

Appendix Item 2 – Fleet Expenditure Profile v0.04

[Fleet Expenditure Profile v0.04](#)

[S:\Transformation\Programme and Project Folders\4. Growth Asset and Municipal Enterprise Programme\22. GAME_06 ICMFS\16. GAME_06_01 - Finance Workstream\01. Fleet Replacement Mandate\04. Finance Tables](#)



Fleet Profile Spend
v0.04.xlsx

Appendix Item 3 – NPV Calculations Spreadsheet

[NPV Calculations Spreadsheet](#)

[S:\Transformation\Programme and Project Folders\4. Growth Asset and Municipal Enterprise Programme\22. GAME_06 ICMFS\16. GAME_06_01 - Finance Workstream\01. Fleet Replacement Mandate\04. Finance Tables](#)



CBA Jan 2015 CCIB
proposals V1.xls

Appendix Item 4 – Original Fleet Replacement Mandate

[Original Fleet Replacement Mandate](#)

[S:\Transformation\Programme and Project Folders\4. Growth Asset and Municipal Enterprise Programme\22. GAME_06 ICMFS\16. GAME_06_01 - Finance Workstream\01. Fleet Replacement Mandate\05. Mandate](#)



Fleet Replacement
Mandate ORIGINAL.p

Appendix Item 5 – Update Fleet Replacement Mandate

[Updated Fleet Replacement Mandate](#)

[S:\Transformation\Programme and Project Folders\4. Growth Asset and Municipal Enterprise Programme\22. GAME_06 ICMFS\16. GAME_06_01 - Finance Workstream\01. Fleet Replacement Mandate\05. Mandate](#)



Fleet Replacement
Mandate UPDATED.p

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Equality Impact Assessment

STAGE 1: What is being assessed and by whom?	
What is being assessed - including a brief description of aims and objectives?	<p>The Introduction of Category Management – Fleet Services Project contributes to Plymouth’s ‘Brilliant Co-operative Council’s agenda, driving forward provision to create a clean and vibrant environment for residents and supporting the City in its growth. It is structured through three workstreams:</p> <ul style="list-style-type: none"> - Commercialisation - ICT - Finance <p>The project aims to create a much more efficient Fleet and Garage service, and review the current procurement and management policies surrounding the Council’s vehicles.</p> <p>A core element on this project is to procure and implement a Fleet Management IT (FMIT) system that can review current and future utilisations of all Council-owned vehicles, to ensure optimum value for money is achieved through efficiencies and opportunities.</p> <p>This project will also look at how the budgeting and procurement of fleet vehicles currently lies, and will seek methods of producing efficiencies through the centralisation of budget to ensure unnecessary expenditure is eliminated.</p>
Responsible Officer	Anthony Payne
Department and Service	Fleet and Garage Services
Date of Assessment	01/08/2014

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?
Age	Age does not represent a significant issue in the delivery of this project	No	Positive steps will be taken throughout involving service users, partner agencies and	N/A

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?
			Members	
Disability	Disability does not represent a significant issue in the delivery of this project however will need to be cognisant of this in the review of passenger transport	No	Positive steps will be taken throughout involving service users, partner agencies and Members to identify and address disability issues	N/A
Faith, Religion or Belief	As of 2011 Plymouth's breakdown in relation to religion was: No faith: 30% Hindu, Buddhist and Jewish combined less than 1%. Christian 68% Muslim/Islam 1.7%	No Transport will support people irrespective of their faith, religion or belief.	N/A	N/A
Gender - including marriage, pregnancy and maternity	Age does not represent a significant issue in the delivery of this project	No	Positive steps will be taken throughout involving service users, partner agencies and Members	N/A
Gender Reassignment	Gender Reassignment does not represent a	No	Positive steps will be taken throughout involving	N/A

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?
	significant issue in the delivery of this project		service users, partner agencies and Members	
Race	Race does not represent a significant issue in the delivery of this project	No	Positive steps will be taken throughout involving service users, partner agencies and Members	N/A
Sexual Orientation - including Civil Partnership	Sexual Orientation does not represent a significant issue in the delivery of this project	No	Positive steps will be taken throughout involving service users, partner agencies and Members	N/A
Socio-economic status	Socio-economic status does not represent a significant issue in the delivery of this project however will need to be cognisant of this in the review of passenger transport	No	Positive steps will be taken throughout involving service users, partner agencies and Members to identify and address economic issues	N/A

STAGE 3: Are there any implications for the following? If so, please record 'Actions' to be taken

Local Priorities	Implications	Timescale and who is responsible?

STAGE 3: Are there any implications for the following? If so, please record 'Actions' to be taken		
Local Priorities	Implications	Timescale and who is responsible?
Reduce the inequality gap, particularly in health between communities.	ICMFS has no negative impact on the inequality gap between different communities.	N/A
Good relations between different communities (community cohesion).	ICMFS has no negative impact on the relations between different communities.	N/A
Human Rights	There are no implications for Human Rights. The service will remain universal, ensuring that all users receive equitable and effective provision.	N/A

STAGE 4: Publication			
Director, Assistant Director/Head of Service approving EIA.	Simon Dale	Date	08/08/14

CABINET APPOINTMENTS TO COMMITTEES, OUTSIDE BODIES AND ADVISORY GROUPS 2015/16



Cabinet: 9 June 2015

Report of Giles Perritt, Assistant Chief Executive

Cabinet Member: Councillor Evans

A number of appointments to various bodies were submitted to the Annual Meeting of the City Council subject to confirmation by Cabinet at its first meeting of the municipal year -

Cabinet are recommended to confirm the following appointments –

	Role	Organisation	Membership	Appointments 2015/16
1	Joint Cabinet Committee	South West Devon Joint Waste Partnership	Two Cabinet Members + one observer Any Cabinet Member can act as a substitute member	Cabinet Members for Transport and Environment Councillor Michael Leaves - observer
2	Advisory Group to Cabinet	Mount Edgcumbe Joint Committee	Seven City Councillors Four Labour and three Conservative councillors	Councillors Peter Smith (Chair), Damarell, Sparling, Vincent, Fletcher, Fry, Mrs Pengelly. Substitutes: Councillors Jarvis, Rennie and Martin Leaves.
3	Advisory Group to Cabinet	Employment Liaison Committee	Five councillors Three Labour and two Conservative councillors including the Cabinet Member with responsibility for staffing Any councillor may act as a substitute member	Cabinet Member with responsibility for staffing and Councillors Hendy, Sparling, Mrs Beer and Mrs Leaves.

4	Advisory Group to Cabinet	Corporate Parenting Group	Eight councillors Four Labour and four Conservative councillors Any councillor may act as a substitute member	Councillors Philippa Davey (Chair), Bowie, Sam Davey, Tuohy, Mrs Foster (Vice Chair), Mrs Bowyer, Downie and Jordan.
5	Advisory Group to Cabinet	Child Poverty Working Group	Six councillors Three Labour and three Conservative councillors Any councillor may act as a substitute member	Cabinet Member with responsibility for child poverty and Councillors McDonald, Mrs Aspinall, Mrs Beer, Mrs Bowyer and Mrs Foster.

	Organisation	Members 2015/16
6	Bus Lane Adjudication Service Joint Committee	Cabinet Member with responsibility for transport
7	PATROL (Parking and Traffic Regulations outside London) Adjudication Joint Committee	Cabinet Member with responsibility for transport
8	Plymouth Urban Fringes Development Plan Document Joint Member Panel	two councillors Leader and Deputy Leader
9	Tamar Science Park Ltd. – Board of Directors	one Cabinet Member + one officer Leader (with authority to vote on behalf of the Council at the AGM) David Draffan
10	Heart of the South West Local Enterprise Partnership	Cabinet Member with responsibility for economic development
11	Heart of the South West Community Interest Company (when established)	Cabinet Member with responsibility for economic development Deputy: Chief Executive
12	Heart of the South West Local Transport Board	Cabinet Member with responsibility for transport

13	Plymouth Growth Board	Cabinet Member with responsibility for economic development / regeneration
14	Plymouth Culture Board	Cabinet Member with responsibility for culture
15	Plymouth Sports Board	Cabinet Member with responsibility for sport
16	Safer Plymouth Partnership Board	Cabinet Member with responsibility for community safety
17	Plymouth Children and Young People's Partnership	Cabinet Member with responsibility for children and young people
18	Plymouth Children's Safeguarding Board	Cabinet Member with responsibility for children and young people
19	Plymouth Adult Safeguarding Board	Cabinet Member for health adult social care
20	Destination Plymouth Board	Cabinet Member for Planning, Strategic Housing and Economic Development
21	Plymouth Waterfront Partnership Board	Cabinet Member with responsibility for the waterfront and leisure
22	Plymouth Waterfront Partnership Advisory Board	Three ward councillors from the St Peter and the Waterfront and Sutton and Mount Gould Wards Councillors Dann, McDonald and Penberthy
23	City Council Investment Board	Leader and Cabinet Members with responsibility for finance, education and transport Substitute: Deputy Leader

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