



#plymcabinet

**Democratic and Member Support**

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

Please ask for Gemma Pearce  
T 01752 398443  
E [gemma.pearce@plymouth.gov.uk](mailto:gemma.pearce@plymouth.gov.uk)  
[www.plymouth.gov.uk/democracy](http://www.plymouth.gov.uk/democracy)  
Published 08 February 2016

## CABINET

Tuesday 16 February 2016  
2.00 pm  
Council House, Plymouth

**Members:**

Councillor Evans, Chair

Councillor Smith, Vice Chair

Councillors Coker, Philippa Davey, 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.

The Council is a data controller under the Data Protection Act. Data collected during this webcast will be retained in accordance with authority's published policy.

For further information on webcasting, attending Council meetings and how to engage in the democratic process please follow this link <http://www.plymouth.gov.uk/accesstomeetings>

**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 - 4)

To sign and confirm as a correct record the minutes of the meeting held on 12 January 2016.

#### 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](mailto: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. RESPONSE TO THE BUDGET SCRUTINY REPORT ON THE INDICATIVE 2016/17 REVENUE BUDGET (Pages 5 - 8)

Tracey Lee (Chief Executive) will submit a report on the response to the Budget Scrutiny report on the Indicative 2016/17 Revenue Budget.

**7. DRAFT REVENUE AND CAPITAL BUDGET 2016/17 (TO FOLLOW)**

Andrew Hardingham (Assistant Director for Finance) will submit a report on the Draft Revenue and Capital Budget 2016/17.

**Please note:** This item will be sent 'to follow' whilst officers await the final budget settlement figures from Government.

**8. TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY 2016/17 (Pages 9 - 42)**

Andrew Hardingham (Assistant Director for Finance) will submit a report on the Treasury Management Strategy and Annual Investment Strategy 2016/17 which has been considered and recommended by the Audit Committee.

**9. REVENUE MONITORING REPORT 2015/16 QUARTER 3 (Pages 43 - 54)**

The Corporate Management Team will submit a report outlining the finance monitoring position for the third Quarter 2015/16.

**10. CORPORATE PERFORMANCE REPORT QUARTER 3 2015/16 AND PLEDGE UPDATE (Pages 55 - 76)**

Tracey Lee (Chief Executive) will submit the Corporate Performance Report for the Third Quarter and a pledge update.

**11. PLAN FOR HOMES 2016 - 2021 (Pages 77 - 96)**

Anthony Payne (Strategic Director for Place) will submit a report on the Plan for Homes 2016-2017.

**12. SOUTHWEST DEVON JOINT LOCAL PLAN (Pages 97 - 104)**

Anthony Payne (Strategic Director for Place), will submit a report on the Southwest Devon Joint Local Plan.

**13. ENERGY PROCUREMENT (Pages 105 - 122)**

Andrew Hardingham (Assistant Director for Finance) will submit a report on Energy Procurement.

**14. PENINSULA PLACEMENT CONTRACTS RE-TENDER BUSINESS CASE (Pages 123 - 238)**

Carole Burgoyne (Strategic Director for People) will submit a report on the Peninsula placement contracts re-tender business case.

**This page is intentionally left blank**

DECLARING INTERESTS – QUESTIONS TO ASK YOURSELF

What matters are being discussed?



D  
P  
I

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)

P  
r  
i  
v  
a  
t  
e  
  
I  
n  
t  
e  
r  
e  
s  
t

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

C  
a  
b  
i  
n  
e  
t

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.

**This page is intentionally left blank**

## Cabinet

Tuesday 12 January 2016

### PRESENT:

Councillor Evans, in the Chair.

Councillor Smith, Vice Chair.

Councillors Coker, Philippa Davey, Lowry, McDonald, Penberthy, Jon Taylor, Tuffin and Vincent.

Apologies for absence: Councillors

The meeting started at 2.00 pm and finished at 2.45 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.*

### 62. DECLARATIONS OF INTEREST

There were no declarations of interest made by members.

### 63. MINUTES

The minutes of the meeting which took place on 8 December were agreed.

### 64. QUESTIONS FROM THE PUBLIC

There were no questions from members of the public.

### 65. PURCHASE OF FORMER QUALITY INN HOTEL SITE

Councillor Lowry, Cabinet Member for Finance announced that an urgent key decision had been taken that morning to purchase the former Quality Inn Hotel site.

Mark Brunson (Head of Strategic Development Projects) presented images of the site for information.

The Leader thanked the officers for the work that had gone into securing the deal.

*This item was brought forward under Chair's Urgent Business because of the need to update the Cabinet with this information.*

### 66. COUNCIL TAX BASE SETTING 2016/17 AND COUNCIL TAX SUPPORT SCHEME 2016/17

Councillor Lowry (Cabinet Member for Finance) presented the Council tax base setting 2016/17 and Council Tax Support Scheme 2016/17.

Agreed to recommend to Council -

- (1) the approval of the council Tax Base for 2016/17 Tax setting as 69,846 Band D equivalents, which is the tax base after allowing for an estimated collection rate of 98.5%;

- (2) to approve the continuation of the current Council Tax Support Scheme for 2016/17.

67. **TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE CAPITAL AND REVENUE BUDGET 2016/17**

Councillor Coker presented report on the Tamar Bridge and Torpoint Ferry Joint Committee Capital and Revenue Budget 2016/17.

Agreed to recommend the Tamar Bridge and Torpoint Ferry Joint Committee's 2016/17 Revenue Estimates and Capital Programme to Full Council for approval.

68. **PEER REVIEW**

Giles Perritt (Assistant Chief Executive) presented the report on the Peer Review Challenge.

Agreed to -

- (1) to formally extend thanks on behalf the Council to the Peer Challenge team for their work;
- (2) to agree the response to the recommendations made in the report.

69. **EXEMPT BUSINESS**

There were no items of exempt business.



**PLYMOUTH CITY COUNCIL**

**Subject:** Response to the Budget Scrutiny Report on the Indicative 2016/17 Revenue Budget

**Committee:** Cabinet

**Date:** 16 February 2016

**Cabinet Member:** Councillor Evans, Le

**CMT Member:** Tracey Lee (Chief Executive)

**Author:** Ross Jago, Performance and Research Officer

**Contact details:** 01752 304469

**Ref:**

**Key Decision:** No

**Part:** I

---

**Purpose of the report:**

This report sets out the response to recommendations made by the Co-operative Scrutiny Board following its consideration of the indicative report Indicative 2016/17 Revenue Budget plus 2 Year Indicative Financial Forecast and 2016/17 to 2019/20 Capital Programme'.

---

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

The Council's Corporate Plan contains ambitious objectives around the themes of Pioneering, Growing, Caring and Confident Plymouth. Each objective identifies outcomes by which the delivery of the objectives will be measured with commitments made to promoting economic growth, improving Council services, health and social care outcomes and the reputation of the city.

The plan is based on Co-operative values that will inform the way that the Council goes about its business. In particular, the Council has adopted fairness as one of its core co-operative values and aims to take a fair approach to developing and implementing its budget priorities.

The Co-operative Scrutiny Board considered plans, budgets and savings targets within all areas of the council to ensure that proposals delivered against its co-operative vision and the Plymouth Plan.

---

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

Financial and resource implications relating to the response to individual recommendations will be explored in detail as related proposals are brought forward.

---

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

Implications with respect to the above areas relating to the response to individual recommendations will be explored in detail as related proposals are brought forward.

---

**Equality and Diversity:**

Due regard will be given to our Public Sector Equality Duty for all relevant management actions and budget solutions which result from Budget Scrutiny recommendations. Wherever potential adverse impact is identified a full Equality Impact Assessment would be conducted.

---

**Recommendations and Reasons for recommended action:**

That the responses to the recommendations made by the Co-operative Scrutiny Board itemised in this report are agreed.

---

**Alternative options considered and rejected:**

None.

Cabinet is obliged by the Constitution to take account of recommendations made by the Cooperative Scrutiny Board.

---

**Published work / information:**

[Indicative 2016/17 Revenue Budget plus 2 Year Indicative Financial Forecast and 2016/17 to 2019/20 Capital Programme](#)

[Budget Scrutiny Documentation](#)

[Budget Scrutiny Minutes](#)

[Webcast Day One](#)

[Webcast Day Two](#)

[Webcast Day Three](#)

**Background papers:**

---

**Sign off:**

Fin	akh 151 6.67	Leg	DV S24 914	Mon Off		HR		Assets		IT		Strat Proc	
Originating SMT Member – Giles Perritt													
Has the Cabinet Member(s) agreed the content of the report?													

## Budget Scrutiny Report on the Indicative 2016/17 Revenue Budget

	Recommendations	To	Response
1	Quantify, in an appendix to the budget report, the levels of external funding both capital and revenue, currently being utilised by the City Council with an accompanying statement outlining how further resources are being sought.	Cabinet	<b>Accepted –</b> Relevant information will be provided in the Budget Report to Council in February
2	Place Directorate to consider how experience in the development of the Plymouth Plan can be commercialised to provide a consultancy offer to other local authorities.	Cabinet	<b>Accepted –</b> The Place Directorate will consider this opportunity and build upon work that is already being developed with South Hams and West Devon District Councils to develop a joint strategy for the wider Plymouth area
3	Recommend that work continues to further integrate targeted services to ensure greatest impact for the most vulnerable children and young people, including those on the edge of care.	Cabinet	<b>Accepted –</b> Work will continue and updates will be presented to Scrutiny where required.
4	Recommend that police and local authority work together to deliver an integrated approach to neighbourhood and community safety services	Cabinet / Police and Crime Commissioner	<b>Accepted –</b> Work will continue and updates will be presented to Scrutiny where required.
5	The Board has heard much with regard to community hubs be it with regard to the integration of health and social care, children's services or changes to policing.  The Board recommends that a time limited working group including cabinet and scrutiny members is established to consider the opportunities that the One Public Estate programme offers to develop a rational approach to community hubs and avoid a duplicated and fragmented range of initiatives.	Cabinet / Scrutiny	<b>Under Consideration –</b> Cabinet asks that scrutiny give sufficient time for officers to undertake a situation analysis which will be provided at a future scrutiny meeting; with respect to community hubs.
6	Accelerate the development of the Workforce Plan, with particular regard to succession planning and bring a report to scrutiny at a future meeting to include an update on the actions undertaken with regard to the 2015 staff survey	Cabinet	<b>Accepted –</b> Work will continue and updates will be presented to Scrutiny where required.
7	The Chief Executive Office should develop a dedicated approach to communication with councillors.	Cabinet	<b>Accepted –</b> Work is underway and updates will be presented to Scrutiny where required.
8	Disaggregate the commercialisation project and targets across the Council Directorates	Cabinet	<b>Accepted -</b> However, further consideration will be given

	and using the available framework develop an entrepreneurial approach and commercial ethos within Directorates of the council		to this recommendation and a response will be provided to the scrutiny function when the Commercialisation Strategy is presented to scrutiny for consideration.
9	Consider further provision within the capital programme to bring empty homes back into use	Cabinet	<b>Accepted –</b> The Plan for Homes 2016-2021 report to Cabinet on 16 <sup>th</sup> February 2016 will contain proposals for additional investment in empty homes following input from the Housing Needs Working Group (Councillors Bowyer, Jordan, Penberthy and Lowry).
10	Recommend that the 2% adult social care levy is applied to council tax bills. The levy should be highlighted on council tax bills with enclosed information on how the money is spent. A report should be provided to the scrutiny on the use of the levy at an appropriate future meeting.	Cabinet	<b>Under consideration</b> pending outcome of the detail of the final settlement figures
	<b>For the Scrutiny Work Programme</b>		
1	Undertake a review of the DELT and Commercialisation transformation projects and present a “lessons learned” report to Scrutiny	Scrutiny	<b>Accepted</b>
2	Receive regular updates on progress of Success Regime to ensure that it is aligned with local objectives and priorities at the same time as bringing the system back to financial stability	Scrutiny	<b>Accepted</b>
3	Overview and Scrutiny should receive update on pooled budget and commissioning plans for 2016/17 when they are finalised and the Sustainability and Transformation Plan as required in the planning guidance for 2016/17 is produced.	Scrutiny	<b>Accepted</b>
4	That the new Communications and Engagement Framework is scrutinised ahead of formal decision.	Scrutiny	<b>Accepted</b>

**PLYMOUTH CITY COUNCIL**

<b>Subject:</b>	Treasury Management Strategy and Annual Investment Strategy 2016/17 including Minimum Revenue Provision (MRP) Strategy 2016/17
<b>Committee:</b>	Cabinet
<b>Date:</b>	16 February 2016
<b>Cabinet Member:</b>	Councillor Lowry
<b>CMT Member:</b>	Andrew Hardingham (Assistant Director for Finance)
<b>Author:</b>	Chris Flower, Lead Accountant
<b>Contact details</b>	Tel: 01752 304212 email: chris.flower@plymouth.gov.uk
<b>Ref:</b>	Fin/CF
<b>Key Decision:</b>	No
<b>Part:</b>	I

---

**Purpose of the report:**

The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services requires local authorities to set a Treasury Management Strategy Statement and Prudential Indicators on an annual basis to include the Annual Investment Strategy.

---

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

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

---

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

Treasury Management affects the Council's budget in terms of borrowing costs and investment returns. The Treasury Management Strategy sets the authorised limits and operational boundaries within which investment and borrowing decisions are taken and risks managed. Effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

---

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

A robust Treasury Management Strategy is key to ensuring a successful delivery of our Medium Term Financial Plan and ensuring the Council can achieve its objectives to be a Pioneering, Growing Caring and Confident City.

**Equality and Diversity**

Has an Equality Impact Assessment been undertaken? No

**Recommendations and Reasons for recommended action:**

1. Cabinet recommends the Treasury Management Strategy and Annual Investment Strategy (incorporating the authorised limits, operational boundaries and prudential indicators) to the Council for approval

*This is to comply with the CIPFA Code of Practice and discharge our statutory requirement.*

2. Cabinet recommends Council to approve the change of policy in the calculation of the Minimum Revenue Provision using the annuity method with effect from 2015/16.

**Alternative options considered and rejected:**

It is a statutory requirement under the Local Government Act 2003 and supporting regulations to set an annual treasury strategy for borrowing and prepare an annual investment strategy. The Council has adopted the CIPFA Code of Practice for Treasury Management.

**Published work / information:**

Not Applicable

**Background papers:**

Not Applicable

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

**Sign off:**

Fin	djn15 16.69	Leg	lt/24 948	Mon Off	DVS 24947	HR		Assets		IT		Strat Proc	
Originating SMT Member Andrew Hardingham, Assistant Director													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

**Treasury Management Strategy Statement 2016/17 and  
Annual Investment Strategy 2016/17**

**I. Introduction**

- I.1 In April 2002 the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year.
- I.2 In addition, the Department for Communities and Local Government (CLG) issued revised *Guidance on Local Authority Investments* in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year.
- I.3 This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.
- I.4 The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

**2 External Context**

**2.1 Economic background**

Domestic demand has grown robustly, supported by sustained real income growth and a gradual decline in private sector savings. Low oil and commodity prices were a notable feature of 2015, and contributed to annual CPI inflation falling to 0.1% in October. Wages are growing at 3% a year, and the unemployment rate has dropped to 5.4%. Mortgage approvals have risen to over 70,000 a month and annual house price growth is around 3.5%. These factors have boosted consumer confidence, helping to underpin retail spending and hence GDP growth, which was an encouraging 2.3% a year in the third quarter of 2015. Although speeches by the Bank of England's Monetary Policy Committee (MPC) members sent signals that some were willing to countenance higher interest rates, the MPC held policy rates at 0.5% for the 81st consecutive month at its meeting in November 2015. Quantitative easing (QE) has been maintained at £375bn since July 2012.

A major political issue in 2016 will be the UK's future relationship with the EU. Uncertainty over the outcome of the forthcoming referendum could put downward pressure on UK GDP growth and interest rates.

China's growth has slowed and its economy is performing below expectations, reducing global demand for commodities and contributing to emerging market weakness. US



domestic growth has accelerated but the globally sensitive sectors of the US economy have slowed. Strong US labour market data and other economic indicators however suggest recent global turbulence has not knocked the American recovery off course. The Federal Reserve did not raise policy rates at its meetings in October and November, but the statements accompanying the policy decisions point have made a rate hike in December 2015 a real possibility. In contrast, the European Central Bank finally embarked on QE in 2015 to counter the perils of deflation.

### 2.2 Credit outlook

The varying fortunes of different parts of the global economy are reflected in market indicators of credit risk. UK Banks operating in the Far East and parts of mainland Europe have seen their perceived risk increase, while those with a more domestic focus continue to show improvement. The sale of most of the government's stake in Lloyds and the first sale of its shares in RBS have generally been seen as credit positive.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the UK, USA and Germany. The rest of the European Union will follow suit in January 2016, while Australia, Canada and Switzerland are well advanced with their own plans. Meanwhile, changes to the UK Financial Services Compensation Scheme and similar European schemes in July 2015 mean that most private sector investors are now partially or fully exempt from contributing to a bail-in. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however remain low.

### 2.3 Interest rate forecast

The Authority's treasury advisor Arlingclose projects the first 0.25% increase in UK Bank Rate in the third quarter of 2016, rising by 0.5% a year thereafter, finally settling between 2% and 3% in several years' time. Persistently low inflation, subdued global growth and potential concerns over the UK's position in Europe mean that the risks to this forecast are weighted towards the downside.

A shallow upward path for medium term gilt yields is forecast, as continuing concerns about the Eurozone, emerging markets and other geo-political events weigh on risk appetite, while inflation expectations remain subdued. Arlingclose projects the 10 year gilt yield to rise from its current 2.0% level by around 0.3% a year. The uncertainties surrounding the timing of UK and US interest rate rises are likely to prompt short-term volatility in gilt yields.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at **Appendix A**.

For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 1.14%, and that new long-term loans will be borrowed at an average rate of 3.51%.

### 3. Local Context

3.1 The Authority currently has £230m of borrowing and £68m of investments. The Economic & Interest Rate Forecast is set out in further detail at **Appendix B**. Forecast changes in these sums are shown in the balance sheet analysis in table I below.

**Table I: Balance Sheet Summary and Forecast**

	<b>31.3.15 Actual £m</b>	<b>31.3.16 Estimate £m</b>	<b>31.3.17 Forecast £m</b>	<b>31.3.18 Forecast £m</b>	<b>31.3.19 Forecast £m</b>
General Fund CFR	290.94	313.50	329.23	337.67	342.67
Less: Other debt liabilities *	-38.94	-38.94	-38.00	-38.00	-38.00
<b>Borrowing CFR</b>	<b>252.00</b>	<b>274.56</b>	<b>291.23</b>	<b>299.67</b>	<b>304.67</b>
Less: External borrowing **	-215.46	-238.02	-253.75	-262.19	-267.19
<b>Internal (over) borrowing</b>	<b>36.54</b>	<b>36.54</b>	<b>37.48</b>	<b>37.48</b>	<b>37.48</b>
Less: Working Capital /Usable	114.10	111.00	89.00	87.00	85.00
<b>Investments (or New borrowing)</b>	<b>77.56</b>	<b>74.46</b>	<b>51.52</b>	<b>49.52</b>	<b>47.52</b>

\* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

\*\* shows only loans to which the Authority is committed and excludes optional refinancing

- 3.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, subject to holding a minimum investment balance of £52m.
- 3.3 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table I shows that the Authority expects to comply with this recommendation during 2016/17.

#### **4 Borrowing Strategy**

- 4.1 The Authority currently holds £230 million of loans, an increase of £15 million on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table I shows that the Authority expects to borrow up to £254m in 2016/17. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £338 million.

#### **4.2 Objectives:**

The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

## 4.3 Strategy:

Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2016/17 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

In addition, the Authority may borrow short-term loans to cover unexpected cash flow shortages.

## 4.4 Sources:

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds (except Devon Local Government Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- any other counterparty that are approved by the authority's TM advisors.

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases
- hire purchase
- Private Finance Initiative
- sale and leaseback

The Authority has previously raised some of its long-term borrowing from the PWLB and through LOBOs but it continues to investigate other sources of finance, such as local authority loans and bank loans that may be available at more favourable rates.

#### **4.5 LGA Bond Agency:**

UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee over the very small risk that other local authority borrowers default on their loans; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to the Treasury Management Board.

#### **4.6 LOBOs:**

The Authority holds £100m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. £20m of these LOBOS have options during 2016/17, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so. Total borrowing via LOBO loans will be limited to £100m.

#### **4.7 Short-term and Variable Rate loans:**

These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

#### **4.8 Debt Rescheduling:**

The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

### **5. Investment Strategy**

**5.1** The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £60 and £70 million, and is expected to remain about the same in the forthcoming year.

**5.2** Objectives:

Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk receiving unsuitably low investment income.

**5.3** Strategy:

Given the increased risk and continued low returns from short-term unsecured bank investments, the Authority continues to hold its investments in more secure, lower yielding asset classes. The authority holds £20m as a longer-term investment in the CCLA Property Fund and this gives a higher return than the short term investments. The majority of the Authorities surplus cash is currently invested in short-term unsecured bank deposits, certificates of deposit, Local Authorities and money market funds. This diversification will represent a continuation of the new strategy adopted in 2015/16.

#### 5.4 Approved Counterparties:

The Authority may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 2: Approved Investment Counterparties and Limits

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£6m 5 years	£12m 20 years	£20m 50 years	£6m 20 years	£6m 20 years
AA+	£6m 5 years	£12m 10 years	£12m 25 years	£6m 10 years	£6m 10 years
AA	£6m 4 years	£12m 5 years	£12m 15 years	£6m 5 years	£6m 10 years
AA-	£5m 3 years	£12m 4 years	£12m 10 years	£6m 4 years	£6m 10 years
A+	£5m 2 years	£12m 3 years	£6m 5 years	£6m 3 years	£6m 5 years
A	£4m 13 months	£12m 2 years	£6m 5 years	£6m 2 years	£6m 5 years
A-	£4m 6 months	£12m 13 months	£6m 5 years	£6m 13 months	£6m 5 years
BBB+	£3m 100 days	£5m 6 months	£2m 2 years	£2m 6 months	£2m 2 years
BBB	£0m next day only	£5m 100 days	n/a	n/a	n/a
None	n/a	n/a	£12m 25 years	n/a	£3m 5 years
Pooled funds	£20m per fund				

This table must be read in conjunction with the notes below

#### 5.5 Credit Rating:

Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used.

#### 5.6 Banks Unsecured:

Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Unsecured investment with banks rated BBB are restricted to overnight deposits at the Authority's current account bank.

### **5.7 Banks Secured:**

Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

### **5.8 Government:**

Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

### **5.9 Corporates:**

Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

### **5.10 Registered Providers:**

Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain a high likelihood of receiving government support if needed.

### **5.11 Pooled Funds:**

Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access



bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

### **5.12 Risk Assessment and Credit Ratings:**

Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

### **5.13 Other Information on the Security of Investments:**

The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high

credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

**5.14 Specified Investments:**

The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
  - the UK Government,
  - a UK local authority, parish council or community council, or
  - a body or investment scheme of “high credit quality”.

The Authority defines “high credit quality” organisations and securities as those having a credit rating of [A-] or higher that are domiciled in the UK or a foreign country with a sovereign rating of [AA+] or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of [A-] or higher.

**5.15 Non-specified Investments:**

Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

Table 3: Non-Specified Investment Limits

	<b>Cash limit</b>
Total long-term investments	£40m
Total investments without credit ratings or rated below A-	£10m
Total investments with institutions domiciled in foreign countries rated below AA+	£0m
Total non-specified investments	£50m

### 5.16 Investment Limits:

The Authority's revenue reserves available to cover investment losses are forecast to be £45 million on 31st March 2016. In order that no more than 40% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £20 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment Limits

	<b>Cash limit</b>
Any single organisation, except the UK Central Government	£12m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£20m per group
Any group of pooled funds under the same management	£25m per manager
Negotiable instruments held in a broker's nominee account	£40m per broker
Foreign countries	£12m per country
Registered Providers	£12m in total
Unsecured investments with Building Societies	£10m in total
Loans to unrated corporates	£5m in total
Money Market Funds	£40m in total

### 5.17 Liquidity Management:

The Authority uses cash flow forecasting spreadsheet to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast.

## 6. Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

### 6.1 Security:

The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment.

	Target
Portfolio average credit rating	A

### 6.2 Liquidity:

The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	Target
Total cash available within 3 months	£15m

### 6.3 Interest Rate Exposures:

This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

	2016/17	2017/18	2018/19
Upper limit on fixed interest rate exposure	210%	210%	210%
Upper limit on variable interest rate exposure	80%	80%	80%

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

### 6.4 Maturity Structure of Borrowing:

This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	<b>Upper</b>	<b>Lower</b>
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

### **6.5 Principal Sums Invested for Periods Longer than 364 days:**

The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Limit on principal invested beyond year end	£40m	£35m	£35m

### **7.1 Other Items**

There are a number of additional items that the Authority is obliged by CIPFA or CLG to include in its Treasury Management Strategy.

### **7.2 Policy on Use of Financial Derivatives:**

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

### **7.3 Investment Training:**

The needs of the Authority's treasury management staff for training in investment management are assessed every twelve months as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.

Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

### **7.4 Investment Advisers:**

The Authority has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is controlled by quarterly review meetings and periodically tendering for the provision of Treasury Management Consultancy services.

### **7.6 Investment of Money Borrowed in Advance of Need:**

The Authority may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Authority is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Authority's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit of £338 million. The maximum period between borrowing and expenditure is expected to be two years, although the Authority is not required to link particular loans with particular items of expenditure.

## **8. Financial Implications**

The budget for investment income in 2016/17 is £0.77 million, based on an average investment portfolio of £68 million at an interest rate of 1.14%. The budget for debt interest payable in 2016/17 is £7.90 million, based on an average debt portfolio of £230 million at an average interest rate of 3.4%. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

## **9. Other Options Considered**

The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Section 151 Officer, having consulted the Cabinet Member for Finance, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

<b>Alternative</b>	<b>Impact on income and expenditure</b>	<b>Impact on risk management</b>
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

## **10.0 Change of Minimum revenue Provision (MRP) Policy**

### **10.1 MRP Review**

Under regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 SI 2003/3146, as amended, local authorities are required to charge to their revenue account for each financial year MRP to account for the cost of their unfinanced capital expenditure.

Prior to its amendment by the 2008 Regulations, regulation 28 (as amended by regulation 3(1), and read with regulation 3(2) and (3), of the 2007 Regulations) sets out the method authorities were required to follow in calculating MRP.

There has also been a recent change of advice from CIPFA on MRP calculations and the use of the annuity method. Prior years involved detailed calculations which were very prescriptive but these have been replaced with a requirement that local authorities calculate an amount of MRP which they consider to be prudent.

### **10.2 Change of Policy**

During 2015/16 the Council has undertaken a review of its MRP calculation method and accounting assumptions. The Council's calculations were driven by a very complex spreadsheet that needed a full overhaul. The Council therefore engaged its TM advisors, Arlingclose to review and advise best practice. The main conclusions were that, due to the way we were calculating our annual MRP charge has resulted in an over-provision for many years and it also recommended a change in the calculation method.

The Council wants to match the economic benefits from its assets with the life of those assets. Therefore the Council wants to use the annuity method which not only spreads the cost of the borrowing over the life of the assets but it also takes into account the time value of money.

The council's previous method of calculating MRP was to spread the cost of borrowing in a straight line over a maximum of 25 years. The current council tax payers would therefore pay a relative higher charge than council tax payers in the future. e.g. if an asset cost £20m to build and has a life of 20 years then there would have been a £1m charged each year on the straight line basis. The annuity method takes into account the time value because £1m today has a higher value (NPV) than £1m in 20 years time.

The resulting change from the over provision of MRP in prior years will be to reduce the MRP charge in 2015/16 and 2016/17 by £3.65m in each year. The change of calculation method to the annuity method will reduce the MRP charge for the following years as follows; 2016/17 £1.05m; 2017/18 £0.89m; 2018/19 £0.73m; 2019/20 £0.57m (these figures would be subject to additional MRP charges for assets added during these periods).



The details of the MRP policy are shown in Appendix E.

### **10.3 Recommendations**

Cabinet recommends Council to approve the change of policy in the calculation of the Minimum Revenue Provision (MRP) using the annuity method with effect from 2015/16.

## Appendix A – Treasury Management Policy Statement

### INTRODUCTION AND BACKGROUND

- The Council adopts the key recommendations of CIPFA’s Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 5 of the Code.
- Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-
  - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
  - Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- The Council (i.e. full Council) will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to Cabinet and the Audit Committee and for the execution and administration of treasury management decisions to the Section 151 Officer, who will act in accordance with the organisation’s policy statement and TMPs and CIPFA’s Standard of Professional Practice on Treasury Management.
- The Council nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

### POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES

- The Council defines its treasury management activities as “The management of the Council’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and

to employing suitable performance measurement techniques, within the context of effective risk management.

- The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.
- The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations.

**Appendix B – Arlingclose Economic & Interest Rate Forecast November 2015**

**Underlying assumptions:**

- UK economic growth softened in Q3 2015 but remained reasonably robust; the first estimate for the quarter was 0.5% and year-on-year growth fell slightly to 2.3%. Negative construction output growth offset fairly strong services output, however survey estimates suggest upwards revisions to construction may be in the pipeline.
- Household spending has been the main driver of GDP growth through 2014 and 2015 and remains key to growth. Consumption will continue to be supported by real wage and disposable income growth.
- Annual average earnings growth was 3.0% (including bonuses) in the three months to August. Given low inflation, real earnings and income growth continue to run at relatively strong levels and could feed directly into unit labour costs and households' disposable income. Improving productivity growth should support pay growth in the medium term. The development of wage growth is one of the factors being closely monitored by the MPC.
- Business investment indicators continue to signal strong growth. However the outlook for business investment may be tempered by the looming EU referendum, increasing uncertainties surrounding global growth and recent financial market shocks.
- Inflation is currently very low and, with a further fall in commodity prices, will likely remain so over the next 12 months. The CPI rate is likely to rise towards the end of 2016.
- China's growth has slowed and its economy is performing below expectations, which in turn will dampen activity in countries with which it has close economic ties; its slowdown and emerging market weakness will reduce demand for commodities. Other possible currency interventions following China's recent devaluation will keep sterling strong against many global currencies and depress imported inflation.
- Strong US labour market data and other economic indicators suggest recent global turbulence has not knocked the American recovery off course. Although the timing of the first rise in official interest rates remains uncertain, a rate rise by the Federal Reserve seems significantly more likely in December given recent data and rhetoric by committee members.
- Longer term rates will be tempered by international uncertainties and weaker global inflation pressure.

## Forecast:

- Arlingclose forecasts the first rise in UK Bank Rate in Q3 2016. Further weakness in inflation, and the MPC's expectations for its path, suggest policy tightening will be pushed back into the second half of the year. Risks remain weighted to the downside. Arlingclose projects a slow rise in Bank Rate, the appropriate level of which will be lower than the previous norm and will be between 2 and 3%.
- The projection is for a shallow upward path for medium term gilt yields, with continuing concerns about the Eurozone, emerging markets and other geo-political events, weighing on risk appetite, while inflation expectations remain subdued.
- The uncertainties surrounding the timing of UK and US monetary policy tightening, and global growth weakness, are likely to prompt short term volatility in gilt yields.

	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
<b>Official Bank Rate</b>													
Upside risk		0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50
<b>Arlingclose Central Case</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.75</b>	<b>0.75</b>	<b>1.00</b>	<b>1.00</b>	<b>1.25</b>	<b>1.25</b>	<b>1.50</b>	<b>1.50</b>	<b>1.75</b>	<b>1.75</b>
Downside risk				-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-1.00	-1.00	-1.25	-1.25
<b>3-month LIBID rate</b>													
Upside risk	0.20	0.30	0.30	0.30	0.35	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40
<b>Arlingclose Central Case</b>	<b>0.55</b>	<b>0.60</b>	<b>0.70</b>	<b>0.80</b>	<b>0.95</b>	<b>1.05</b>	<b>1.15</b>	<b>1.30</b>	<b>1.40</b>	<b>1.55</b>	<b>1.65</b>	<b>1.80</b>	<b>1.85</b>
Downside risk		-0.20	-0.30	-0.45	-0.55	-0.65	-0.80	-0.90	-1.05	-1.10	-1.20	-1.20	-1.20
<b>1-yr LIBID rate</b>													
Upside risk	0.25	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.45	0.45	0.45	0.45	0.45
<b>Arlingclose Central Case</b>	<b>1.10</b>	<b>1.20</b>	<b>1.35</b>	<b>1.45</b>	<b>1.55</b>	<b>1.70</b>	<b>1.80</b>	<b>1.95</b>	<b>2.00</b>	<b>2.10</b>	<b>2.15</b>	<b>2.15</b>	<b>2.15</b>
Downside risk	-0.15	-0.25	-0.35	-0.50	-0.60	-0.70	-0.85	-0.95	-1.10	-1.15	-1.25	-1.25	-1.25
<b>5-yr gilt yield</b>													
Upside risk	0.40	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60
<b>Arlingclose Central Case</b>	<b>1.50</b>	<b>1.55</b>	<b>1.60</b>	<b>1.70</b>	<b>1.80</b>	<b>1.90</b>	<b>2.00</b>	<b>2.10</b>	<b>2.20</b>	<b>2.25</b>	<b>2.30</b>	<b>2.35</b>	<b>2.35</b>
Downside risk	-0.35	-0.45	-0.55	-0.60	-0.70	-0.80	-0.90	-1.00	-1.10	-1.15	-1.20	-1.25	-1.25
<b>10-yr gilt yield</b>													
Upside risk	0.40	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60
<b>Arlingclose Central Case</b>	<b>2.00</b>	<b>2.05</b>	<b>2.10</b>	<b>2.20</b>	<b>2.30</b>	<b>2.40</b>	<b>2.50</b>	<b>2.60</b>	<b>2.65</b>	<b>2.70</b>	<b>2.75</b>	<b>2.80</b>	<b>2.80</b>
Downside risk	-0.35	-0.45	-0.55	-0.60	-0.70	-0.80	-0.90	-1.00	-1.10	-1.15	-1.20	-1.25	-1.25
<b>20-yr gilt yield</b>													
Upside risk	0.40	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60
<b>Arlingclose Central Case</b>	<b>2.45</b>	<b>2.50</b>	<b>2.55</b>	<b>2.55</b>	<b>2.60</b>	<b>2.65</b>	<b>2.70</b>	<b>2.75</b>	<b>2.80</b>	<b>2.85</b>	<b>2.90</b>	<b>2.95</b>	<b>2.95</b>
Downside risk	-0.30	-0.40	-0.50	-0.55	-0.65	-0.75	-0.85	-0.95	-1.05	-1.10	-1.15	-1.20	-1.20
<b>50-yr gilt yield</b>													
Upside risk	0.40	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60
<b>Arlingclose Central Case</b>	<b>2.45</b>	<b>2.50</b>	<b>2.55</b>	<b>2.60</b>	<b>2.65</b>	<b>2.70</b>	<b>2.75</b>	<b>2.80</b>	<b>2.85</b>	<b>2.90</b>	<b>2.95</b>	<b>3.00</b>	<b>3.00</b>
Downside risk	-0.25	-0.35	-0.45	-0.50	-0.60	-0.70	-0.80	-0.90	-1.00	-1.05	-1.10	-1.15	-1.15

## Appendix C – Existing Investment &amp; Debt Portfolio Position

	31/12/2015 <b>Actual Portfolio</b>  <b>£m</b>	31/12/2015 <b>Average Rate</b>  <b>%</b>
<b>External Borrowing:</b>		
PWLB – Fixed Rate	44.25	5.76
PWLB – Variable Rate	0.00	0.00
Local Authorities	80.30	0.39
LOBO Loans	100.00	4.38
<b>Total External Borrowing</b>	<b>224.55</b>	<b>3.23</b>
<b>Other Long Term Liabilities:</b>		
PFI	28.61	
Finance Leases	1.73	n/a
Cornwall Council (TBTF)	8.42	n/a
<b>Total Gross External Debt</b>	<b>263.31</b>	
<b>Investments:</b>		
<i>Managed in-house</i>		
Short-term investments	37.14	0.76
Long-term investments	11.00	variable
<i>Managed externally</i>		
Fund Managers		
Pooled Funds	20.00	variable
<b>Total Investments</b>	<b>68.14</b>	
<b>Net Debt</b>	<b>195.17</b>	



## Appendix D - Prudential Indicators 2016/17

The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

**Estimates of Capital Expenditure:** The Authority's planned capital expenditure and financing may be summarised as follows.

<b>Capital Expenditure and Financing</b>	<b>2015/16 Revised £m</b>	<b>2016/17 Estimate £m</b>	<b>2017/18 Estimate £m</b>	<b>2018/19 Estimate £m</b>
General Fund	93.19	74.91	55.23	48.19
<b>Total Expenditure</b>	<b>93.19</b>	<b>74.91</b>	<b>55.23</b>	<b>48.19</b>
Capital Receipts	8.51	8.51	8.51	8.51
Grants & Contributions	60.22	48.08	37.35	34.15
Reserves	-	-	-	-
Revenue	1.90	2.59	0.93	0.53
Borrowing	22.56	15.73	8.44	5.00
Leasing and PFI	-	-	-	-
<b>Total Financing</b>	<b>93.19</b>	<b>74.91</b>	<b>55.23</b>	<b>48.19</b>

**Estimates of Capital Financing Requirement:** The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose.

<b>Capital Financing Requirement</b>	<b>31.03.16 Revised £m</b>	<b>31.03.17 Estimate £m</b>	<b>31.03.18 Estimate £m</b>	<b>31.03.19 Estimate £m</b>
General Fund	313.50	329.23	337.67	342.67
<b>Total CFR</b>	<b>313.50</b>	<b>329.23</b>	<b>337.67</b>	<b>342.67</b>

The CFR is forecast to rise by £107m over the next three years as capital expenditure financed by debt outweighs resources put aside for debt repayment.

**Gross Debt and the Capital Financing Requirement:** In order to ensure that over the



medium term debt will only be for a capital purpose, the Authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

<b>Debt</b>	<b>31.03.16 Revised £m</b>	<b>31.03.17 Estimate £m</b>	<b>31.03.18 Estimate £m</b>	<b>31.03.19 Estimate £m</b>
Borrowing	238.02	253.75	262.19	267.19
Finance leases	1.73	1.50	1.50	1.50
PFI liabilities	37.21	36.50	36.50	36.50
<b>Total Debt</b>	<b>276.96</b>	<b>291.75</b>	<b>300.19</b>	<b>305.19</b>

Total debt is expected to remain below the CFR during the forecast period.

**Operational Boundary for External Debt:** The operational boundary is based on the Authority's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Authority's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Authority's debt.

<b>Operational Boundary</b>	<b>2015/16 Revised £m</b>	<b>2016/17 Estimate £m</b>	<b>2017/18 Estimate £m</b>	<b>2018/19 Estimate £m</b>
Borrowing	238.02	253.75	262.19	267.19
Other long-term liabilities	38.94	38.00	38.00	38.00
<b>Total Debt</b>	<b>276.96</b>	<b>291.75</b>	<b>300.19</b>	<b>305.19</b>

**Authorised Limit for External Debt:** The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

<b>Authorised Limit</b>	<b>2015/16 Revised £m</b>	<b>2016/17 Estimate £m</b>	<b>2017/18 Estimate £m</b>	<b>2018/19 Estimate £m</b>
Borrowing	280.00	300.00	320.00	340.00

Other long-term liabilities	39.00	38.00	38.00	38.00
<b>Total Debt</b>	<b>319.00</b>	<b>338.00</b>	<b>358.00</b>	<b>378.00</b>

**Ratio of Financing Costs to Net Revenue Stream:** This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>2015/16 Revised %</b>	<b>2016/17 Estimate %</b>	<b>2017/18 Estimate %</b>	<b>2018/19 Estimate %</b>
General Fund	5.13%	4.95%	4.88%	4.71%

**Incremental Impact of Capital Investment Decisions:** This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the capital programme proposed.

<b>Incremental Impact of Capital Investment Decisions</b>	<b>2016/17 Estimate £</b>	<b>2017/18 Estimate £</b>	<b>2018/19 Estimate £</b>
General Fund - increase in annual band D Council Tax	5.8	10.2	16.4

**Adoption of the CIPFA Treasury Management Code:** The Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* in April 2002.

## Appendix E Minimum Revenue Provision Statement

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Department for Communities and Local Government's *Guidance on Minimum Revenue Provision* (the CLG Guidance) most recently issued in 2011.

The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The CLG Guidance requires the Authority to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.

### Option 1

For capital expenditure incurred before 1<sup>st</sup> April 2008, and for supported capital expenditure incurred on or after that date, MRP will be determined in accordance with the former regulations that applied on 31<sup>st</sup> March 2008, incorporating an "Adjustment A".

### Option 2

For capital expenditure incurred before 1<sup>st</sup> April 2008 and for supported capital expenditure incurred on or after that date, MRP will be determined as 4% of the Capital Financing Requirement in respect of that expenditure.

### Option 3

For capital expenditure incurred after 31<sup>st</sup> March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets in equal instalments *or*

the alternative method as the principal repayment on an annuity method, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.

### Option 4

For capital expenditure incurred after 31<sup>st</sup> March 2008, MRP will be determined as being equal to the accounting charge for depreciation.

For assets acquired by finance leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

Capital expenditure incurred during 2016/17 will not be subject to a MRP charge until 2017/18.

## New MRP Policy

From 2015/16 the council will change its MRP policy to use the alternative option in Option 3 and use the annuity method, starting in the year after the asset becomes operational.

Guidance on the calculation method is given by CIPFA in Chapter 6 of its publication Practitioners' Guide to Capital Finance in Local Government (CIPFA 2008) (ISBN 978 1 84508 175 1).

This document states "The informal commentary on the statutory guidance suggests that the annuity method may be particularly attractive in projects where revenues will increase over time. However, it is arguably the case that the annuity method provides a fairer charge than equal instalments as it takes account of the time value of money, whereby paying £100 in 10 years' time is less of a burden than paying £100 now. The schedule of charges produced by the annuity method thus results in a consistent charge over an asset's life, taking into the real value of the amounts when they fall due. The annuity method would then be a prudent basis for providing for assets that provided steady flow of benefits over their useful life."

## Borrowing

For new borrowing under the prudential system for which no Government support is being given and is therefore self-financed, MRP will be made using the annuity method over the life of the asset (Option 3).

## Capitalisation Directions

For capitalisation directions on expenditure incurred since 1 April 2008 MRP will be made using the annuity method over 50 years.

## PFI/Leases

MRP in respect of PFI and leases brought on the Balance Sheet under the 2009 SORP and IFRS will match the annual principal repayment for the associated deferred liability.

Any loan or investment to an organisation defined as capital expenditure will not attract MRP. The original capital expenditure will be met from the capital receipt on the maturity of the loan/investment.

MRP will commence in the financial year following the one in which the expenditure is incurred, except for expenditure funded by borrowing where the project is not complete at 31st March 2016 (classified as under construction). MRP will be deferred until the construction is complete and operational with the charge to be made in the year following completion.

Capital expenditure incurred during 2016/17 will not be subject to a MRP charge until the year after the asset becomes operational.

## PLYMOUTH CITY COUNCIL

<b>Subject:</b>	Revenue Monitoring Report 2015/16 – Quarter3
<b>Committee:</b>	Cabinet
<b>Date:</b>	16 February 2016
<b>Cabinet Member:</b>	Councillor Lowry
<b>CMT Member:</b>	Lesa Annear
<b>Author:</b>	Hannah West – Lead Accountant
<b>Contact details</b>	Tel: 01752 305171 email: <a href="mailto:hannah.west@plymouth.gov.uk">hannah.west@plymouth.gov.uk</a>
<b>Ref:</b>	
<b>Key Decision:</b>	No
<b>Part:</b>	I

---

**Purpose of the report:**

This report outlines the finance monitoring position of the Council as at the end of December 2015.

The primary purpose of this report is to detail how the Council is delivering against its financial measures using its capital and revenue resources, to approve relevant budget variations and virements.

The estimated revenue overspend is £1.348m. The overall forecast net spend equates to £194.357m against a budget of £193.009m, which is a variance of 0.7%. This needs to be read within the context of needing to deliver £21m of savings in 2015/16 on the back of balancing the 2014/15 revenue budget where £16m of net revenue reductions were successfully delivered.

Additional management solutions and escalated action to deliver further savings from the council's transformation programme will be brought to the table over the coming months in order to address the in year forecasted overspend.

**Table 1: End of year revenue forecast**

	Budget £m	Forecast Outturn £m	Variance £m
<b>Total General Fund Budget</b>	<b>193.009</b>	<b>194.357</b>	<b>1.348</b>

The latest approved capital budget covering 2015/16 to 2019/20 stood at £282m which was agreed at Cabinet on 8<sup>th</sup> December 2015..

---

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

This quarterly report is fundamentally linked to delivering the priorities within the Council's Corporate Plan. Allocating limited resources to key priorities will maximise the benefits to the residents of Plymouth.

---

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

Robust and accurate financial monitoring underpins the Council's Medium Term Financial Plan. The Council's Medium Term Financial Forecast is updated regularly based on on-going monitoring information, both on a local and national context.

---

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

The reducing revenue and capital resources across the public sector has been identified as a key risk within our Strategic Risk register. The ability to deliver spending plans is paramount to ensuring the Council can achieve its objectives to be a Pioneering, Growing, Caring and Confident City.

---

### **Equality and Diversity**

Has an Equality Impact Assessment been undertaken? No

---



**Recommendations and Reasons for recommended action:**

That Cabinet:-

- I. Note the current revenue monitoring position and action plans in place to reduce/mitigate shortfalls;

**Alternative options considered and rejected:**

None – our Financial Regulations require us to produce regular monitoring of our finance resources.

**Published work / information:**

2015/16 Budget Reports [Delivering the Co-operative Vision within a 4 year budget](#)

**Background papers:**

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

**Sign off:**

Fin	akh1516.66	Leg	DVS24893	Mo n Off		HR		Assets		IT		Strat Proc	
Originating SMT Member: Andrew Hardingham, AD for Finance													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

**Table 2: Revenue Monitoring Position**

Directorate	2015/16 Council Approved Budget	2015/16 Budget Virements	2015/16 Latest Budget	Forecast Outturn	Forecast Year End Variation	Movement from previous month
	£m	£m	£m	£m	£m	£m
Executive Office	3.840	0.055	3.895	3.966	0.071	(0.014)
Corporate Items	14.010	(6.139)	7.871	6.158	(1.713)	(0.000)
Transformation and Change	26.682	6.536	33.218	35.149	1.931	(0.036)
People Directorate	121.400	1.780	123.180	123.676	0.496	(0.019)
Public Health	0.194	0.813	1.007	0.917	(0.090)	(0.090)
Place Directorate	26.883	(3.045)	23.838	24.491	0.653	(0.089)
<b>SUB-TOTAL</b>	<b>193.009</b>	<b>0.000</b>	<b>193.009</b>	<b>194.357</b>	<b>1.348</b>	<b>(0.248)</b>

Plymouth Integrated Fund	Section 75 indicative position	2015/16 Latest Budget	Forecast Outturn	Forecast Year End Overspend / (Underspend)
	£m	£m	£m	£m
New Devon CCG – Plymouth locality	331.000	348.228	349.258	1.030
Plymouth City Council	*131.000	136.118	136.524	0.406
<b>TOTAL</b>	<b>462.000</b>	<b>484.346</b>	<b>485.782</b>	<b>1.436</b>

The financial position above for the Plymouth Integrated Fund is at November 2015, Plymouth City Council position as at December 2015.

\*This represents the net People Directorate budget plus the gross Public Health Commissioning budget (which is financed by a ring fenced Department of Health Grant)

Under the s75 risk share agreement with NEW Devon CCG, the forecast outturn indicates a potential transfer of £0.046m from PCC to NEW Devon CCG.

Table 3: Key Issues and Corrective Actions

Issue	Variation £M	Management Corrective Action
<p><b>EXECUTIVE OFFICE</b></p> <p>Democracy and Governance support cost pressures. £0.225m relates to a stretch target for efficiencies in this area.</p>	0.071	<p>An EVRS scheme in this area ended mid-November and the forecasted financial impact is reflected. Other opportunities are still being sought to reduce the shortfall in year.</p>
<p><b>CORPORATE ITEMS – Cross cutting savings</b></p> <p>The cross cutting savings target linked to a strategic asset review of £0.285m has only identified savings of £0.015m linked to a review of income received from recharging utility costs.</p> <p>The Terms &amp; Conditions savings target of £0.200m is forecast to achieve £0.183m from the purchase of additional leave scheme, resulting in a shortfall of £0.017m.</p>	(1.713)	<p>Project managers within the transformation programme are reviewing other potential areas for savings alongside producing a strategic asset strategy framework, although it is unlikely that further savings will be identified this year.</p> <p>The 2<sup>nd</sup> offering of the purchase of annual leave scheme was completed in October, therefore it is unlikely that the £0.017m variance will be closed via this means, however officers will continue to review budgets within Corporate Items to achieve savings.</p> <p>Officers have reviewed insurance provisions and reserves and, at this stage, anticipate the potential for an in year reduction of up to £1.000m which will be available if required to offset any budget pressures across the Council. There is also a general contingency budget of £1.000m which is also available to meet any one off issues / pressure.</p>
<p><b>TRANSFORMATION and CHANGE – Finance</b></p> <p>There is a forecast underspend on staffing budgets.</p>	(0.190)	<p>An EVRS scheme in this area ended late-November and the forecasted financial impact is reflected. Other opportunities are still being sought to continue to improve the position.</p>

<p><b>TRANSFORMATION and CHANGE – Legal</b></p> <p>The forecast income remains lower than previous years and employee turnover assumptions have not been as high as budgeted.</p>	0.017	Some additional income has been generated. Other opportunities are still being sought to reduce the shortfall in year.
<p><b>TRANSFORMATION and CHANGE – Customer Services</b></p> <p>The £1.200m Transformation savings target has been achieved in-year through a Service Review, vacancy management, and the improved collection process resulting in £0.338m being collected in relation to previous years outstanding debt on Council Tax.</p>	0.000	The completed service review will deliver the full year savings target of £1.200m in future years on an ongoing basis.
<p><b>TRANSFORMATION and CHANGE – Human Resources &amp; OD</b></p> <p>There is a forecast underspend on staffing costs which is partly offset by reduced income from HR advisory services.</p>	(0.241)	The improvement is due to continued staff vacancies and completion of the EVRS scheme.
<p><b>TRANSFORMATION and CHANGE – POD programme and Departmental</b></p> <p>The POD programme has a target of £1.5m to achieve in 15/16. Despite delays, HR and Finance have continued to put in efforts to meet this target and are now estimated to achieve £0.233m of the £0.800m target in this financial year. There continues to be a shortfall on the savings target set relating to Delt expanding IT services to new customers of £0.300m.</p> <p>The overall in year shortfall against the POD programme is currently £1.067m. There are more than £0.200m of previous savings targets which were achieved in 14/15 through one off activities or underspends.</p> <p>There is a forecast underspend on Transformation costs of £0.055m.</p>	1.325	Management are continuing to review staffing expenditure to ensure that all opportunities are maximised. EVRS has now been run in HR&OD and coming to an end in Finance.

<p><b>TRANSFORMATION and CHANGE – ICT Commissioned Service</b></p> <p>Financial reconciliations of DELT have highlighted a funding shortfall of c£1.000m related to:</p> <ul style="list-style-type: none"> <li>• £0.400m insufficient costs budgeted for on-going provision of ICT service.</li> <li>• £0.100m resulting from the decant of the civic centre, Delt now needs to fund accommodation costs.</li> <li>• £0.300m increased use of staff on business as usual IT activity rather than project work compared to budget forecast.</li> <li>• £0.200m estimated additional costs above the business case relating to back office costs of DELT.</li> </ul>	1.020	<p>Officers are continuing to review options with DELT, including ensuring that project income is maximised, and where possible back office services are provided by the Council.</p>
<p><b>PEOPLE – Children Young People and Families</b></p> <p>The Children Young People and Families Service are reporting a budget pressure of £0.671m no change in the month.</p> <p>As part of the transformation project for 2015/16, the CYP&amp;F was expected to make savings of over £1.500m (in order to contribute to the £8.045m Directorate target).</p> <p>There are risks that continue to require close monitoring and management during the year:</p> <ul style="list-style-type: none"> <li>• Lack of availability of the right in-house foster care placements creating overuse of IFA's.</li> <li>• High number of placements in Welfare Secure, with 4 placements in year of which there is currently 2 in situ. Rigorous work continues to maintain this position but it is not always possible to predict.</li> </ul>	0.671	<p>£0.654m has been saved to date through the first phase of wraparound and creative solutions, phase two will be implemented but there will be a real challenge in achieving the full saving in the face of increased pressures.</p> <p>One off Families with a Future (FWAF) rewards of £0.200m are on target to be achieved and we have managed to secure an additional £0.200m contribution from NEW Devon CCG (CAMHS transformation monies) in order to help offset the additional costs for five looked after children in mental health crisis.</p> <p>The current commissioning arrangements for Supported Accommodation are being reviewed in order to provide more capacity at a reasonable price. CSC / Commissioners / DCH Block Provider proactively working together to review individual Lot 4 placements for step down, and all referrals to prevent use of Lot 4. Senior Managers have now commented</p>

<ul style="list-style-type: none"> <li>• Unexpected court ordered spend on Parent &amp; Child Assessment placements.</li> <li>• There are still a small number of individual packages of care at considerably higher cost due to the needs of the young person.</li> <li>• There are currently 91 Independent Foster Care (IFA's) placements with budget for only 68 .</li> </ul> <p>The overall number of children in care at the end of December decreased by 2 to 393. The number of children placed with independent fostering agencies has increased by 2 to 91 which are above the budgeted target of 68. Residential placements have reduced by 2 to 23 against a target of 26 budgeted placements with a significant number of these placements being high cost due to the complex nature of these children's needs.</p> <p>In particular 5 young people with complex needs have been placed in high cost placements this financial year these placements were at a higher cost than welfare secure. The number of young people placed in 'welfare' secure placements has increased by 1 with 2 young people currently in situ.</p> <p>The In-House Foster Care placements have reduced by 1 to 184 placements against a target budget of 209 placements, with 3 placements in 'Other Local Authority' Foster Care. There are currently 2 In House Parent &amp; Child Assessment Placement, 7 court ordered Independent foster care placement and 2 high cost Residential placement. The number of young people 16+ placed in supported living has increased by 1 to 20 against a target budget of 22.</p>		<p>on the draft commissioning plan which will be finalised in February 2016.</p> <p>A paper has been approved by Cabinet agreeing to the proposal for contract award for five residential children's homes beds in and close to the city for Plymouth children and young people in care with a reputable children's home provider. This will ensure that there are sufficient resources available for our most vulnerable young people and potentially reduce the spend on costly out of area packages of care. Contract and service specification now agreed. two solo placements in the city contracted for exclusive use for Plymouth CYP, three further units in development. Property identified. Expected "live" date April or May depending on Ofsted registration.</p> <p>Ten new In House Foster carers are anticipated coming on line between now and the end of the financial year in order to increase placement sufficiency and reduce costs.</p>
<p><b>PEOPLE – Management and Support</b></p> <p>Savings identified from Directors contributions to other bodies.</p>	<p>(0.006)</p>	

<p><b>PEOPLE – Strategic Co-operative Commissioning</b></p> <p>The Strategic Co-operative Commissioning (SCC) service is reporting to come in (£0.251m) under budget at the end of month 9, a saving of (£0.020m) from the month 8 position. The overall variation is mainly in the following areas:</p> <ul style="list-style-type: none"> <li>• Leisure Management – mainly due to a saving on utilities, there is expected to be a saving of (£0.091m) against budget this year. <ul style="list-style-type: none"> <li>• Fairer Charging Income – there is a favourable variation of (£0.453m) on Community based contributions, mainly due to the change in the Fairer Charging policy and the Direct Payment income that is being collected as a result.</li> <li>• Care Packages – there is currently an adverse variation of £0.327m overall on care packages which are mainly around the increased costs of Supported Living. There has been an increase in clients from CCRT in Residential and Nursing, although this has partly been offset by additional client contributions.</li> </ul> </li> </ul> <p>As part of the transformation project for 2015/16, the SCC budget will need to make savings of over £5m (in order to contribute to the £8.045m Directorate target) with the activities and actions that will drive delivery forming part of the transformation programme. So far, SCC has achieved in the region of £4.5m of savings around reduced client numbers in residential and nursing, reviews of high cost packages and contract savings, however there are £0.5m of delivery plans for 2015/16 that are currently showing as RAG rated amber, ie reviews to care packages, and further use of ECH housing instead of higher cost placements, that are still to be achieved and, if necessary, alternative plans being put in place to achieve the savings.</p>	<p>(0.251)</p>	<p>So far, SCC has achieved in the region of £4.500m of savings around reduced client numbers in residential and nursing, reviews of high cost packages and contract savings, however there are £0.5m of delivery plans for 2015/16 that are currently showing as RAG rated amber, ie reviews to care packages, and further use of Extra Care Housing instead of higher cost placements, that are still being achieved and, if necessary, alternative plans being put in place to make the savings.</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>Two areas that have been closely monitored during the year are:</p> <ul style="list-style-type: none"> <li>• DoLS assessments – over the past year there has been a very significant increase in Deprivation of Liberty Safeguard (DoLS) applications. Official data from the Health and Social Care Information Centre (HSCIC) show that there has been a ten-fold increase on previous activity levels. A DOLS action plan has now been developed and is being monitored through the year.</li> <li>• Care Coordination Team clients – there are currently a large number of clients that are waiting for an assessment which could result in the costs being charged to SCC – see monitoring variations above. A working group has been established to ensure reviews are completed in a planned and managed way.</li> </ul>		<p>A DOLS action plan has now been developed and will be monitored through the year.</p> <p>A working group has been established to ensure reviews are completed in a planned and managed way.</p>
<p><b>PEOPLE – Housing Services</b></p> <p>The Housing Service is reporting a balanced forecast outturn, containing budget pressures reported in July within existing budgets through an improvement in quarter due to a reduction in monthly demand on emergency accommodation, together with management reviewing future commitments.</p>	0.000	
<p><b>PEOPLE – Learning &amp; Communities</b></p> <p>Learning and Communities is reporting a pressure of £0.082m due to the Home to School transport taxi and minibus contract costs which have been retendered with effect from 1<sup>st</sup> January 2016. The retendering exercise resulted in a full year effect increase in cost totalling £0.327m.</p> <p>As part of the transformation project for 2015/16 the Learning and Communities budget will need to make savings of £0.600m (in order to contribute to the (£8.045m) Directorate target) with activities and actions that will drive delivery forming part of the transformation programme.</p>	0.082	<p>To date one off savings totalling £0.308m have been identified against savings targets.</p>



<p><b>PUBLIC HEALTH –</b></p> <p>The public health ring-fenced grant was identified as one of the areas targeted for in year budget cuts and the reduction for 2015/16 has now been confirmed as £0.919m for Plymouth City Council.</p>	(0.090)	<p>Now that the cut has been quantified, the management team are putting plans in place for reducing expenditure. This includes managing vacancy levels and reviewing contract activity levels across Public Health commissioned contracts.</p> <p>The variability in Bereavement Services income and the current management actions in the Public Protection Service are being closely monitored with potential impacts on service capacity being managed. Savings are forecast at approx. £0.090m following staff leaving through EVRS.</p>
<p><b>PLACE - Strategic Planning and Infrastructure</b></p> <p>SP&amp;I are projecting an estimated outturn variation of (£0.289m). It has additional favourable variations in relation to staffing costs and planning and building control income, with improvements in both of these areas since last month.</p> <p>This has more than countered cost pressures within other parts of the SPI budget.</p>	(0.289)	<p>Income and expenditure is routinely reviewed each cycle to control spend and maximise income.</p>
<p><b>PLACE - Economic Development</b></p> <p>Economic Development is currently forecasting to deliver within budget by year end, although this is not without risk.</p> <p>Economic pressure on commercial rents continues. The return on head leases is outside of the council's control and far from being a risk has now become an issue to mitigate.</p> <p>The events programme will deliver within the overall budget for events.</p>	0.000	<p>The Council continues to sponsor and promote major events across the city underwriting from council budgets. Officers continue to work to seek to manage the budget and ensure a positive economic benefit for the local economy.</p>

<p><b>PLACE - GAME</b></p> <p>The Commercialisation Work stream is making a significant contribution of £1.000m towards the transformation.</p> <p>A combination of some of the commercialisation projects, passenger and staff travel benefits will not be achieved in the current year.</p>	0.942	<p>Organisation wide commercialisation opportunities will continue to be explored and accelerated to address the current projected shortfall.</p> <p>Decisions to defer some commercial income streams will be revisited in the current year. The Place budget is continuously being reviewed to stop or re-profiling expenditure to help mitigate the GAME pressures.</p>
<p><b>PLACE - Street Services</b></p> <p>Street Services is currently planning to deliver within budget through careful cost control and by seeking opportunities to improve the way it operates. As a key frontline service there are some demand risks in delivering services within the available budget.</p> <p>Waste Services; One-off savings continue at the Energy from Waste plant during the extended commencement period: these will offset pressures elsewhere within Street Services.</p> <p>Highways Parking &amp; Marine Services, and Street Cleansing &amp; Grounds outturns are expected to meet budgets.</p>	0.000	<p>We are currently modelling new opportunities to reduce costs to ensure key services can be delivered within existing budget whilst also planning ahead for longer term service delivery as available resources are reduced. We will also continue to explore opportunities to maximise income and productivity.</p> <p>Car park trading income losses are being addressed as part of budget setting in 2016/17. This will impact on the Highways account.</p>
<b>TOTAL</b>	<b>1.348</b>	

### Virements

Cabinet are required to approve all non delegated revenue budget virements over £0.1m. However, there are no non delegated revenue budget virements over £0.1m for quarter 3.

**Subject:** Corporate Performance Report – Corporate Plan Qtr 3 report and Pledges update

**Committee:** Cabinet

**Date:** 16 February 2016

**Cabinet Member:** Councillor Evans

**CMT Member:** Tracey Lee, Chief Executive

**Author:** Candice Sainsbury, Senior policy performance and partnership adviser  
Alan Knott, Performance & Research Officer

**Contact details:** Candice.sainsbury@plymouth.gov.uk

**Ref:**

**Key Decision:** No

**Part:** I

---

### **Purpose of the report:**

#### **Corporate Plan (2013/14 – 2016/17)**

The Corporate Plan was first established in July 2013 as a 4 year plan to drive the city's ambition to become a Brilliant Co-operative Council. The plan sets out the Council's values, objectives and outcomes that will deliver the required changes and is used as a key tool to help prioritise, manage and improve service delivery. Key actions and milestones combined with performance indicators help to drive, support, monitor and track our progress.

This report provides a quarterly outcome based assessment of progress towards maintaining our ambitions as a brilliant cooperative council and monitors performance towards 4 corporate objectives. In summary, of the 16 outcomes, the vast majority report achievement of their respective ambitions for the quarter. This is evidenced by Key Actions, their milestones, and performance indicators. The latest position reports significant successes in service delivery. These are described in more detail in the report under the headings:

- Report on a Page
- Key Action Highlight Report
- Performance Indicator Highlight report

It's worth noting that the plan has been the subject to scrutiny co-operative? management board and working group agendas over the last few months as part of a deep dive into the activities and performance outcomes contained in the plan.

#### **The Administration's 50 Pledges**

As at 26th January 2016, 44 of the 50 pledges have been completed. Since last reported to Cabinet in November 2015, four further pledges have been signed off.

- Pledge 3 – (Increase the amount of local purchasing) - signed off December 15.
- Pledge 4 - (Forum to help women return to work) – signed off January 2016
- Pledge 14 – (Careers advice for young people) – signed off January 16
- Pledge 43 – (Commissioning public art) – signed off December 15

There are 2 pledges currently overdue (38 and 48). Both have activities in place which support the move towards completion. The 4 remaining pledges are all due for completion in February and March 2016. Appendices B attached provide a description for each of the remaining 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.

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

The Council set a 2015/16 budget in February 2015, with requirements and resources based on policy frameworks, including the Corporate Plan. The Corporate Plan allows the council to continue to manage its commitments within the revenue and capital envelope agreed.

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

The Corporate Plan complements 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 Corporate Plan, assessments will be undertaken in line with the Council's policies.

**Recommendations and Reasons for recommended action:**

- Cabinet to endorse the summarised evaluation and assessment of progress towards our ambitions as a brilliant co-operative council and that the significant achievements delivered under the Corporate Plan be noted.
- Note the pledges update

**Alternative options considered and rejected:**

None

**Published work / information:**

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

**Background papers:**

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

**Sign off:**

Fin	djn15 16.65	Leg	lt/248 68	Mon Off	DVS/l t/248 68	HR		Assets		IT		Strat Proc	
Originating SMT Member: GP													
Has the Cabinet Member(s) agreed the content of the report? Yes													



City Vision  
Britain's Ocean City

## Corporate Plan Performance monitoring A Report on a page

Quarter 3  
2015/16

We will be pioneering by designing and delivering better services that are more accountable, flexible and efficient in spite of reducing resources																		
<b>Pioneering</b>	The Council provides and enables brilliant services that strive to exceed customer expectations.			Plymouth's cultural offer provides value to the city.		A Council that uses resources wisely.		Pioneering in reducing the city's carbon footprint and leading in environmental and social responsibility										
<b>Key Actions</b>	K1	K2	K3	K4	K5	K6	K7	K43										
<b>Performance</b>	P1 →	P2 →	P26 →		P3 ↓		P5 ↑	P6 ↑	P7 ↑ P8 ↑									
<b>Outcome Leads</b>	Faye Batchelor-Hambleton			David Draffan		Andrew Hardingham		A. Hardingham Paul Barnard										
We will make our city a great place to live by creating opportunities for better learning and greater investment, with more jobs and homes.																		
<b>Growing</b>	More decent homes to support the population.		A strong economy creating a range of job opportunities.		A top performing education system from early years to continuous learning opportunities.		Plymouth is an attractive place for investment.											
<b>Key Actions</b>	K44		K12	K13	K14	K15	K16	K18										
<b>Performance</b>	P9 ↑		P10 ↑	P34 ↑	P11 ↓	P12 ↑	P27 ↑	P13 ↓										
<b>Outcome Leads</b>	Paul Barnard		David Draffan		Judith Harwood		David Draffan											
We will promote a fairer, more equal city by investing in communities, putting citizens at the heart of decision-making, promoting independence and reducing health and social inequality.																		
<b>Caring</b>	We will prioritise prevention.			We will help people take control of their lives and communities.		Children, young people and adults are safe and confident in their communities.		People are treated with dignity and respect.										
<b>Key Actions</b>	K19	K45	K21	K46	K47	K22	K23	K24	K25	K48	K26	K27 A	K27B	K29	K30	K31	K49	K50
<b>Performance</b>	P14 ↑	P15 →	P28		P16 ↑	P29 ↑	P30 ↑	P18 ↑	P19 ↓	P31 ↑	P32	P20 →		P21 ↓				
<b>Outcome Leads</b>	Kelechi Nnoaham Alison Botham Craig McArdle			Craig McArdle		Alison Botham		Craig McArdle										
We will work towards creating a more confident city, being proud of what we can offer and building on growing our reputation nationally and internationally																		
<b>Confident</b>	Citizens enjoy living and working in Plymouth.			Plymouth's brand is clear, well-known and understood globally.		Government and other agencies have confidence in the Council and partners: Plymouth's voice matters.		Our employees are ambassadors for the city and the Council and proud of the difference we make.										
<b>Key Actions</b>	K32	K51	K52	K36	K37		K39	K40		K41								
<b>Performance</b>	P22 ↓			P23 ↑		P24 →		P25 ↓										
<b>Outcome Leads</b>	David Draffan			Giles Perritt David Draffan		A. Hardingham Giles Perritt		Dawn Aunger										

	Not on target or at risk of not achieving outcome
	Outcome is at risk but mitigation in place
	On Target to achieve outcome
	Metric under construction

This report provides a quarterly **outcome** based assessment of progress towards maintaining our ambitions as a brilliant cooperative council and monitors performance towards 4 corporate objectives. In summary, of the 16 **outcomes**, the vast majority report achievement of their respective ambitions for the quarter. This is evidenced by Key Actions, their milestones, and performance indicators. The first 9 months of the 2015/16 financial year report significant successes in service delivery.

### **PIONEERING**

The 4 contributing **outcomes** supporting the **Pioneering objective** predominantly report high levels of achievement. Almost all Key Actions achieved their milestones, most notably this quarter plans to transform Plymouth's museum and art gallery into a new world class visitor attraction have taken a giant step forward with the award of £4.2 million funding from the Arts Council. The Arts Council funding to help create a major new cultural attraction at the heart of the city is in addition to £12.8m from the Heritage Lottery Fund and £8m from Plymouth City Council. Also, this quarter, our work with Plymouth Energy Community / Four Greens Trust to gain planning approval and construction finance for a community owned solar farm at Ernesettle has been successful. Every single performance indicator reports achieving its targets which supports the progress made by the Key Actions. There is only two notable exceptions, Key Action K1, the Digital services beta release did not happen as expected, however, completion of this milestone is due by Feb 2016 and the completion of the Solar PV installations at Chelson Meadow but we have already substituted that site with another school roof, so the final outcome will be the same in terms of installed levels of renewable energy.

### **GROWING**

The 4 contributing **outcomes** supporting the **Growing objective** predominantly report high levels of achievement. Almost all Key Actions achieved their milestones, most notably this quarter we have secured Enterprise Zone status for South Yard and we have successfully transferred Area 1 East to PCC. The city has secured £100,000 from UK Challenge Fund for trade missions to promote Plymouth's marine cluster and Plymouth's innovative Ocean Studios received a Social Enterprise Investment Fund support package of £300,000 to enable it to complete its construction phase and cement its future as a home for artists. All bar one performance indicator report achieving their targets, supporting the progress being made for each of the outcomes. The outcome "More decent homes to support the population" is the only one where its milestones have not been achieved this quarter. More detail is provided in the highlight report, but this does not effect the long term completion of the outcome.

### **CARING**

The 4 contributing **outcomes** supporting the **Caring objective** predominantly report high levels of achievement. Almost all Key Actions achieved their milestones, notably in December the Gateway to services for Children, Young People and Families went live aiming to ensure that when a request for help comes into the Council from Partners or from the public it is given the appropriate response. Also this quarter the commissioning teams from NEW Devon Clinical Commissioning Group and Plymouth City Council have become co-located at Windsor House as part of the progress towards integrated commissioning. The Plymouth Energy Community became the latest organisation to become dementia friendly with work continuing to increase the number of schools and dentists that are dementia friendly. The Social Enterprise Investment Fund have recently given £80,000 capital funding to Memory Matters, a social enterprise, to set up a Dementia Café in the city centre. The majority of performance indicators have either achieved their targets or are on an upward trajectory.

### **CONFIDENT**

The 4 contributing **outcomes** supporting the **Confident objective** all report high levels of achievement. All Key Actions achieved their milestones, most notably this quarter the Council spend with local suppliers almost tripled over the past three years (of the plan). This year we are achieving a 52% local spend. We have launched the Employability passport, and agreed the framework for the Child Poverty Action Plan 2016 - 2019. We've also identified the preferred design for direct development of Phase 1 at South Yard. There are no current performance indicator which reports a risk although action in two areas needs further work.

The Assistant Director for HR & OD joined the organisation in November 2015 and will develop a medium term 'Workforce and Culture Change Strategy' for PCC in collaboration with CMT, SMT, Team Plymouth and Members. The Workforce Development Plan, the Workforce Delivery Programme and the HR and OD Transformation Project have all now been brought together under one Project Exec and is resetting priorities to the needs to the organisation as it transforms.

# Corporate Plan - Key Action Highlight Report

Pioneering				Quarter 3 2015/16					
Outcome	Portfolio Leads	Outcome Lead	Officer Leads	Key Action Description	RAG	Key	Milestones due for completion during current quarter	Status	Proposed resolution (overdue Milestones)
The Council provides and enables brilliant services that strive to exceed customer expectations.	Jon Taylor	Faye Batchelor-Hambleton	Peter Honeywell	Speed up the delivery of Customer and Service Transformation Programme service reviews through developing a Council wide Customer and Service delivery blueprint and Customer Access Strategy.	Amber	K01	<ol style="list-style-type: none"> <li>Digital services beta release</li> <li>Customer feedback policy drafted</li> <li>Street services service review analysis completed</li> </ol>	<ol style="list-style-type: none"> <li>Incomplete</li> <li>Complete</li> <li>Complete</li> </ol>	Increased capacity within the development team working on Firmstep has been put in place to improve delivery speed and raise the skills of the Customer Service team that will maintain the platform beyond the lifetime of the project. Completion of this milestone is due by Feb 2016.
	Jon Taylor		Giles Perritt	Intensify performance improvement on top priorities identified by Plymouth residents.	Green	K02	<ol style="list-style-type: none"> <li>Plan on a page (Oct)</li> <li>Develop and publish Area (Neighbourhood) Toolkits</li> <li>Engagement plan (Plymouth Plan Collect) (Oct -Dec)</li> <li>Progress governance, monitoring and evaluation to working group.</li> </ol>	<ol style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> </ol>	
Plymouth's cultural offer provides value to the city.	Peter Smith	David Draffan	David Draffan	Step up support to the Culture Board in refreshing and implementing a city-wide cultural strategy - the Vital Spark.	Green	K03	<ol style="list-style-type: none"> <li>Secure strategic funding from ACE to develop the city as a centre for contemporary visual arts</li> <li>Launch the new plan for public art</li> <li>Development of a draft cultural plan that draws on Vital Spark and the Plymouth Plan</li> <li>Development of a funding proposal to deliver Plymouth's first Triennial in Summer 2017</li> </ol>	<ol style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> </ol>	
	Peter Smith	David Draffan	David Draffan	Strengthen support to Destination Plymouth to deliver the Visitor Plan and a programme of events to raise the profile of the city to investors as a major stepping stone towards Mayflower 2020	Green	K04	<ol style="list-style-type: none"> <li>Deliver first draft of detailed Mayflower 400 programme to leadership team</li> <li>Agree detailed delivery plans for DP Business Plan priorities by Dec Board</li> <li>Agree marketing and events plan for 2016/17</li> </ol>	<ol style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>Complete</li> </ol>	
	Peter Smith	David Draffan	David Draffan	Transform the city's cultural assets to provide greater value to the city through the development of the Plymouth History Centre	Green	K05	<ol style="list-style-type: none"> <li>Arts Council England grant funding bid - £4 million funding towards the project achieved in January 2016</li> <li>Submit grant funding bid to Heritage Lottery Fund Submission for round 2.</li> <li>Public engagement / consultation events at the City Market and a pop up shop at Armada way</li> <li>Increase the Twitter and Facebook numbers followers</li> <li>Submit planning application for the Plymouth History Centre</li> <li>Develop 'meanwhile' programme listing activities that will take place while the museum is closed – i.e. Summer 2016 to Spring 2020</li> <li>Increase circulation list of Newsletter.</li> </ol>	<ol style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> </ol>	
A Council that uses resources wisely.	Mark Lowry	Andrew Hardingham	Andrew Hardingham	Align the five year Medium Term Financial Plan to the Corporate Plan and deliver the Council's Transformation Programme.	Green	K06	<ol style="list-style-type: none"> <li>Review Draft MTFS in consideration of Autumn Statement announcements</li> </ol>	<ol style="list-style-type: none"> <li>Complete</li> </ol>	
	Mark Lowry	Andrew Hardingham	Andrew Hardingham	Maximise Plymouth's opportunities to secure external funding.	Green	K07	<ol style="list-style-type: none"> <li>Present paper to CMT which will consider maximising awareness of external funding opportunities available to PCC</li> </ol>	<ol style="list-style-type: none"> <li>Complete</li> </ol>	
Pioneering in reducing the city's carbon emissions and leading in environmental and social responsibility	Mark Coker	Andrew Hardingham / Paul Barnard	Paul Barnard	Strengthen work with Plymouth residents, as well as the private and public sector within Plymouth, to create a low carbon city.	Amber	K43	<ol style="list-style-type: none"> <li>Complete Solar PV Installations at Chelson Meadow</li> <li>Complete Solar PV Installations at 6 school locations</li> <li>Complete Solar PV Installations at the life centre</li> <li>Work in partnership with Plymouth Energy Community / Four Greens Trust to gain planning approval and construction finance for a community owned solar farm at Ernesettle</li> </ol>	<ol style="list-style-type: none"> <li>Incomplete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> </ol>	1. Chelson Meadows not progressed this year because of technical complications. To make it work we needed to place panels on building leased by Viridor by connecting into adjoining PCC building's meter. Western Power Distribution decided late in the day they were not happy with this approach

# Growing

Outcome	Portfolio Leads	Outcome Lead	Officer Leads	Key Action Description	RAG	Key	Milestones due for completion during current quarter	Status	Proposed resolution (overdue Milestones)
More decent homes to support the population.	Chris Penberthy	Paul Barnard	Paul Barnard	Encourage more homes to be available to rent or buy accelerating housing supply and deliver a range and mix of well-designed greener homes that will meet the housing needs of the city through the Plymouth Plan.	Amber	<a href="#">K44</a>	<ol style="list-style-type: none"> <li>Commence start on site at Mannamead Centre (Get Plymouth Building)</li> <li>Secure HCA Care &amp; Support Funding to support delivery of Extra Care at Millbay.</li> <li>Consider and agree Affordable Housing Loan Facility applications to support housing delivery (Plan for Homes)</li> </ol>	<ol style="list-style-type: none"> <li>Incomplete</li> <li>Incomplete</li> <li>Complete</li> </ol>	<ol style="list-style-type: none"> <li>Not achieved due to site contamination and preparation issues. Revised start on site date February 2016.</li> <li>Not achieved as Government have delayed official announcement of bids that were expected before Christmas. Announcement expected anytime soon .</li> </ol>
A strong economy creating a range of job opportunities.	Tudor Evans	David Draffan	David Draffan	Intensify work with the Plymouth Growth Board and partners to deliver the Local Economic Strategy through systems leadership and continue to invest in the GAME Programme providing additional capacity to ensure Plymouth benefits from growth opportunities.	Green	K12	<ol style="list-style-type: none"> <li>Drake Circus Leisure delivering £700,000 of business rates per year.</li> <li>Eight Plymouth businesses received Regional Growth Funding, e.g. £6.7m for Plessy</li> <li>Secure £100,000 from UK Challenge Fund for trade missions to promote Plymouth's marine cluster.</li> <li>Three significant inward investments (Frugro, The Ship, Drake Leisure).</li> <li>South Yard – transfer of Area 1 East to PCC.</li> <li>Enterprise Zone status secured for South Yard.</li> <li>Completion of Ocean Studios, £4.2m project providing 31 artist studios providing 100 jobs.</li> <li>Plymouth Science Park Phase 5 – LEP offer letter secured and planning secured.</li> <li>Completion of Header Court - £2.7m, 30,000sqft new business space, 80 jobs.</li> <li>100 enquiries received for South Yard;</li> <li>300 hits on Commercial Property register</li> <li>80 Business Relationship visits.</li> </ol>	<ol style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> </ol>	
	Tudor Evans	David Draffan	David Draffan	Enhance support to the Local Enterprise Partnership to maximise investment and economic growth in the Heart of the South West area through a Growth Deal and EU	Green	K13	<ol style="list-style-type: none"> <li>All Growth Deal 1 Business projects technically appraised.</li> <li>Growth Deal 2 funding allocation largest out of all the LEPs (£65m). Of this allocation, Plymouth received the largest allocation (£24m).</li> <li>Inward investment activity supported by £300,000 RGF grant.</li> <li>£1.7m Growth Hub tender published, led by PCC and funded by LEP.</li> <li>Written the specification for UKTI, MAS, Start UP, ERDF services.</li> <li>LEP SLA amended and agreed.</li> </ol>	<ol style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> </ol>	
A top performing education system from early years to continuous learning opportunities.	Sue McDonald	Judith Harwood	Judith Harwood	Accelerate delivery of the Children and Young People's Plan	Green	K14	<ol style="list-style-type: none"> <li>Review the ToR of the CYPP to include the funtions of the Integrated Children and Young People's Commissioning Plan System Design Group</li> <li>Launch Year 2 of Thrive with local schools</li> <li>launch Early Help Gateway</li> </ol>	<ol style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>Complete</li> </ol>	
	Tudor Evans	Judith Harwood	Judith Harwood	Develop and deliver a skills plan for the city, in line with the future growth agenda.	Green	K15	<ol style="list-style-type: none"> <li>Launch Employability passport</li> <li>Appoint a skills co-ordinator for 'Building Plymouth'</li> <li>Develeop a marketing and delivery plan for 'Building Plymouth'</li> </ol>	<ol style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>Complete</li> </ol>	
Plymouth is an attractive place for investment.	Mark Coker	David Draffan	Paul Barnard	Create a Plymouth Plan (an overarching Strategy for the city)	Green	<a href="#">K16</a>	<ol style="list-style-type: none"> <li>Plan on a page (Oct)</li> <li>Develop and publish Area (Neighbourhood) Toolkits</li> <li>Engagement plan (Plymouth Plan Collect) (Oct -Dec)</li> <li>Progress governance, monitoring and evaluation to working group.</li> </ol>	<ol style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> </ol>	
	Tudor Evans/ Mark Lowry	David Draffan	David Draffan	Enhance support to the Local Enterprise Partnership to maximise investment and economic growth in the Heart of the South West area through a Growth Deal and EU	Green	K18	<ol style="list-style-type: none"> <li>LEP SLA Completed</li> <li>LEP HOTSW Trade Mission led by Plymouth</li> </ol>	<ol style="list-style-type: none"> <li>Complete</li> <li>Complete</li> </ol>	



# Caring

Outcome	Portfolio Leads	Outcome Lead	Officer Leads	Key Action Description	RAG	Key	Milestones due for completion during current quarter	Status	Proposed resolution (overdue Milestones)
We will prioritise prevention.	Sue McDonald	Kelechi Nnoaham / Alison Botham / Craig McArdle	Alison Botham	Accelerate delivery of the service improvement plan, transformation project delivery for C&YP and actions within the Commissioning Strategy	Green	K19	<ol style="list-style-type: none"> <li>1. Timescale for implementation of TOM to be agreed at next PCCYPS Project Board.</li> <li>2. Communications plan to be agreed and implemented</li> <li>3. Implement Gateway as the co-ordinator of Early Help activity.</li> </ol>	<ol style="list-style-type: none"> <li>1. Complete</li> <li>2. Complete</li> <li>3. Complete</li> </ol>	
	Sue McDonald	Kelechi Nnoaham / Alison Botham / Craig McArdle	Judith Harwood	Create and deliver both the Early Years Strategy and SEN/D Strategy. (Note: under the Plymouth Plan these "strategies" will become "plan for's")	Green	K45	<ol style="list-style-type: none"> <li>1. Scoping document for SEND integration to be presented at CCYPS by 30.09.15</li> <li>2. Transition to Adulthood working group to prepare and present improvement plans to SEND Strategy Steering Group covering: maximising independence and meeting health and care needs, education employment and training supporting carers. by 31.12.15</li> <li>3. Short Break Commissioning Plan to be prepared by 31st December 2015</li> <li>4. Workshops to be held with key partners to develop a pathway for vulnerable children- pre-birth to 5 years old.</li> <li>5. The commissioning of Health Visiting will transfer to the local Authority on 1st October 15. The Early Years' Service is to work very closely with Plymouth Community Healthcare to ensure that health visitors are co-located within Children's Centres and work is integrated.</li> </ol>	<ol style="list-style-type: none"> <li>1. Complete</li> <li>2. Complete</li> <li>3. Complete</li> <li>4. Complete</li> <li>5. Complete</li> </ol>	
	Sue McDonald	Kelechi Nnoaham / Alison Botham / Craig McArdle	Julie Frier	Lead on the city's health and wellbeing strategy through delivery of Thrive Plymouth Year 2. (Note: under the Plymouth Plan these "strategies" will become "plan for's")	Green	<a href="#">K21</a>	<ol style="list-style-type: none"> <li>1. Delivery of Thrive Plymouth Year 2 Launch event</li> <li>2. Engage with City Youth Council to receive feedback on Launch Event and also to engage in joint planning for the 'conversations with children and young people' phase of Thrive Plymouth Year 2</li> <li>3. Develop new Thrive Plymouth Micro-website</li> </ol>	<ol style="list-style-type: none"> <li>1. Complete</li> <li>2. Complete</li> <li>3. Complete</li> </ol>	
	Sue McDonald	Kelechi Nnoaham / Alison Botham / Craig McArdle	Rob Nelder	Develop a clear research and evidence base to understand health inequalities across the city	Green	K46	<ol style="list-style-type: none"> <li>1. Review of the interactive JSNA tools completed and a Plymouth-specific solution recommended</li> <li>2. Surveys: data collection started for (1) the 2015-16 survey of Health Visitor caseloads and (2) the city-wide health-related behaviour survey in Primary schools. Final draft report of the 2014 health-related behaviour survey in secondary schools in progress as part of the JSNA.</li> <li>3. Analysis of the new Index of Multiple Deprivation 2015 (IMD2015) completed, values produced for Plymouth's neighbourhoods and summary report produced.</li> <li>4. Mosaic profiles of GP practice catchments produced and circulated along with IMD2015 scores and patient distribution information.</li> </ol>	<ol style="list-style-type: none"> <li>1. Complete</li> <li>2. Complete</li> <li>3. Complete</li> <li>4. Complete</li> </ol>	
	Sue McDonald	Kelechi Nnoaham / Alison Botham / Craig McArdle	Ruth Harrell	Deliver plans for, that reduce individual risk factors and strengthen the role and impact of early intervention and prevention	Green	K47	<ol style="list-style-type: none"> <li>1. Develop and initiate a Falls Prevention pilot, working with the Fire Service</li> <li>2. Working with Public Health England / NHS England, we will support the Flu vaccination campaign</li> <li>3. Develop a revised physical activity multi-agency action plan</li> </ol>	<ol style="list-style-type: none"> <li>1. Complete</li> <li>2. Complete</li> <li>3. Complete</li> </ol>	
	Chris Penberthy	Kelechi Nnoaham / Alison Botham / Craig McArdle	Matt Garrett	Deliver the Housing Plan Objectives	Green	K22	<ol style="list-style-type: none"> <li>1. Ready rent Training Delivery</li> </ol>	<ol style="list-style-type: none"> <li>1. Complete</li> </ol>	

# Caring Cont..

Outcome				Key Action Description	RAG	Key	Milestones due for completion during current quarter	Status	Proposed resolution (overdue Milestones)
We will help people take control of their lives and communities.	Ian Tuffin	Craig McArdle	Kelechi Nnoaham / Craig McArdle	Deliver integrated commissioning as part of IHWB transformation programme.	Green	K23	1. Co-location of commissioning teams	1. Complete	
	Philippa Davey	Craig McArdle	Darin Halifax	Strengthen and support co-ordination and capacity building in the voluntary sector and reinvigorate volunteering.	Green	K24	1. Right to Read project launched 2. Pledge Plymouth project launched	1. Complete 2. Complete	
	Philippa Davey	Craig McArdle	Judith Harwood	Lead agreement on and implementation of a new framework for working with citizens and communities for the city	Green	K25	1. Develop a blueprint for community engagement to form the basis of discussion with partners and stakeholders 2. Hold a workshop with internal stakeholders to better understand the communication and engagement needs of the organisation	1. Complete 2. Complete	
	Ian Tuffin	Craig McArdle	Craig McArdle	Increase personalised packages of care to support people to live as independently as possible	Green	K48	None		
Children, young people and adults are safe and confident in their communities.	Philippa Davey	Alison Botham	Judith Harwood	Deliver the Community Safety Plan.	Green	<a href="#">K26</a>	1. Agree priorities of Peninsula Strategic Assessment with other peninsula Community Safety Partnerships 2. Finalise response to Local profiles into Modern Slavery	1. Complete 2. Complete	
	Ian Tuffin / Sue McDonald	Alison Botham	Alison Botham	Ensure there is a relentless focus on safeguarding through the implementation of the Corporate Safeguarding Improvement Plan, Plymouth Safeguarding Children Board and Plymouth Safeguarding Adults Board plans.	Amber	<a href="#">K27A</a>	1. Action Plan from Child A SCR to be completed by PSCB 2. Child Q SCR to be shared with frontline staff	1. Incomplete 2. Complete	1. Child A SCR including action plan is written but has not yet been published – This is expected to be published by the end of February. Some actions are already in train pending publication but the action plan is not yet complete and will be monitored via the SCR Subgroup of the PSCB.
		Alison Botham	Craig McArdle	Ensure there is a relentless focus on safeguarding through the implementation of the Corporate Safeguarding Improvement Plan, Plymouth Safeguarding Children Board and Plymouth Safeguarding Adults Board plans.	Amber	<a href="#">K27 B</a>	1. PSAB Development Day 2. Human trafficking/ Modern Slavery - Two level training complete 3. We will deliver safeguarding induction and bespoke training to all new elected members and corporate parents. 4. Casey Report - CabWatch scheme developed and put in place	1. Complete 2. Incomplete 3. Complete 4. Complete	2. Training has commenced although additional training needs identified, dates for confirmed for training to meet additional need.

# Caring Cont..

Outcome	Portfolio Leads	Outcome Lead	Officer Leads	Key Action Description	RAG	Key	Milestones due for completion during current quarter	Status	Proposed resolution (overdue Milestones)
People are treated with dignity and respect.	Philippa Davey	Craig McArdle	Judith Harwood	Become a welcoming city that is diverse, inclusive and that combats hate crime.	Green	<a href="#">K29</a>	1. Meet Target for recording and dealing with hate incidents 2. Undertake Welcoming City actions	1. Complete 2. Complete	
	Chris Penberthy	Craig McArdle	Giles Perritt	Implement the findings of the Fairness Commission.	Green	<a href="#">K30</a>	Complete Key Action		
	Ian Tuffin	Craig McArdle	Craig McArdle	Improve the quality of the care and support market	Green	<a href="#">K31</a>	1. Review the requirement for placements within care homes that are used to prevent hospital admissions and facilitate hospital discharge 2. Develop providers' roles and responsibilities in line with the Care Act in relation to providers undertaking safeguarding investigations, where appropriate 3. Individual Patients Placements - Implement Winterbourne View action plan and Concordat 4. Individual Patients Placements - Develop market including new local providers	1. Complete 2. Complete 3. Complete 4. Complete	
	Ian Tuffin	Craig McArdle	Craig McArdle	Create a Dementia Friendly City working with partners	Amber	<a href="#">K49</a>	1. Plymouth Energy Community will become Dementia Friendly 2. Dementia Friendly Communities - Increase the number of 'Dementia Friends' in community organisations / groups 3. Dementia Friendly Schools - Increase the number of schools that are Dementia Friendly 4. Promote NICE Guidelines for Dentists across CCG, NHS England, and Dentists 5. Include dementia and Mild Cognitive Impairment in physical activity action plan	1. Complete 2. Complete 3. Incomplete 4. Incomplete 5. Complete	3. Dementia has been raised with schools through several different routes – our Emotional and Mental health commissioner has raised it with Head teachers and Santander have been raising it when they do money advice in schools. Work ongoing. 4. CCG to raise with all dental practices. The Social Enterprise Investment Fund have recently given £80,000 capital funding to Memory Matters, a social enterprise, to set up a Dementia Café in the city centre.
	Ian Tuffin	Craig McArdle	Craig McArdle	Provide a seamless service for older people's care including smoother discharge from hospitals (working closely with the NHS)	Green	<a href="#">K50</a>	1. Development of the team to work across the 7 day week 2. Proposals to commission Discharge to Assess made to CCG 3. Request for Service specification from PCC for HSG to be partially based at Derriford to better support coordination of and arrangements for reablement provision	1. Complete 2. Complete 3. Complete	

# Confident

Outcome	Portfolio Leads	Outcome Lead	Officer Leads	Key Action Description	RAG	Key	Milestones due for completion during current quarter	Status	Proposed resolution (overdue Milestones)
Citizens enjoy living and working in Plymouth.	Tudor Evans	David Draffan	Judith Harwood/ David Draffan	Create and deliver a Skills Plan for the city working co-operatively with the Employment and Skills Board, Education, Learning and Families Service and the Local Enterprise Partnership	Green	<a href="#">K32</a>	<ol style="list-style-type: none"> <li>1. Launch Employability passport</li> <li>2. Appoint a skills co-ordinator for 'Building Plymouth'</li> <li>3. Developeop a marketing and delivery plan for 'Building Plymouth'</li> </ol>	<ol style="list-style-type: none"> <li>1. Complete</li> <li>2. Complete</li> <li>3. Complete</li> </ol>	
	Chris Penberthy	David Draffan	Judith Harwood	Step up the delivery of the Child Poverty Plan.	Green	K51	<ol style="list-style-type: none"> <li>1. Agree the framework for the Child Poverty Action Plan 2016 - 2019</li> <li>2. Agree the Consultation Plan</li> </ol>	<ol style="list-style-type: none"> <li>1. Complete</li> <li>2. Complete</li> </ol>	
	Chris Penberthy	David Draffan	Matt Garrett	Develop a programme to improve the quality of private rented housing and take action against rogue landlords.	Green	K52	<ol style="list-style-type: none"> <li>1. Promoting best practice - Provide comparison of fees for tenants/landlords</li> <li>2. Produce/promote information about SAP ratings and their implications for energy costs</li> <li>3. Develop model for using private rented property to discharge homelessness duty including decisions on 'fit and proper' landlords</li> <li>4. Signpost tenants and landlords to Redress Schemes where poor quality of service from letting/managing agents.</li> </ol>	<ol style="list-style-type: none"> <li>1. Complete</li> <li>2. Complete</li> <li>3. Complete</li> <li>4. Complete</li> </ol>	
	Brian Vincent	David Draffan	Simon Dale	Reduce problems with potholes through increased investment in capital repair works.	Green	<a href="#">K36</a>	<ol style="list-style-type: none"> <li>1. Keep customer reported potholes at less than 100</li> <li>2. Improve public satisfaction with the condition of roads in the City by 10%</li> </ol>	<ol style="list-style-type: none"> <li>1. Complete</li> <li>2. Complete</li> </ol>	
Plymouth's brand is clear, well-known and understood globally.	Tudor Evans	Giles Perritt David Draffan	Giles Perritt	Strengthen the roll out of the Britain's Ocean City branding.	Green	K37	No milestones were due this quarter		
Government and other agencies have confidence in the Council and partners: Plymouth's voice matters.	Tudor Evans	Andrew Hardingham / Giles Perritt	David Draffan	Implement City Deal for Plymouth	Green	K39	<ol style="list-style-type: none"> <li>1. Preferred design for direct development of Phase 1 at South Yard identified.</li> <li>2. South Yard Waterfront Strategy completed</li> <li>3. Land and Property Board meets</li> </ol>	<ol style="list-style-type: none"> <li>1. Complete</li> <li>2. Complete</li> <li>3. Complete</li> </ol>	
	Tudor Evans	Andrew Hardingham / Giles Perritt	Giles Perritt	Develop a proactive approach to lobbying Government, working with the LEP and neighbouring authorities.	Green	K40	<ol style="list-style-type: none"> <li>1. Online version of Plymouth's Offers and Asks 'live' and shared with CMT and One Plymouth.</li> <li>2. The Council is playing a key role working with neighbouring councils and the LEP in developing a devolution deal for the Heart of the South West sub-region.</li> </ol>	<ol style="list-style-type: none"> <li>1. Complete</li> <li>2. Complete</li> </ol>	
Our employees are ambassadors for the city and the Council and proud of the difference we make.	Peter Smith	Dawn Aunger	Rob Hume	Accelerate implementation of the People and Organisational Development Framework.	Green	<a href="#">K41</a>	<ol style="list-style-type: none"> <li>1. Develop a Workforce Development plan aligned to the needs of the business</li> <li>2. Establish a Workforce Development Group to deliver transparency, visibility and scrutiny of the workforce development budget expenditure against the priorities and needs of the business</li> <li>3. Set up a project to support managers with recruitment, provide people management information about the workforce and have a performance management process which identifies and records individuals development needs in a central system</li> </ol>	<ol style="list-style-type: none"> <li>1. Complete</li> <li>2. Complete</li> <li>3. Complete</li> </ol>	

# Corporate Plan - Performance Indicator Highlight Report

**Pioneering Plymouth**

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

Outcome	Measure	Key	Performance	Graph	Historic Performance against target, benchmark and influences	Current Performance and trajectory	Performance forecast (link to Action Plan)	Links to outcome																																				
The Council provides and enables brilliant services that strive to exceed customer expectations.	80% of customer contacts with the Council will be managed through the single point of contact, with 80% of enquiries dealt with at first point of contact.	PI	<table border="1"> <thead> <tr> <th></th> <th>2009/10</th> <th>2010/11</th> <th>2011/12</th> <th>2012/13</th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> </tr> </thead> <tbody> <tr> <td>Actual</td> <td></td> <td></td> <td></td> <td>800</td> <td>800</td> <td>800</td> <td></td> <td></td> </tr> <tr> <td>Target</td> <td></td> <td></td> <td></td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> </tr> <tr> <td>Forecast</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>800</td> <td>800</td> </tr> </tbody> </table>		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Actual				800	800	800			Target				800	800	800	800	800	Forecast							800	800		<p>Baseline was set in 2013/14 by undertaking random samples of contacts and single point of contact. Issues with reporting from the Lync Telephony system have resulted in a distortion to this baseline and reportable performance levels moving forward.</p>	<p>Current performance is reported monthly, it indicates a high level of customer contacts however how we identify and capture First Contact Resolution (FCR) is currently under review and it is anticipated that we will soon have a much more transparent view of when FCR has been achieved.</p>	<p>The Customer Service Transformation Programme is systematically reviewing high contact volume services and migrating them to efficient channels. A new way of working has been trialled for Council Tax customers at First Stop which has delivered a 100% First Contact Resolution. This new process will now be rolled out to additional customer groups.</p>	<p>Customer Transformation is working closely with customers (as panels and individual service users) to co-design solutions. In this way customers are defining what they need in order to deliver on and exceed their expectations.</p>
				2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17																																	
			Actual				800	800	800																																			
			Target				800	800	800	800	800																																	
Forecast							800	800																																				
Influences?	Welfare Reform Council tax bill accuracy/missed bins	Direction of current trajectory?	Static	Forecast?	Green																																							
Provide fully transactional services on the web – through a “Citizen Portal” with a target of the national average and 2% (from 3% to 25%) by volume.		P2	<table border="1"> <thead> <tr> <th></th> <th>2009/10</th> <th>2010/11</th> <th>2011/12</th> <th>2012/13</th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> </tr> </thead> <tbody> <tr> <td>Actual</td> <td></td> <td></td> <td></td> <td>2%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Target</td> <td></td> <td></td> <td></td> <td>2%</td> <td>2%</td> <td>2%</td> <td>15%</td> <td>25%</td> </tr> <tr> <td>Forecast</td> <td></td> <td></td> <td></td> <td></td> <td>2%</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Actual				2%					Target				2%	2%	2%	15%	25%	Forecast					2%					<p>As with 2013/14, questions remain about the accuracy of the baseline due to the sampling nature of the method used and the absence of Lync reporting. Despite this it is clear that Plymouth has not exploited the potential benefits of serving customers over the internet fully yet - and that some customers want this.</p>	<p>The gradual rise in volume of web traffic is based on a gradual release of new capability on the web site and increasing numbers of customers looking to transact with the Council online.</p>	<p>14% of current contacts are estimated to be by email, suggesting many customers want to interact electronically but haven't found the service on our website or the service is too technical to use. The opportunity is there to design services on the internet for customers the way they want them and to promote this to customers whenever they interact with us.</p>	<p>Electronic interactions are not right for all customers or all services. However, for many customers and many services electronic channels will increase the hours of service to 24 hours a day and provide greater visibility and convenience to customers to interact with the Council this way.</p>
				2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17																																	
			Actual				2%																																					
			Target				2%	2%	2%	15%	25%																																	
Forecast					2%																																							
Influences?	Volume of internet enabled households and internet confident customers	Direction of current trajectory?	Gradual increase	Forecast?	Green																																							
(New) Volume of Complaints to the council. (Note: this reports data using the current method) A revised methodology will be introduced in April 16 which will also track customer dissatisfaction		P26	<table border="1"> <thead> <tr> <th></th> <th>2009/10</th> <th>2010/11</th> <th>2011/12</th> <th>2012/13</th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> </tr> </thead> <tbody> <tr> <td>Actual</td> <td></td> <td></td> <td></td> <td></td> <td>1311</td> <td>1580</td> <td></td> <td></td> </tr> <tr> <td>Target</td> <td></td> <td></td> <td></td> <td></td> <td>1311</td> <td>1580</td> <td>1600</td> <td></td> </tr> <tr> <td>Forecast</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1600</td> <td>1500</td> </tr> </tbody> </table>		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Actual					1311	1580			Target					1311	1580	1600		Forecast							1600	1500		<p>Currently the way in which complaints are handled within the organisation is inconsistent. With this in mind, a new process is currently being designed which will also deliver a new policy and the ability to use the information received from our customers to help inform service improvements. The new process is due to 'go-live' by end April 2016</p>	<p>To improve processes it is necessary for the number to increase. This is part of the overall management of the process.</p>	<p>It is anticipated, based upon learning from other organisations, that when the new process is implemented and consistency is applied across the organisation, that we will in the first instance, see an increase in the volume of complaints reported. However, having this reliable data will allow to address where improvements are required, thus assisting to drive the volume down.</p>	
				2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17																																	
			Actual					1311	1580																																			
			Target					1311	1580	1600																																		
Forecast							1600	1500																																				
Influences?		Direction of current trajectory?	Increasing - but in an anticipated way	Forecast?	Green																																							
Plymouth's cultural offer provides value to the city.	Increase in visitor numbers coming into the city.	P3	<table border="1"> <thead> <tr> <th></th> <th>2009/10</th> <th>2010/11</th> <th>2011/12</th> <th>2012/13</th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> </tr> </thead> <tbody> <tr> <td>Actual</td> <td>4329000</td> <td>4,388,000</td> <td>5,121,000</td> <td>5,488,000</td> <td>5,256,000</td> <td>5,035,000</td> <td></td> <td></td> </tr> <tr> <td>Target</td> <td>4161216.667</td> <td>4229433.333</td> <td>4297650</td> <td>4365866.67</td> <td>4434083</td> <td>4502300</td> <td>4570517</td> <td>4638733</td> </tr> <tr> <td>Forecast</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>5000000</td> <td>5000000</td> </tr> </tbody> </table>		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Actual	4329000	4,388,000	5,121,000	5,488,000	5,256,000	5,035,000			Target	4161216.667	4229433.333	4297650	4365866.67	4434083	4502300	4570517	4638733	Forecast							5000000	5000000		<p>Baseline set in 2008, up until 2012 targets were achieved and exceeded, but numbers peaked and have subsequently fallen. Key events in the visitor plan include America's cup &amp; launch of Britain's Ocean City.</p>	<p>The latest data (2014) reports that visitor numbers exceeded both its annual and 2020 target. This was despite a fall in numbers for a second year. This year has seen a blanket reduction in day visitors, overseas visitors and night stay visitors.</p>	<p>As the 2020 target has been achieved for each of the last three years, the Visitor plan target is being reviewed, with a focus to attract and increase day visitor numbers and spend.</p>	
				2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17																																	
			Actual	4329000	4,388,000	5,121,000	5,488,000	5,256,000	5,035,000																																			
			Target	4161216.667	4229433.333	4297650	4365866.67	4434083	4502300	4570517	4638733																																	
Forecast							5000000	5000000																																				
Influences?	Britain's Ocean City Visitor Plan	Direction of current trajectory?	Declining	Forecast?	Green																																							

Outcome	Measure	Key	Performance								Graph	Historic Performance against target, benchmark and influences	Current Performance and trajectory		Performance forecast (link to Action Plan)		Links to outcome			
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17										
A Council that uses resources wisely.	Percentage of residents satisfied that the Council provides value for money.	P5	Actual			20%		39%					Data has been recorded via public budget consultation. The public is able to provide a view on their satisfaction levels of VFM every two years. The results of this measure have historically been very low and therefore has been a focus of the Council.	The most recent data was achieved during the public budget consultation 2014/15. The results showed an increase of 19% in satisfaction levels.		Satisfaction levels of Plymouth residents are expected to continue increasing following a communication programme around the 3-year sustainable budget which will deliver the priorities as identified by residents.				
			Target			30%	30%	30%	39%	45%	45%			Influences?	Service Delivery Budget	Direction of current trajectory?	Improving		Forecast?	Green
			Forecast																	
A Council that uses resources wisely.	Increase the value of income levied to the Local Authority.	P6	Actual				800	800	800				The baseline for this indexed measure has been set using Council Tax and Business Rates collection levels. Additionally new homes and business occupancy rates are also included within this measure as this increases the base of both Council Tax and Business Rates	All the elements that make up this measure performed well in 2013/14 and are achieving the targets that have been set. This data has then influenced decisions within the Council in order to maximise the benefits of this.		Future performance is expected to be good around this measure as one of the Councils objectives is to grow the city, therefore increasing the Council Tax and Business Rates base. Additionally, the structure of services within the authority supports a high rate of collection. There is a slight dip in current Council Tax collection, however this is only anticipated to be temporary and performance is anticipated to increase throughout the year.				
			Target				800	800	800	800	800			Influences?	Council Tax, businesses and new homes	Direction of current trajectory?	Static		Forecast?	Green
			Forecast							800	800									
Pioneering in reducing the city's carbon footprint and leading in environmental and social responsibility	Reduction in city wide carbon emission.	P7	Actual	1288	1323	1210	1254	1210					Data is reported a year behind. (2014/15 data due Aug 2016). Between 2006 & 2008 city wide Co2 emissions did not achieve targets, despite this, Plymouth were 2nd quartile nationally. 2009 saw a significant 10% drop in emissions only to see it rise again in 2010, mainly because of the cold winter. However, targets for 2009 and 2010 were achieved and Plymouth maintained a 2nd quartile position nationally. The target continues to be achieved.	The latest data, 2013, reports a decrease in emissions and the annual target has been achieved. Current activity includes the delivery of the Council's Carbon Management Plan and takes into account ECO, EfW, and Plymotion impact - up to 2015. The continuing reduction is based on the national policy as identified in the UoE study.		The forecast predictions are based solely on current performance. External factors play a huge part in actual emissions (climate and economy) and are outside the scope of PCC control, as a consequence the forecast is based on trends rather than science. It should therefore be noted that fluctuations in an given year can be significantly influenced by external factors – for example a cold winter.'		Measure has a very strong link to the outcome.		
			Target	1385	1355	1326	1297	1268	1239	1209	1181			Influences?	National policy.	Direction of current trajectory?	Downward (Good)		Forecast?	Green
			Forecast						1200	1180	1160									
Pioneering in reducing the city's carbon footprint and leading in environmental and social responsibility	Carbon emissions reduction from Corporate estate & schools. (Tonnes Co2)	P8	Actual	43768	41730	41625	39148						This is a fairly new scheme and therefore has not been measured prior to 2009/10	Steady reduction achieved over the years, slightly under target. £13m energy reduction programme to reduce corporate estate CO2 now underway, which should make 2014/15 target achievable.		£13m energy reduction programme to reduce corporate estate CO2 now underway, which should make 2014/15 target achievable.		Measure has a very strong link to the outcome.		
			Target	43768	42017	40267	38516	36765	35014					Influences?		Direction of current trajectory?	Downward (Good)		Forecast?	Green
			Forecast					36765	35014											

Outcome	Measure	Key	Performance								Key Actions	Historic Performance against target, benchmark and influences	Current Performance and trajectory		Performance forecast (link to Action Plan)		Links to outcome			
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17			Direction of current trajectory?	Upward	Forecast?	Green				
More decent homes to support the population.	Increase the number of homes completed (net).	P9	Actual	401	535	472	564	731	800				<p>Despite the economic downturn since 2007, the number of new homes completed has historically performed well against the target. The target has been influenced by government Office who agreed a reduction in our short term housing targets. They agreed net housing targets of: 900 dwellings in 2008 to 2009, 350 dwellings in 2009 to 2010, 250 dwellings in 2010 to 2011. The Council subsequently set a target of 255 in 2011 to 2012 based on an estimate of 400 new dwellings (taking into account demolitions). This gave a revised housing target from 2006 to 2012 of 3,755 dwellings. From 2013 onwards the current administrations pleade is to "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</p>	On the 24th August 2012 the Get Plymouth Building programme was launched by Councillor Lowry. GPB contains 8 initiatives to accelerate housing delivery. This was reflected in the 2012/13 performance as we reported a 19% increase in new homes built over the previous year, in 2013/14 this increased further by 30% resulting in 731 being built (Net). Taking into account performance over the last five years the trajectory is upward and forecast to improve.		Get Plymouth Building is on schedule to deliver 2,000 homes by August 2015.		Measure has a very strong link to the outcome.		
			Target	350	250	255	350	450	620	800	1030			Influences?	Government Office	Direction of current trajectory?	Upward		Forecast?	Green
			Forecast							800	1030									
A strong economy creating a range of job opportunities.	Increase the number of jobs created.	P10	Actual	102,200	102,600	104,800	106,300	107,700					<p>The number of jobs in the city peaked in 2007. However, the economic decline resulted in falling numbers and in 2010/11 levels dipped to their lowest numbers and were back to 2003 levels(Benchmark). Since then, there been a small but steady increase in net jobs, but targets continued to be missed. The development of the Plymouth Plan provides a timely opportunity to revisit these targets to ensure they are steeped in economic reality. The Plan was agreed at full council in september 2015 and a new 2013 jobs target has agreed. The plan seeks to creat 18,600 new jobs over this period which if successful, by 2031 there will be 121,120 jobs in the city.</p>	There are now 107,700 jobs in the city (2014), a 1,400 (1.4%) increase over the previous year, compared to UK (3.8%) and HotSW (3.1%). This maintains an upward trend over the last four years. The city has recorded higher growth rates in 3 of the last 4 years. Plymouth's dependence on the public-sector has fallen significantly, from 22.9% in 2013 to 20.9%. This is a result of a positive rebalancing of economic activity, which has seen some 6,600 new private sector jobs created since 2010, more than compensating for a 2,500 reduction in public sector employment.		The increase in jobs is expected to increase over the next few years. Target was reviewed in late 2014.		Measure has a very strong link to the outcome.		
			Target			103,526	104,452	105,378	106,304					Influences?	Economic Climate. Legislation. Public Confidence. City strategic planning	Direction of current trajectory?	Upward		Forecast?	Green
			Forecast						109,000	110,000	112,000									
A strong economy creating a range of job opportunities.	Gross Value added per Hour - indices	P34	Actual	91.3	92.0	94.0	96.1	97.0					<p>This report measures labour productivity. Labour productivity measures the amount of output produced by a unit of labour input. A higher level of productivity means that a higher level of output is being produced per unit of labour input. GVA per hour worked is a more comprehensive indicator of labour productivity and the preferred measure at sub national level.</p>	Productivity in Plymouth during the recession dipped to its lowest in 2009 where levels were less than both the south west and England. since then however, its improved at a better rate than both the SW and England Average. More than that, productivity has increase year on year since then. The conditions to improve economic growth in the city are embedded into the new Plymouth Plan and more sepcifically into the local enonomic plan. The direction of current trajectory is upward.		As the Plymouth Plan starts to gain momentum and the right conditions are put in place, GVA per hour is expected to increase over the next few years.		Measure has a very strong link to the outcome.		
			Target																	
			Forecast						97.2	97.4	98									

Growing Cont.....

Outcome	Measure	Key	Performance							Key Actions	Historic Performance against target, benchmark and influences	Current Performance and trajectory		Performance forecast (link to Action Plan)		Links to outcome	
			2010	2011	2012	2013	2014	2015	2016			2017	Direction of current trajectory?	Maintain	Forecast?		Maintain
Maintain the number of schools and settings judged by Ofsted as good or better. (Top quartile nationally)	P11	Actual		70%	71.7%	79.5%	79.3%	78.8%			<p>The OFSTED inspection ratings measure is an index measure which consists of Early years settings, Primary, Secondary &amp; Children's Centre inspection ratings. The last few years have seen year on year improvements across all of the component measures. However in 2013 OFSTED sought to tighten their inspection framework and as such the service set a target going forward to maintain the current strong position. Data has been sourced through Watchsted data view (as of 08/01/16)</p>	As of December 2015 (the latest benchmarking point) Plymouth had maintained for Schools judged as Good or Outstanding at c79%.  Ofsted judgements for Primary schools show Plymouth at 76.7% for Good or Outstanding against National average of 84.7%.  Ofsted judgements for Secondary schools show Plymouth at 81.3% for Good or Outstanding against National average of 78.5%.		Despite changes to the inspection framework, performance continues to maintain at pre change levels in the majority of settings .			
		Target					79.5%	79.5%									
		Forecast															
A top performing education system from early years to continuous learning opportunities.	P12	Actual	NA	NA	NA	48.6%	51.0%				<p>The raise achievement measure is an index measure which consists of, Foundation Stage Profile GLD for FSM pupils, KS1 Phonics decoding attainment for FSM pupils , KS2 LVL 4 RWM attainment for FSM pupils &amp; Achievement of 5 GCSE's grade A-C (Inc. English &amp; Maths)attainment for FSM pupils NB - Only 1 year of consistent data is available due to: - A change in methodology for calculating Foundation stage profile in 2012/13 (previous is not comparable) - A new measure for KS2 was released (KS2 lv4+ WRM) in 2011/12</p>	Now in the second year of being able to report against all measures we can see that attainment levels have improved by 2.4 percentage points. Whilst encouraging it should be noted that attainment levels across the Keystages varies considerably with attainment of disadvantaged pupils at Foundation stage & KS1 placing Plymouth in the second quartile nationally, however at KS2 & 4 Plymouth sits in the bottom quartile nationally.		Not known at this point, however provisiona all pupil attainment levels remain largely in line with last years performance so it is likely that the FSM cohort will also remain in line.			
		Target				48.6%	50.0%	52.0%									
		Forecast															
(New) % of residents with no qualifications	P27	Actual	14000	16700	12500	10300	10100	8100			<p>This measures the % of 16-64 year olds who have achieved no formal qualification. Data is provided annually through NOMIS.</p>	A 20% reduction in residents with no formal qualifications was seen in 2014, reinstating an annual reduction of c.2,000 residents with no formal qualifications after a drop to only 200 seen in 2013.					
		Target						9800	7500			7000					
		Forecast															
Plymouth is an attractive place for investment.	P13	Actual	900	900	858	967	933				<p>There are three separate measures which combine into this indexed indicator. The weighting applied to each is equal, e.g.: 1/3 each. Individually, each measure has performed well, in the main exceeding their respective targets in each of the last 5 years. The national economy has had a significant influence on performance but despite the recession performance had been generally been positive.</p>	Collectively the indicator has exceed its target. Individually each measure has also performed very well, with the exception of "Employment land". The 'in year hectares delivered' has slipped to 0.98ha this year, cumulatively to 31.81. This means that the for the first time in 5 years the cumulative target has not been met. This is due to the recession and an over supply of vacant premises in the city. The number of Inward Investment Enquires during the year is most noteworthy. Economic Development have improved the business relationship programme which has resulted in an improved number of both equipment		Two of the three measures are forecast to achieve their respective targets next year, so collectively the forecast is positive and rated good. However, in terms of Employment Land, new businesses and jobs growth are likely to take place in the existing supply of spaces and therefore it will be a few years until that sppace is taken up and new employment premies are required.		The indexed measure has a strong link to the outcome as the key indicator within the array used is 'availability of employment land'. The outcome does place an emphasis on investment so inward investment and business occupancy has been included.	
		Target	800	800	800	800	800	800	800			800					
		Forecast						900	900			900					



Outcome	Measure	Ref	Performance	Graph	Historic Performance against target, benchmark and influences	Current Performance and trajectory	Performance forecast (link to Action Plan)	Links to Outcome																												
We will prioritise prevention.	Increase access to early help and support. (reported one quarter in arrears)	P14	<table border="1"> <thead> <tr> <th>2013/14 Q3</th> <th>2013/14 Q4</th> <th>2014/15 Q1</th> <th>2014/15 Q2</th> <th>2014/15 Q3</th> <th>2014/15 Q4</th> <th>2015/16 Q1</th> <th>2015/16 Q2</th> <th>2015/16 Q3</th> </tr> </thead> <tbody> <tr> <td>825</td> <td>875</td> <td>1000</td> <td>1000</td> <td>1000</td> <td>1000</td> <td>1000</td> <td>1000</td> <td>1000</td> </tr> <tr> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> </tr> </tbody> </table>	2013/14 Q3	2013/14 Q4	2014/15 Q1	2014/15 Q2	2014/15 Q3	2014/15 Q4	2015/16 Q1	2015/16 Q2	2015/16 Q3	825	875	1000	1000	1000	1000	1000	1000	1000	800	800	800	800	800	800	800	800	800		<p>Social -economic factors influence the demand on early help and support services and is an influencing factor on performance. Ensuring that services have adequate resources to deal with demand will have significant impact on performance. Target was exceeded in 2013/14 and in 2014/15 the number of clients being seen</p>	<p>Current risks to the attainment of this measure are; This measure is on target across the board with Advice Plymouth achieving all contractual targets in terms of enquiries, referrals and caseloads. As targets are being exceeded this target will be achieved relatively easily.</p>	<p>Strong performance regarding enquiries and referrals to and from Advice Plymouth means that the target is achieved.</p>		
			2013/14 Q3	2013/14 Q4	2014/15 Q1	2014/15 Q2	2014/15 Q3	2014/15 Q4	2015/16 Q1	2015/16 Q2	2015/16 Q3																									
			825	875	1000	1000	1000	1000	1000	1000	1000																									
800	800	800	800	800	800	800	800	800																												
Actual																																				
Target																																				
Forecast																																				
					Influences?	Social Economic factors, Service resource	Direction of current trajectory?	Advice Plymouth Improving re enquiries and referrals.	Green																											
We will prioritise prevention.	Increase the number of adults and families able to stay in their own home and communities.	P15	<table border="1"> <thead> <tr> <th>2013/14 Q3</th> <th>2013/14 Q4</th> <th>2014/15 Q1</th> <th>2014/15 Q2</th> <th>2014/15 Q3</th> <th>2014/15 Q4</th> <th>2015/16 Q1</th> <th>2015/16 Q2</th> <th>2015/16 Q3</th> </tr> </thead> <tbody> <tr> <td>933</td> <td>900</td> <td>800</td> <td>833</td> <td>833</td> <td>833</td> <td>833</td> <td>780</td> <td>780</td> </tr> <tr> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> </tr> </tbody> </table>	2013/14 Q3	2013/14 Q4	2014/15 Q1	2014/15 Q2	2014/15 Q3	2014/15 Q4	2015/16 Q1	2015/16 Q2	2015/16 Q3	933	900	800	833	833	833	833	780	780	800	800	800	800	800	800	800	800	800		<p>The housing related measures (CAT I hazard removal and major adaptations to homes) have historically performed well against target. Since the introduction of the Government's personalisation agenda the proportion of clients receiving services through a self-directed support process has continued to increase. The proportion of clients who receive their directed support via a direct payment in Plymouth is amongst the highest in the country.</p>	<p>This indexed measure is slightly off target at quarter 3 with performance performance slipping in relation to the removal of CAT I hazards and the proportion of people in receipt of self-directed support.</p>	<p>2015/16 out-turn is likely to be just off target.</p>		
			2013/14 Q3	2013/14 Q4	2014/15 Q1	2014/15 Q2	2014/15 Q3	2014/15 Q4	2015/16 Q1	2015/16 Q2	2015/16 Q3																									
			933	900	800	833	833	833	833	780	780																									
800	800	800	800	800	800	800	800	800																												
Actual																																				
Target																																				
Forecast																																				
					Influences?	Social Economic factors, Service resource	Direction of current trajectory?	Improving	Forecast?	Green																										
We will prioritise prevention.	(New) Success in achieving the outcomes in the "Families with a future" (Troubled Families) Outcome Framework.	P28	<table border="1"> <thead> <tr> <th>2012/13 Q4</th> <th>2013/14 Q1</th> <th>2013/14 Q2</th> <th>2013/14 Q3</th> <th>2013/14 Q4</th> <th>2014/15 Q1</th> <th>2014/15 Q2</th> <th>2014/15 Q3</th> <th>2014/15 Q4</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	2012/13 Q4	2013/14 Q1	2013/14 Q2	2013/14 Q3	2013/14 Q4	2014/15 Q1	2014/15 Q2	2014/15 Q3	2014/15 Q4																				<p>The Early Help Gateway went live on the 1st of December with encouraging early results in terms of immediate impact on the front end of Childrens Social Care. Within quarter 4 this will be established as the gateway and mechanism for coordination of early help. It is through this mechanism that reporting of early help outcomes will be achieved and as such reported via the Corporate Plan.</p>				
			2012/13 Q4	2013/14 Q1	2013/14 Q2	2013/14 Q3	2013/14 Q4	2014/15 Q1	2014/15 Q2	2014/15 Q3	2014/15 Q4																									
Actual																																				
Target																																				
Forecast																																				

Caring cont....

Outcome	Measure	Ref	Performance							Graph	Historic Performance against target, benchmark and influences	Current Performance and trajectory	Performance forecast (link to Action Plan)	Links to Outcome		
We will help people take control of their lives and communities.	Improve life expectancy particularly in those areas where it is the lowest / lower than the average.	P16	2006-08	2007-09	2008-10	2009-11	2010-12	2011-13	2012-14	2013-15		Historically the life expectancy within the fifth most deprived of neighbourhoods has been at a level expected so previously this has been RAG rated as green.	The latest figures calculated by the Public Health Team show that life expectancy in the most deprived group of neighbourhoods (eight areas) is 78.25 years for the three-year period 2011-13. This is an increase of 0.13 years compared to the 2010-12 value. This equates to an increase of approximately one and a half months. The 2011-13 value is not statistically significantly different to the 2010-12 value and is 0.24 years higher than 2008-10 value (78.02 years).	Continued efforts will be made to improve the health in Plymouth specifically through the implementation of the 4:4:54 strategy. Annual indicators will be monitored in relation to life expectancy, teenage conception, excess weight, smoking prevalence, circulatory disease and alcohol.		
			Actual	n/a	n/a	78.2	78.2	78.12	78.25	Available 2016						Available 2017
			Target	n/a	n/a	78	78.2	78.5	78.6	78.7						78.8
			Forecast													
We will help people take control of their lives and communities.	(New) The % of (adults) residents who volunteer at least once per month	P29	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17		A new measure included as part of the 2nd year review, its also a newly created measure for the council. Data for the first year is captured from a national survey, although this may change going forward as it may be more appropriate for a local one. from the 2014/15 baseline a nominal target has been set based on our aspirations. The baseline is 2014/15 and as such is also the foundation for target setting.	The initial data suggests that we are a little way behind the national average in terms of numbers. However, with minimal data this might not give us the best understanding of the position. We know locally that there is a significant amount of both formal and infomal volunteering already happening, but recognise that much more can be done.	This is a specific iniative as part of the Cities of Service programme and as it starts to gain momentum performance will likely increase. Volunteering is a key element of the Plymouth Plan so this will assist in providing the right conditions and create the best environment to reach an ambitious target of 50% by 2031.	Strong link to the outcome.	
			Actual					21%								
			Target					21%	22%	23%						
			Forecast						22%	23%						
We will help people take control of their lives and communities.	(New) The % of adult social care clients receiving self-directed support	P30	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17		In readiness for the Cart Act 2014 the Government introduced a national target that tracks the percentage of people receiving their social care services via self-directed support. Since 2010/11 performance against this indicator in Plymouth has been on an improving trend. At the end of 2014/15 87% of people received services via self-directed support, this compared to 26.1% in 2010/11.	So far in 2015/16 the percentage of people receiving services via self-directed support has been relatively static due to a backlog of reviews. Historically however, our performance has been top quartile. We are tracking this indicator closely as a result of current performance.	It is anticipated that once the backlog of reviews has been cleared that performance against this indicator will improve. Until this work is done the forcast against should be amber. The target for 2015/16 is 90%.		
			Actual	n/a	26.10%	40.60%	54%	61.90%	87%							
			Target			80%	80%	80%	90%	90%						
			Forecast						90%	90%						

Outcome	Measure	Ref	Performance	Graph	Historic Performance against target, benchmark and influences	Current Performance and trajectory	Performance forecast (link to Action Plan)	Links to Outcome																																				
Children, young people and adults are safe and confident in their communities.	Reduce the gap between the worst 10 neighbourhoods and city average rate per 1000 population for overall crime.	P18	<table border="1"> <thead> <tr> <th>2014/15 Q1</th> <th>2014/15 Q2</th> <th>2014/15 Q3</th> <th>2014/15 Q4</th> <th>2015/16 Q1</th> <th>2015/16 Q2</th> <th>2015/16 Q3</th> <th>2015/16 Q4</th> </tr> </thead> <tbody> <tr> <td>19.6</td> <td>39.3</td> <td>58.4</td> <td>77.4</td> <td>18</td> <td>34.9</td> <td>51.4</td> <td>Not yet available</td> </tr> <tr> <td>19.05</td> <td>38.1</td> <td>57.15</td> <td>76.2</td> <td>19.32</td> <td>38.64</td> <td>57.96</td> <td>77.3</td> </tr> <tr> <td></td> <td></td> <td>58.3</td> <td>77.7</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	2014/15 Q1	2014/15 Q2	2014/15 Q3	2014/15 Q4	2015/16 Q1	2015/16 Q2	2015/16 Q3	2015/16 Q4	19.6	39.3	58.4	77.4	18	34.9	51.4	Not yet available	19.05	38.1	57.15	76.2	19.32	38.64	57.96	77.3			58.3	77.7						<p>Performance against this target is driven by overall crime levels. Historically, priority neighbourhoods are most vulnerable to increases in crime given their geographical and social economic nature. Conversely therefore when overall crime falls it falls most in these neighbourhoods. Overall crime did fall in 2014/15 by 1% compared to 2013/14. Unfortunately this did not mean the closing gap target was achieved, primarily as the City Centre neighbourhood saw large increases. Seven of the remaining nine priority neighbourhoods did record decreases and the target would have been met if the city centre crime figures were excluded.</p>	<p>In December there were 1444 crimes recorded, a decrease of 170 crimes on December 2014. Crime levels between April and December are lower than 2014/15 (640 fewer crimes or 5% reduction). The latest crime gap update for December when the gap between the ten priority neighbourhoods and the city average was 51.4 against a target of 57.96. This means we are currently on target to close the gap on last year.</p>	<p>Continued partnership efforts in reducing victim based crime are like, given the current year to date performance to see this performance target achieved.</p>					
			2014/15 Q1	2014/15 Q2	2014/15 Q3	2014/15 Q4	2015/16 Q1	2015/16 Q2	2015/16 Q3	2015/16 Q4																																		
			19.6	39.3	58.4	77.4	18	34.9	51.4	Not yet available																																		
			19.05	38.1	57.15	76.2	19.32	38.64	57.96	77.3																																		
		58.3	77.7																																									
Actual																																												
Target																																												
Forecast																																												
Children, young people and adults are safe and confident in their communities.	Children's Safeguarding timing of Assessments.	P19	<table border="1"> <thead> <tr> <th>2013/1 Q4</th> <th>2014/15 Q1</th> <th>2014/15 Q2</th> <th>2014/15 Q3</th> <th>2014/15 Q4</th> <th>2015/16 Q1</th> <th>2015/16 Q2</th> <th>2015/16 Q3</th> <th>2015/1 Q4</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>94%</td> <td>93%</td> <td>92%</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>85%</td> <td>85%</td> <td>85%</td> <td>85%</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	2013/1 Q4	2014/15 Q1	2014/15 Q2	2014/15 Q3	2014/15 Q4	2015/16 Q1	2015/16 Q2	2015/16 Q3	2015/1 Q4						94%	93%	92%							85%	85%	85%	85%											<p>Historically Plymouth Children's Social Care has been a strong performing service in terms of timely completion of assessments. The new single assessment was introduced in September 2014 which marked a change in the way assessments are completed. For the remainder of 14/15 a tougher 35 day target was used to ensure implementation and now this has been increased to 45 working days in line with national guidance. It is likely that Plymouth will perform well against this target.</p>	<p>Performance has been rated at green and performance has been consistently good throughout the 3 quarters.</p>	<p>Their performance in this area is being closely monitored to ensure improvements are sustained.</p>	
			2013/1 Q4	2014/15 Q1	2014/15 Q2	2014/15 Q3	2014/15 Q4	2015/16 Q1	2015/16 Q2	2015/16 Q3	2015/1 Q4																																	
								94%	93%	92%																																		
								85%	85%	85%	85%																																	
Actual																																												
Target																																												
Forecast																																												
Children, young people and adults are safe and confident in their communities.	(New) The proportion of people who use services who say that those services make them feel safe and secure	P31	<table border="1"> <thead> <tr> <th>2009/10</th> <th>2010/11</th> <th>2011/12</th> <th>2012/13</th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>79.5%</td> <td>81.7%</td> <td>86.1%</td> <td>93.3%</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>n/a</td> <td>n/a</td> <td>n/a</td> <td>n/a</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17			79.5%	81.7%	86.1%	93.3%					n/a	n/a	n/a	n/a												<p>Since the introduction of this indicator to the Adult Social Care outcomes framework local performance has improved year on year. The indicator is representative of how people perceive Adult Social Care services keep them safe.</p>	<p>In 2014/15 93% of social care clients stated that the services they received made them feel safe and secure. This 2014/15 result places Plymouth well above the national average of 85% and 10th best in the country. Previously no targets have been set against this indicator, this has changed with the handover of social care services to Plymouth Community Healthcare. 2015/16 has been provisionally set at 87%.</p>	<p>The next survey will be distributed in early 2016. Whilst there is no suggestion of a considerable dip in performance it would be difficult to increase on suggest a positive outcome to the 14/15 survey. The aim will be to maintain performance and remain well above the national average.</p>					
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17																																		
					79.5%	81.7%	86.1%	93.3%																																				
					n/a	n/a	n/a	n/a																																				
Actual																																												
Target																																												
Forecast																																												
Children, young people and adults are safe and confident in their communities.	(New) The % of pupils who rated their safety at school as 'good' or 'very good'	P32	<table border="1"> <thead> <tr> <th>2009/10</th> <th>2010/11</th> <th>2011/12</th> <th>2012/13</th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>70%</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>70%</td> <td></td> <td>90%</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>90%</td> </tr> </tbody> </table>	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17						70%								70%		90%								90%		<p>This is a new performance indicator reported for the first time in Q3 2015/16. The data has been taken from the young people in schools "Health related behaviour survey 2014". The question asks pupils to rate their preception of their own safety at school. The indicator reports the % of pupils who rate their safety as "good" or "very good". In 2014 70% of pupils felt safe in school. This measure will be the benchmark. The survey is undertaken every two years.</p>	<p>Safety of pupils is obviously a top priority for Schools, OFSTED and Plymouth City Council. OFSTED's assessment of Safety of Pupils in schools extends beyond this specific indicator, but this indicator has been chosen as it supports an holistic approach to the consideration of school safety.</p>	<p>Priority and resources are being directed into XXXX Improvement plan to ensure that plymouth maintains its already high number of schools OFSTED rated as good or excellent. Children feeling safe in schools is a significant element of this delivery plan. The target for this indicator for 2016/17 is 90%</p>	<p>Strong Link to Outcome</p>				
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17																																		
								70%																																				
								70%		90%																																		
							90%																																					
Actual																																												
Target																																												
Forecast																																												

Caring cont....

Outcome	Measure	Ref	Performance	Graph	Historic Performance against target, benchmark and influences	Current Performance and trajectory	Performance forecast (link to Action Plan)	Links to Outcome																																				
People are treated with dignity and respect.	Percentage of residents who believe Plymouth is a place where people from different backgrounds get on well together.	P20	<table border="1"> <thead> <tr> <th></th> <th>2009/10</th> <th>2010/11</th> <th>2011/12</th> <th>2012/13</th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> </tr> </thead> <tbody> <tr> <td>Actual</td> <td>69%</td> <td></td> <td></td> <td>53%</td> <td></td> <td>53%</td> <td></td> <td></td> </tr> <tr> <td>Target</td> <td>60%</td> <td></td> <td></td> <td>60%</td> <td></td> <td>60%</td> <td></td> <td></td> </tr> <tr> <td>Forecast</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Actual	69%			53%		53%			Target	60%			60%		60%			Forecast										<p>The 2012 Listening Plymouth survey showed that 53% of people agreed that their local area is a place where people from different ethnic backgrounds get on well together (note question changed to specifically ask about ethnicity). Where community engagement work has been targeted, community cohesion has shown a marked improvement e.g. after holding a series of community events in North Prospect, the neighbourhood's "community cohesion" rating increased from 41% of people believing that people from different backgrounds get on well together to 57%.</p>	<p>This question reverted to the original 'Plymouth is a place where people from different backgrounds get on well together' in the 2014 Health and Wellbeing survey. 53% of respondents stated that they felt 'Plymouth is a place where people from different backgrounds get on well together'. This represents no change from the result in 2012 when the slightly different ethnicity question was asked in the Plymouth survey. Only 16% disagreed with this statement with a sizeable 31% neither agreeing or disagreeing. 53% did however represent a sizeable fall from 2009 performance, this fall is being investigated and may be in line with the national trend.</p>	<p>Future performance against this measure ties in with the welcoming city action plan that is currently being created by the social inclusion unit. The action plan will likely be signed off in quarter 4 and will look to improve performance in this area. New targets will be for then forthcoming year using 53% as a baseline.</p>	
				2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17																																	
Actual	69%			53%		53%																																						
Target	60%			60%		60%																																						
Forecast																																												
Influences?	Targeted Community Cohesion	Direction of current trajectory?	Static	Forecast?	Amber																																							
People are treated with dignity and respect.	Overall satisfaction of people who use services with their care and support	P21	<table border="1"> <thead> <tr> <th></th> <th>2010/11</th> <th>2011/12</th> <th>2012/13</th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> </tr> </thead> <tbody> <tr> <td>Actual</td> <td>62.1%</td> <td>70.3%</td> <td>68.1%</td> <td>67.8%</td> <td>65.6%</td> <td></td> <td></td> </tr> <tr> <td>Target</td> <td></td> <td></td> <td>70.0%</td> <td>70.0%</td> <td>70.0%</td> <td></td> <td></td> </tr> <tr> <td>Forecast</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Actual	62.1%	70.3%	68.1%	67.8%	65.6%			Target			70.0%	70.0%	70.0%			Forecast									<p>Although the satisfaction target has not been achieved for the past three years we do benchmark very favourably and have among the highest satisfaction rates in the country. Since 2011/12 the satisfaction rates among clients has remained relatively steady around the 65 - 70% mark.</p>	<p>Adult Social Care client survey outcomes are positive with Plymouth users being more satisfied (65.6%) with services received than the England average (64.7%).</p>	<p>Performance against this indicator is based on response to the annual adult social care statutory survey of clients so it is relatively hard to predict. As efforts continue to deliver against the quality improvement plan satisfaction rates will be expected to remain amongst the best in the country. We have retained the relatively tough improvement target of 70% so the forecast is currently amber.</p>					
				2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17																																		
Actual	62.1%	70.3%	68.1%	67.8%	65.6%																																							
Target			70.0%	70.0%	70.0%																																							
Forecast																																												
Influences?	Quality Improvement Plan	Direction of current trajectory?	Static	Forecast?	Amber																																							

Outcome	Measure	Ref	Performance	Graph	Historic Performance against target, benchmark and influences	Current Performance and trajectory	Performance forecast (link to Action Plan)	Links to outcome																																				
Citizens enjoy living and working in Plymouth.	Percentage of residents who are satisfied with Plymouth as a place to live.	P22	<table border="1"> <thead> <tr> <th></th> <th>2009/10</th> <th>2010/11</th> <th>2011/12</th> <th>2012/13</th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> </tr> </thead> <tbody> <tr> <td>Actual</td> <td>79%</td> <td></td> <td></td> <td>82%</td> <td></td> <td>74%</td> <td></td> <td></td> </tr> <tr> <td>Target</td> <td>79%</td> <td></td> <td></td> <td>83%</td> <td></td> <td>84%</td> <td></td> <td>86%</td> </tr> <tr> <td>Forecast</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Actual	79%			82%		74%			Target	79%			83%		84%		86%	Forecast									<p><b>% of residents who are satisfied with Plymouth as a place to live</b></p>	<p>Pre 2009, performance did not deviate very much from the current position. The target has not been achieved since the benchmark was set.</p>	<p>The latest performance reflects the 2014 Wellbeing survey where performance slightly decreased.</p>	<p>The forecast for the next 4 years is good. This is because in our action plan which aims to focus on identifying the priorities of Plymouth residents in order to enable them to inform decisions made by the Council.</p>	<p>The measure captures the views of those living in Plymouth only. It does not capture the experiences of those working in the city as no measure for this exists. It is also collected bi annually. However, it is a robust measure which will give a good indicative measure of the outcomes progress.</p>
				2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17																																	
			Actual	79%			82%		74%																																			
Target	79%			83%		84%		86%																																				
Forecast																																												
Influences?	* Legislation * Resources	Direction of current trajectory?	Downward	Forecast?	Amber																																							
Plymouth's brand is clear, well-known and understood globally.	**Attract more people to live, work and visit the city from both the UK and overseas.	P23	<table border="1"> <thead> <tr> <th></th> <th>2009/10</th> <th>2010/11</th> <th>2011/12</th> <th>2012/13</th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> </tr> </thead> <tbody> <tr> <td>Actual</td> <td>705</td> <td>605</td> <td>820</td> <td>850</td> <td>910</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Target</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> </tr> <tr> <td>Forecast</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>920</td> <td>930</td> <td>940</td> </tr> </tbody> </table>		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Actual	705	605	820	850	910				Target	800	800	800	800	800	800	800	800	Forecast						920	930	940	<p><b>Attract more people to the city</b></p>	<p>With revised jobs targets in 2014 (backed dated to 2011) and a subsequent reset of performance indicators, performance has exceeded targets. Performance across all 4 indicators is good, with all exceeding their individual targets, with the exception of population.</p>	<p>Current performance has been influenced by increased inward investments and increased numbers of visitors to the city, and the steady rise in jobs. We do see year on year increases in population, just not enough to reach its targets.</p>	<p>The forecast for next year is good with planned increases in jobs and people coming to live in the city. It is likely that the target will be reached in 2014/15.</p>	<p>The measure is indexed to capture as many of the key elements as possible. There are 4 elements. Population, Jobs, Visitor numbers and inward investments. Whilst there is no Brand specific measure as described in the outcome, the combination of the 4 will give a good indicators of Plymouth as a destination.</p>
				2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17																																	
			Actual	705	605	820	850	910																																				
Target	800	800	800	800	800	800	800	800																																				
Forecast						920	930	940																																				
Influences?	* Population * Jobs * Visitors * Inward investments	Direction of current trajectory?	Upward	Forecast?	Amber																																							
Government and other agencies have confidence in the Council and partners: Plymouth's voice matters.	An increase in the amount of external funding and support from Government and other agencies.	P24	<table border="1"> <thead> <tr> <th></th> <th>2009/10</th> <th>2010/11</th> <th>2011/12</th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> <th>2017/18</th> </tr> </thead> <tbody> <tr> <td>Actual</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Target</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> <td>800</td> </tr> <tr> <td>Forecast</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>TBC</td> <td>TBC</td> <td>TBC</td> </tr> </tbody> </table>		2009/10	2010/11	2011/12	2013/14	2014/15	2015/16	2016/17	2017/18	Actual	800	800	800	800	800				Target	800	800	800	800	800	800	800	800	Forecast						TBC	TBC	TBC	<p><b>Increased Funding</b></p>	<p>Recent years has shown a significant decrease in the amount of core funding that it receives. In light of this and the increased requirement for funding and support due to the rising population and demand on services further resources are required in order to meet the gap and continue with maintaining and delivering service delivery.</p>	<p>Latest information indicates an increase in the external funding that that we receive from the government and other agencies. This may be influenced by the reduction in core funding and therefore alternative sources are sought out by departments.</p>	<p>The forecast over the next three years is very good. This is due to the increased governance arrangements which have been developed by the Co-operative Capital Investment Board which looks at prioritising the Council's Capital programme in order to ensure that resources are being focussed towards the delivery of Plymouth's priorities.</p>	
				2009/10	2010/11	2011/12	2013/14	2014/15	2015/16	2016/17	2017/18																																	
			Actual	800	800	800	800	800																																				
Target	800	800	800	800	800	800	800	800																																				
Forecast						TBC	TBC	TBC																																				
Influences?	* Funding opportunities * Successful bid submissions	Direction of current trajectory?	Upward	Forecast?	Good																																							
Our employees are ambassadors for the city and the Council and proud of the difference we make.	Staff Survey – would you talk positively about the Council outside work.	P25	<table border="1"> <thead> <tr> <th></th> <th>2009/10</th> <th>2010/11</th> <th>2011/12</th> <th>2012/13</th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> </tr> </thead> <tbody> <tr> <td>Actual</td> <td></td> <td>58%</td> <td>56%</td> <td>57%</td> <td>64%</td> <td>57%</td> <td></td> <td></td> </tr> <tr> <td>Target</td> <td></td> <td></td> <td>56%</td> <td>57%</td> <td>59%</td> <td>60%</td> <td>61%</td> <td>62%</td> </tr> <tr> <td>Forecast</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>60%</td> <td>61%</td> </tr> </tbody> </table>		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Actual		58%	56%	57%	64%	57%			Target			56%	57%	59%	60%	61%	62%	Forecast							60%	61%	<p><b>Talk positively about the Council outside of work</b></p>	<p>The Staff Survey has aimed to identify whether staff would talk positively about the council outside of work on an annual basis in recent years. The outcome of this has remained fairly static with minimal fluctuations</p>	<p>The Staff Survey results 2014 are now available and identify a decrease in how positively staff would speak about the Council outside of work. The outcome of 57% is 3% points lower than the target that had been set and an decrease of 7% points from the last interim Staff Survey that had been carried out in 2013.</p>	<p>Focus is being made on staff engagement and development as part of work being carried out in the People and Organisational Development Programme. This is anticipated to have a positive impact on the outcome of this performance measure, gradually increasing throughout the medium term.</p>	
				2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17																																	
			Actual		58%	56%	57%	64%	57%																																			
Target			56%	57%	59%	60%	61%	62%																																				
Forecast							60%	61%																																				
Influences?		Direction of current trajectory?	Downward	Forecast?	Amber																																							

This page is intentionally left blank

## 2014/15 - 2015/16 Pledges

### Progress report: 26th January 2016

#### Pledge overview.

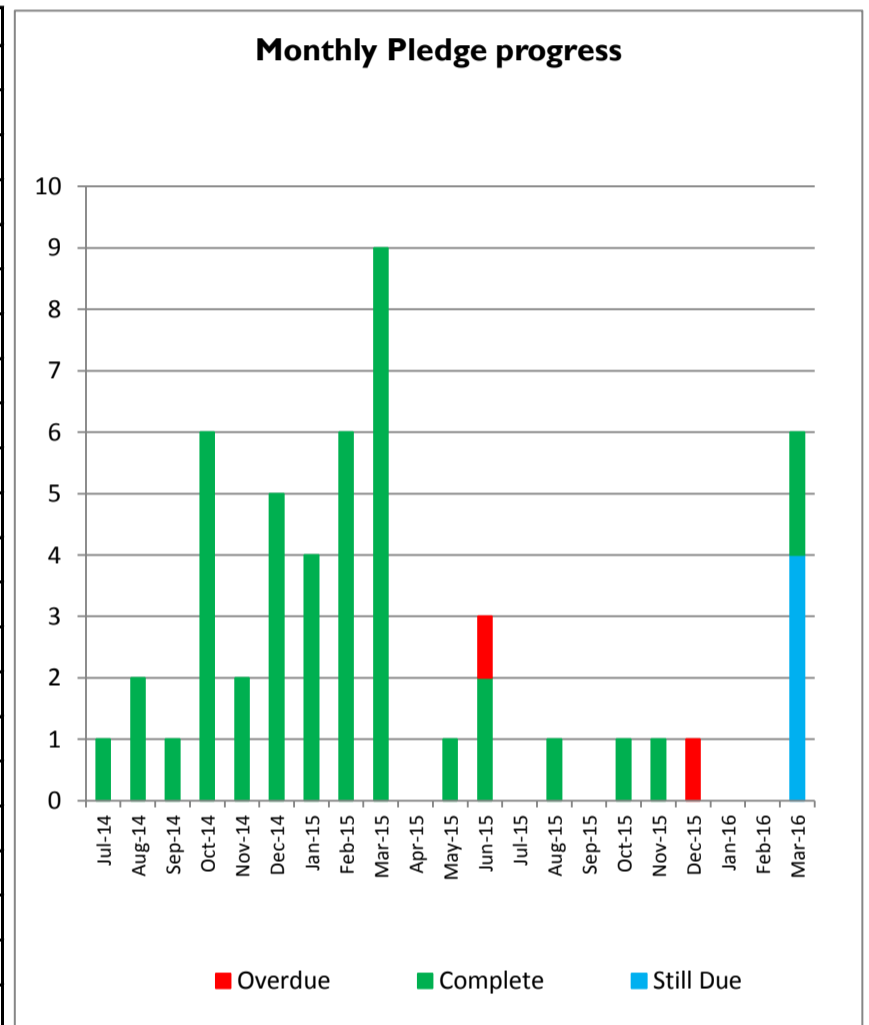
As at 26th January 2016, 44 of 50 pledges have been completed against a target of 45. Target dates have been reviewed to align to a view that all will be completed by the end of March 2016.

2.1	<b>Total Pledges planned for completion by this date</b>	<b>45</b>
	<b>Total Pledges completed to date</b>	<b>44</b>

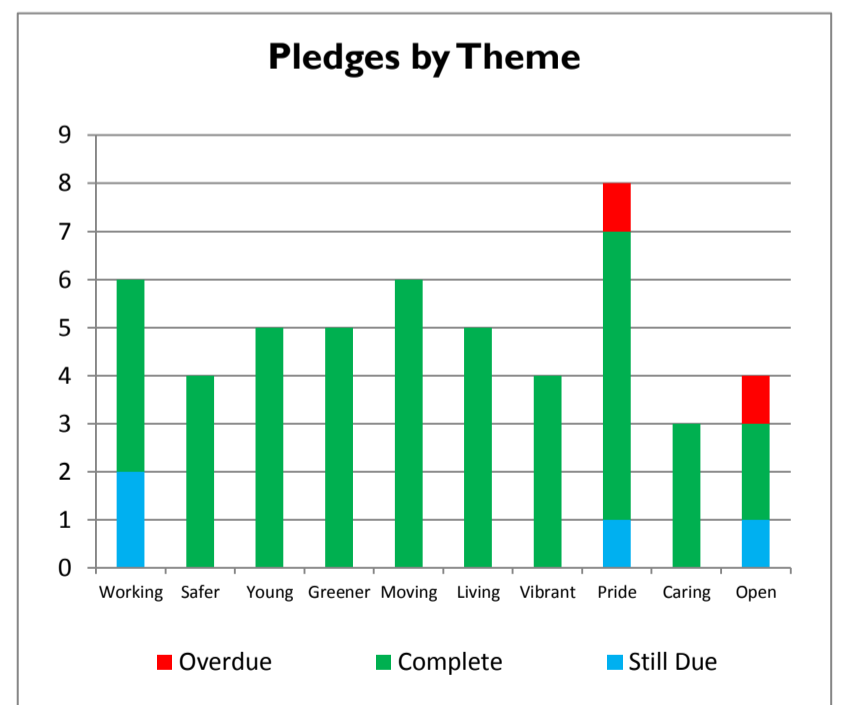
The table and graph below compares the number over overall pledges completed against those expected to have been completed each quarter.

#### 2.2 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		2	1
Jul-15				
Aug-15	1		1	
Sep-15				
Oct-15	1		1	
Nov-15	1		1	
Dec-15	1			1
Jan-16				
Feb-16				
Mar-16	6	4	2	
<b>Total</b>	<b>50</b>	<b>4</b>	<b>44</b>	<b>2</b>



2.3 Pledges by Theme	Original	Still Due	Complete	Overdue
Working	6	2	4	
Safer	4	0	4	
Young	5	0	5	
Greener	5	0	5	
Moving	6	0	6	
Living	5	0	5	
Vibrant	4	0	4	
Pride	8	1	6	1
Caring	3	0	3	
Open	4	1	2	1
<b>Total</b>	<b>50</b>	<b>4</b>	<b>44</b>	<b>2</b>



#### 2.4 Pledges Overdue

There are currently 2 overdue Pledges, these are Pledges 38 and 48

## 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
38	Pride Plymouth	Campaign to open a walkway from Durnford Street in Stonehouse through Millbay Port to encourage greater use of the South West Coast Path.	Cllr Coker	Paul Barnard	Strategic Planning	Hold a workshop with potential funding partners by December 2014.	Jun-15	
48	Open Plymouth	Put more Council services online so you can do more with us on the internet at a time more convenient for you.	Cllr Smith	Faye Batchelor-Hambleton	Customer Services	Significantly increase online usage (target and date to be set in-line with Customer Transformation Programme)	Dec-15	
1	Working Plymouth	Double the size of the award-winning and successful 1000 Club to help 2,000 more people into work and apprenticeships.	Cllr Evans	David Draffan	Economic Development	Have assisted 2000 individuals into work and apprenticeships	Mar-16	
2	Working Plymouth	Begin to deliver the new plan for the city centre to attract shoppers and visitors.	Cllr Lowry	David Draffan	Economic Development	Completion of Key Milestones, to include: 'Start on Site' of Coach Station	Mar-16	
41	Pride Plymouth	Start a public fundraising campaign for a fitting Mayflower memorial.	Cllr Evans	David Draffan	Economic Development	Fund raising strategy written with key milestones.	Mar-16	
49	Open Plymouth	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.	Cllr Smith	Giles Perritt	Policy Performance and Partnerships	Demonstrate the impact of scrutiny recommendations on Council policy	Mar-16	



**PLYMOUTH CITY COUNCIL**

**Subject:** The Plan for Homes 2016 - 2021  
**Committee:** Cabinet  
**Date:** 16 February 2016  
**Cabinet Member:** Councillor Chris Penberthy  
**CMT Member:** Anthony Payne, Strategic Director for Place  
**Author:** Nick Carter Housing Delivery Manager  
**Contact details:** Tel: 01752 307583  
email: [nick.carter@plymouth.gov.uk](mailto:nick.carter@plymouth.gov.uk)  
**Ref:** PFH II/Cab  
**Key Decision:** Yes  
**Part:** I

---

**Purpose of the report:**

The report seeks to update and extend the Plan for Homes to 2021, with a £80 million commitment to housing investment to deliver over 1,500 new homes in support of the overall delivery of 5,000 homes over the next 5 years. It builds upon the current Plan for Homes, launched in November 2013, which seeks to achieve a step change in the delivery of homes to address identified housing needs and to support the growth agenda.

The report also seeks agreement to the release of further city-council-owned sites in support of the delivery of more new and affordable homes. A number of existing initiatives that have successfully delivered accelerated housing in the city are rolled forward alongside a number of new initiatives.

The initiatives have been developed and agreed through the new working arrangements of the Housing Needs Working Group (Cllr Lowry, Cllr Penberthy, Cllr Bowyer & Cllr Jordan).

---

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

On 22nd July 2013 the Corporate Plan was agreed with a specific commitment to create more decent homes to support the population. This included reference to the Plan for Homes being developed alongside the Plymouth Housing Development Partnership in support of "Growing Plymouth".

The Plan for Homes will continue to support that commitment along with other aspects of the Corporate Plan, for example supporting the provision of accommodation for older people and specialist accessible and wheelchair housing as part of delivering a range and mix of new, greener homes.

The provision of new and decent housing is central to the delivery of the city's Vision for Plymouth to be 'One of Europe's most vibrant waterfront cities where an outstanding quality of life is enjoyed by everyone'

<http://www.plymouth.gov.uk/mgInternet/documents/s48110/Corporate%20Plan%20Full%20Council%2022.07.13.pdf>

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

On 25 November 2013 (Minute 63) the City Council approved a £50 million Capital allocation to the Plan for Homes (2013-2018). This scheme is financed on the basis that loans are repaid in full over time.

The Plan for Homes is now being rolled forward to 2021 with an additional funding of up to £30 million. This will be funded by a £20 million loan from the Homes and Communities Agency (HCA) and up to £10 million from anticipated right to buy Receipts. This will be subject to the generation of these Right to Buy receipts and an assessment of the potential asbestos liability under the stock transfer agreement and also acceptable terms and conditions associated with the HCA loan

The establishment of a significant loan and grant facility up to a potential £80 million, subject to due diligence, to support affordable housing delivery over the next 5 years will need to be included within the Capital Programme and give regard to the overall borrowing cap for the city council's capital resources.

The table below sets out the initial proposals, not defined until the initiatives are fully developed. These will require refinement through a detailed due diligence process. This initial proposal would require the Council to cash flow initiatives as appropriate.

<b>Plan for Homes 2016 - 2021</b>		Programme Cost	Funding		
Programme	Nature of Initiative		Existing £50m Funding	New Funding	
				HCA Loan	RTB Receipts
		£m	£m	£m	£m
Loans to Registered Providers	Loan	35.000	35.000		
Specialist Housing Programme	Grant	0.500			0.500
Empty Homes Scheme	Loan/Grant	1.000			1.000
Land Acquisitions	Loan/Grant	30.000	5.000	20.000	5.000
Housing Infrastructure Fund	Loan/Grant	3.000			3.000
Homes for Plymouth	Loan	10.000	10.000		
Self Build	Loan	0.500			0.500
<b>Total</b>		<b>80.000</b>	<b>50.000</b>	<b>20.000</b>	<b>10.000</b>
<b>Total New Funding</b>				<b>30.000</b>	

The release of council owned sites for housing development will need to give appropriate consideration to obtaining value for money from the sites taking account of the housing outcomes sought. In addition, the Plan for Homes is consistent with the agreed GAME Transformation Programme: in particular the concept of a Plymouth Growth Dividend generating additional Council Tax and New Home Bonus, although it must be noted that the government have recently announced

a consultation into the review of the NHB. Proposals being considered could have a negative impact on the availability of NHB to Plymouth.

---

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

The provision of a range of safe, warm and affordable homes will address issues of child poverty and fuel poverty and, alongside better designed homes, support higher educational attainment and improve children's health and well being. High quality and energy efficient homes help reduce household running costs that contribute to overall housing costs helping improve affordability.

---

### **Equality and Diversity:**

Has an Equality Impact Assessment been undertaken? Yes

---

### **Recommendations and Reasons for recommended action:**

It is recommended Cabinet:

1. Approve new initiatives 3, 4, 5, 7, 8, 11, 12, 13, 15, 17, 18, 19 and 20 for inclusion in the Plan for Homes as set out in the report.

Reason: To meet the Corporate Plan commitment to provide more decent homes to support the population. Initiatives 1, 2, 6, 9, 10, 14 and 16 already have Cabinet approval (Minute 62 and 62a).

2. Recommend that the City Council include the Plan for Homes within the Capital Programme from 2016 / 2021 up to an additional £30 million of resources, bringing the Plan for Homes overall provision to £80 million.

Reason: To provide sufficient funding to support the acceleration of affordable housing delivery. This is subject to due diligence, HCA loan terms and conditions, state aid, affordability, availability of partner funds and technical financing arrangements and as such this funding envelope may change over the period to 2021.

3. Allocate up to £10 million of the Right to Buy receipts from sales following the stock transfer to support the initiatives in the Plan for Homes 2016 - 2021.

Reason: To support the delivery of the range of initiatives in the Plan for Homes, subject to the generation of these Right to Buy receipts and an assessment of the potential asbestos liability under the stock transfer agreement.

4. Delegate to the Assistant Director for Strategic Planning and Infrastructure in consultation with the Housing Needs Working Group / Cabinet Member for Finance, the identification of city council-owned sites in support of the Plan for Homes.

Reason: To ensure that further sites are identified and released to support new homes, including land that could support custom and self-build opportunities and the Homes for Plymouth housing company.

- Instruct the Assistant Director for Strategic Planning and Infrastructure to report on progress on the delivery of the Plan for Homes to the Housing Needs Working Group / proposed Cabinet Advisory Group on Planning, Housing and Infrastructure.

Reason: To ensure members are apprised of progress and monitor delivery of initiatives.

- Proceed with the acquisition of strategic housing sites with support from the Homes & Communities Agency with the Council contributing its property interests where they form part of the development site.

Reason: To stimulate regeneration and deliver new homes to include starter homes.

**Alternative options considered and rejected:**

Option 1: Continue with the existing Plan for Homes Programme – launched November 2013, this 5 year initiative is aimed at increasing and accelerating housing delivery in the city through 16 proactive planning and housing initiatives. As the Planning and Housing policy and funding landscape continues to change it is considered that more needs to be done to respond to these changes and to build upon our achievements to address the full housing needs of the city.

Option 2: Leave the private sector to deliver more homes – past experience of the general failure to build at sufficient delivery rates indicates that this would be insufficient to meet the city’s needs and the increasing focus on homeownership and starter homes will not provide the range and mix of affordable homes required. Therefore a more direct and transformational approach is required.

**Further information:**

**Background papers:**

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Plan for Homes	Yes									
Get Plymouth Building	Yes									

**Sign off:**

Fin PlaceF PCI51 6 004 SA25.0 I.16		Leg 24806 / DVS		Mon Off 2480 6 / DVS		HR	N/A	Assets		IT	N/A	Strat Proc	N/A
Originating SMT Member: Paul Barnard, Assistant Director for Strategic Planning & Infrastructure													
Has the Cabinet Member(s) agreed the content of the report? Yes													

## 1.0 Background

- 1.1 On 1<sup>st</sup> November 2013 the Plan for Homes was launched by Councillor Tudor Evans, Leader Plymouth City Council as part of a major regional housing conference held at Devonport Guildhall. The Plan for Homes contains 16 initiatives which seek to facilitate a transformational step change in housing delivery in Plymouth, and was formally agreed by Cabinet on 12<sup>th</sup> November 2013 (Minutes 62 and 62a) with funding approved by the City Council on 25<sup>th</sup> November 2013 (Minute 63)
- 1.2 The overall ambition of the Plan for Homes is to increase and accelerate housing supply by enabling 5,000 new homes over five years.
- 1.3 The lessons learnt from its implementation have fed into the preparation of The Plymouth Plan, in particular what more we need to support Plymouth as a growing city: enabling the delivery of homes to provide high quality places for new and existing residents to live and growing the city's population; supporting and maintaining the delivery of a wide range of homes; delivering enough land for new homes to meet our identified housing need; developing our planning policies to require affordable housing delivery that will provide for a mix of housing sizes, types and tenures.

## 2.0 Housing Context

- 2.1 The provision of new and decent housing is central to the delivery of the city's Vision for Plymouth to be 'One of Europe's most vibrant waterfront cities where an outstanding quality of life is enjoyed by everyone'. Plymouth needs more homes for sale and rent at prices people can afford to meet our housing needs. Plymouth is planning for growth with an aspiration to increase the population from around 260,000 to over 300,000 by 2031; creating 18,600 new jobs and delivering 22,700 new homes, of which at least 30% will be affordable.
- 2.2 Plymouth is relatively distinct regionally and nationally in housing terms. It has a low wage economy; average earnings are £23,000 with 40% of households earning less than £20,000 per annum, resulting in housing affordability issues with lower quartile homes costing 6.3 times the lower quartile salary
- 2.3 Plymouth has a higher than national and regional incidence of homelessness as a percentage of population and very significant demand from people in housing need with more complex needs. Over the past 12 months we have experienced a 31% increase in customers seeking housing advice, 12% more homeless approaches and an increase in households living in temporary accommodation. There are currently over 13,000 applicants on the waiting list with 30% fewer lettings becoming available to meet general housing needs. Over 3,000 of these are in priority housing need (bands A-C).

- 2.4 There are increasing demands for a greater range of elderly accommodation including Extra Care Housing and opportunities for downsizing. Many elderly people, who may be asset rich and cash poor, are increasingly living in the worst conditions resulting in higher health and social care costs. Plymouth has 14,000 households living in fuel poverty, many living in older homes that are hard to heat.
- 2.5 There is also a need to support additional family homes and executive homes to meet long-term future housing needs and to contribute to Plymouth's economic growth and prosperity.
- 2.6 Despite some creative planning and development initiatives undertaken by the City Council over the last decade, housing supply still lags behind need, especially for those in the most acute housing circumstances.

### **3.0 Changing landscape of Government Policy**

- 3.1 There have been a number of key Government announcements that are changing the housing and planning landscape, with an increased focus on supporting homeownership and reducing the welfare bill.

#### **Registered Provider Rent Reductions**

- 3.2 Housing Associations will be required to reduce rents by 1% a year for four years, starting in April 2016. As a result all our Plymouth Housing Development Partnership partners are currently reviewing the likely impact of rent reduction announcements on current schemes and business plans. Rent reductions and uncertainty over long term rents policy increases the risk profile of development plans, their financial capacity and future aspiration. The likely outcome is that development programmes may be curtailed as current schemes will require increased subsidy due to new approach to rents. This will impact on our current Plan for Homes sites. We are working closely with all our partners to see how we can mitigate these anticipated impacts.

#### **Extending the Right to Buy**

- 3.3 Under a 'voluntary agreement' with Housing Associations the right to buy has been extended to include 1.3 million housing association tenants to bring about equal treatment of Housing Association and Local Authority tenants and extend home ownership rates. The level of discounts being offered to tenants is attractive and likely to produce many sales affecting Plymouth, resulting in predominately social rented homes being sold, to be replaced by less affordable rented homes. The less-than-impressive record in delivering replacement social housing under the existing Right to Buy means there is a huge risk that these policies will lead to a further depletion of the social housing stock.

## **Starter Homes**

- 3.4 The government has announced the introduction of Starter Homes, to support more young people to become home owners. Starter Homes will be made available to first time buyers under 40 years old, at a minimum of 20% discount on the market value. Full details of Starter Homes are yet to be announced and there is a forthcoming consultation on changes to national planning policy to support Starter Homes delivery and it is imperative that we feed into this.
- 3.5 It is the government's aspiration that Starter Homes will become a common feature of new residential developments and it is expected that national planning policy will require a proportion of Starter Homes on all "reasonably" sized residential developments through section 106 planning obligation. It is positive that starter homes will give young people the chance to own their own home, but Starter Homes cannot be seen as a panacea to the City's housing crisis as the tenure does not meet all of the City's housing need. In addition starter homes could also present a challenge to the provision of vital City infrastructure, if significant numbers are built in place of traditional market houses, given the exemption from CIL.

## **Planning Reforms affecting Housing**

- 3.6 There are a number of planning reforms that are creating more uncertainty, with impacts on future investment and development decisions not helping maintain delivery. Investors need certainty and a stable local environment; constant planning reforms are not helping achieve this. With further threats to taking our planning powers away this will result in less flexibility in terms of resolving housing schemes to secure planning permissions, and our ability to negotiate the type and tenure of new affordable homes.
- 3.7 The Plan for Homes seeks to respond to these opportunities and challenges to directly influence and increase the range of homes and mix of tenures. There have been some creative planning and housing development initiatives undertaken by the City Council over the last decade. The Market Recovery Scheme ran from 2008 to 2013 and was the City Council's response to the 0% growth in the UK economy; the aim was to help support projects consistent with the Council's vision for growth. The Get Plymouth Building Programme launched August 2012, and the Plan for Homes was launched November 2013.

## **4.0 Get Plymouth Building**

- 4.1 The Get Plymouth Building (GPB) programme was launched in August 2012 and contained 8 initiatives, seeking to accelerate housing delivery to bring forward greener and more affordable homes: unlocking future development on stalled, lapsed and Area Action Plan sites; a call for new sites aligned with fast tracked planning; developing our self build offer; bringing forward Council owned sites; identifying new funding and delivery models. The aim was to bring forward around 2,000 homes over the 2-3 years by taking an innovative approach to housing and planning for homes.

4.2 Updates on the GPB were presented at the Working Plymouth Scrutiny Panel on 25th September 2013, 5th March 2014 and on 10<sup>th</sup> December 2014 when it was reported that by the end of the 3 year programme in August 2015 we expected GPB to have supported 2,184 new homes to have been built. At December 2014 1,402 new homes had been completed and a further 782 dwellings were under construction. It was concluded that the GPB programme had successfully contributed to the delivery of over 2,000 homes in 3 years.

### 5.0 Plan for Homes

5.1 The Plan for Homes was launched in November 2013 with the ambition to further accelerate and increase housing supply by 5,000 new homes over five years from 2014/15. It seeks to enable a step change in future housing delivery contributing to the prosperity and growth of the city and address a range of known housing needs.

5.2 The 16 initiatives were developed with partner housing providers and structured around 5 main areas of activity:

**Finance** – new models for cooperative housing could potentially be supported.

**Land** – making substantial amounts of City Council land available for homes

**Infrastructure** – proactively working with institutional investors to support housing.

**Community Engagement** – continuing the proactive dialogue with local ward councillors and local communities on identifying appropriate sites for housing so that communities are engaged in debates about what type of housing is needed.

**Leadership** – the City Council continuing to show proactive and positive strategic leadership on the housing agenda in advocating the need for more homes to meet the needs of future generations.

5.3 The Working Plymouth Scrutiny Panel received updates on its delivery on 10<sup>th</sup> December 2014 and 5<sup>th</sup> March 2015, when progress was reported that of the 16 initiatives 13 had been completed, two were progressing well and one had been abandoned. The Cabinet Member for Co-operatives and Housing and the Cabinet Member for Finance receive regular monitoring reports on progress.

5.4 Since its launch the Plan for Homes has delivered some notable achievements which include;

- Completion of a Strategic Land Review to identify every possible large council owned site suitable for housing; 847 sites were initially identified with further analysis on 184 resulting in 40 sites being recommended for housing.
- The release of 33 council owned sites for housing with delivery partners agreed, totalling 138.28 acres of land (78.01 in the city & 60.27 outside the city); exceeding our target of releasing 100 acres of land for housing.
- These sites are planned to deliver 1,650 new homes of which 840 are affordable (50.9%); significantly above our affordable housing policy requirement of 30%.



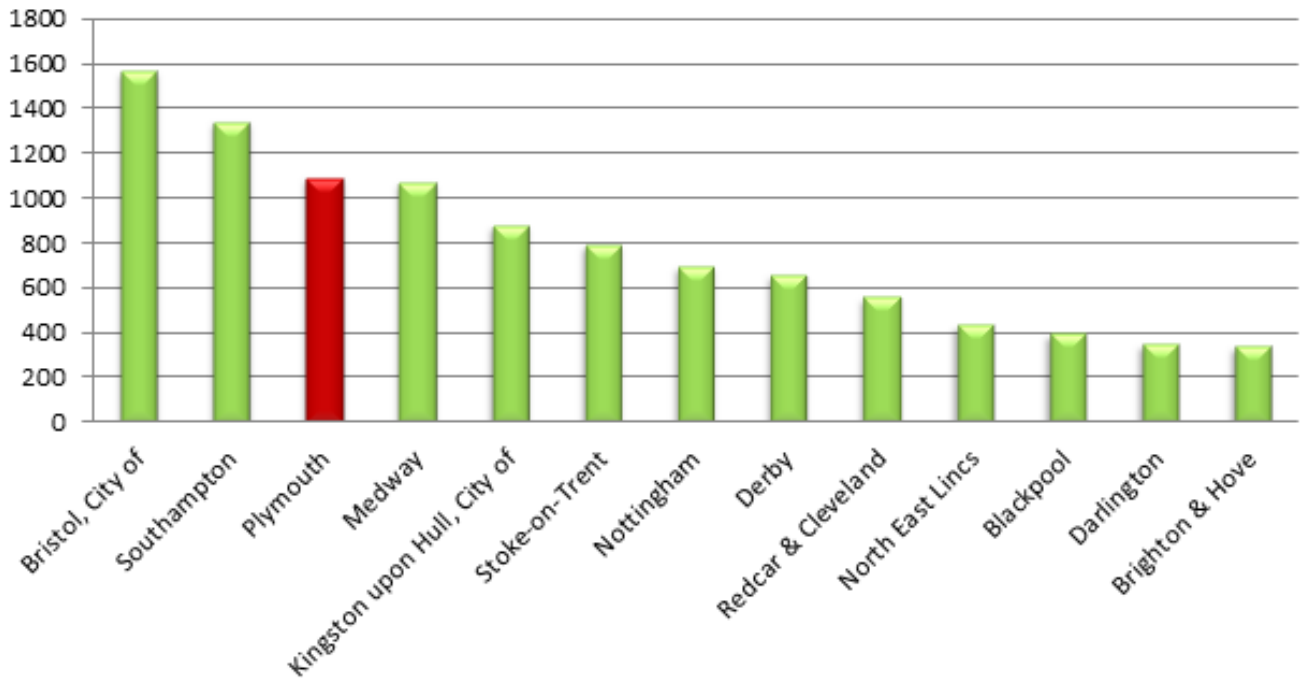
- Creation of a £50m Affordable Housing Loan Facility to support Registered Provider partners, Housing co-operatives and Community Land Trusts deliver new affordable homes; currently agreed £12m to support Registered Providers to deliver homes on 5 sites
- Supporting self build and custom build; a pipeline of 112 homes on city council sites including serviced plots, individual plots, developer led and community led schemes
- Securing institutional investment into affordable housing delivery; developed in Plymouth, RENTplus is a new innovative affordable housing product that will bring substantial institutional investment into the affordable housing sector

5.5 The first full year of delivery outputs for 2014/15 include;

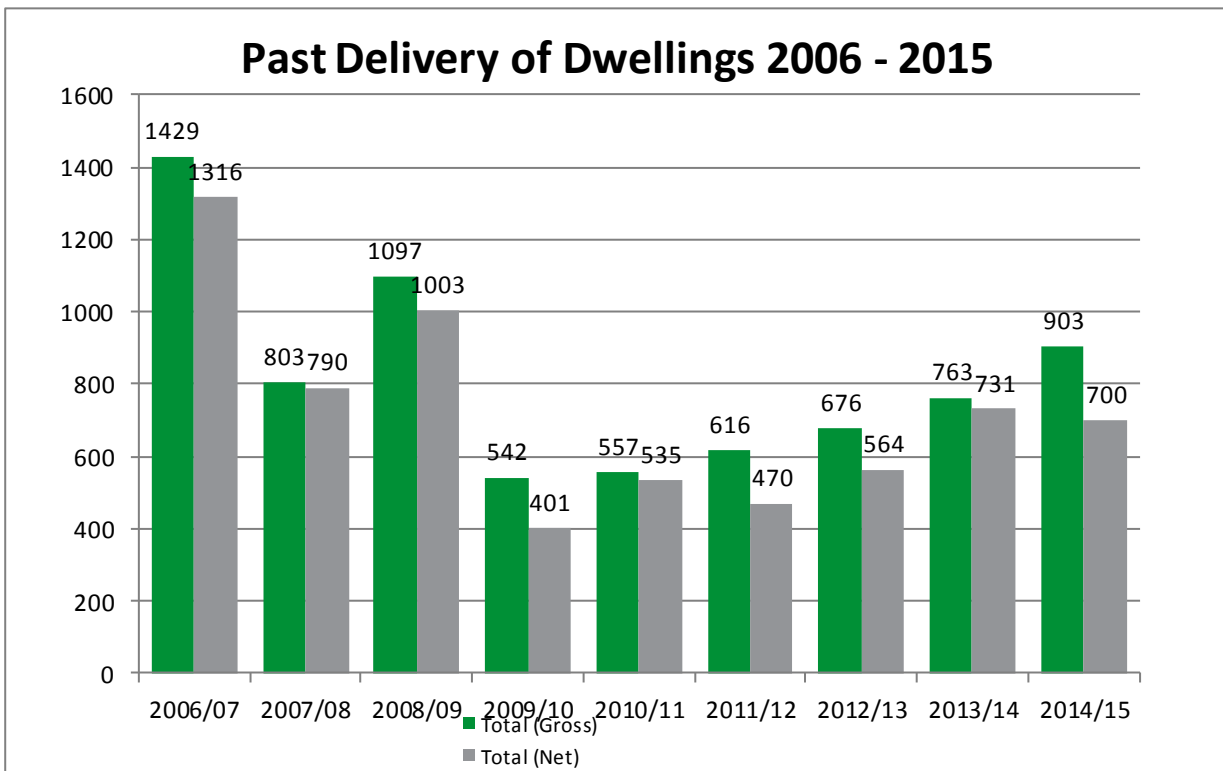
- 971 new homes completions; highest number since 2008/09 and 27% increase on last year
- 396 affordable homes completions; the highest figure during the current plan period
- 989 start on sites; 10% increase on last year and highest figure since 2006/07
- 894 homes under construction; 14% increase on last year and highest figure since 2007/08
- 68 long term empty homes brought back into use

5.6 Plymouth has a good track record of delivery of affordable homes; we are top quartile in our Housing Family Group (see graph below). The Plymouth Core Strategy established a target of 3,300 affordable homes by 2021. The city is on target to achieve this with 2,582 affordable homes having been delivered between 2006 and 2015.

## Housing Family Group Benchmarking 2010 - 2014



5.7 Of overall new homes, last year there were 903 completions, the highest number since 2008/09. However in the last 25 years delivery of over 1,000 homes per annum has only been achieved on 3 occasions: and so the scale of the ambition to achieve this number of homes, pursuant to growing Plymouth’s population to over 300,000 by 2031, requires radical delivery solutions.



## 6.0 Plan for Homes 2016-2020

- 6.1 Whilst increased housing momentum is being achieved through the current Plan for Homes programme, housing supply still lags behind the need, especially for those in the most acute housing circumstances. A further direct and transformational approach is desired if we are to deliver the number and range of homes we need to address known housing needs.
- 6.2 As a response the Housing Needs Working Group have developed and agreed a refreshed and extended Plan for Homes to 2021; a set of 21 new initiatives around finance, land, infrastructure, community engagement and leadership, which are aimed at increasing housing delivery over the next 5 years. This will see further City Council-owned sites being released, a continued commitment to housing investment and new funding solutions, and to establish a new Housing Company to directly deliver more homes.
- 6.3 The Plan for Homes 2016-2021 is a £80 million commitment to housing investment that has been structured around five main areas of activity and 20 initiatives:

**Finance** – creatively using local authority and Homes and Communities Agency resources to support housing projects and initiatives in Plymouth.

**1.** We will continue to support **more flexible land and Section 106 payments** to improve development cash flows to enable the earliest possible start on site.

**2.** We will continue to provide loans through the **Affordable Housing Loan Facility** to support Plymouth Housing Development Partnership projects.

**3.** We will launch the **Plymouth Empty Homes Initiative** to support projects and bringing long term empty homes and disused commercial spaces back into effective residential use, supported by a capital fund of **£1 Million**.

**4.** We will invest **£500,000** through a **Specialist Housing Programme** to enable the development of bespoke homes to meet a wide range of individual unmet housing needs, such as wheelchair, accessible and larger homes.

**5.** We will provide short term financial support and bridging loans through a **£500,000 Self-Build Funding Scheme** to support people wishing to self or custom build their own home and appoint a Self-Build Champion for the City.

***Land** – continuing to release City Council land and other public land for housing in the most streamlined and targeted way, and acquiring new land for housing.*

**6.** We will undertake a second **Strategic Land Review** to identify Council owned sites for new homes, including land that could support custom and self-build opportunities.

**7.** Together with the Homes and Communities Agency (HCA), we will create a **Land Acquisition Fund of £30 Million** to buy up stalled and lapsed sites to accelerate housing delivery, contributing our asset value where we own land which forms part of a housing scheme, with net land receipts being shared with the HCA according to equity contribution.

***Infrastructure** – proactively working with institutional investors to support housing projects in Plymouth and aligning our own strategic planning and capital programme to support accelerated delivery.*

**8.** We will produce a **Plymouth Housing Prospectus** that lists potential development sites, including all sites with planning permission, stalled and lapsed sites, and their potential housing outcomes to attract private sector investment.

**9.** We will explore **new approaches to housing delivery** to secure a sustained increase in supply, including investigating new private rented housing models.

**10.** We will enable opportunities to **deliver specialist housing** to meet the particular housing needs of communities including Gypsy and Traveller sites, Extra Care and Supported Housing.

**11.** We will create a **£3 Million Housing Infrastructure Fund** to support housing delivery prioritising opportunities in the 3 Growth Areas set out in the Plymouth Plan.

**12.** We will **review the City Council's Capital Programme** to maximise the funding available for housing and to ensure that, where appropriate, both existing and planned projects support housing outcomes.

**Community Engagement** – continuing the proactive dialogue with local ward councillors and local communities on identifying appropriate sites for housing.

**13.** We will commission the Plymouth Housing Development Partnership to lead a “**Homes for Plymouth**” campaign to increase the support for housing in the city.

**14.** We will continue to work with local communities through the **Plymouth Plan and Neighbourhood Plans** to identify sites for homes that meet local needs.

**15.** We will work with local communities and housing providers through a **Downsizing Programme** to help local people move to houses that better meet their future needs.

**Leadership** –continuing to work proactively with partners, the City council will provide positive strategic leadership of the housing agenda in advocating the need for more homes to meet the needs of future generations.

**16.** We will deliver 5,000 new homes for people in Plymouth by April 2021.

**17.** We will implement **two year planning consents** with immediate effect to tackle developer land banking and encourage the delivery of sites that already have planning permission.

**18.** We will create a **Cabinet Advisory Group on Planning, Housing and Infrastructure**, maintaining the cross-party work of the Housing Needs Working Group, and extend this to include the Chair of the Plymouth Housing Development Partnership and the Homes and Community Agency.

**19.** We will establish **Homes for Plymouth**, a new housing company, to directly deliver more homes by taking control over the development process, develop new funding solutions, and by vesting at least **10 new City Council sites**, together with a **£10 Million loan facility** to enable 500 market, affordable, and social rented homes to be delivered by 2020.

**20.** We will continue to provide a proactive, fast track approach to planning on all sites, and we will implement **further planning innovation** such as a Charter for House Building, a Housing Barrier Busting Initiative, a Business Relationship Programme for major house builders and a new streamlined decision making process.

## **7.0 Conclusion**

**7.1** The Plan for Homes 2016-2021 is an ambitious £80 Million commitment to housing investment which will deliver 1,548 new homes, 743 affordable homes, and at least 200 social rented homes. This level of house building activity will deliver 2,453 direct construction jobs and an additional 479 indirect jobs, and will generate £102.7m GVA benefits to the Plymouth economy. (source: AMORE (Advanced Modelling of Regional Economies) Tool, The RED Group, Plymouth Business School).

- 7.2 It builds upon the success of our existing Plan for Homes, responds to the significant shift in government policy, and to the continuing housing challenges facing the city. It reflects the Housing Needs Working Group discussions to proactively increase the quality and supply of new housing. The Plan for Homes 2016-2021 will deliver more homes, and alongside the development of new strategic housing policies in the emerging Plymouth Plan, transform housing within the city.

# EQUALITY IMPACT ASSESSMENT

## Plan for Homes 2016 - 2020

<b>STAGE 1: What is being assessed and by whom?</b>	
What is being assessed - including a brief description of aims and objectives?	<p>The Plan for Homes 2016 – 2020 is a £80 million commitment to housing investment to deliver over 1,500 new homes in support of the overall delivery of 5,000 homes over the next 5 years. It builds upon the current Plan for Homes, launched in November 2013, which seeks to achieve a step change in the delivery of homes to address identified housing needs and to support the growth agenda.</p> <p>The Plan for Homes will enable the release of further city-council-owned sites in support of the delivery of more new and affordable homes. A number of existing initiatives that have successfully delivered accelerated housing in the city are rolled forward alongside a number of new initiatives including; support for self build and custom build, bringing empty homes back into use, the provision of specialist housing to meet particular identified housing needs, the creation of a new Housing Company to become more directly involved in the delivery of new homes.</p> <p>The Plan for Homes will drive forward the provision of new and decent housing that is central to the delivery of the city’s Vision for Plymouth to be ‘One of Europe’s most vibrant waterfront cities where an outstanding quality of life is enjoyed by everyone’.</p> <p>The initiatives have been developed and agreed through the new working arrangements of the Housing Needs Working Group are have been agreed to have a positive impact on people living in the city.</p>
Responsible Officer	Nick Carter
Department and Service	Housing Delivery Team, Strategic Planning and Infrastructure
Date of Assessment	20.01.2016

## **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	<p>The 2011 Census data % of Population is: -</p> <ul style="list-style-type: none"> <li>0-4 years – 6%</li> <li>5-9 years - 5%</li> <li>10-14 - 5%</li> <li>15-19 - 7%</li> <li>20-24 - 10%</li> <li>25-29 - 7%</li> <li>30-34 - 6%</li> <li>35-39 - 6%</li> <li>40-44 - 7%</li> <li>45-49 - 7%</li> <li>50-54 - 6%</li> <li>55-59 - 5%</li> <li>60-64 - 6%</li> <li>65-69 - 5%</li> <li>70-74 - 4%</li> <li>75-79 - 3%</li> <li>80-84 - 2%</li> <li>85+ - 3%</li> </ul>	No adverse impact anticipated.	N/A	N/A
Disability	<p>30,000 people in Plymouth will have some form of Mental Health issue.</p> <p>0.8% (2118) of those registered with a GP are listed on the mental health register.</p> <p>A total of 31,164 people declared themselves as having a long-term health</p>	No adverse impact anticipated	N/A	N/A



	<p>problem or disability in the 2011 Census.</p> <p>1,224 adults currently registered with a GP in Plymouth have some form of a Learning Disability</p>			
Faith, Religion or Belief	<p>Data shows that 32.9% of the Plymouth population stated they had no religion.</p> <p>Hindu, Buddhist, Jewish and Sikh combined totalled less than 1%.</p> <p>0.5% of the population had a current religion that was not Christian, Islam, Buddhism, Hinduism, Judaism, or Sikh such as Paganism or Spiritualism.</p>	No adverse impact anticipated	N/A	N/A
Gender - including marriage, pregnancy and maternity	<p>Citywide data shows that overall 50.6% of our population are women; this reflects the national figure of 50.8%</p>	No adverse impact anticipated	N/A	N/A
Gender Reassignment	<p>National figures (ONS 2013) indicate that up to 10,000 people have gone through this process, with 23 known cases in Plymouth.</p>	No adverse impact anticipated	N/A	N/A
Race	<p>92.9% of Plymouth's population is White British</p>	No adverse impact anticipated	N/A	N/A

	<p>7.1% are Black and Minority Ethnic (BME) with White Other (2.7%), Chinese (0.5%) and Other Asian (0.5%) the most common.</p> <p>The Council has 4.1% BME employees across its workforce.</p> <p>We have a rapidly rising BME population which has doubled since the 2001 census.</p>			
Sexual Orientation -including Civil Partnership	<p>There is no precise local data on numbers of Lesbian, Gay and Bisexual (LGB) people in Plymouth, but it is nationally estimated at between 5 and 7%. Meaning that approx. 12,500 people aged over 16 in Plymouth are LGB.</p>	No adverse impact anticipated	N/A	N/A

<b>STAGE 3: Are there any implications for the following? If so, please record 'Actions' to be taken</b>		
<b>Local Priorities</b>	<b>Implications</b>	<b>Timescale and who is responsible?</b>
Reduce the inequality gap, particularly in health between communities.	The provision of a range of safe, warm and affordable homes will address issues of child poverty and fuel poverty and, alongside better designed homes, support higher educational attainment and improve children's health and well-being.	This is a five year Plan to support the delivery of 5,000 new homes. The City Council will be working with a range of delivery and funding partners to support new homes

<b>STAGE 3: Are there any implications for the following? If so, please record 'Actions' to be taken</b>		
<b>Local Priorities</b>	<b>Implications</b>	<b>Timescale and who is responsible?</b>
	<p>High quality and energy efficient homes help reduce household running costs that contribute to overall housing costs.</p> <p>The delivery of a mix of new and affordable housing will help meet the range of identified housing needs in the city including homes for first time buyers, affordable homes to rent and projects to meet the specific needs of groups including older people and households with disabilities.</p>	
Good relations between different communities (community cohesion).	The provision of mixed tenure housing opportunities across the city will help create and support mixed and sustainable communities. New developments will help rebalance certain communities and provide decent housing for a range of households. New homes will be built to design and building standards to ensure safe and secure environments. Work to bring empty homes back into use will help tackle the range of anti-social behaviour associated with empty and derelict homes.	This is a five year Plan to support the delivery of 5,000 new homes. The City Council will be working with a range of delivery and funding partners to support the accelerated delivery of new homes.
Human Rights	N/A	N/A

**STAGE 4: Publication**

Director, Assistant Director/Head of Service approving EIA.		Date	
-------------------------------------------------------------	--	------	--

**PLYMOUTH CITY COUNCIL**

<b>Subject:</b>	South West Devon Joint Local Plan
<b>Committee:</b>	Cabinet
<b>Date:</b>	16 February 2016
<b>Cabinet Member:</b>	Councillor Coker
<b>CMT Member:</b>	Anthony Payne (Strategic Director for Place)
<b>Author:</b>	Richard Grant (Local Planning Manager)
<b>Contact details</b>	Tel: 01752 304331 email: richard.grant@plymouth.gov.uk
<b>Ref:</b>	
<b>Key Decision:</b>	No
<b>Part:</b>	I

---

**Purpose of the report:**

As part of the process of producing a Local Plan, the Localism Act requires local planning authorities to cooperate closely with neighbouring authorities to identify cross boundary issues and identify solutions to those issues in their plans. This requirement is known as the Duty to Cooperate.

Plymouth's emerging Local Plan is integrated into the Plymouth Plan, which was approved by Full Council on 21<sup>st</sup> September. As part of the report to Full Council, it was set out that in order to adopt the Plymouth Plan as the city's Local Plan, it would be necessary to follow the full statutory requirements for producing a Local Plan. Clearly, one of these requirements is the Duty to Cooperate.

Throughout the production of the Plymouth Plan, officers have been working closely with their counterparts in neighbouring authorities, and in particular have recognised the importance of planning comprehensively for housing growth and distribution across the Housing Market Area (HMA).

Detailed discussions have taken place with West Devon Borough Council and South Hams District Council to investigate how best to progress our co-operative working and to optimise our ability to create a sound strategic planning framework for Plymouth's Housing Market Area. The outcome of these discussions has been that the most effective and efficient manner to address the duty to co-operate is considered to be the production of a Joint Local Plan across the HMA. A Joint Local Plan, covering Plymouth, West Devon and South Hams, would set out an agreed strategic planning framework for the three authorities, within which the overall housing numbers within the HMA would be allocated, delivered, monitored and reviewed within a shared and clearly defined spatial framework. This spatial framework will seek to identify and manage housing delivery at appropriate levels across the HMA.

Crucially, this would mean that the Local Plan for all three areas would be subject to just one process, involving one Examination heard by one Inspector – rather than three such processes. Such an approach would mean that the HMA issues could be considered holistically in the most efficient way, and the detailed distribution of development between the city and the rural hinterland and market towns considered within the wider context.

In order to advance this arrangement Cabinet is asked to agree the principle of the establishment of a Joint Local Plan. It is also recommended that Cabinet instruct officers to draw up a collaboration agreement with West Devon Borough Council and South Hams District Council as the plan making authorities signed up to producing a Joint Local Plan.

Key decisions on the precise details of any policies, allocations and other matters of detail set out in a draft Joint Local Plan will be brought back to Cabinet and Council for agreement before publication and consultation stages.

---

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

The South West Devon Joint Local Plan will be built around the Plymouth Plan, ensuring that it is able to be found sound by an Inspector and amplifying the objectives and policies of the Plymouth Plan by placing them in a sub-regional context. The Plymouth Plan is significant in relation to all of the Corporate Plan Objectives. The Plymouth Plan themes relate well to all of the Corporate Plan objectives as shown below:

<b>Corporate Plan Objective</b>	<b>Plymouth Plan Theme</b>
Pioneering Plymouth	Arts and Culture; Greener Plymouth; Local Communities.
Growing Plymouth	Education and Learning; Prosperity and Affordability; Living and Housing; Getting Around; Local Communities.
Caring Plymouth	Health and Wellbeing; Local Communities.
Confident Plymouth	City Pride and Vision.

---

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

The direct costs associated with the preparation of a Joint Local Plan would be very similar to those already agreed in relation to the Plymouth Plan and relate to the costs of community engagement and consultation, preparation of the evidence base, publication of documents and the costs associated with the Public Examination. With the exception of the Public Examination, these costs are mostly staffing costs and it is anticipated that these costs can be met from core revenue budgets in the Place Directorate and Strategic Planning and Infrastructure Department. The Public Examination costs are estimated to be in the order of £230,000 and are likely to fall within the 2017/18 financial year. The collaboration agreement to be drawn up will consider the pooling of resources across the three local authorities and arrangements for ensuring that cost efficiencies are realised.

---

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

The Plymouth Plan, as already approved by Council, will set out how the South West Devon Joint Local Plan will apply to Plymouth. The Plymouth Plan is a plan for both people and place. The creation of sustainable communities, and the theme of providing quality of life for everyone in the city, will run through the heart of the Plan. It will therefore provide an effective and integrated strategic framework for addressing and responding to issues such as community safety, community cohesion, child poverty and equalities and diversity.

---

**Equality and Diversity**

Has an Equality Impact Assessment been undertaken? An Equality Impact Assessment will be undertaken at every stage of preparation of the South West Devon Joint Local Plan. An Equality Impact Assessment has already been undertaken for the Plymouth Plan Part One.

---

### **Recommendations and Reasons for recommended action:**

It is recommended:

1. The principle of a Joint Local Plan covering the local authority areas of Plymouth City Council, South Hams District Council and West Devon Borough Council is agreed.

REASON: To ensure that a sound planning framework can be put in place covering the Plymouth Housing Market Area

2. Officers are instructed to draw up a Collaboration Agreement with West Devon Borough Council and South Hams District Council setting out the arrangements for producing the South West Devon Joint Local Plan, and that responsibility for signing off the Collaboration Agreement is delegated to the Assistant Director of Strategic Planning and Infrastructure in consultation with the Portfolio Holder for Strategic Transport and Planning.

REASON: To ensure that detailed arrangements for the production of the South West Devon Joint Local Plan can be quickly put in place.

---

### **Published work / information:**

[National Planning Policy Framework](#)  
[National Planning Practice Guidance](#)  
[Plymouth Plan Cabinet Report 8<sup>th</sup> September 2015](#)  
[Plymouth Plan Part One](#)  
[West Devon Our Plan](#)  
[South Hams Our Plan](#)

---

### **Alternative options considered and rejected:**

The following alternative options were considered and rejected in discussions with South Hams District Council and West Devon Borough Council:

1. Continuing with current arrangements to produce separate Local Plans for Plymouth, West Devon and South Hams. As set out in the report, Local Plans are being assessed by Inspectors using the NPPF and NPPG on the basis of how well they meet the requirements of the Duty to Cooperate, how well they jointly resolve issues highlighted through the Duty to Cooperate, and how they show they are meeting the needs of the Housing Market Area. These matters would need to be explained in three separate plans, in three separate examinations and potentially to three different Inspectors. Continuing with three separate processes clearly raises the risk that one of these processes is questioned at examination, with the potential for issues raised regarding one plan to then lead to the other plans in the HMA being found unsound. Pursuing a single plan with a single process minimises this risk.

2. Producing a Joint Local Plan covering Plymouth and the areas of Plymouth’s urban fringe which are within South Hams’ administrative area. Such an approach would clearly enable the Plymouth Plan to take a more proactive approach to planning for the urban fringe and would build upon policies which have already been written for the approved Plymouth Plan Part One. There would, however still be three separate Local Plans covering the whole of the Plymouth HMA, following three separate processes. The drawbacks and risks set out under Option I above would therefore still be present under this option.

**Background papers:**

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

**Sign off:** comment must be sought from those whose area of responsibility may be affected by the decision, as follows (insert references of Finance, Legal and Monitoring Officer reps, and of HR, Corporate Property, IT and Strat. Proc. as appropriate):

Fin	DF/PI aceFP C151 6006. 04.02. 16	Leg	DVS 2491 3	Mon Off	DV S24 91 3	HR	n/a	Assets	n/a	IT	n/a	Strat Proc	n/a
Originating SMT Member Paul Barnard (Assistant Director for Strategic Planning & Infrastructure)													
Has the Cabinet Member(s) agreed the contents of the report? Yes													



## 1.0 Introduction

The Plymouth Plan is the Council's single strategic plan, replacing over 130 strategies and incorporating among others, the Health and Wellbeing Strategy, the Local Economic Strategy, strategic elements of the Local Transport Plan, and the Local Plan. The Plymouth Plan was approved by Full Council as the Council's single policy framework on 21<sup>st</sup> September 2015.

Given that the Plymouth Plan therefore contains the Council's emerging Local Plan (replacing the Local Development Framework), it must follow the statutory process for producing a Local Plan, including further consultation processes and eventually being considered by an independent Planning Inspector at an Examination. It is at this stage that the policies of the Plymouth Plan will be considered against national regulations and guidance contained in the National Planning Policy Framework (NPPF) and National Planning Practice Guidance (NPPG). After considering the Plymouth Plan, and hearing objections to the plan, the Inspector will issue a report setting out whether the Plymouth Plan is considered to be 'sound' or 'unsound'.

The Localism Act sets out a Duty to Cooperate. When drawing up Local Plans, this duty requires local planning authorities to work with neighbouring authorities to identify strategic cross boundary issues. At Examinations, Inspectors will also test whether or not Local Plans then present policy solutions to the issues which have been identified.

In order to perform these duties, the NPPF and NPPG set out that local planning authorities should look closely at working ever more closely with their neighbouring LPAs in producing Local Plans:

- The NPPF requires us to look at the potential for producing Joint Local Plans
- Evidence should be produced covering functional areas – most obviously the requirement to produce housing needs evidence should be undertaken at the Housing Market Area level.
- We must demonstrate that we have met the Duty to Cooperate, but Local Plans must also show how they have responded to issues identified by the Duty in order to be found sound.

These strategic issues have been a key reason for Local Plans failing at Examination since the NPPF came into force in 2013.

Plymouth City Council officers have therefore been in discussions with officers at South Hams and West Devon to explore the potential options for working closely on our Local Plans. From these discussions, we have reached a position where it seems that the simplest, quickest, most cost effective way to produce plans which can meet the requirements of the Framework is to produce a Joint Local Plan for the three local authority areas.

## 2. The Case for a Joint Local Plan

Officers believe that there are a number of clear benefits to all three local authorities of producing a Joint Local Plan:

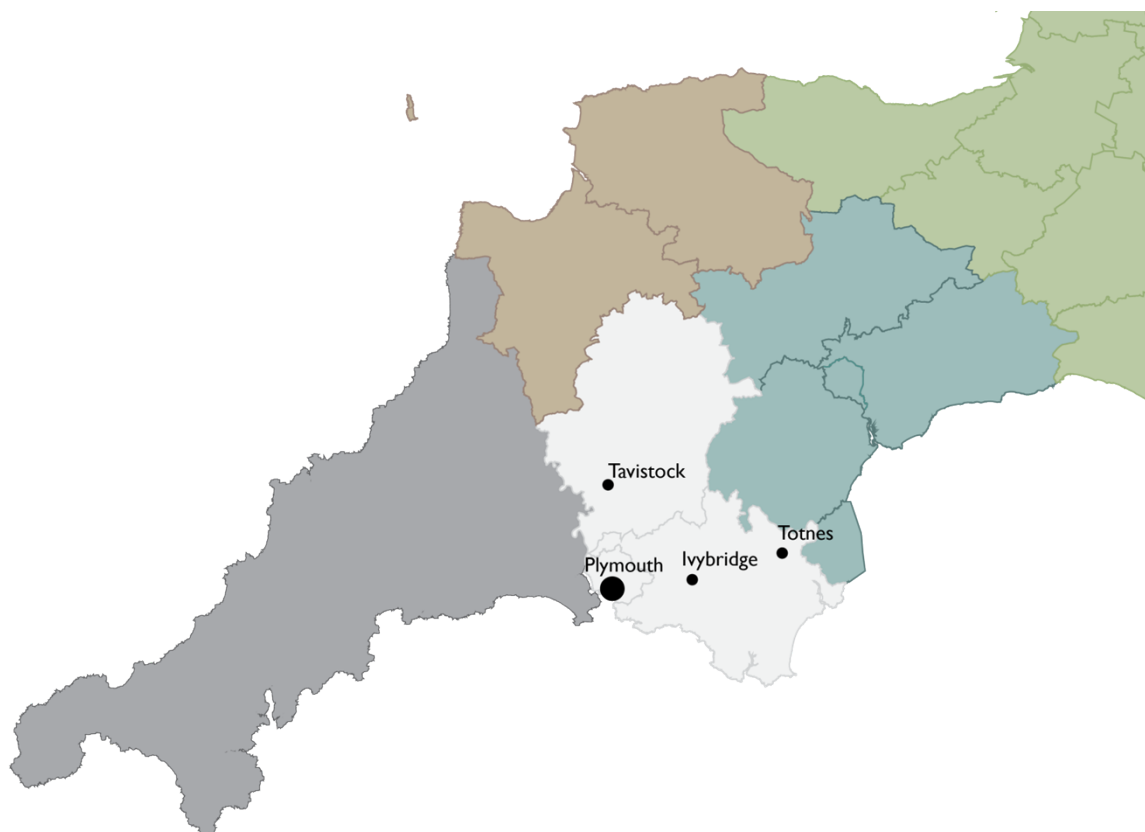
- A Joint Local Plan will mean following **one plan making process, with one examination to be held in front of a single Inspector**. This simple process will mean that issues such as housing need and distribution across the housing market area will be considered once rather than three times, lessening the risk of challenges from developers.
- A Joint Local Plan timetable can **match the existing timetables** we have set out for the Plymouth Plan, and the West Devon and South Hams Our Plans.
- The Joint Local Plan can **'tell the story' very clearly** of Plymouth's growth and the city's rural hinterland, setting out a consistent vision regarding the role of Plymouth as the focus for growth and enabling the surrounding market towns to grow according to their aspirations.

- By **pooling resources and plan making budgets** we can even the costs of producing the plans across all three authorities, **making best use of our skills and other resources** from South Hams, achieving overall cost savings.

The most sensible area for a Joint Local Plan to cover is the Plymouth Housing Market Area. Officers have considered how best to define the Plymouth HMA and concluded that the area should be pragmatically understood for the purposes of plan making as the three local authorities of South Hams District Council, West Devon Borough Council and Plymouth City Council. This is because our neighbouring authorities have already defined their HMAs along local authority boundaries, leaving the Plymouth HMA defined by default as the three local authorities (see diagram 1):

- Cornwall – Inspector has accepted as a single HMA in their Local Plan.
- Torbay – Inspector has accepted their evidence based on a Torbay HMA in their Local Plan
- Exeter – SHMA defines HMA as Exeter, Teignbridge, Mid Devon, East Devon and there are moves to look at Joint Local Plans in this area
- North Devon HMA – made up of North Devon and Torrridge who are also pursuing a Joint Local Plan.

Diagram 1: Extent of the Joint Local Plan and neighbouring HMAs.



### 3. The Relationship with the Plymouth Plan

Officers of all three local authorities are clear that the work done so far on their respective plans (the Plymouth Plan and the South Hams and West Devon Our Plans) should not be lost and that the plans should not lose their distinctive identities. Officers are therefore developing a structure for the plan which would mean that the process of producing a Joint Local Plan is kept distinct from the presentation of the plan.

In terms of the PROCESS of producing a Joint Local Plan:

- The Joint Local Plan would be the development plan covering the areas of the three local planning authorities. It does not mean a joint planning service, joint committees or any kind of change in local authority boundaries.
- It will set out the overarching strategic framework for development in the Joint Plan area – enabling the relationship between growth in jobs and homes in Plymouth and the wider aspirations of the Housing Market Area to be set out in the clearest and simplest way.
- There will be distinct elements of the Joint Plan dealing with Plymouth (including growth in the city's Urban Fringe), Thriving Towns and Villages (South Hams and West Devon), and Nationally Important Landscapes (Areas of Outstanding Natural Beauty).
- The Plymouth element would be The Plymouth Plan, with refinements so that it is consistent with the rest of the Joint Local Plan and would also include policies covering the Plymouth Urban Fringe.

In terms of the PRESENTATION of the Joint Local Plan, each Local Authority will **publish their own version of the Plan**, which would include the common Strategic Spatial Framework, strategic planning policies, and the area specific elements, but which could be presented as that Local Authority's plan. For example, Plymouth would publish the plan as the Plymouth Plan, ensuring that the consistent branding and messaging of the Plymouth Plan is in place, and that communities, partners, stakeholders and investors can easily use the plan to understand the opportunities and objectives in place which are relevant to them. We would also envisage that the concept of the plan being interactive, able to be accessed and read via a website according to key areas of interest, would be continued and strengthened through the Joint Plan approach.

In this way, the Joint Local Plan solves the process challenges inherent in the current plan making system, but enables each local authority to present its own Plan in a distinct and user friendly manner.

In proposing the option of a Joint Local Plan it is helpful to confirm what the Joint Local Plan isn't. It isn't

- A proposal to start the plan making process from scratch. The three local authorities have been working on their plans for a number of years and have reached a broadly similar stage in the plan making process. The Joint Local Plan proposal will roll the work undertaken so far into one single plan, simplifying the process of taking the planning strategies of the three authorities through the final stages of the process.
- A Proposal for joint Services, or broader joint working between the Local Authorities – it is simply the land use planning related Local Plan work.
- A Proposal for South Hams to accommodate ever greater amounts of housing to meet Plymouth's growth – the Plymouth Plan already anticipates Plymouth being the growing hub of a wider hinterland, and the city's ambitions are such that Plymouth would expect to see above trend levels of growth in jobs and homes.
- A delay to plan timetables – the plan making processes of all three Councils are already broadly aligned.
- Creating new, complex governance structures – the suggestion is a Member group, supported by an officer group, with all decisions taken back to individual Executives and Councils under existing legal frameworks.

Although the arrangement doesn't anticipate wider integration of services there may well be operational and resource benefits in the establishment of joint staff and resource arrangements to bring forward the Joint Local Plan. These could be time limited and details will be investigated further during establishment of the Collaboration Agreement.

## 5. Next Steps

Discussions around the Joint Plan approach have taken place between Plymouth City Council, West Devon Borough Council, South Hams District Council and Dartmoor National Park Authority. The decisions for DNPA are complicated as it straddles two HMAs and further consideration will be needed. It is unlikely that Dartmoor NPA will decide to include that part of the National Park which is covered by the Plymouth HMA in the Joint Local Plan. The collaboration agreement will therefore set out how Plymouth, West Devon and South Hams will collaborate with Dartmoor NPA on joint evidence and aligning their plan making programmes. Discussions will also be needed with Devon County Council and Cornwall Council to establish their role in supporting the Joint Plan approach.

Discussions have also been held with lead Members from each local authority, and these discussions were very positive. A key outcome from the Member level discussions was a clear desire for each local authority to clearly agree the principle of pursuing a Joint Local Plan by the end of January 2016. Agreement was reached by South Hams Council on 10<sup>th</sup> December 2015, and West Devon Council will consider a report on 16<sup>th</sup> February 2016.

The Plymouth Plan Member Working Group has also been briefed on the Joint Plan proposals and fully supported the concept.

This report therefore asks Cabinet to agree in principle the concept of pursuing a Joint Local Plan. It is proposed that the details of how the work on the Joint Local Plan should be set out in a collaboration agreement to be agreed by those local authorities signing up to the production of a Joint Local Plan. It is further suggested that the agreement of this collaboration agreement is delegated to the Assistant Director of Strategic Planning and Infrastructure in discussion with the Portfolio Holder.

The Collaboration Agreement should set out:

- Scope and extent of the Joint Plan as outlined in this report.
- Governance arrangements, including the setting up of a Joint Member Steering Group, and the principle that key decisions needing to be made are taken back to the individual local authorities.
- An understanding of the resourcing of the production of the South West Devon Joint Local Plan, and how this will be apportioned between the three authorities, including the potential for setting up a Joint Strategic Planning Unit responsible for producing the plan.
- How the involvement of Dartmoor National Park and Devon County Council will be managed.

It is also proposed to update the Local Development Schemes of the three authorities so that the scope, timetable and process of creating a Joint Local Plan is formally set out.

**PLYMOUTH CITY COUNCIL**

**Subject:** Energy Procurement  
**Committee:** Cabinet  
**Date:** 16 February 2016  
**Cabinet Member:** Councillor Lowry  
**CMT Member:** Andrew Hardingham (Assistant Director for Finance)  
**Author:** Chris Trevitt (Head of Partnerships & Operations) and Howard Goffin (Strategic Category Manager)  
**Contact details** Tel: 01752 305441. email: [chris.trevitt@plymouth.gov.uk](mailto:chris.trevitt@plymouth.gov.uk)  
Tel: 01752 307823. email: [howard.goffin@plymouth.gov.uk](mailto:howard.goffin@plymouth.gov.uk)  
**Ref:** Your ref.  
**Key Decision:** Yes  
**Part:** I

---

**Purpose of the report:**

This report outlines the council's current energy procurement and the options for future provision.

The council has procured its energy for its corporate estate via a Public Buying Agreement (Laser Energy Buying Group - Kent County Council) since 2012. The current agreement expires in October 2016 and new arrangements need to be in place by then.

The paper reviews the performance of the current agreement and the options for its replacement.

---

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

Energy is one of the Council's larger spends and therefore its procurement must be as efficient and flexible as possible. The current arrangements have been made available to schools within the city thus benefiting both the Council and schools in greater purchasing power.

The recommended option seeks to increase the flexibility of the procurement to ensure the Council is well placed to take advantage of any opportunities that fluctuations in the energy market provide whilst still committing to levels of spend that protect from adverse market conditions.

---

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

The proposed option seeks to contain future expenditure within existing energy budgets. The greater flexibility proposed gives the Council the opportunity to reduce spend below the budget allowance dependent upon market conditions and the Council's appetite for risk around energy procurement.

---

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

- Risk Management; There can be elements of volatility within energy markets which if no long term agreements are in place could leave the council exposed to supply and price instability. However recent years have proved to be more stable and this has offered opportunities for a greater risk appetite to deliver significant savings provided a flexible approach to procurement within a long term agreement is taken.
- 

### **Equality and Diversity**

Has an Equality Impact Assessment been undertaken? Yes

---

### **Recommendations and Reasons for recommended action:**

To endorse the recommendation to award a four year contract to Laser Buying Group (a wholly owned business of Kent County Council) to buy the Council's energy (Gas & Electricity) under the published frameworks for the Flexible Procurement and Supply of Electricity for Non-Half Hourly Metered, Half Hourly Metered and Unmetered Supplies and for Gas to Daily Metered and Non Daily Metered sites (OJEU ref: 2014/S 222-392271 and 2014/S 222-392187 respectively).

This option is recommended to generate the highest cost/benefit return by allowing hedging of the Authority's energy requirements to protect it from a strongly fluctuating market conditions throughout the duration of the contract, whilst ensuring the benefits of risk management at a lower cost than a Bureau managed service.

The proposed approach can be implemented through the corporate landlord initiative, using existing staff and systems capacity, with additional flexibility afforded by the Laser offer.

---

### **Alternative options considered and rejected:**

Other Options considered included:

- Full OJEU procurement exercise – this was deemed very expensive and time consuming and has recently been undertaken by a neighbouring authority that awarded the contract to Laser.
  - Don't renew contract – This is not an option as would result in out of contract rates being applied to gas and electricity supplies which are much higher than in contract rates, this poses a risk to the council.
  - Plymouth Energy Community (PEC) – the option was explored to possibly join a community energy project or work in collaboration with PEC – no such projects are available and PEC are not energy buyers so are unable to offer the services that PCC require.
- 

### **Published work / information:**

N/A

**Background papers:**

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

**Sign off:**

Fin	djn15 16.64	Leg	2480 3/MS	Mon Off	DVS 2490 4	HR	N/A	Assets	JW0056 03/02/1 6	IT	N/A	Strat Proc	MC/CS/ 421/CP /0216
Originating SMT Member													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

## **I. Executive Summary**

This paper outlines the council's current energy procurement and the options for future provision.

The council has procured its energy for its corporate estate via a Public Buying Agreement (Laser Energy Buying Group - Kent County Council) since 2012. Schools are given the opportunity to take advantage of the agreement and many do which helps with the council's overall requirement via greater economies of scale. The current agreement expires in October 2016 and new arrangements need to be in place by then. The proposal is that Plymouth City Council extends its current energy contract with Laser for another 4 year framework period.

### **Corporate Landlord**

The proposals are integrated with the corporate landlord initiative that introduced a centralisation of all utility management into a single category under the control of a category manager reporting to the Facilities Manager (Hard Services). This approach maximises the Council's potential to mitigate energy cost increases, rationalises and verifies the corporate utility requirements and coordinates utility savings initiatives.

### **Current Utilities Spend**

In 2014/15 the Council and its schools spent in excess of £ 4.7 million on utilities. Electricity and Gas markets are extremely volatile, sensitive to structural, economic and political influences. The European Commission predicts that European businesses and consumers face at least 20 years of electricity price rises as a result of the cost of infrastructure improvements and the impact of green taxes.

Water and sewage markets are quasi monopolies regulated by OFWAT. Water prices in the South West are the most expensive in the Country although water de-regulation in 2017 will offer scope and opportunity for savings on water and sewerage charges. Options around this are being reviewed and will be brought forward for consideration at a later date.

### **Current contracts**

Current contracting arrangements include the Council's corporate hedging contract via the laser agreement for Gas and Electricity (including street lighting) since 2012. Water is dealt with on a site by site basis and currently only have one option of a single supplier (South West Water).

### **Electricity & Gas**

This proposal recommends continuing to procure the Council's and Schools' energy requirements through a hedged Public Buying Organisation (PBO) portfolio. Comparisons of external benchmarking reveals current cost savings when comparing the unit cost per kwh paid through laser compared to the market average price.

### **Risk of not achieving savings**

The utility markets are volatile and any savings / cost avoidance projections of this proposal carry a large degree of inherent uncertainty. Savings projected from historical bill and site verification are also based on estimates and are therefore uncertain.



However, the initial proposal in this business case forms part of a coordinated and best practice approach to the procurement and management of utilities. The proposals require no additional capital investment and have been costed using existing staff only.

## 2. Background

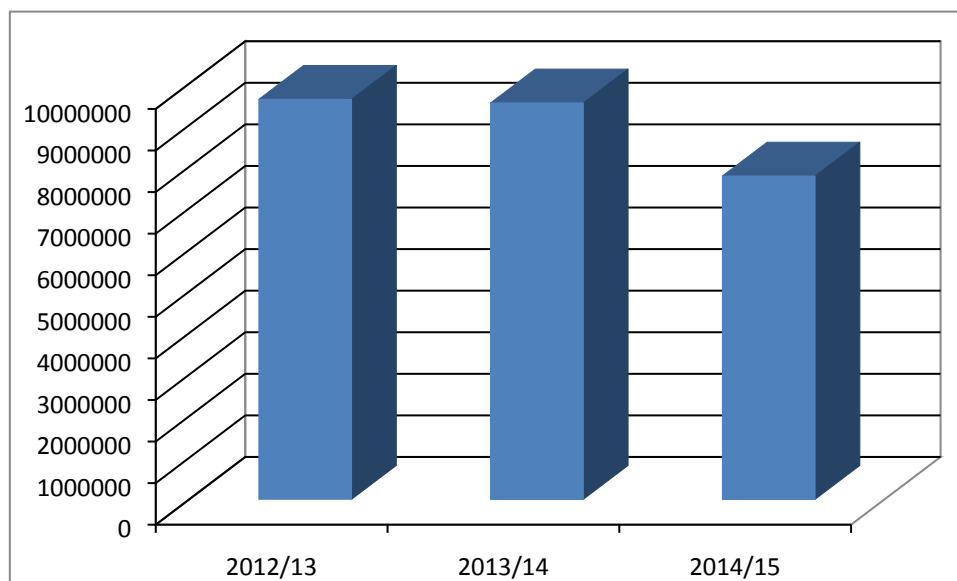
### 2.1. Current Utility Spend

In 2014/15, Plymouth City Council and its schools spent in excess of £4.7 Million on utilities.

Utility	Corporate Spend £ (metered)	Corporate Spend £ (unmetered streetlighting)	Total £
Electricity	2,325,674	1,638,662	3,964,336
Gas	771,907		771,907
<b>TOTAL by Business</b>	<b>3,097,581</b>	<b>1,638,662</b>	<b>4,736,243</b>

Table 1: Current Utility Spend

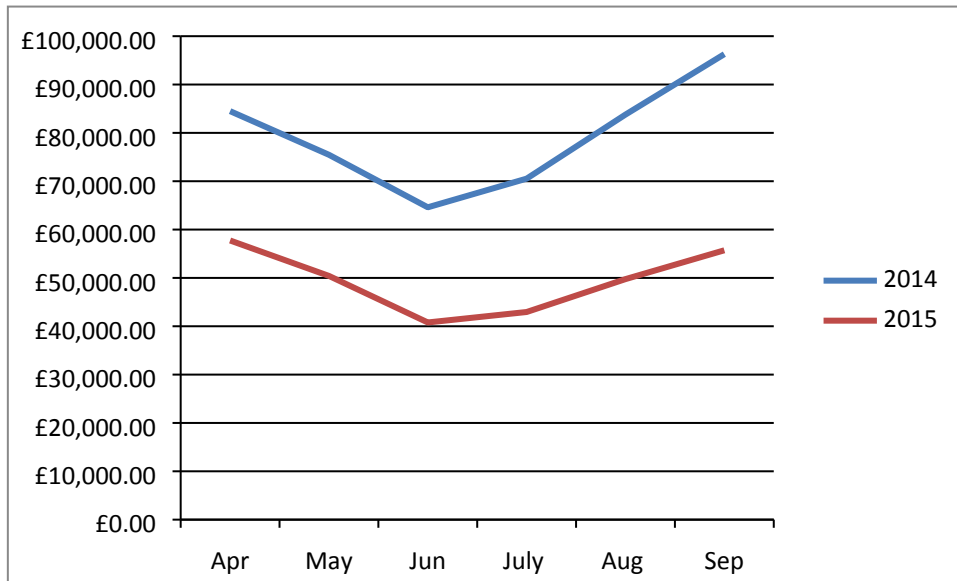
Graph 1: PCC Corporate electricity spend 2012/13 to 2014/15



The Graph above shows the electricity spend for the past three years whilst PCC have been procuring through the laser flexible contract. The data refers to only PCC corporate sites and

excludes schools, street lighting and the Life Centre. The anticipated spend for 2015/16 is expected to reduce further.

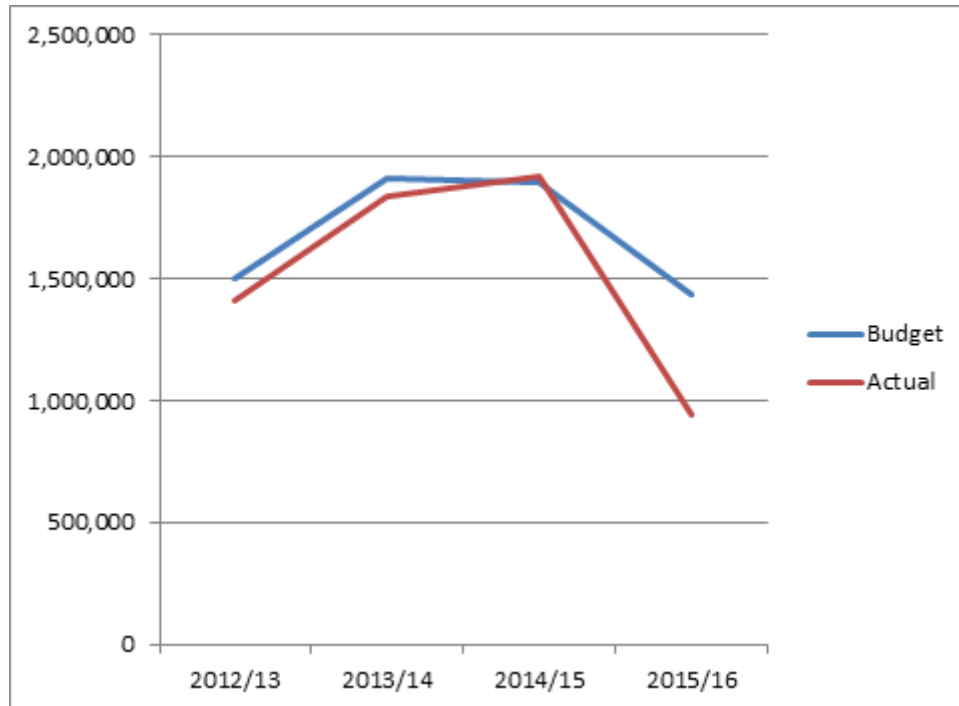
Graph 2: Streetlighting costs 2014 Vs 2015



The graph above shows the reduction in streetlighting between April and September of 2015 compared with the same period in 2014. There is a sizeable decrease due to the LED replacement programme taking place, as well as Laser buying the energy when prices have been favourable. This reduction will increase as the installation of LED streetlighting completes.

The energy purchased for metered supplies over the period of the Laser agreement since 2012 has consistently delivered savings against available budget for energy. The graph below shows the actual spend against budgeted spend, allowing the savings generated to be used to improve the council's overall budgetary position.

Graph 3: Total Gas and Electricity budget vs costs 2012- 2015



## 2.2. Current Utilities Supplier arrangements

**Electricity:** Plymouth uses a Hedge buying contract via a Public Buying Organisation (Laser Energy Buying Group - Kent County Council) this supplies all PCC corporate sites, street lighting and a large number of schools. The supplier is procured by Laser via an OJEU process.

**Gas:** Gas is purchased under the same hedge buying contract with the Laser group.

## 2.3. Current Utilities Management

Since the introduction of the Corporate Landlord approach in 2012 and the implementation of centralised utility management and procurement, savings have been identified across the organisation. Under this approach the Sustainability Energy Officer’s post along with additional resources within the corporate property team absorb the additional utility management duties.

## 2.4. Energy Markets

The utility market which forms the primary focus of this business case is the Energy Market (Gas and Electricity).

Energy procurement is primarily concerned with the management of risk. Generators, Wholesalers and Buying Organisations aggregate demand for electricity and gas thus gaining access to the world’s wholesale markets for energy. However unlike other markets, once wholesale access is obtained, the size of procurement has only a marginal influence on the final cost. Prices are affected by political, economic and structural components such as national and international generating and storage capacity, world energy demand, world political situations, availability of oil supplies, the price of crude oil etc. The market for energy is extremely volatile, responding not only to those factors but also providing opportunities for commodities traders.

## 2.5. Benchmarking Plymouth City Council Performance

Comparing the prices paid by Plymouth City Council for Electricity and Gas in Quarter 2 of 2015 through the laser hedge buying contract, it is apparent that the Council pays below the average non-domestic customer rates. Some of the price difference can be attributed to differing demand profiles and demand sizes, whilst a large proportion is down to Lasers' ability to analyse the market and buy when prices have been low. If PCC had bought the same volume of gas and electricity at average non domestic rates last year it would have cost the authority an additional £1.08m.

	PCC average price Q2 2015	Average Non Domestic customers UK Q2 2015	Cost saving (difference per kWh)	Cost avoidance per annum based on PCC total consumption
Gas	2.398 pence/kWh	4.511 pence/kWh	2.113 pence/kWh	£545,518
Electricity	8.661 pence/kWh	10.820 pence/kWh	2.159 pence/kWh	£534,497

Table 2: Q2 average non domestic vs PCC unit prices

## 3. Project Categorisation

Supporting the efficient procurement and management of utilities aligns with the Council's strategic priorities and other initiatives and policies such as:

**Council Priorities:** This business plan supports the Council's Value for Communities priority to reduce Plymouth per capita and public sector CO<sub>2</sub> emissions. It also addresses 'Customer satisfaction with the Council offering vfm' under the same outcome measure.

**Corporate Landlord Initiative:** As of the 1st April 2012 the Corporate Property service has been responsible for the management of budgets for utilities of all corporate properties. Effective procurement and management of these will directly benefit this initiative.

**Carbon Management Plan (CMP):** Planned actions in the CMP aimed to reduce the Council's carbon footprint by 20% by 2015 from 2010 levels. The majority of carbon emissions are made up from electricity and gas consumed as part of Council operations. These targets have been achieved in 2014 and moving forward additional projects will be implemented to further reduce emissions and achieve further cost savings on utility spend.

**Carbon Commitment Energy Efficiency Scheme (CRC):** PCC has now fallen out of scope for the CRC Scheme, but should the parameters change it would be a potential risk to the Council through the financial, legal and reputational risks it represents. Improved energy management and obtaining the most competitive energy prices, will better equip the council to deal with any financial obligation that would arise from CRC taxes.

## 4. Costs and Benefits

The table below shows the total costs of hedging through Laser, the current years cost is £29,619.37. If the council remains with its current basket options and with a similar level of usage then recovery costs are only subject to CPI, with the current level at 0%. there would be no price increase. Below is a table assuming worst case scenario of assuming 3% inflation on each year's prices.

£	2017 (Year 1)	2018 (Year 2)	2019 (Year 3)	2020 (Year 4)	Total
<b>Hedging Cost*</b>	£ 30,507	£ 31,423	£ 32,365	£ 33,336	<b>£ 127,633</b>

\* assuming a 3% inflation year on year

Table 3: Costs and Benefits

Utility budgets for electricity and gas (both schools and corporate) will absorb these charges which are added to individual utility bills. Any actual improvement in purchase price per unit w It should be noted that these prices have reduced and are lower compared to what has been paid in previous years

## 5. Summary Appraisal of Options

### 5.1 Do not renew the existing contract

This do nothing option is not an option. There is no option to allow the current framework agreement to roll over. If an arrangement is not made we will continue to be supplied with both gas and electric on out of contract rates these are commonly 50% more than standard tariffs and attract higher standing charges.

### 5.2. OJEU Procurement

Completing a full OJEU procurement process is a very costly and time consuming process. Neighbouring authorities with a larger energy spend than PCC have just completed such an exercise within the past six months and identified Laser as the best provider for a flexible energy procurement contract. As such this option is not deemed to be the most suitable.

### 5.3. Plymouth Energy Community (PEC)

Plymouth Energy Community is an independent community benefit society which provides services to help people in fuel poverty and enables community ownership of local solar installations. Plymouth Energy Community does not buy energy, wholesale or otherwise, and does not provide energy buying services. Therefore this is not an alternative option for PCC.

### 5.4 Framework Providers

Utilising national frameworks that are available to PCC to use saves a lot of time and resource during the procurement stage and as can be seen from item 5.2 provide a competitive alternative. The frameworks themselves utilise a full OJEU procurement process to engage their energy suppliers, which as can be seen from item 2.5, result in lower energy costs than the open market due to the size of their procurement. This outweighs the cost of framework operator, as per item 4.

Therefore utilising a framework agreement is the recommended option for PCC.

## 6. Choice of framework provider

### 6.1 Evaluation of Framework Providers

A review of alternative framework providers including Crown Commercial Services (CCS), Yorkshire Buying Organisation (YBO), The Energy Consortium (TEC) and Eastern Shires Purchasing Organisation (ESPO) was undertaken (Appendix I). A series of questions were posed and responses weighted to produce a performance scorecard (please see below). CCS were the only other organisation which was deemed to be of sufficient size for PCC to benefit from large scale purchasing. They have been deemed an unsuitable alternative due to their existing framework expiring prior to PCCs current contract with Laser and any future framework with CCS has still not been officially advertised. On further inspection their website details that work is still on-going to prepare this, CCS has a larger customer base but has fewer local authority customers than Laser.

### Supplier Rankings

Questions	CCS	Laser	TEC	YBO	ESPO
No of other local Authorities utilising the energy frameworks	4	5	1	2	3
Volume of Gas bought on behalf of total customer portfolio	5	4	2	3	1
Volume of Electricity bought on behalf of customer portfolio	5	4	3	2	1
Total Value of utilities (Gas and Electricity) bought during 2014/15	5	4	3	2	1
Basket options for buying gas for example purchase in advance (PIA) purchase within period (PWP)	4	5	3	3	3
Basket options for buying electricity for example (PIA) or (PWP)	4	5	3	3	3
<b>WEIGHTED TOTALS</b>	<b>87%</b>	<b>93%</b>	<b>48%</b>	<b>51%</b>	<b>46%</b>

For full weighted scoring as well as rankings please see Appendix I.

Therefore from the above Laser would be the recommended framework provider.

However there are a number of additional options that the revised Laser agreement offers the and these are summarised below.

### 6.2 Options under the new arrangement with Laser

Hedging applies the benefits of risk management to the procurement of energy. Purchases are made when market conditions appear favourable; options are sold when they are not.

Public Buying Organisations aggregate demand from participating local and central government organisations, which was initiated in 2007 by the Pan-Government Energy Project as part of the HM Treasury transforming Government Procurement (TGP) initiative. TGP introduced contracting strategies for electricity and gas that adopt best practice in energy purchasing.

Total cost of hedging based on our volume of supply and number of sites is £29,619.37 in 2015/2016. Costs of hedging in future years are outlined later on in this paper, section 4.

Under any new agreement with Laser there are a number of hedging strategies available: (a) Purchase In Advance (PIA) and (b) Purchase within Period (PWP) (c) Flex Set and Reset (d) Purchase Day ahead as follows:

**(a) Purchase in Advance**

This refers to purchasing all requirements prior to the start of the supply period. This approach ensures that PCC would have a fixed price at the beginning of the supply period with no reconciliations. The PIA approach is used already on the current PCC’ street lighting contract and various schools as it allows for budget setting accuracy.

**(b) Purchase Within Period**

This refers to purchasing a percentage of the supply very close to the actual date of use, sometimes just a day ahead. PWP gives energy buyers more flexibility to monitor market developments. This can lead to lower prices and increased efficiency. However as the energy is not priced for the whole supply period, there will be fluctuations in energy cost throughout the financial year. Frequent reconciliations and re-pricing will make budget accuracy difficult to achieve and a fund for additional charges needs to be made available.

The Efficiency and Reform Group (ERG) within the Cabinet Office has verified the savings achieved by PBO’s using PIA and PWP hedging strategies. PIA products outperformed the average market price by 7% and its PWP products by 20% The PWP strategies show a significant commercial advantage.

PWP is the current basket option adopted by all PCC corporate properties and due to the flexibility in buying close to the date of use, discounts have been made by the buying organisation which are then passed on to users who have opted for this option. Due to the late nature of the energy purchase this leads to reconciliations against initial billed cost, below is a table showing the reconciliation totals over the past two years, the council have received a total credit of £242,667.81 for electricity and £33,777.27 for gas in the 2 year period April 13- March 15. This is partly down to the general down turn in energy prices, but also Lasers ability to use their expertise to buy when the markets are most favourable.

Supply Period	Gas Reconciliation (Gross)	Electricity Reconciliation (Gross)
Oct 14 – Mar 15	-£18,701.13	-£87,549.51
Apr 14 – Sep 14	-£4,399.10	-£56,335.76
Oct 13 – Mar 14	-£5,749.65	-£39,794.69
Apr 13 – Sep 13	-£4,927.39	-£58,987.85

Lasers’ latest analysis shows the markets are continuing to perform well and have an approximate forecast of 0.10p/kWh credit for gas and 0.34p/kWh credit for electricity. An additional reconciliation payment of £37,029.21 for electricity has been confirmed for electricity and is due at the beginning of January 2016.

### **(c) Flex set and Reset (FSAR)**

Purchases are made in advance and within the supply period, with purchases being made based on price triggers predetermined by Laser.

The resale of a completed energy purchase is permitted if the market moves below pre-set triggers. Sold volumes will be bought back prior to delivery. For those organisations with more of a risk appetite as there is opportunity for bigger savings. An option PCC will investigate further.

### **(d) Purchase Day Ahead**

Purchases are made in advance and within the supply period. Up to 100% of energy requirements can be made on the day ahead markets. Typically 70% bought PWP with the remaining 30% bought on the day ahead market. Best suited for customers and sites that can curtail their energy usage at short notice. So not deemed suitable for PCC.

It is recommended that the Council spread its risk across options (b) and (c) above with precise detail worked through by the PCC contract manager within the finance department with the Laser account manager during the contract to suit market conditions.

## **7. Recommended option**

It is recommended that Cabinet endorse the recommendation to award a 4 year contract to Laser Buying Group (a wholly owned business of Kent County Council) to buy the Council's energy (Gas & Electricity).



# EQUALITY IMPACT ASSESSMENT

## Corporate Assets Lifecycle Maintenance 2015/16



### STAGE 1: WHAT IS BEING ASSESSED AND BY WHOM?

<b>What is being assessed - including a brief description of aims and objectives?</b>	The procurement of energy for the Council's corporate estate. This covers electricity and gas to all corporate PCC buildings including streetlights. The agreements are also available to schools to utilise.
<b>Author</b>	Chris Trevitt
<b>Department and service</b>	Finance, Partnerships and Operations
<b>Date of assessment</b>	14 January 2016

### STAGE 2: EVIDENCE AND IMPACT

Protected characteristics (Equality Act)	Evidence and information (eg data and feedback)	Any adverse impact See <a href="#">guidance</a> on how to make judgement	Actions	Timescale and who is responsible
<b>Age</b>	<p>The average age in Plymouth (39.0 years) is about the same as the rest of England (39.3 years), but less than the SW (41.6yrs).</p> <p>The city has the third lowest percentage of older people (75), and the fifth highest percentage of children and young people (under 18) of the 16 SW authorities.</p> <p>Children and young people (CYP) under-18 account for 19.8% of the population.</p>	No adverse impacts anticipated.	N/A	N/A
<b>Disability</b>	A total of 31 164 people declared themselves as having a long-term health	No adverse impacts anticipated.	N/A	N/A

	<p>problem or disability in the 2011 Census.</p> <p>30,000 people in Plymouth will have some form of Mental Health issue.</p> <p>0.8% (2118) of those registered with a GP is listed on the mental health register.</p> <p>1224 adults currently registered with a GP in Plymouth have some form of a Learning Disability.</p>			
<b>Faith/religion or belief</b>	<p>Christian - 148,917 people (58.1%), decreased from 73.6% since 2001.</p> <p>32.9% of the Plymouth population stated they had no religion.</p> <p>Those with a Hindi, Buddhist, Jewish or Sikh religion combined totalled less than 1%.</p>	No adverse impacts anticipated.	N/A	N/A
<b>Gender - including marriage, pregnancy and maternity</b>	<p>Overall 50.6% of our population are women and 49.4% are men; this reflects the national figure of 50.8% women and 49.2% men.</p> <p>There were 3280 births in 2011. Birthrate trends have been on the increase since 20015, but since 2010 the number of births has</p>	No adverse impacts anticipated.	N/A	N/A

	<p>stabilised. Areas with highest numbers of births include Stonehouse (142), Whitleigh (137) and Devonport (137).</p> <p>Of those aged 16 and over 90,765 (42.9%) people are married. 5,190 (2.5%) are separated and still legally married or legally in a same-sex civil partnership.</p>			
<b>Gender reassignment</b>	<p>It is estimated that there may be 10,000 transgender people in the UK.</p> <p>There were 26 referrals from Plymouth made to the Newton Abbott clinic, the nearest clinic, in 2013/14 to February 6.</p>	No adverse impacts anticipated.	N/A	N/A
<b>Race</b>	<p>92.9% of Plymouth's population identify themselves as White British.</p> <p>7.1% identify themselves as Black and Minority Ethnic (BME) with White Other (2.7%), Chinese (0.5%) and Other Asian (0.5%) the most common ethnic groups.</p> <p>Our recorded BME population rose from 3% in 2001 to 6.7% in 2011 therefore has more than doubled since the 2001</p>	No adverse impacts anticipated.	N/A	N/A

	census			
<b>Sexual orientation - including civil partnership</b>	There is no precise local data on numbers of Lesbian, Gay and Bi-sexual (LGB) people in Plymouth, but nationally the government have estimated this to be between 5 - 7% and Stonewall agree with this estimation given in 2005. This would mean that for Plymouth the figure is approximately 12,500 – 17,500 people aged over 16 in Plymouth are LGB.	No adverse impacts anticipated.	N/A	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
<b>Reduce the inequality gap, particularly in health between communities.</b>	None.	No actions to be taken.
<b>Good relations between different communities (community cohesion)</b>	None.	No actions to be taken.
<b>Human rights</b> Please refer to <a href="#">guidance</a>	No implications	N/A
<b>Principles of fairness</b> Please refer to <a href="#">guidance</a>	Things that make the biggest difference to people's lives should get priority when deciding where resources go - Positive impact for all groups as the procurement will provide the most efficient purchase of energy increasing the budget available to support front line services.	N/A

**STAGE 4: PUBLICATION**

Responsible Officer

Date

---

Director, Assistant Director or Head of Service

**This page is intentionally left blank**

**PLYMOUTH CITY COUNCIL**

<b>Subject:</b>	Peninsula Placements Contracts Re-tender – Business Case
<b>Committee:</b>	Cabinet
<b>Date:</b>	16 February 2016
<b>Cabinet Member:</b>	Councillor McDonald
<b>CMT Member:</b>	Carole Burgoyne (Strategic Director for People)
<b>Author:</b>	Emma Crowther, Peninsula Commissioning Officer, Strategic Commissioning
<b>Contact details</b>	Tel: 01752 304009 Email: <a href="mailto:emma.crowther@plymouth.gov.uk">emma.crowther@plymouth.gov.uk</a> ;
<b>Ref:</b>	PP
<b>Key Decision:</b>	Yes
<b>Part:</b>	I

---

**Purpose of the report:**

The purpose of this paper is to seek approval for Plymouth City Council to take part in the Peninsula re-tender of the placement contracts for children and young people, led by Devon County Council as lead procurer. Plymouth City Council has worked with the far south west local authorities since 2006 as part of the Peninsula Commissioning and Procurement partnership to procure provider lists of placements for children and young people. These ensure that the quality of placement provision is fit for purpose. The far south west local authorities are Cornwall Council, Devon County Council, Torbay Council and Somerset County Council.

The current Peninsula placement contracts cover foster placements from independent fostering agencies, residential children's homes, independent special schools and accommodation and support for those aged 16-25. All placements are individually contracted using the specifications and terms and conditions of the Peninsula framework agreements. The five local authorities collaborate to support and challenge providers where the quality of provision is declining, through action plans and monitoring visits. Information is shared regularly across the local authorities to make sure that a realistic picture of provider performance is held.

The current Peninsula contracts expire on 31<sup>st</sup> March 2017 and there is a need to have appropriate contractual arrangements in place to begin on the 1<sup>st</sup> April 2017. This will ensure that children and young people continue to be placed with providers who have been assessed to make sure their quality of provision is of a high standard and which can meet the needs of the city's most vulnerable cohort.

There is a continuing need to purchase placements for children and young people from the independent sector. Plymouth requires a range of provision, providers and locations to enable children and young people are able to live in the most appropriate placement.

The re-tender will represent opportunities for collaboration with the Council's partners. The NEW Devon Clinical Commissioning Group is becoming members of the Peninsula Commissioning and Procurement Partnership to support the re-tender. The CCG already contribute to the costs of

some of the placements for our most vulnerable and complex children and young people; by becoming members of the Peninsula Board the Western locality CCG will become fully involved in jointly shaping the provider market for those with disabilities and mental health issues.

Involvement in the Peninsula tender does not prevent Plymouth City Council from making our own arrangements to commission placements and services for vulnerable children and young people if it is decided that this approach would better meet local need. The Peninsula Memorandum of Understanding states that, “each Member Authority retains the right to refrain from participating in any aspect of the programme, if it is believed to be in the best interest of the authority to do so”. Plymouth City Council will take a key role in the re-tender; the Peninsula Board is chaired currently by Plymouth. In addition the critical post in designing the tender, the Strategic Peninsula Commissioning Officer, is hosted by Plymouth and seconded to a Plymouth City Council officer for an initial period of eighteen months.

---

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

This proposal will align with the Corporate Plan as follows:

<b>Corporate Objectives</b>	<b>How the Peninsula tender aligns with the Corporate Plan</b>
Pioneering Plymouth – we will be pioneering by designing and delivering better services that are more accountable, flexible and efficient in spite of reducing resources.	The specification and contract term and conditions will ensure a high level of service provision with a focus on continuing improvements in performance. There will be a focus on the price of provision as part of the re-tender to ensure transparency and value for money for the placing local authorities.
Caring Plymouth – we will promote a fairer, more equal city by investing in communities, putting citizens at the heart of decision-making, promoting independence and reducing health and social inequality.	Children and young people will be at the centre of the new contract and specification, with emphasis on continually gathering their views and feeding this back into demonstrable service improvements. Feedback will be sought from the Listen and Care Council as part of the process of designing the tender.

<b>Corporate Outcomes</b>	<b>How the Peninsula tender aligns with the Corporate Plan</b>
The Council provides and enables brilliant services that strive to exceed customer expectations.	We endeavour to use providers who are graded Good or above by Ofsted, and work closely with those graded adequate to support them to improve the quality of their provision. We ensure a joint Peninsula response to providers and provision where quality is becoming an issue.
A Council that uses resources wisely.	The proposal will improve value for money by aiming to further increase the amount of placements available within the south west, including within and close to Plymouth. This will reduce the number of children and young people being placed out of area, reducing the costs for social worker and commissioner visits. We will also ensure that there is scrutiny of the price of provision as part of the re-tender, so that we have a clear financial understanding of each placement made.
Children, young people and adults are safe and confident in their communities.	The specification for the contracts will focus on placing with providers who can demonstrate positive outcomes for children.
People are treated with dignity and	As above – in addition, contract monitoring processes including



respect.

site visits will ensure that this is a priority.

---

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

The proposal is to proceed with a re-tender of the Peninsula placement contracts in partnership with the far south west local authorities – Cornwall Council, Devon County Council, Torbay Council and Somerset County Council.

The spend in 2014/15 on independent fostering, parent and child placements, residential children’s homes, independent sector special schools and supported living accommodation for children and young people in care was £11.5 million. Across the five Peninsula local authorities the approximate spend on these types of placements for 2014/15 was £68 million. In 2012/13 the spend on placements across the Peninsula authorities was £64 million. The rise from £64 million to £68 million is explained by a rise in the number of children and young people being placed in independent placements across and outside the south west, and also an increase in the cost of the placements for the most complex young people in care, including those presenting with significant self-harm and mental health issues.

Spend on any new Peninsula placement agreements is not new spending as this would be set against the proposed budgets for independent sector placements for 2017/18 and beyond.

A key aim of the re-tender is to achieve greater transparency and scrutiny of the prices of placements for individual children so that these can be more effectively negotiated and challenged. Working with our Peninsula partners has previously been successful in achieving savings against market rates – for example the Cost and Volume for fostering contracts (Plymouth, Devon and Torbay) have resulted in significant savings against market rates on the Independent Sector Placement budget for Plymouth City Council since 2007 (until January 2016) of £1,211,687 against a total spend of £18.1 million. The level of financial oversight of this budget is very precise and spend and savings figures are regularly re-calculated.

Another key aim is to further increase the supply of locally available, high quality placements for the most complex children and young people. This is needed to prevent a more recent pattern of children and young people being placed out of area in placements at significant cost.

---

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

The contract will have implications for child poverty and community safety by aiming to provide a stable, equitable family style environment for Plymouth children and young people to grow up in, provided by highly skilled foster carers or care staff. All children and young people placed will be supported to have opportunities to socialise appropriately with their peers and be encouraged to prioritise their education and emotional health and wellbeing. The aim is to enable young people to be able to transition to adulthood successfully.

---

**Equality and Diversity**

Has an Equality Impact Assessment been undertaken? Yes

---

**Recommendations and Reasons for recommended action:**

It is recommended that approval is given to re-tendering the Peninsula placements contracts, in partnership with Cornwall Council, Devon County Council, Torbay Council and Somerset County Council, with Devon as lead procurer. This is the approach which best fits Plymouth’s needs in terms of securing high quality and appropriate placements for vulnerable children and young people.

**Background papers:**

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Equality Impact Assessment	X									
Institute of Public Care: The Efficacy and Sustainability of Consortia Commissioning of Looked After Children’s Services (July 2015)	X									

**Sign off:**

Fin	PeopleF CC 1516 002	Leg	24726/ALT	Mon Off	DVS/247 75	Strat Proc	HG/CS/420/CP/ 0116
Originating SMT Member Craig McArdle, Assistant Director for Cooperative Commissioning							
Has the Cabinet Member(s) agreed the contents of the report? Yes							

## I. INTRODUCTION

The Peninsula Commissioning and Procurement Partnership was set up in 2006 between Cornwall Council, Devon County Council, Plymouth City Council, Somerset County Council and Torbay Council.

The Peninsula Partnership has collaborated on the commissioning and procurement of independent sector fostering, children's homes and day and residential special school placements since 2006. Key drivers are to work in co-operation to meet the Sufficiency Duty (national legislation and guidance) alongside achieving value for money and improving outcomes for children and young people. The most recent re-tender of the Peninsula placement in 2012 awarded framework contracts to four "Lots":

1. Residential Children's Homes
2. Fostering
3. Special Schools
4. 16-25 placements

There are currently 98 placement providers on the Peninsula provider list, broken down as follows:

- 18 Independent Fostering Agencies
- 25 children's home providers
- 20 special school providers
- 26 16-25 providers

The current provider list is run as a Dynamic Purchasing System, where providers have been able to apply to add new provision to the list at entry points throughout the duration of the contract. This has increased the number of providers and placements on the provider list, particularly in the children's home market:

- In April 2013 there were 11 providers with 36 homes
- In December 2015 there were 25 providers with 103 homes (224 placements)

The current contracts expire on the 31<sup>st</sup> March 2017. The re-tender of the contracts presents a number of opportunities to review expectations for both the providers and the local authorities and embed any learning from the current arrangements:

### High-level aims of the re-tender

- increase the local supply of placements through a growth in the number of locally based provision;
- achieve sufficient breadth of provision to meet the full range of local need within the South West;
- drive up the quality of provision and develop a performance framework;
- better commercial governance ensuring comparable pricing for all local authorities using the contract;
- develop a more efficient and effective call off process which ensures provider price continues to be scrutinised;
- opportunity to develop and refresh the contract terms and conditions;
- opportunity to consolidate a number of arrangements under the Peninsula contracts – for example Cost and Volume for Fostering;

- increase opportunities for the Peninsula local authorities to collaborate on specific contractual arrangements.

## 2. NATIONAL DRIVERS

Local Authorities are inspected by Ofsted against a number of indicators. These include:

- placement stability;
- the number of children placed 20 miles or more from their home address;
- education performance;
- the opportunity for young people to “stay put” with their former foster carers after 18.

In addition, the following legislation and regulatory requirements support the need to secure high quality placements for children and young people of all ages, to meet a range of needs as close to home as possible:

Legislation/regulation	Relevance	What this means in practice
Section 22G of the Children Act 1989	Sufficiency duty	Requirement for local authorities to ensure there are enough placements available locally to meet the needs of children and young people.
Ofsted inspections and regulation of children’s homes, special schools, fostering agencies and parent and child residential assessment centres.	Regulatory and inspection framework	Clear standards for delivery of service for placement providers. Local authority specifications for placements will use the national regulations as a key point of reference. Ofsted inspections of individual providers are used as part of performance management by placing authorities.
Southwark Judgement 2009	Duty to take vulnerable young people aged 16+ into the care of the local authority	Housing and Children’s Social Care must assess vulnerable homeless young people to ensure they are offered the most appropriate service to meet their needs. If they are assessed as vulnerable they will be accommodated – the local authority should have placements available to meet need.
Children and Families Act 2014	Duty to support Staying Put placements	Introduced a legal duty for local authorities to support young people “staying put” with their former foster carer after the age of 18, as long as the local authority decides this is in the best interest of the young person.
Children and Families Act 2014	Duty to jointly work with key partners in assessment and planning	Education, health and social care professionals should work together to assess and make a plan for children and young people with a disability or special educational needs, which can be in place until the age of 25.
Children Act 1989, updated January 2015 (planning transition to adulthood for care leavers volume 3) Children (Leaving Care) Act 2000	Duty to support staying put placements	Local authorities must consider a more graduated transition to adulthood for young people in care.
Adoption and Children Act 2002/Special Guardianship Regulations 2005	Provides the legal framework for Special Guardianship Orders for children in care	The local authority has greater choice over permanence options for children in care if adoption is not the plan, as an alternative to long term care. This has an impact if the child is in an external foster placement and requires negotiation with the fostering agency.

### 3. CURRENT PROFILE OF NEED

There is a clear demand for Plymouth City Council to purchase placements from independent sector providers. There are currently 25 Plymouth children and young people placed in residential children's homes, all of which are commissioned from the independent sector. This number has remained relatively steady throughout 2015, with a peak of 32 placements being purchased at any one time in 2014.

There are currently 91 children placed in independent sector fostering placements. Historically this number was lower but in 2015 the city has seen increased demand for placements for children under the age of 10 and also for large sibling groups; both factors have led to increased purchasing from the independent sector. 47 placements have been made with independent fostering agencies in total since December 2014. Of these, 22 were children aged 10 and under

20 older young people aged 16+ are currently placed in supported living placements, with a further 20 placed in supported lodgings, which more closely mirrors a family environment.

The main presenting needs which require a placement from the independent sector are:

- behavioural, emotional and social difficulties (BESD);
- violence and aggression;
- absconding;
- child sexual exploitation;
- self-harm;
- autism and autism plus emotional health and wellbeing issues;
- emotional health and wellbeing issues not requiring or considered unsuitable for Tier 4 in patient CAMHS;
- repeated allegations against carers or other children;
- autistic spectrum condition (ASC);
- speech, language and communication difficulties (SLCD);
- asylum seeking young children and young people.

When the needs outlined above are combined with risk factors in relation to family or peers, abuse or neglect, this can lead to difficulties in finding appropriate placements. The current placement market is strong in the provision of a range of foster placements to meet the needs of younger children and sibling groups. There is now a good range of placements available for those aged 16+, in both supported lodgings and supported accommodation.

However, there are quality and sufficiency issues in the current provider market, particularly affecting children's homes where the changes to the national regulations and Ofsted inspection framework have proved to be a challenge. There remain a number of issues with the residential special school provider market, where several providers have faced inadequate inspections or closure while concerns about the quality of care provided are addressed. Fostering providers report that increasing demand from local authorities for foster placements for younger children is skewing their ability to make placements available for complex teenagers, with the result that some teenagers are moving to residential placements due to a lack of foster care, rather than because of need.

The Peninsula re-tender will aim to secure a broad range of locally available placement provision to meet all needs. It is therefore proposed to tender for contracts for the following services:

1. Residential children's homes
2. Fostering – including Staying Put and fostering short breaks
3. Special Education – day and residential placements including residential short breaks
4. 16-25 placements
5. Parent and Child – residential and fostering

The provision of a sixth “Lot” to provide therapeutic support to placements out of area where CAMHS is not available is also proposed and is supported by NEW Devon CCG. This would enable Plymouth to have a clear understanding of the therapeutic offer available to children and young people and to be able to directly commission services to meet assessed need, rather than automatically buying a placement provider's generic support package. NEW Devon CCG will be a part of the Peninsula Board and will be supporting the specification and evaluation of the tender to ensure placements can sufficiently support physical health and social and emotional health needs for our most complex children.

Plymouth has the option to opt in or out of any of the “Lots”; only commissioning those that meet local need, as stated in the Peninsula Memorandum of Understanding.

In terms of the Voice of the Child, the Plymouth City Council Listen and Care Council are visited regularly by a Commissioning Officer to seek feedback on placements as part of ongoing service development. This approach will continue as part of the implementation of the new contracts. Young people tell us they don't want to be made to feel “different” in their placements; they want to be part of a family and treated with respect whether by staff or carers. They also want to see better communication between professionals including placement providers to ensure that decisions about their future are discussed as early as possible to reduce anxiety.

#### **4. FUTURE COMMISSIONING**

##### **4.1 Recommended Option: To proceed with a re-tender of the Peninsula placement contracts in partnership with the Peninsula local authorities**

###### **Rationale:**

Plymouth City Council has long-established partnership arrangements with the Peninsula Authorities for the purchasing and quality assurance of placements. This enables all five authorities to work together to ensure that collective purchasing power of £68 million per annum is used to shape the provider market to meet the needs of local children.

Re-tendering offers the opportunity to refresh and review a number of aspects of the current arrangements – for example there is a need to bring all parent and child assessment services under contract. There is also a need to ensure that expectations for Staying Put placements are formalised.

The contract terms and conditions will be revised as part of a re-tender; the current arrangements are based on the National Framework Contracts with some local variations but these are now out of date and do not fully meet local authority or provider need.

All of the Peninsula Authorities are agreed that the re-tender needs to have an increased focus on testing the capability of the provider market rather than the previous emphasis on evaluating policies. It is also an agreed aim to achieve greater transparency on the price of individual placements to better demonstrate value for money.

A final report regarding contract award will be brought back to Plymouth City Council’s Cabinet to ensure that there is local signoff at senior level.

**Benefits:**

- Each local authority needs to have some form of contractual arrangements in place to ensure the availability and quality of placements; by working in partnership the five local authorities are able to benefit from shared practitioner and commissioner expertise and resource in jointly procuring the Peninsula contracts. This option avoids all five authorities having to carry out the same exercise individually.
- Working together also supports the provider market by avoiding providers having to complete multiple procurement documents for each local authority. The placement market consists of some large national providers but also a number of very small locally based providers who would struggle in terms of time and resource with having to duplicate tender applications for five different local authorities. This is reflected in the Institute of Public Care report “The Efficacy and Sustainability of Consortia Commissioning of Looked After Children’s Services” July 2015 (published December 2015), which sets out the complex and varied commissioning and procurement arrangements in place across the country and suggests that collaboration between authorities is more beneficial to all partners.
- Partnership working will bring the opportunity to map all the additional placement related contracts and services which are currently commissioned by the Peninsula Authorities individually. The proposal is to explore which of these arrangements could be brought under the auspices of the Peninsula placement contracts, with the aim of achieving improved value for money and also avoid duplication of procurement processes across the south west. For example, if Plymouth requires a new supported lodgings service, and this is shared by Devon and Torbay, this could be jointly commissioned as part of the Peninsula arrangements rather than by each authority singly.

**Risk Management:**

RISK – Description	Impact	Likelihood of occurring	Contingency Plan
Tender is not completed on time	Medium	Low	The Peninsula Authorities have committed resource to the project to enable it to remain on track – there is a dedicated procurement officer and Strategic Peninsula Commissioning Officer in post to drive forward progress. Devon are considering whether a phased start to the new arrangements would be pragmatic, to reduce the amount of evaluation needed at any one time. A project plan is in place and this will be monitored closely to ensure there is no drift.

RISK – Description	Impact	Likelihood of occurring	Contingency Plan
Challenge from the market	Low	Low	Individual providers may challenge the outcome of the tender, particularly if they are assessed as not meeting the quality standard required. This can be mitigated by holding provider events/consultation prior to the tender paperwork being released to the market. Opportunities to receive feedback will be given to all providers, but particularly those who weren't successful at tender.
Higher cost of individual placements	Medium	Low	The tender will achieve greater transparency of pricing which will enable effective challenge to the price of individual placements at call-off stage. Consideration is being given to the creation of "Tiers" of providers, where those providers able to demonstrate greatest value for money at tender will be approached first when sourcing placements.
Lack of supply of locally available placements	Medium	Low	There is already a significant market of placement providers in the south west, known to the local authorities and contracted to the Peninsula frameworks. A Market Position Statement has been drafted which will be shared with providers at an early stage of the procurement to ensure awareness of local need. Consideration is being given to allowing providers from outside the south west to apply to join the frameworks – particularly where the provider is known to have achieved positive outcomes for Peninsula children. This will begin a process of encouraging providers outside the region to open new provision locally.
Collaborative partnerships fail – Local Authorities or CCG choose to leave to make other arrangements	Low	Medium	The Peninsula Memorandum of Understanding allows for each local authority to choose whether or not to collaborate, dependent on what best meets their needs. So the current governance structure allows for some flexibility, which to date has avoided any partners feeling the need to leave the partnership. A partner choosing to leave the partnership completely could have an impact on the success of the tender in terms of the collective purchasing power of the local authorities, and this would need to be evaluated carefully. Notwithstanding this, each local authority individually spends a significant amount with the placement providers in their own right. In addition, there are many other collaborative arrangements between local authorities nationally, including in the northern part of the south west, and it would be feasible to join another collaboration if collective purchasing power was needed.



## 4.2 Other options considered and rejected:

### Option 2: Do nothing

#### Rationale:

The current Peninsula contracts expire on the 31<sup>st</sup> March 2017. If the Peninsula arrangements were left to expire, all placements after 1<sup>st</sup> April 2017 would be negotiated on a spot purchase basis by each local authority.

#### Benefits:

- This option reduces the workload on Plymouth staff in terms of tender design and evaluation in 2016.

#### Risks:

- This option would require a significant amount of work after April 2017 to negotiate each placement individually on a spot purchase basis. Conversations about price, quality and contractual terms and conditions would need to take place each time a child was placed. This would require significant additional resource for the brokerage team in Plymouth to enable this to be effective.
- This approach negates the benefits of working together to map need and provision. It is a short-sighted approach which would not lead to a strategic overview of the market which enables providers to develop provision to meet local need.
- The placement provider market benefits from joined up working which encourages providers to collaborate with one another and propose innovative ways of working with vulnerable children and young people. This approach would likely lead to a fragmented market.

### Option 3: Plymouth City Council to re-tender all placement contracts alone, without the input of the Peninsula Authorities

#### Rationale:

The current Peninsula contracts expire on 31<sup>st</sup> March 2017. Work could begin now to re-procure these contracts in Plymouth.

#### Benefits:

- This approach would ensure that Plymouth City Council retains full control of the re-tender and would avoid any potential dilution to meeting Plymouth needs through negotiation with four other local authorities.
- There is a possibility that having contracts in place with one local authority rather than across a group of five may lead to some savings on price through a measure of exclusivity. However this is not guaranteed as it is also possible that providers would prefer to offer savings to a group of local authorities in exchange for a larger amount of business.

#### Risks:

- This approach is inward looking and achieves none of the benefits of working together to share expertise across the Peninsula, both in terms of the local authorities and the provider market. The annual spend of £68 million across the Peninsula authorities' represents significant purchasing power which can be used collectively to influence the design of services and aim to reduce the cost of placements across the south west.

- A tender on this scale would require significant local authority resource to run, including the need for evaluators in a number of areas of practice.
- By operating alone Plymouth would not receive any of the benefit of the two dedicated funded Peninsula posts, in Procurement and Strategic Commissioning.
- This approach would lead to duplication of processes for providers and would likely lead to smaller providers feeling discouraged from taking part. It is also counter to the Institute of Public Care report, “The Efficacy and Sustainability of Consortia Commissioning of Looked After Children’s Services” July 2015 which encourages greater join-up between local authorities to reduce the burden on providers.

## 5. Implementation Time Line (approximate)

The Peninsula Commissioning and Procurement Partnership have an established governance structure in place. The Peninsula Board comprises senior commissioning and social care representatives from all five local authorities; this group consider strategic decisions and their impact. The Peninsula Project Team reports to and carries out directives from the Peninsula Board. The Peninsula Team is made up from commissioners, procurement officers and social care practitioners from across the five authorities, with additional expertise being brought in as and when needed.

A Memorandum of Understanding is in place which states that Devon County Council are the lead authority on the procurement stage of the project; all procurement options will be checked with Devon’s legal team before proceeding. Plymouth City Council currently chair the Peninsula Board. Two dedicated Peninsula posts are funded by all five authorities; a procurement officer (Devon based) and the Strategic Peninsula Commissioning Officer (Plymouth based).

The detail of the design of the re-tender including the proposed procurement approach will be discussed and negotiated further by the Peninsula partners at Board level and may involve an open or restricted tender or another method to best meet need. Discussion about how often the new arrangements will “open” to allow new entrants to the provider market will also take place.

The voice of children and young people in care will be a key part of the tender design and implementation process. The Plymouth based Listen and Care Council have already been approached to ensure that the voice of children and young people in care is captured as part of the re-tender; it is a key aim to make sure that placements are providing what young people need. This feedback will be used to form the design of the tender but also fed into the development of the contracts.

High level action	Dates
Cabinet Sign off of Business Case	February 2016
Engagement events with placement provider market – to include provider surveys, group provider events, and the provision of “You Said, We Did” feedback information.	December 2015 onwards
Tender paperwork launched to the provider market	May 2016
Tender evaluation	Autumn 2016
Cabinet sign off on Contract Award	January/February 2017
Contract implementation	1 <sup>st</sup> April 2017

**Appendix A: Corporate Commissioning Principles**

This project will also align to the values and principles of Co-operative Commissioning:

<b>Values</b>	<b>Principles</b>	<b>How the Peninsula tender will align with Co-operative Commissioning</b>
Democratic	<p>Citizens and communities will be at the heart of all commissioning activity</p> <p>Commissioning decisions will be open and transparent</p> <p>Commissioning will seek to promote civic responsibility</p>	<p>Children and young people will be consulted as part of the design for the tender via the Listen and Care Council.</p> <p>Providers will be consulted via online surveys and requests for information and also via group provider events.</p>
Responsible	<p>We will commission for sustainability by prioritising early intervention and prevention</p> <p>We will commission for quality and outcomes</p> <p>Commissioning decisions will focus on delivering VFM and promoting social value</p>	<p>We will aim to work with providers who are graded Good or above by Ofsted and support and challenge those with quality issues.</p> <p>The specifications for the services will have a strong focus on quality and demonstrable outcomes for children and young people placed.</p>
Fair	<p>Commissioning will focus on reducing inequalities and making Plymouth a fair City</p> <p>Commissioning activity will be needs and evidence based</p> <p>We will develop local, fair and sustainable markets</p>	<p>We will use up to date and relevant needs information to ensure the new contracts meet the needs of vulnerable children and young people.</p> <p>We will ensure that consideration is given to the Living Wage as part of the new arrangements.</p>
Partners	<p>We will commission with a range of partners</p> <p>We will work collaboratively and coproduce public services</p> <p>We will promote citizen commissioning</p>	<p>We will ensure we commission a service that meets the needs of our most vulnerable children.</p>

## Appendix B: Current Peninsula Framework Providers

Providers with current Plymouth City Council placements are highlighted in grey. Provision is spread geographically across Cornwall, Devon, Somerset, Wiltshire, Dorset and Gloucestershire.

Provider	Lot
3 Dimensions Care	Lot 1 – Residential
3 Dimensions Care	Lot 3 – Special schools
ABC Fostering Services Limited	Lot 2 – Fostering
Action For Children	Lot 2 – Fostering
Acorn Care and Education	Lot 3 – Special schools
Acorn Care Residential Services Ltd	Lot 1 – Residential
Alabaré Christian Care Centres	Lot 4 – 16+ services
Ambitions Support Ltd	Lot 4 – 16+ services
Barnardo Services	Lot 2 - Fostering
Beaufort Projects Ltd. Trading as Beaufort Care Group	Lot 1 – Residential
Bettercare Keys	Lot 1 - Residential
Bettercare Keys	Lot 3 – Special schools
Blackford Education (Schools) Ltd t/a The Libra School	Lot 1 – Residential
Blackford Education (Schools) Ltd t/a The Libra School	Lot 3 – Special schools
Blue Sky Fostering	Lot 2 – Fostering
Broadwood Educational Services	Lot 1 – Residential
Cambian Education Services	Lot 3 – Special Schools
Cambian Education Services	Lot 4 – 16+ services
Cambian Group (Formerly Advanced Childcare)	Lot 1 – Residential
Cambian Group (Formerly Advanced Childcare)	Lot 3 – Special schools
Cambian Group (Formerly Advanced Childcare)	Lot 4 – 16+ services
Capstone Foster Care (South West)	Lot 2 – Fostering
Chapter 1	Lot 4 – 16+ services
Church Housing Action Team (Mid Devon) Ltd	Lot 4 – 16+ services
City of Exeter YMCA	Lot 4 – 16+ services
Crossways Care Ltd	Lot 1 – Residential
CSM Independence Ltd	Lot 4 – 16+ services
Dame Hannah Rogers Trust	Lot 1 – Residential
Dame Hannah Rogers Trust	Lot 3 – Special schools
Devon and Cornwall Autistic Community Trust Ltd t/a Spectrum	Lot 1 – Residential
Devon and Cornwall Autistic Community Trust Ltd t/a Spectrum	Lot 3 – Special Schools
Embrace Group Limited (Children's Homes)	Lot 1 – Residential
Empowering Lives	Lot 4 – 16+ services
Encompass Southwest	Lot 4 – 16+ services
Exe-changes Limited (Previously Endurance Solutions Limited)	Lot 4 – 16+ services
Enhanced Foster Care	Lot 2 – Fostering
Exeter Royal Academy for Deaf Education	Lot 3 – Special schools
Five Rivers Child Care	Lot 1 – Residential
Five Rivers Child Care	Lot 2 – Fostering
Foster Care Associates Ltd (formerly Core Assets Fostering)	Lot 2 – Fostering
Fosterplus Ltd	Lot 2 – Fostering
Fusion Fostering Ltd	Lot 2 – Fostering
Greenfields Adolescent Development	Lot 1 – Residential
Headway Adolescent Resource	Lot 1 – Residential

Inaura	Lot 3 – Special schools
Independent Futures	Lot 4 – 16+ services
Key2 Futures Limited	Lot 4 – 16+ services
Key Change Charity	Lot 4 – 16+ services
Keys Education	Lot 1 – Residential
KPR Care Services Ltd	Lot 4 – 16+ services
Larkstone Supported Living Limited	Lot 4 – 16+ services
Lifeworks Charity Ltd	Lot 1 – Residential
Marchant Holliday School	Lot 3 – Special schools
National Fostering Agency	Lot 2 - Fostering
Idem Living (Name change - was New Start Living Ltd)	Lot 1- Residential
Next Step Care Management Ltd	Lot 4 – 16+ services
On Track Education Services Limited	Lot 3 – Special schools
One to One Crisis Intervention Limited	Lot 1 – Residential
Parallel Care Ltd	Lot 4 – 16+ services
Pathway Care (Families First SW)	Lot 2 – Fostering
Pathway Care Bristol Ltd	Lot 2 – Fostering
Phoenix Learning and Care	Lot 1 – Residential
Phoenix Learning and Care	Lot 3 – Special schools
Priory Education Services Ltd	Lot 1 – Residential
Priory Education Services Ltd	Lot 3 – Special Schools
Stonewater (formerly Raglan Housing Association)	Lot 4 – 16+ services
Regional Foster Placements	Lot 2 – Fostering
Somerset Progressive School (New Horizons School)	Lot 3 – Special schools
South West Childcare Services Limited	Lot 1- Residential
South West Childcare Services Limited	Lot 4 – 16+ services
St Christopher's School, Bristol	Lot 1 – Residential
St Christopher's School, Bristol	Lot 3 – Special schools
Step-A-Side Company Ltd	Lot 1 – Residential
Stepping Out Independence Limited t/a Fusion Independence	Lot 4 – 16+ services
SWIIS Foster Care Limited	Lot 2 – Fostering
TACT	Lot 2 – Fostering
Taliesin Education Limited ( T-Plus Centre)	Lot 3 – Special schools
The Fostering Foundation (Bristol)	Lot 2 – Fostering
The Fostering Foundation (South West)	Lot 2 – Fostering
The Halfway Limited	Lot 4 – 16+ services
WESC Foundation	Lot 3 – Special schools
WESC Foundation	Lot 4 – 16+ services
Wessex College	Lot 1- Residential
Westcountry Housing	Lot 4 – 16+ services
Willows (Devon)	Lot 1 – Residential
Young Devon	Lot 4 – 16+ services
Chelfham Mill School	Lot 1 – Residential
Chelfham Mill School	Lot 3 – Special schools
Forward Step Limited	Lot 4 – 16+ services

**This page is intentionally left blank**

# EQUALITY IMPACT ASSESSMENT

Strategic Co-operative Commissioning – Peninsula Placements Contracts Re-tender



## STAGE 1: WHAT IS BEING ASSESSED AND BY WHOM?

<b>What is being assessed - including a brief description of aims and objectives?</b>	<p>Peninsula Placements Contracts re-tender:</p> <p>The retender of the Peninsula Frameworks for independent sector placements for children and young people by the Peninsula Commissioning and Procurement Partnership. (Plymouth City Council is a member of this partnership along with Cornwall Council, Devon County Council, Somerset County Council and Torbay Council. The Partnership has existed since 2006 and tendered jointly for children’s placements since 2009.)</p> <p>The Peninsula Frameworks quality assures the provision of fostering, residential, special school and 16+ placements for vulnerable children and young people. Providers are scrutinised to ensure they can meet complex needs and encouraged to develop or sustain provision as close to the south west as possible, to support children and young people remaining as close to home as they can.</p>
<b>Author</b>	Emma Crowther, Strategic Peninsula Commissioning Officer
<b>Department and service</b>	Strategic Co-operative Commissioning Team, People Directorate
<b>Date of assessment</b>	December 2015

Page 139

## STAGE 2: EVIDENCE AND IMPACT

Protected characteristics (Equality Act)	Evidence and information (eg data and feedback)	Any adverse impact See <a href="#">guidance</a> on how to make judgement	Actions	Timescale and who is responsible
<b>Age</b>	<p>17.5% of the population is under 16.</p> <p>Children and young people under-18 account for 19.8% of the population.</p> <p>Those placed in Peninsula placements are broadly aged</p>	<p>At this point in the development of the programme there will be no adverse impact on the group.</p> <p>We aim to be sensitive to unforeseen negative impact and will monitor and respond on a</p>	<p>Ensure a clear specification about catering to the specific needs of adolescents.</p> <p>Monitor and review taking into consideration cost expenditure and service</p>	<p>Peninsula Authorities and placement provider – ongoing through contract monitoring and quality assurance processes.</p>

	<p>10-17, with the majority of young people aged 13-16, although placements are also offered for those aged under 10 years of age.</p>	<p>case by case basis.</p>	<p>user feedback and complaints.  Track performance data trend by protected characteristics.</p>	
<p><b>Disability</b></p>	<p>17.5 per 1,000 children in Plymouth have a learning difficulty reported by schools.</p> <p>Many of the children with Statements or Education, Health and Care Plans have complex medical needs, including continuing health care and mental health issues.</p> <p>In the broader group of children with Special Educational needs/disability (including those without a Statement or Education Health and Care Plan), there are currently around 1,500 children and young people identified with communication interaction needs, including Autistic Spectrum Condition on the school aged caseload for specialist support. Of these young people, 20% are identified as having significant and challenging needs.</p>	<p>At this point in the development of the programme there will be no adverse impact on the group.</p> <p>This provision will meet the needs of those with the most acute concerns, including mental health problems, learning difficulties and behavioural issues.</p>	<p>The service specifications will be developed to ensure a focus on emotional and physical health and wellbeing, as well as links to other relevant services.</p> <p>Track performance data trend by protected characteristics through contract monitoring processes.</p>	<p>Peninsula Authorities and placement provider – on-going through contract monitoring and quality assurance processes.</p>



	<p>There has been an increase in referrals to Child and Adolescent Mental Health Services (from 93 in April 2014, peaking at 227 in July 2014 and dropping slightly to 158 in September); the service reports they are mainly due to self-harm and children with neurodevelopmental issues who present with co-morbid mental health need.</p> <p>Nationally, there has been an increase in the number of young people being admitted to hospital because of self harm. Over the last ten years this figure has increased by 68%.</p>			
<b>Faith/religion or belief</b>	<p>According to the 2011 Census, 148,917 people in Plymouth are Christian, 881 are Buddhist, 567 are Hindu, 168 are Jewish, 2,078 are Muslim, 89 are Sikh, 1,198 are listed as 'other religion' 84,295 have no religion and 18,191 did not state a religion.</p>	<p>At this point in the development of the programme there will be no adverse impact on the group.</p> <p>We aim to be sensitive to unforeseen negative impact and will monitor and respond on a case by case basis.</p>	<p>Track performance data trend by protected characteristics.</p> <p>The specifications will ensure that there is a duty for the provider to recognise and support the cultural and religious beliefs of the child or young person placed.</p>	<p>Peninsula Authorities and placement provider – ongoing through contract monitoring and quality assurance processes</p>
<b>Gender - including marriage, pregnancy and maternity</b>	<p>Overall 50.6 % of the city population are women.</p> <p>During summer of 2015</p>	<p>At this point in the development of the programme there will be no adverse impact on the group.</p>	<p>The service specifications will ensure an age/gender appropriate service response to these children</p>	<p>Peninsula Authorities and placement provider – ongoing through contract monitoring and quality</p>

	<p>there was a rise in the number of young women who were significantly self-harming, alongside other complex needs. These young women have required hospital admission, residential care and at times welfare secure placements.</p> <p>Nationally, boys are much more likely to receive hospital treatment following assault and girls are much more likely to receive treatment following incidents of self-harm.</p> <p>Between June 2012 and June 2013, there were 13,400 hospital cases where 15-19-year-old girls received treatment for an external cause of intentional self-harm compared to just 4,000 cases among boys of the same age group.</p> <p>Plymouth's 2012 teenage conception rate is joint highest of all the SW unitary and district authorities (Torbay has an equal rate).</p>	<p>We aim to be sensitive regarding gender whilst remaining fair and providing equal opportunities wherever possible.</p>	<p>and young people.</p> <p>Track performance data trend by protected characteristics.</p>	<p>assurance processes</p>
<p><b>Gender reassignment</b></p>	<p>The number of children aged 10 or under who have been referred to the NHS because</p>	<p>At this point in the development of the programme there will be no adverse impact</p>	<p>Young people will be supported by providers to access their GP for advice,</p>	<p>Peninsula Authorities and placement provider – on-going through contract</p>

	<p>of transgender feelings has more than quadrupled in five years, according to 2015 figures.</p> <p>The Tavistock and Portman NHS Trust is the UK's only centre specialising in gender issues in under 18s reports that the number of under 11s referred to the unit has risen from 19 in 2009-10 to 77 in 2014-15.</p> <p>A small number of children and young people in care will raise trans-gender issues during their time in placement.</p>	<p>on the group.</p>	<p>Camhs for emotional support and the OUT youth group for Plymouth based opportunities to socialise with peers, amongst other services as and when necessary.</p>	<p>monitoring and quality assurance processes</p>
<p><b>Race</b></p>	<p>Children and young people from minority ethnic groups account for 5% of all children living in Plymouth, compared with 22% in the country as a whole.</p> <p>The largest minority ethnic groups of children and young people in the area are Mixed and Asian or Asian British.</p> <p>It is well documented that there are a number of needs that families from BME communities face, such as discrimination, isolation, hate crime and lack of culturally sensitive services.</p>	<p>At this point in the development of the programme there will be no adverse impact on the group.</p> <p>We aim to be sensitive to unforeseen negative impact and will monitor and respond on a case by case basis.</p>	<p>Track performance data trend by protected characteristics.</p> <p>The specifications for the services will encourage mutual respect and trust.</p>	<p>Peninsula Authorities and placement provider – ongoing through contract monitoring and quality assurance processes</p>

<b>Sexual orientation - including civil partnership</b>	There is no precise local data on numbers of Lesbian, Gay and Bisexual (LGB) people in Plymouth, but it is nationally estimated at between 5 – 7%. This would mean that approx. 12,500 people aged over 16 in Plymouth are LGB.	At this point in the development of the programme there will be no adverse impact on the group  We aim to be sensitive to unforeseen negative impact and will monitor and respond on a case by case basis	Track performance data trend by protected characteristics.  The specifications for the services will encourage mutual respect and trust.	Peninsula Authorities and placement provider – on-going through contract monitoring and quality assurance processes
---------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------

**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
<b>Reduce the inequality gap, particularly in health between communities.</b>	Young people will be supported by the provider and Council services to improve their physical and emotional health, including by modelling a healthy lifestyle themselves.	Placement providers – on-going in partnership with Plymouth City Council and the Peninsula Authorities. April 2017 onwards.
<b>Good relations between different communities (community cohesion)</b>	The provider will ensure that neighbours in the vicinity of the homes are kept informed and supported with any concerns, as far as is practical without undermining the safeguarding of the children and young people placed. Young people will be supported to develop as positive members of the community.	Placement providers – on-going in partnership with Plymouth City Council and the Peninsula Authorities. April 2017 onwards.
<b>Human rights</b> Please refer to <a href="#">guidance</a>	This service recognises Article 14 of Human Rights Act – The right to receive Equal Treatment and prohibits discrimination including sex, race, religion and economic and social status in conjunction with the Equalities Act which includes age and disability.  All staff and service users will continue to be treated fairly and their human rights will be respected.  No adverse impact on human rights has been identified.	Placement providers – on-going in partnership with Plymouth City Council and the Peninsula Authorities. April 2017 onwards.
<b>Principles of fairness</b> Please refer to <a href="#">guidance</a>	Vulnerable children and young people, particularly those who are in care are often disadvantaged by the circumstances of their childhoods, emotionally and physically, with fewer positive life opportunities. Children and their families that require support from Children’s Social	Placement providers – on-going in partnership with Plymouth City Council and the Peninsula Authorities. April 2017 onwards.

	Care are more likely to come from the city localities where deprivation is high. The Peninsula Placements re-tender is part of on-going work which tries to redress this gap by ensuring the child or young person has access to a safe, warm and nurturing place to live, where they are treated equally to others and given the same opportunities as all children and young people .	
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

## STAGE 4: PUBLICATION

Responsible Officer Craig McArdle

Date 16<sup>th</sup> February 2016

Director, Assistant Director or Head of Service

**This page is intentionally left blank**

# The Efficacy and Sustainability of Consortia Commissioning of Looked After Children's Services

## Research Report

July 2015



## Contents

	List of Figures	2
	List of Tables	3
1	Introduction	4
2	Context and Terminology	4
	2.1 Types of Consortia	5
	2.2 Types of Procurement Arrangements used by Consortia and Partnerships	6
3	Current Consortia Arrangements	7
	3.1 North East	8
	3.2 North West	12
	3.3 Yorkshire and the Humber	15
	3.4 East Midlands	17
	3.5 West Midlands	20
	3.6 Eastern Region	23
	3.7 London	26
	3.8 South East	28
	3.9 South West	36
	3.10 Children's Cross Regional Arrangements Group	40
4	What Did Key Stakeholders Tell Us?	42
	4.1 Provider Survey	42
	4.2 Summary of Interviews	45
5	Conclusions	61
6	Recommendations for the Department for Education	64
7	Considerations for the Sector	65
8	Appendix 1 Fostering and Residential Child Care Consortia as at 1 June 2015	66
9	Appendix 2 Organisations Interviewed	78
10	Appendix 3 Provider Survey	79



## List of Figures

Figure 1 Map of regional and sub-regional fostering consortia as at 22 May 2015	7
Figure 2 Map of regional and sub-regional residential child care consortia as at 22 May 2015	8
Figure 3 Map of North West fostering regional consortia as at 30 April 2015	13
Figure 4 Map of East Midlands fostering, residential child care and SEN regional consortia as at 30 April 2015	18
Figure 5 Map of West Midlands sub-regional fostering consortia as at 30 April 2015	21
Figure 6 Map of Eastern sub-regional fostering consortia as at 30 April 2015	23
Figure 7 Map of London sub-regional fostering consortia as at 22 May 2015	27
Figure 8 Map of CCRAAG members as at 30 June 2015	41
Figure 9 Percentage breakdown of responses by question	43

## List of Tables

Table 1 North East sub-regional consortia as at 22 May 2015	9
Table 2 North West sub-regional consortia as at 22 May 2015	13
Table 3 Yorkshire and the Humber regional consortia as at 22 May 2015	15
Table 4 South East regional and sub-regional consortia as at 22 May 2015	29
Table 5 South West sub-regional consortia as at 22 May 2015	37
Table 6 Interviews by type of organisation	42
Table 7 Number of responses by question	43

## 1 Introduction

Over the past decade there have been significant developments in commissioning arrangements of placements for children in care. There has been a growth in consortia commissioning, with local authorities increasingly working together to commission placements, particularly for children in foster care and in residential child care.

The Department for Education (DfE) asked the [Institute of Public Care](#) (IPC) at Oxford Brookes University to review these consortia commissioning arrangements in order to understand what has and hasn't worked. This includes consortia established using previous DfE funding as well as other localised or ad hoc arrangements. The research aimed to:

- Identify what consortia commissioning arrangements exist.
- Explore how well consortia work and whether they could work more effectively to help improve outcomes for looked after children.
- Identify examples of good practice.

The research focused on consortia commissioning arrangements for residential child care and foster care provided by independent agencies, but not in-house provision by local authorities. It did not cover consortia commissioning of residential and day special education or supported and other types of accommodation for looked after children who are 16+ years, or care leavers.

The research was undertaken between March and June 2015. It comprised three key stages:

- Analysis of all consortia to map current arrangements.
- A series of interviews with key national and local stakeholders as well as a survey of provider organisations.
- A detailed evaluation of a sample of consortia including interviews with a range of local stakeholders.

## 2 Context and Terminology

In this report we have used the word procurement to refer to the process of buying placements, including contracting with providers, rather than the wider activities of strategic commissioning. We distinguish between strategic commissioning – responsibility for which is often shared across a consortium - and procurement where, for reasons of clarity, legal accountability for the process is with a single lead local authority or organisation.

There are currently two particular procurement issues that may affect commissioning of placements for children in care in the longer term; an application for judicial review and changes to the EU procurement regulations.

Firstly, at the time of writing, the [Nationwide Association of Fostering Providers](#) (NAFP) have been awarded permission to bring a judicial review claim into the practice of local authorities using a sequential placement finding methodology. This is where in-house

foster and residential carers must be considered first before permission is granted to look at external and/or 'tiered' provision. If this claim is successful, it may have significant consequences for consortia commissioning and in particular for those consortia using a framework contract or dynamic purchasing system with 'tiers' (see section 2.2).

Secondly, the UK's procurement regulations, the [Public Contracts Regulations 2015](#), which implement the EU Public Contracts Directive (2014), came into force on 26 February 2015 with more changes due to come into force by April 2016. These introduce a number of amendments designed to make public procurement processes more accessible to small and medium sized enterprises. These include the introduction of a new threshold of €750,000, the abolition of pre-qualification questionnaires (PQQs) for tenders below the threshold, and the development of a self-declaration form for providers to demonstrate that they prequalify; the European Single Procurement Document (ESPD).

## 2.1 Types of Consortia

There are many different types of consortia and they overlap in membership. The consortia maps in section 3 illustrate the complexity of arrangements. The main types of consortia are:

- Overarching regional or cross-regional consortia which evaluate providers wishing to offer services to the local authorities in the consortium. Successful providers are placed on a regional database which can be accessed by local authorities and/or sub-regional consortia seeking placements. Overarching consortia usually have close links with the regional Association of Directors of Children's Services (ADCS), who set the work plan for the consortium, and support commissioning and procurement projects undertaken by the sub-regional consortia operating in the region or area. Typically, a full time manager provides support to both providers and the sub-regional consortia, and ensures that links are maintained with regional and national initiatives.
- Regional consortia where most of the local authorities in a region sign up to a framework contract or dynamic purchasing system for residential child care and/or independent foster care. There may well be different membership for residential child care and independent fostering services in a region.
- Sub-regional consortia which commission and procure, via a framework or dynamic purchasing system, residential child care and/or independent fostering services.
- Partnerships, which have a number of local authority members and may cross regional boundaries. These provide approved lists of providers or other means to share information. They may also carry out tasks such as quality assurance of providers, but are not purchasing consortia i.e. they do not have contracts with service providers.
- Contracting partnerships, comprising a small number of local authorities, who commission and procure services on a block contract basis.

## 2.2 Types of Procurement Arrangements used by Consortia and Partnerships

Just as there are a number of different structures and membership to consortia so there are a number of differing procurement arrangements:

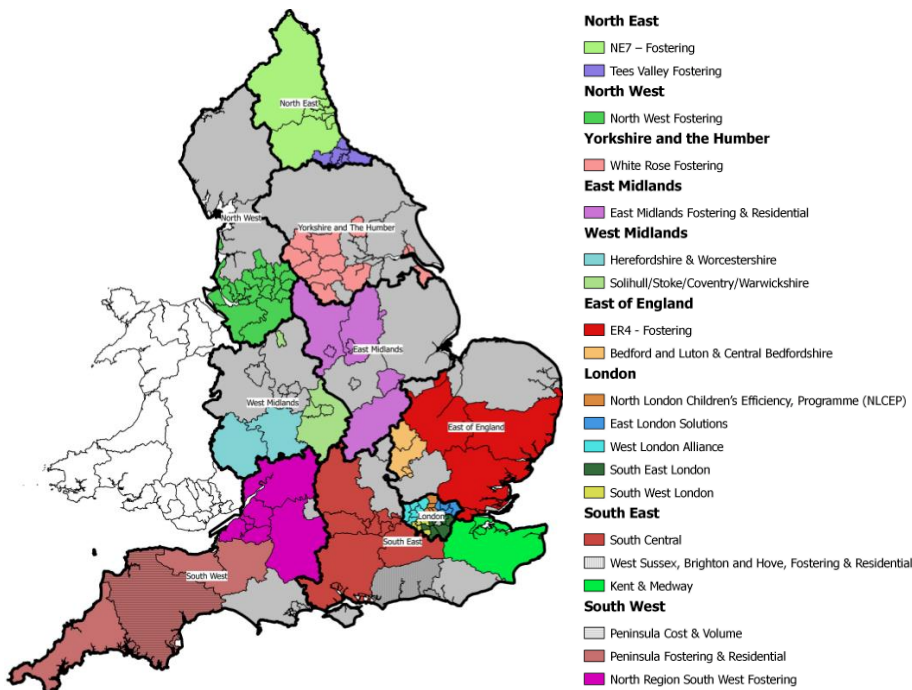
- An **approved list of providers** (APL) who have met certain basic criteria and provided information that is placed on a data base open to the consortium or partnership members. Such arrangements are best described as a facilitated market place. Local authorities use this market place to identify potential providers who could meet their needs, and then deal directly with those providers agreeing prices or other conditions on a spot purchase basis. Usually such lists are open for providers to leave or join at any time or at least at regular intervals.
- A **framework agreement**, which is closed for a defined period of time. A framework agreement has a common specification and contracts with providers who will provide the specified service at the prices agreed. They are typically for periods of two or three years initially, often with a review point with an option to extend by a further one or two years. At the review point, both commissioners and providers may be able to join or leave the framework and there may be mechanisms for resubmission of prices. There are examples of variations to this model with hybrids including approved provider lists and aspects of dynamic purchasing systems:
  - Frameworks typically include several 'lots'. A lot is a category of service i.e. standard fostering or residential child care, enhanced fostering or residential child care, specialist residential or foster care, parent and child placements or placements for disabled children. Lots may be further divided by age bands.
  - Frameworks also typically include 'tiers'. A tier is usually based on an assessment of providers' quality and price, with those offering the lowest price at the required quality on tier one, with other providers placed in tiers two or three as the price and or quality threshold rises. Those on tier one will normally be approached first for available placements. Therefore, they will be more likely to get regular placements under a framework agreement.
- A **dynamic purchasing system** (DPS) is continuously or almost continuously open for providers to join or leave the contract. Otherwise it operates much like a framework agreement with agreed specifications and contracts. As with frameworks DPSs can have lots and tiers.
- **Block contracts** are where local authorities agree to purchase a specified number of places from one or more providers. A number of individual local authorities have developed block purchasing arrangements with providers. They are less common for consortia and where they are in place they tend to be between only a few local authorities.
- **Cost and volume contracts** are where no specific volume of purchases of placements is guaranteed, but there is agreement that as spend with a particular provider increases, prices will be reduced.

Whatever the procurement arrangements, nearly all consortia use a contract which has been based on the appropriate national contract for residential and/or foster care. These national framework contracts were developed to assist local authorities and providers to avoid duplication of effort; they are overseen by the National Contracts Steering Group (NCSG), a voluntary group consisting of local authority commissioners, representing most, although not all regions, and independent providers from the fostering, residential child care and residential schools sectors. National contracts set out standard terms and conditions under which individual placements can be made or 'called-off' within the contract. Some consortia require local authorities to follow the same prescribed call-off procedures, which prescribe when and how providers must be contacted with requests for placements, while others allow each participating authority to determine how it uses the framework or DPS or approved list.

### 3 Current Consortia Arrangements

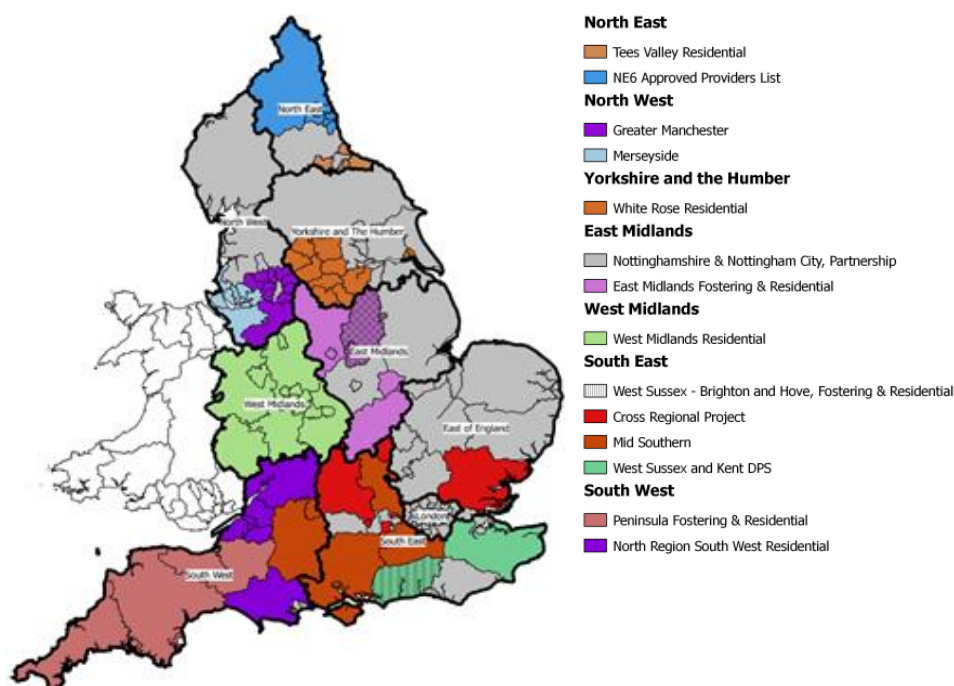
The maps below show the diversity of consortia and partnership arrangements and their complexity. The membership of consortia is often fluid depending on the perceived benefits or impact of collaborative working. Each local authority makes a decision on whether to join, or leave, a consortium based on an assessment of their needs and interests at that moment in time. It must be noted that the arrangements shown below represent a snapshot in time and that consortia/partnership arrangements and memberships are ever evolving.

**Figure 1 Map of regional and sub-regional fostering consortia as at 22 May 2015**



There are 20 regional or sub-regional consortia relevant to fostering, including 3 that are both fostering and residential, shown in figure 1. 14 local authorities are not in any fostering consortia or partnerships.

**Figure 2 Map of regional and sub-regional residential child care consortia as at 22 May 2015**



There are 14 regional or sub-regional consortia relevant to residential child care, including 3 that are both fostering and residential, shown in figure 2. 22 local authorities are not in any residential consortia or partnerships.

In total there are 31 regional or sub-regional consortia or contracting partnerships (including 3 that are both fostering and residential) and 3 overarching regional consortia as well as one cross-regional partnership (CCRAG). Many local authorities are members of several consortia or partnerships and in some regions there are layers of consortia arrangements. For example, in the North West, West Midlands and London, there are sub-regional consortia that operate under an overarching regional consortia arrangement and the participating local authorities may make financial contributions towards two or more consortia. Conversely, some local authorities do not engage in any consortia or partnership arrangements: 14 local authorities are not in any fostering consortia and 22 are not in any residential child care consortia.

Consortia and partnerships were identified by discussion with regional fora, the national Contracts Steering Group, and provider representative bodies as well as interviews with consortia lead authorities. Information about the 35 consortia or partnerships that we identified as operating in England, at the time of writing, is summarised in Appendix 1 and the arrangements in each region are described below, which is based on our interpretation of information supplied by, and views of, the consortia.

### 3.1 North East

There are twelve local authorities in the North East region and a number of sub-regional consortia arrangements are operated, including three fully established sub-regional consortia for services for children and young people who are looked after as shown in table 1 below. All local authorities in the region are members of one of the independent foster care agencies consortia, and ten local authorities are part of existing or developing consortia arrangements for the purchase of placements for out of authority residential child care.

**Table 1 North East sub-regional consortia as at 22 May 2015**

<b>NE7 Independent Foster Care Agencies (IFA)</b>	<b>NE6 Out of Authority Residential Child Care</b>	<b>Tees Valley Independent Foster Care Agencies (IFA)</b>	<b>Tees Valley Out of Authority Residential Child Care</b>
Durham		Darlington	<b>Darlington (L)</b>
Gateshead	Gateshead	<b>Hartlepool (L)</b>	Hartlepool
<b>Newcastle (L)</b>	<b>Newcastle (L)</b>	Middlesbrough	Middlesbrough
North Tyneside	North Tyneside	Redcar and Cleveland	Redcar and Cleveland
Northumberland	Northumberland	Stockton-On-Tees	
South Tyneside	South Tyneside		
Sunderland	Sunderland		

The [North East Purchasing Organisation](#) (NEPO) procures high value contracts on behalf of north east local authorities in order to secure significant savings for the public sector, whilst developing and supporting a supply base that is better able to compete for public sector contracts. The NEPO protocol for collaborative procurement arrangements covers all kinds of procurement that local authorities in the North East region may undertake. The presence of this wider agreement supporting collaboration has made it easier to establish the consortia described below. The protocol defines what categories are procured on a local, regional and national level and identifies whether a procurement exercise will be 'Hub' led by NEPO or 'Spoke' led by one of the participating local authorities. The protocol agreed across the 12 local authorities sets out how regional collaboration arrangements for procurements operated through NEPO will work across the region. Local authorities sign up to formal arrangements, including funding and shared risk protocols, to enable them to access NEPO supported arrangements.

NEPO supports the work undertaken to procure the NE7 IFA, NE6 residential child care and NE12+ collaboration contracts.

All 12 North East local authorities meet regularly to explore opportunities for collaborative commissioning although not all local authorities take part in each collaborative exercise. Four Tees Valley local authorities are currently developing arrangements for the purchase of placements in out of authority children's homes and the Tees Valley local authorities already operate a framework for placements in independent foster care agencies.

In addition to the collaborations detailed in table 1 above, all twelve local authorities in the North East region, plus their Clinical Commissioning Groups, are in the process of developing a tender for September / October 2015 for placements in Department for Education registered, non-maintained and independent special schools and colleges for children and young people 0 – 25 years (day and residential placements): the NE12+



Collaborative. These services are currently spot purchased. New NE12+ arrangements will ensure that services will be procured in line with the new European Public Contract Regulations and meet the requirements of the Special Education Needs and Disabilities (SEND) reforms. It is anticipated that the N12+ framework will operate eight lots with four categories within each lot.

NEPO regional collaborative protocols mean that it is anticipated within five years there will be a single, North East wide, procurement solution for each of the three categories below:

1. Independent foster care
2. Out of authority children's residential homes
3. Non-maintained and independent special schools and colleges

### 3.1.1 NE7 Independent Foster Care Agency (IFA) Consortium

This consortium has seven members all from within the North East region. Participating local authorities procure services from independent foster care agencies for children and young people who are looked after. The framework has one lot with seven different arrangement types for:

1. Mainstream fostering.
2. Mainstream fostering with additional needs.
3. Intensive support fostering.
4. Parent and child foster placements.
5. Parent and child foster placements with assessment service.
6. Solo fostering placements; for example, no other children can be in placement.
7. Staying put arrangements.

This is a framework contract which has no tiers and is closed for a defined period of time. All local authorities follow the same process to award placements through the contract.

Under the regional collaborative procurement protocol Newcastle City Council, as Lead Spoke has overall responsibility for the contract monitoring for the seven local authorities. Newcastle coordinates the contract monitoring through a system of 'Link Officers' and ensures that the participating local authorities discharge their monitoring responsibilities. The Link Officer system means that each participating local authority is 'linked' with a number of IFA providers on the framework and is responsible for the day-to-day contract management activity on behalf of all members of the framework. There is no financial contribution from participants, but what is expected in time and officer hours is detailed in the governance arrangements and gives accountability for each local authority's contribution and performance on that contribution. There are quarterly Provider Forums and an Annual Conversation with each provider; a more private meeting with each provider, chaired by their Link Officer and open to all NE7 participating local authorities who use them. There is an annual monitoring visit supplemented by regular conversations in the year which encourages strong, positive working relationships to be developed and creates a clear line of communication between providers and the NE7 local authorities. NE7 recently asked providers about

the effectiveness of monitoring arrangements and reported that the feedback evidenced that providers thought these worked well. This monitoring of, and communication with, providers is resourced by each local authority undertaking the tasks allocated to them. The consortium reports that the contract has led to significant cashable and non-cashable savings. It estimated the cashable savings based on comparison with what local authorities were paying under the previous spot purchasing arrangements for a similar number and type of placements. The non-cashable savings reflect that prices have been frozen since 2011 and will be held for four years of the new contract. For example, it is assumed that the consortium has saved a 2% uplift compounded over four years on all placements on and off previous contracts.

### 3.1.2 NE6 Residential Child Care Approved Provider List (APL)

This consortium has six members all from within the North East region. It operates an Approved Provider List (APL) for placements in Ofsted registered, out of authority residential children's homes. The APL is opened for applications from new providers a minimum of every six months. Newcastle City Council leads on commissioning with NEPO leading on the procurement. Representatives from Northumberland County Council and Newcastle City Council act on behalf of the NE6 local authorities to manage NEPO's performance in relation to this APL. The agreement operates in line with the agreed regional collaborative protocol, which ensures a clear understanding between NEPO and the partner local authorities on how arrangements work and where responsibilities sit.

All local authorities operate the approved list in the same way. Contract management is carried out via a Link Officer system similar to NE7 arrangements with each setting having an identified lead local authority who takes a lead on contract management activity on behalf of the other participating local authorities. Provider forums are held approximately three times a year and it will be recommended that annual conversations form part of new arrangements when they are procured. The Link Officer monitors settings located outside of the region when this is needed. There are approximately 60 individual settings on the APL and the use of Link Officers could potentially result in a greater level of monitoring work for small local authorities than they would have carried out if they were not part of the NE6, however, all participating local authorities agree that the benefits of the APL arrangements outweigh this potential disadvantage.

The NE6 APL will expire within the next 18 months and work has already started on the longer-term vision for this category. New arrangements will ensure greater financial savings and a focus on improving outcome measures and approaches to defining value for money.

### 3.1.3 Tees Valley Independent Foster Care Agency (IFA) Consortium

This consortium of five local authorities commissions independent fostering for children aged 0 to 18 years, including mainstream services, 'staying put', mother and baby and remand placements. This framework contract has two tiers but no lots. The framework started on 11 January 2014 and is for four years with no extension. This was the first time this consortium had tendered this kind of framework agreement.

While Hartlepool is the lead authority for the framework, the work of contract monitoring and management is shared between the five participating local authorities. There is no

financial contribution from members, but the arrangements for managing and monitoring the contract are set out within the framework contract. The participating local authorities' report that these arrangements work well, are based on close working relationships between the five authorities and that the workloads are evened out by sharing tasks related to all the commissioning and contracting activity. All the local authorities operate the contract in the same way and use common processes for accessing placements under the contract and for their shared monitoring activity.

The consortium has not evaluated savings accrued under the framework. The focus in developing the framework was on developing a seamless approach between the local authorities and consistency in working with providers. This objective has been judged to have been achieved. However, cashable savings are hard to estimate as they arise from issues such as how additional costs are treated i.e. transport and the better use of time across the authorities and providers through shared systems and reduction in duplication of effort.

#### 3.1.4 Tees Valley Out of Authority Residential Child Care

This is a relatively new consortium working under the umbrella of the Tees Valley Commissioning Group. It is developing a framework contract for residential child care including some which will offer education. The service specification will not focus on disabled children or on short breaks for disabled children or residential special schools which will be covered by the developing NE12 consortium project.

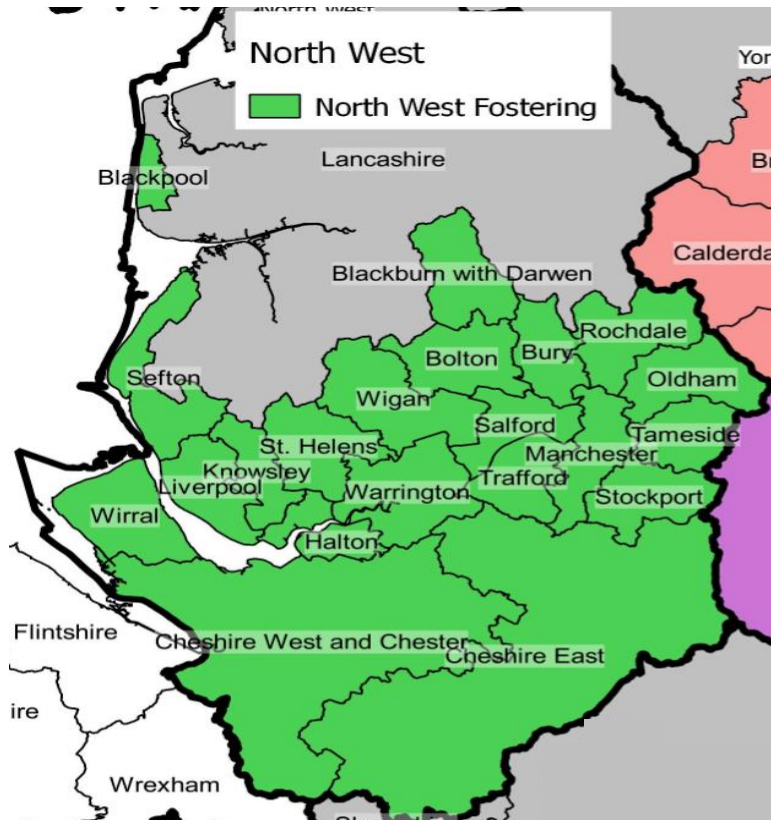
The framework agreement is due to start on 1 April 2016. The consortium is currently developing the specification and plans to tender in autumn 2015. Stockton-On-Tees is not a member of this framework as they have developed a partnership agreement with a provider where Stockton-On-Tees provides the accommodation facilities and the provider runs the accommodation under a partnership agreement. Therefore they do not need a framework agreement to help meet the majority of their need for local residential provision.

The four local authorities already work closely on the fostering framework and they have continued to work together in developing this framework agreement. They expect this contract to be operated in a very similar way to the fostering framework agreement. This will mean a shared approach across the participating authorities with common processes and recording systems. Darlington will lead the monitoring and contract management process and collate the information provided by the other participants.

### 3.2 North West

There are twenty three local authorities in the region and all local authorities except Cumbria are members of Placements Northwest (PNW), an overarching regional consortium and children's service project, which supports local authorities and/or sub-regional consortia seeking placements for looked after children (LAC). All local authorities in the region except Cumbria and Lancashire are also part of the regional North West fostering framework agreement. In addition, the twenty one local authorities operate a regional leaving care framework contract for group living and floating support. The contract will be replaced in October 2015 with a dynamic purchasing system, which is currently being tendered on behalf of the region by Tameside with PNW's support.

Figure 3 Map of North West fostering regional consortia as at 30 April 2015



There are two other sub-regional consortia as shown in the table below.

Table 2 North West sub-regional consortia as at 22 May 2015

Greater Manchester Residential Child Care	Merseyside Residential Child Care
Bolton	Cheshire East
Bury	Cheshire West and Chester
Cheshire East	Halton
Oldham	Knowsley
Rochdale	Liverpool
Salford	Sefton
Stockport	St. Helens
Tameside	Warrington
Trafford (L)	Wigan (L)
Wigan	Wirral

Placements North West (PNW) is commissioned at Assistant Director level by the North West Strategic Leads for Safeguarding Vulnerable Children (SLSVC) group. PNW has a full time manager who is responsible for taking forward the work plan set by SLSVC. If SLSVC decide to commission a service, the PNW manager will identify a lead local authority and negotiate how much funding is required to undertake the procurement activity and any ongoing contract management functions. PNW provides programme management and oversees the sub-regional projects. It is also responsible for coordinating collaborative working arrangements, facilitates meetings and organises and chairs provider forums and consultations. It is seen as a conduit for sharing information and coordinating the SLSVC work plan. The PNW manager has capacity to link with other regional initiatives and is a member of the National Contracts Steering Group and provides feedback from these to the commissioners in the sub-regional consortia.

PNW is funded as a service rather than for specific activities. PNW provides support and intelligence i.e. local authorities get benchmarking information, monitoring information, expertise and input into national consultations etc. PNW supports market development by providing an advice service to potential providers looking to set up services in the area. This takes a significant amount of PNW resource and saves officer time in local authorities.

### 3.2.1 NW Fostering

This contract is led by Manchester City Council who received funding from PNW for the procurement exercise. This framework agreement covers foster care along with enhanced foster care often referred to as stepdown/specialist foster care. The framework agreement was tendered in 2013 and will be for a period of 2 years with the option to extend it annually for up to 2 years.

It was anticipated that 740 new placements would be required by the participating local authorities in 2014/2015, totalling an anticipated spend of £31 million. The consortium reported that savings had been made on the previous fostering framework and it is anticipated that this new framework will make further savings. It aims to develop the required sufficiency of placements in the region.

### 3.2.2 Greater Manchester Residential Child Care Framework

This sub-regional contract is led by Trafford Council who receive a contribution from PNW towards the procurement costs. This framework started in 2014 and has the potential to be extended until 2018. The contract was awarded on a 60% quality and 40% cost basis. The contract has lots made up as follows:

- Standard residential - 3 tiers.
- Therapeutic and specialist medical - 3 tiers.
- Solo placements - 1 tier.
- Rural and complex - 1 tier.

Consortium members believe that the arrangements help them to understand the market and enable them to work collaboratively.

### 3.2.3 Merseyside Residential Child Care Framework

Ten local authorities are operating this framework contract. Wigan is the lead authority and they have received funding from PNW to undertake the procurement exercise and provide ongoing contract management for the duration of the contract. PNW continues to provide support by facilitating joint working amongst the local authorities and with providers. The framework agreement is structured in such a way that there are lots based around various cohorts of need. Within each lot providers are allocated to a tier, which has been decided on providers' ability to provide services that offer quality and value for money. Local authorities are expected to approach providers on the lowest tier before moving on to the next tier. There is a standard template for monitoring services and this is used by all participating local authorities. Although each local authority is responsible for monitoring the services it uses, there is recognition that this is resulting in some duplication of work and is adding unnecessary cost to providers. A focus is therefore being placed on how this can be streamlined and monitoring information shared more effectively.

### 3.3 Yorkshire and the Humber

There are fifteen local authorities in the region and two regional consortia as shown in the table below. The East Riding of Yorkshire, North Lincolnshire and North Yorkshire are not currently part of either consortium, although East Riding and North Lincolnshire are currently progressing approval to join the consortium for fostering and possibly residential care.

**Table 3 Yorkshire and the Humber regional consortia as at 22 May 2015**

<b>White Rose Fostering</b>	<b>White Rose Residential Child Care</b>
Barnsley	Barnsley
Bradford	Bradford
Calderdale	Calderdale
Doncaster	Doncaster
Kingston upon Hull	Kingston upon Hull
Kirklees	Kirklees
<b>Leeds (L)</b>	<b>Leeds (L)</b>
North East Lincolnshire	Rotherham
Sheffield	Sheffield
Wakefield	Wakefield
York	

The White Rose Strategic Commissioning Group oversees both the White Rose IFA and Residential Child Care Frameworks, which have different memberships. There are also White Rose arrangements for post 16 and care leavers accommodation and support and for residential special schools. Each of these arrangements has different participants. The White Rose consortia are best seen as regional arrangements as though they do not include all the local authorities in this large region they do include the majority of local authorities. Both East Riding and North Lincolnshire are progressing joining the White Rose fostering framework, and North Lincolnshire may join the residential child care consortium.

### 3.3.1 White Rose Independent Fostering Framework

The framework has eleven members. Two local authorities have expressed a firm interest in joining. The framework has three lots:

1. Standard fostering placement.
2. Solo fostering placement.
3. Parent and child fostering placement.

Each lot has three age bands: 0 to 4, 5 to 10, and 11 to 18 years. There are three tiers within each lot. The framework covers all fostering services but add-ons can be purchased within the contract. The contract is a framework closed to providers, but local authorities can join at certain points. The contract is for 2 years plus two one-year extensions. All participating local authorities are required to follow the same prescribed call off procedures when using the framework. These prescribe when and how providers must be contacted with requests for placements. Monitoring is by each local authority, who monitor allocated providers using shared templates, and then share the findings. The monitoring allocation reflects local authority use of IFAs. There is no central resource for this. The consortium brings all the partners in the framework - 28 providers and the local authorities - together once or twice a year.

Leeds City Council leads on procurement, but does not charge the other local authority members. There is a commissioning group which allocates activities between the members of the consortium e.g. developing the specification. In that sense the commissioning activity is shared between the participating local authorities. Leeds chairs the contract monitoring and management group. They have a partnership agreement in draft, which is about to be finalised, and are working to a mandate from the regional ADCS group and report to them.

The consortium has looked at what savings have been achieved by comparing average costs pre and post- framework. They estimate that they achieved 6% efficiency savings. Prices have been held on the framework.

### 3.3.2 White Rose Residential Child Care Framework

This is a framework agreement, which is closed to new providers for a defined period of time (two years plus one plus one year extensions), but framework providers can add and remove children's homes through the lifetime of the contract through a pre-determined process. Yorkshire and Humber local authorities can also join at refresh points. The framework has four lots:

1. Standard residential placements.
2. Specialist residential placements.
3. Specialist residential placements with education.
4. Parent and child residential placements.

There are some special schools on this framework. All participating local authorities are required to follow the same prescribed call off procedures, which prescribe when and how providers must be contacted with requests for placements. This is prescribed in the tender document and standard forms are used.

There are ten members in the consortium and while there is substantial overlap with the membership of the fostering framework the members are not exactly the same. Two other local authorities in the region are showing an active interest in joining, and another is showing an early level of interest.

Leeds City Council leads on procurement, but does not charge the other local authority members. There is a commissioning group which allocates activities between the members of the consortium e.g. developing the specification. In that sense the commissioning activity is shared between the participating local authorities. Leeds chairs the contract monitoring and management group. The consortium divides providers amongst the member local authorities for monitoring. The allocation of providers is done on local authorities' usage of providers. Monitoring is by each local authority, who monitor allocated providers using shared templates, and then share the findings. The consortium brings all the partners in the framework - providers and the local authorities - together once or twice a year before the annual refresh and they share their perspectives.

The consortium has looked at what savings have been achieved by comparing average costs pre and post- framework. However, identifying whether savings have been achieved was more difficult to do than for the White Rose IFA framework because residential placements are more difficult to categorise as there are so many different packages of care. The consortium believes savings have been achieved as they have not accepted any uplifts for two years and some refresh prices were pushed down.

*"The market is feeling squeezed."*

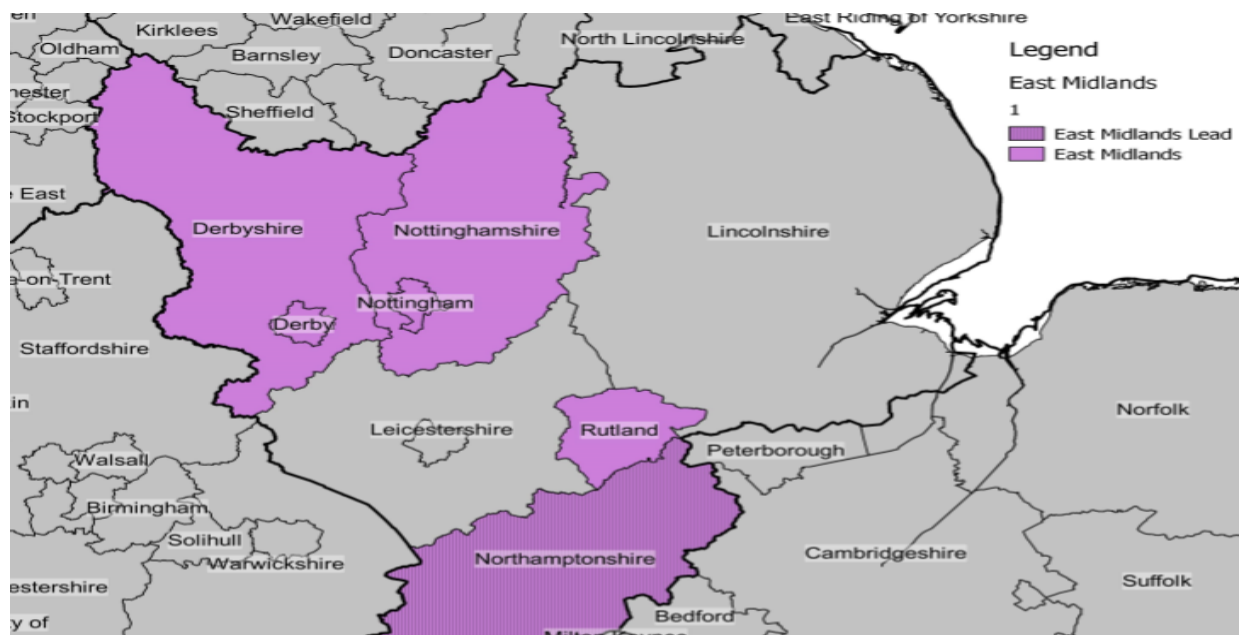
Any provider who wants to increase prices is asked to justify this, and as yet the consortium hasn't seen sufficient evidence to allow increases.

### **3.4 East Midlands**

There are nine local authorities in the East Midlands region and six of these local authorities take part in sub-regional consortia arrangements. Six local authorities are members of the East Midlands Fostering, Residential Child Care and SEN regional consortium as shown in the map below.



**Figure 4: Map of East Midlands fostering, residential child care and SEN regional consortia as at 30 April 2015**



Nottinghamshire and Nottingham City also have a joint block contract partnership for residential child care. Nottinghamshire have an approved provider list for residential child care on a DPS contract.

There is oversight of consortia arrangements by the regional DCS group which involves all nine local authorities in the region i.e. including Leicester, Leicestershire and Lincolnshire who are not members of the current regional consortia. There is also an East Midlands Commissioning Champions Group which leads on commissioning. This is an interagency group with membership including CCG Directors of Commissioning and links to the East Midlands DCS Group.

### 3.4.1 East Midlands Regional Framework for Looked After Children

This framework contract covers residential child care and fostering. There are three lots for fostering with no divisions for age:

- Core.
- Enhanced.
- Complex.

There are two lots for residential child care:

- Enhanced.
- Complex.

Residential child care does not include accommodation linked to special schools. This contract has tiers with tier 1 having the combination of high quality and best price. It commenced on 1 April 2011 for four years to 31 March 2015 and has been extended to 31 December 2015.

Northamptonshire led the commissioning and procurement exercise for the existing contract which is soon coming to an end. A designated officer has been appointed to lead on planning the strategy for future commissioning arrangements. The joint appointment and the governance is to the nine directors and the development group of nine East Midlands local authority commissioners. This consortium does not commission other LAC services but it is tasked to look at SEN services. For the future the scope of the framework will include SEN but there is no further detail at this stage.

There is no partnership agreement in place even though there are payment arrangements to support this consortium. An agreement is to be put in place but to date its absence has not been a problem.

There are three members of staff based in Northamptonshire responsible for managing and monitoring the framework agreement. The cost of operating this team is £140,000 a year. The cost is divided between 6 local authorities depending on their use of the framework by volume of placements. This equates to half a member of staff per local authority, the cost of which is felt to be covered by the savings realised.

All participating local authorities are required to follow the same prescribed call off procedures, which prescribe when and how providers must be contacted with requests for placements. However, it is reported that local authorities do go off framework if they do not get what they need.

Considerable work has been put into estimating savings. There are savings from shared monitoring arrangements which are estimated at £35,000 to £45,000 a year for a large local authority. Savings on placements are from a cost and volume discount arising from the contract. They set out to achieve 3% discount over and above the contract prices which were fixed for four years. The consortium has achieved a 4 to 5% discount over each year of the contract. Across the whole contract, with average fees of £3,200 on 169 places, this is a substantial sum. Full year cost and volume discount has never fallen below 4%.

Contract monitoring and quality assurance is the responsibility of Northamptonshire. There is a full time person who does all the quality assurance visits and who maintains details of these visits for participating local authorities to access. Two full time contract managers are employed and they complete quarterly performance reports. These analyses are used to provide feedback to the local authorities in the consortium. The participating local authorities undertake some additional visits to monitor the quality of provision.

### 3.4.2 Nottinghamshire County Council and Nottingham City Council Partnership

This is a partnership between two local authorities for the joint procurement of three separate block contracts for residential child care. It does not include any education element. There is a joint specification for common areas with individual specifications to the City and County to reflect their different purchasing needs i.e. there is already residential provision in the City but not in the County.

The contract is for seven years plus two years initial extension option plus one year extra extension option for Nottinghamshire and for five years plus three years plus two years for Nottingham City. There were two separate procurements (hosted on Nottinghamshire County Council procurement portal). There were three lots:

1. City.
2. County.
3. City and County.

The requirement was for 24 places for Nottinghamshire and 20 places for Nottingham City with no individual provider providing more than 22 places and at least three providers between the two local authorities. Procurement activities are shared between the two local authorities and the contracts are operated separately by each local authority. The two local authorities monitor the contracts together unless the issue is a specific concern about one of the authority's children, which helps reduce everyone's costs.

To calculate the cashable savings they used the average bed cost using internal data and information on what they were paying for a level of need and compared that with what they pay on the block for equivalent placements. It is estimated that substantial savings have been achieved.

### **3.5 West Midlands**

All 14 local authorities in the region are members of the West Midlands Placements Database, which is part of the West Midlands Children's Strategic Commissioning Group (WMCSCG), an overarching regional consortium. WMCSCG is funded by Improvement and Efficiency West Midlands (IEWM) through legacy funding from the now expired Regional Improvement and Efficiency Programme (RIEP). All authorities in the region use WMCSCG, but there is no partnership agreement in place. The WMCSCG is currently a 'free service' i.e. there is no local authority contributions, and funding is expected to expire in 2017. Discussions are taking place to consider whether or not the service will be continued and in what format.

The WMCSCG aims to have strategic oversight of a variety of services for children and commissioning placements for looked after children is a key focus area. The group reports to the ADCS West Midlands network which sets the WMCSCG work plan. There is also a contracting group which consists of officers from the local authorities who are involved in the day to day operational work of sourcing placements and maintaining contractual relationships with providers. This contracting group is very influential in shaping the work plan of the WMCSCG as they are aware of changes in legislation and trends both in children's needs and in the market. So there is both a 'top down' and 'bottom up' influence over the work plan.

The WMCSCG operates the West Midlands Placements Database (WMPD) which is a web-based platform available for every provider in England and Wales to register their services. The WMPD is accessed by social workers or placement officers seeking a placement. All providers on the frameworks that are commissioned by the sub-regional consortia are required to be registered on the WMPD and through this there is a system for ensuring there are up to date documents and checks. Whilst the database aims to

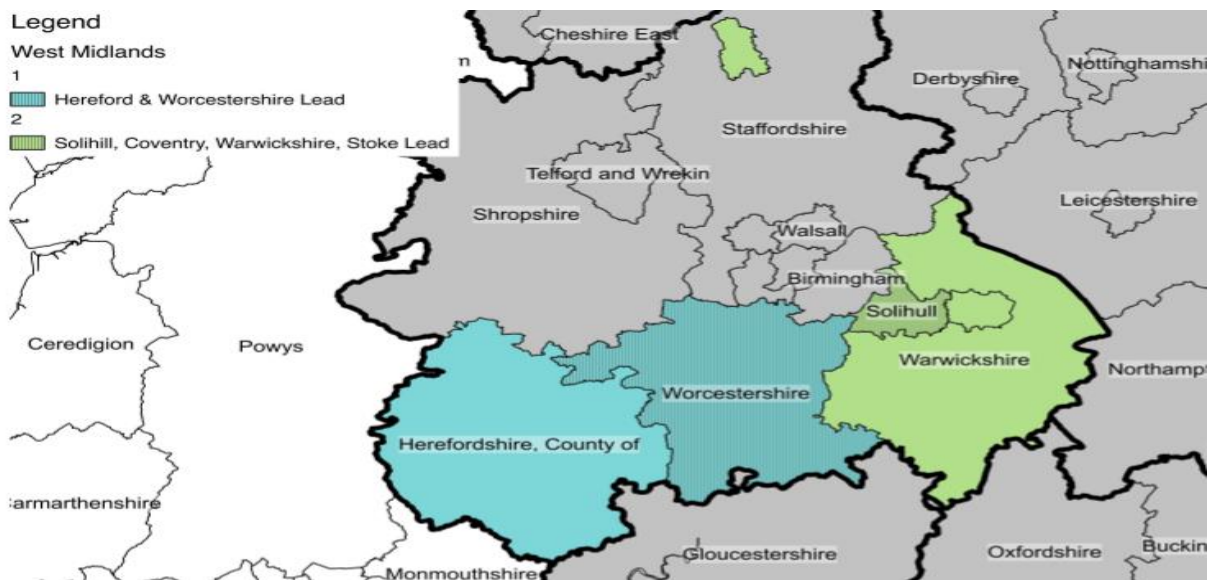
maintain information on essential checks, the WMSG is not resourced to effectively coordinate monitoring information and to support local authorities to work together to implement effective ways of monitoring. This is viewed by some as a significant gap. There are also some concerns regarding how effective both providers and commissioners are at ensuring that the information on the platform is current.

All local authorities in the region are part of the West Midlands Residential Child Care regional consortium, which has a framework contract with lots based on numbers of beds in a home.

The West Midlands fostering framework expired in 2015. It was not possible to extend this under the terms of the current framework and the 6 participating local authorities are making their own arrangements as to how they will procure placements over the next year. This includes reverting to spot purchasing, tendering imminently, joining another sub regional arrangement or looking at using existing lists of providers. In addition, there are two active sub regional fostering frameworks. All fostering frameworks in the region are due to expire by 2018 although it is possible that the fostering frameworks will merge into a whole region framework in 2016.

All frameworks overseen by the WMCSG are based on the relevant national contract but with some amendments in terms and conditions. Spot placements continue to be made, mainly using the relevant national contract in its official form.

**Figure 5 Map of West Midlands sub-regional fostering consortia as at 30 April 2015**



### 3.5.1 Herefordshire and Worcestershire Fostering Framework

A wide range of foster care services are commissioned through this framework contract. Staffordshire is about to join the consortium and a number of other local authorities are looking to join this framework as a result of the West Midlands Foster Care Framework recently terminating (under EU procurement regulations it was not possible to further extend this). This means that some local authorities that are not currently members of a

fostering framework are looking to join other sub-regional arrangements until such time that a regional framework for foster care can be developed.

The consortium reported that savings are not calculated at a 'whole contract' level and participating local authorities are responsible for determining their own savings. Worcestershire estimated that they made a saving from the commencement of the agreement and transfer of placements across to the end of the financial year 2014/15 of £380,000 (37 weeks at a saving of £10,243 per week) so annualised this is an estimated cost reduction of £535,000.

### 3.5.2 Solihull, Stoke, Coventry and Warwickshire Fostering Framework

In 2010, Coventry City Council, Solihull Metropolitan Borough Council and Warwickshire County Council signed a Memorandum of Understanding and formed the Procurement Shared Service. From November 2009 to April 2014 these three local authorities operated a joint framework for the procurement of foster placements with 12 providers. In the first three years of the contract (2010 – 2013), Coventry reported savings of £1,495,744, Solihull £693,121 and Warwickshire £676,763. This success led to the decision that a further procurement exercise was required and Solihull led a collaborative contract on behalf of the same three authorities plus Stoke City Council. They developed a framework agreement where 39 providers were selected following the procurement evaluation. This new framework consists of lots and tiers and commenced on 1st May 2014.

The now four participating local authorities report the benefits as follows:

- Savings - existing placements moved on to the new framework prices where these were lower, which delivered an initial saving at implementation. The pool of providers in tier one has significantly increased whilst offering a lower average cost in this pool.
- Quality - the framework seeks to make placements at the lower end of the tariff market whilst still ensuring that these are with high quality providers.
- Sufficiency - there is pressure to increase local sufficiency of placements and the framework is one of a range of tools that is in line with the Department of Education's Sufficiency Guidance.
- Market development - working together, the four authorities are able to analyse supplier development and capacity building for the framework.

### 3.5.3 West Midlands Residential Child Care Framework

In 2012 a collaborative procurement, led by Worcestershire County Council on behalf of all fourteen authorities, was undertaken for a framework agreement for the provision of residential child care placements for looked after children. Following completion of the procurement process framework contracts were entered into with 120 providers. The framework arrangement increased the pool of providers, ensuring that local authorities in the region were better placed to meet the varying needs of children that require a residential placement. Local authorities transferred existing placements to the terms and conditions of the new framework contract. The initial two year period ended on 8 May 2014 and was extended for 6 months to 9 November 2014 to allow the contract to be re-tendered.

Sandwell Metropolitan Borough Council led on the procurement for the new framework contract (November 2014 for a period of 3 years with an option to extend for a further year). Providers successful in being placed upon the framework following the procurement process are not guaranteed placements, but have the opportunity to accept individual purchased placements (call-offs) which are made under the terms and conditions of the framework agreement. Each local authority signs a contract with successful providers on an individual basis.

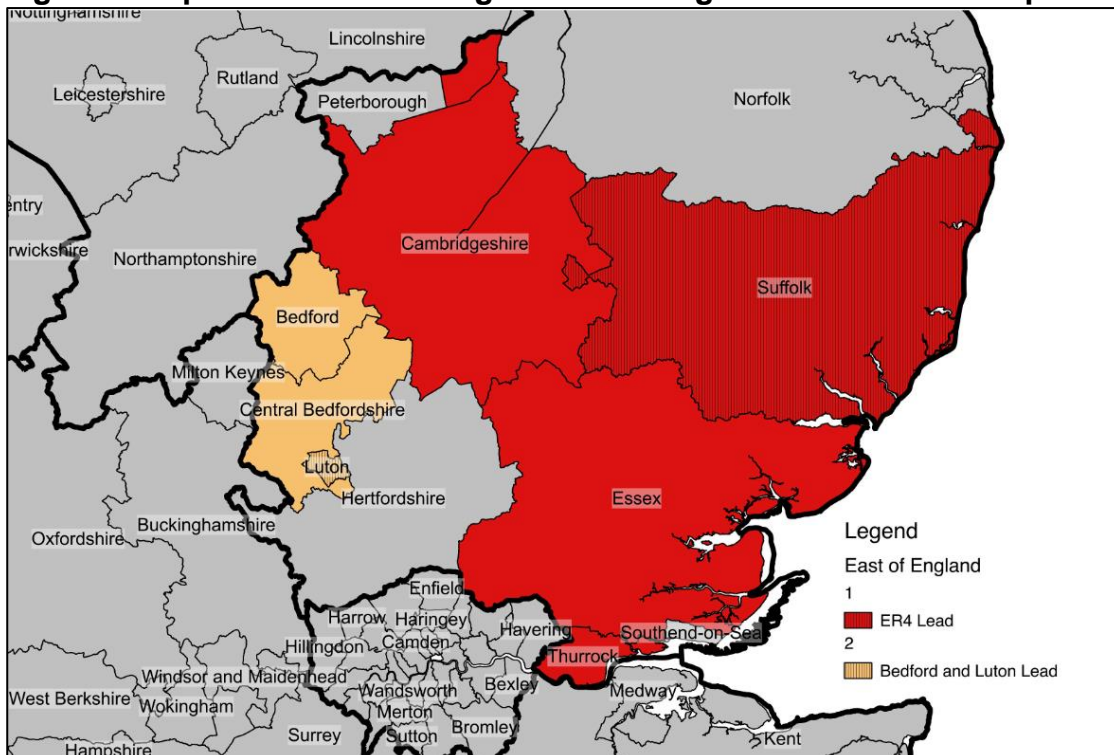
The framework agreement is for the provision of both residential child care and residential care with education: it covers all children in need of residential care including children with a disability. Lots have been based on size of home and cover solo, standard, complex and specialist provision. The WMSCSG support the consortium with project management and Sandwell fund the procurement costs.

The consortium reported that the procurement exercise was heavily challenged by independent providers who asked the [Independent Children's Homes Association](#) (ICHA) to raise concerns regarding the procurement approach on their behalf. There are mixed views amongst providers and commissioners as to whether or not these issues were all satisfactorily resolved and what the long term impact on the contract will be. As the contract is relatively new, there has not yet been an evaluation of the benefits or shortfalls of this arrangement.

### 3.6 Eastern Region

There are eleven local authorities in the Eastern Region. This region appears to have the least extensive regional and sub-regional arrangements with only seven of the eleven local authorities involved in regional consortia.

**Figure 6 Map of Eastern sub-regional fostering consortia as at 30 April 2015**



However, a number of local authorities in the Eastern Region are part of other consortia arrangements e.g. CCRAG, London Care Placements and the Cross Regional Residential Care Project, which may explain why within-region arrangements appear limited. There are no arrangements at a regional level.

### 3.6.1 Eastern Region 4 Fostering

This arrangement is called the “Eastern Region Foster Care Rolling Select List” and is usually known as ER4. It started on 1 October 2013 for four years with a 15 month extension and has four participating councils. The select list was advertised with minimum standards for entry and is re-advertised annually for new entrants to join. The select list is co-ordinated by Suffolk County Council, whose eTendering system is used to issue the documentation for bidders. A rolling select list was used rather than a DPS, as the participating councils have used a model with tiers within the contract. The procurement process establishes a select list for each of the participating councils, which is then contract managed by the council using a commonly agreed approach with shared responsibility regarding annual contract monitoring visits. The participating councils operate their contract sequentially by going to tier 1 providers and then approach tiers 2 and then tier 3. There are three levels of need:

1. Limited support
2. Standard
3. Intensive

In addition, there are categories for parent and child with and without assessment.

There were two additional councils involved in developing the model, but they dropped out at the award stage leaving the current four. There have been enquiries to join ER4, however these have not been encouraged as there is no additional funding to support the model and due to the additional work involved in absorbing new members.

Suffolk is the lead and coordinates the procurement process. Each of the four participating councils has a role in the evaluation of the bids to share the work load. They jointly developed a common specification and requirements. The select lists are awarded and managed by each council. Separate contracts are issued by each participating council with each provider. There is a Memorandum of Understanding signed by the participating councils regarding the agreed approach.

There is a jointly agreed contract monitoring approach, with shared responsibility to complete annual contract monitoring visits. Contract management is in two parts:

1. Each provider has an allocated link council based on geographic location and the number of placements with each council. The council undertakes annual monitoring / compliance checks sharing the information with the other participating councils on a standard form; and
2. Each council meets providers to review child outcomes for their placements.

Each council evaluates the effectiveness of the contract for themselves. Monitoring is done by each local authority monitoring their own providers using a common approach and sharing the findings. Each council is responsible for resourcing any additional contract management/monitoring. An annual ER4 provider forum is hosted by Suffolk with participating councils also meeting with providers and running events over the course of the year. Individual councils meet with the providers they use, especially their tier 1 providers.

The preceding contract ER5, was a framework which had had static prices for both the original contract period and the extension totalling 5 years.

ER4 estimates that savings of over 4% of the placements budget have been made. The method used to calculate savings is to look at placements made in the last year and compare to a similar basket of placements made under ER5 and also to placements made on spot arrangements. In ER4, providers are able to offer a price per council and also to vary their prices annually at the annual review point. When a placement is made however the price is then fixed for a period of 4 years for that placement. This encourages providers to ensure their fees are right at the start of a placement.

### 3.6.2 Bedford and Luton Fostering

Luton is the lead authority for this consortium, which also includes Bedford Borough and Central Bedfordshire. Bedford Borough and Luton are also members of CCRAAG. Initially there were two other authorities in the consortium - one from the Eastern region and one from the South East region – but they withdrew at the time the framework went out to tender. Both of these local authorities are also members of other consortia arrangements.

This framework agreement is for independent foster care and does not include short breaks for disabled children. There are eighteen preferred providers on the framework, which has neither lots nor tiers. The framework has standard and enhanced providers with the same specification, but there are criteria for a placement to be classified as enhanced and these placements have different bands for pricing. This can depend on need or whether the placement is a solo or sibling placement or for 3 or more children. There are no differences in payment for age. The contract started on 1 November 2011 and was for three years plus two years extension. Members use standardised processes and paperwork to access placements i.e. same referral form etc. Call offs are made for either standard or enhanced placements, which is decided prior to putting the placement request out to providers. Monitoring of the contract is shared by the three members with each leading for a number of providers and Luton providing overall coordination of the information from the monitoring activity.

The consortium has estimated that significant savings have been achieved through the framework contract: approximately 8% compared to estimates of continuing with their previous arrangements. These savings are across each year of the contract, which also included no RPI increase throughout the time of the contract and no other price uplifts.



### 3.7 London

London Care Services (LCS) is an overarching cross regional consortium and database hosted by London Councils. It is used by all of the 33 London boroughs and 8 partner authorities (Buckinghamshire, Essex, Hertfordshire, Oxfordshire, Milton Keynes, Peterborough, Slough, Windsor and Maidenhead) to find quality children's services for children and young people placed away from home.

Providers can qualify to join the London Care Services database by agreeing to sign up to the London Model Contract and by meeting a quality standard. This qualification process is overseen by London Care Services. Providers of foster care, residential child care and residential special schools offer information about their services, quality, vacancies and fees on a secure area of their website ([Website for London Care Placements](#)) accessible to the provider and local authority commissioners. Providers see and access information about their own service(s) whilst commissioners can see information about all providers.

Local authorities use the site to:

- Search for providers and find placements for children and young people.
- Check quality and price.
- See key registration documents.
- See inspection reports provided by OFSTED/CSSIW.
- Find links to other statutory bodies and related organisations.

Each authority pays an annual subscription of £5,800 with the exception of City of London who pay less due to their exceptionally low numbers of looked after children. The annual subscription was reduced from the £8,000 charged previously, although this may need to be increased again. There are mixed views from local authorities about the value of the subscription. London Care Services is currently undergoing a review of their offer to the local authorities to clarify the value it provides to subscribing member authorities.

There are also sub-regional arrangements, which are not resourced by the funding provided to London Care Services. Instead, consortia negotiate their own partnership agreements and decide on funding contributions and the arrangements for procurement and contract management. This means that some local authorities are paying a subscription to be part of a sub-regional consortium arrangement and a further subscription for the wider London Care Services. This allows the local authority to manage risk when a sub-regional framework is unable to meet the placement needs of their looked after children. It manages risk by aiming to ensure that placements outside of a sub-regional framework still meet due diligence for quality provisions and value for money. The sub-regional fostering consortia are detailed below.

**Figure 7 Map of London sub-regional fostering consortia as at 22 May 2015**

### 3.7.1 North London Children's Efficiency Programme

Five Boroughs are members of this sub-regional fostering consortium. They each pay £17,000 to fund North London Children's Efficiency Programme (NLCEP), which funds commissioning work for both SEN and LAC, and which is in addition to the subscription paid to LCS. The NLCEP hosts a select list for fostering which is also used by East London Solutions (see below). Membership includes a shared quality monitoring framework for alternative provision and facilitating shared training as well as hosting provider forums and chairing joint meetings between commissioners and providers. The consortium has recognised flaws in their monitoring arrangements that require a significant duplication of work. A senior manager is looking into ways of streamlining this to create efficiencies. The NLCEP consortium does not operate a residential child care framework or list and boroughs will go directly to London Care Services to source residential child care placements.

The consortium was recently successful in their bid to the [innovation](#) project to commission a 5 bedded residential home that can be used for an emergency assessment and planning provision for a maximum 12 week period. This is deemed necessary as the participating boroughs have identified that they are struggling to meet the needs of a small cohort of young people, many of whom have had an average of seven foster placements before they enter residential child care. The hypothesis is that the boroughs are struggling to match children to the right placements in the limited time that they have to do this (it can sometimes be a matter of a few days or even a few hours). Placements made in emergencies are more difficult to sustain and having the opportunity to use the specialist 12 week provision will provide adequate time to hold a young person safely whilst the right placement is sourced and the necessary planning undertaken. It is anticipated that this service will enable the consortium to better meet the needs of hard to reach young people and adolescents on the edge of care.

### 3.7.2 East London Solutions

Six councils in East London formed East London Solutions (ELS) in 2009 to deliver and commission shared and collaborative services. A memorandum of understanding exists setting out their values, objectives and responsibilities. The ELS children's programme has recently lost their Children's Programme Manager and discussions are being held to determine future arrangements. In the meantime these local authorities have been invited to use the fostering framework set up by the North London Children's Efficiency Programme. No charge is being made to use this framework as there is a view that the increase in buying power benefits both commissioners and providers working across both sub regions. The ELS councils use London Care Services database to source placements in residential child care. There are no plans at present to commission these services on a sub-regional level.

### 3.7.3 South East London

This consortium has not tendered for a framework agreement, but members are working together to share intelligence and to scope whether or not they wish to enter any formal arrangement. Lambeth are leading on this and do have their own framework contract for foster care which is open for other boroughs in South East London to join. Part of the pre-qualification for this framework was being registered with London Care Services.

### 3.7.4 South West London

This consortium does not operate a framework contract but has an approved list that is used in addition to the London Care Services database. The reason for operating a sub-regional approved list is due to the pressure the local authorities are under to make cashable savings and prices on the sub-regional APL have been further negotiated. The consortium is currently engaging with providers to develop its strategic commissioning plan.

### 3.7.5 West London Alliance

There is a West London fostering framework led by Hillingdon which was commissioned to increase the choice of placements for children with complex needs and also parent and baby placements. The consortium based the contract on the London Model contract but adapted it for sub-regional use. The consortium is working with local residential child care providers to share information on what is needed. As yet there is no plan to establish a residential child care framework and participating boroughs continue to use the LCS database to make residential child care placements.

## 3.8 South East

There are nineteen local authorities in the South East region. The region has no overarching regional arrangements for consortia commissioning. This reflects its very large geographical size and the diversity of the local authorities within the region. There are a range of sub-regional consortia and partnerships: a number of these include local authorities from the Eastern and South West regions. East Sussex is not a member of any sub-regional consortia.

There are 2 sub-regional fostering consortia, one residential child care consortium, one partnership and two consortia, both led by West Sussex, that commission residential child care as well as fostering placements.

**Table 4 South East regional and sub-regional consortia as at 22 May 2015**

Cross Regional Project – Residential Child Care	Mid Southern SEN and Residential Framework	South Central Fostering Framework	Kent and Medway Fostering Framework	West Sussex and Brighton & Hove - Fostering and Residential	West Sussex and Kent DPS – SEN Residential and Fostering
Bucks (L)	Hampshire (L)	Hampshire (L)	Kent (L)	West Sussex (L)	West Sussex (L)
Bracknell Forest	Bracknell Forrest	Bracknell Forrest	Medway	Brighton & Hove	Kent
Milton Keynes	Bucks	Oxfordshire			
Oxfordshire	Isle of Wight	Portsmouth			
Reading	Portsmouth	Reading			
Hertfordshire	Reading	Slough			
	Slough	Southampton			
	Southampton	Surrey			
	Surrey	West Berkshire			
	Swindon	Windsor & Maidenhead			
	Wiltshire	Wokingham			

### 3.8.1 South Central Authorities IFA Framework Agreement

This consortium commissions foster care placements, including parent and child, and for disabled children, but not short breaks for disabled children (Hampshire have a separate contract for this). This is a framework agreement with lots and tiers. There are three lots:

1. Children and young people 0 to 4 years, 5 to 10 and 11+ years.
2. Parent and child.
3. Disabled children.

There are three tiers. The framework started on 1 April 2012 and is for three years with one year plus and a further one year plus extension options. Southampton City Council led on commissioning and procurement arrangements, but Hampshire County Council took over as lead in 2013. There are eleven local authorities in the consortium all of which are in the south east region. The Isle of Wight is not strictly part of the consortium, but it has voluntarily agreed with providers to work with IoW on the same terms and conditions as this framework offers.

There is a partnership agreement for the operation of this consortium. Building the specification and ensuring that the needs and priorities of the different local authorities were met was difficult and took a long time i.e. the whole process took two years. However, getting sign up after this was not too difficult. It was a new arrangement and the local authorities were very positive and committed to making it work. This was the first time the consortium had developed a framework agreement.

All the local authorities operate the contract in the same way. They pay on bed night usage for the infrastructure of the framework. The framework involves £50 to £55 million purchase value per year. There is 0.5FTE project manager in Hampshire who manages the data, monitoring and events that support the framework plus about 5% of another post. This is about to change to increase administrative support and diminish the management resource. It is hoped that this new arrangement will have a sharper focus on contract management and will support this framework and the residential child care and special schools framework.

The consortium has reviewed costs and savings and concluded that the prices on the framework are very competitive. There have been savings, but a significant amount of the savings has come from tighter contract management and control of spending commitments through the contracting process i.e. control of additional costs.

There are twice a year provider events at which progress and issues are discussed. This has allowed development of the agreement and the consortium feels very positive about this. Care staff are not part of these events. There is consultation with teams about providers' performance. Part of the local authority appraisal of providers is asking Independent Reviewing Officers (IRO) and others how well placement needs are met. Work coming from such events includes the voluntary staying put agreement which was developed together by a group of providers, commissioners and care practice staff.

Monitoring is co-ordinated by Hampshire. Each local authority conducts an annual review of providers allocated to them and Hampshire collates KPIs. It is this activity which is funded i.e. data aggregation and managing the monitoring by local authorities. There is a shared specified process. However, local authorities do not consistently submit their monitoring to time and specification. The lead local authority often has to devote more resources than is paid for by the consortium. Monitoring is not as effective as it could be because of its dispersed nature across many local authorities.

### 3.8.2 Mid Southern SEN and Residential Framework Agreement

The Mid Southern consortium for residential child care and special schools has a membership which substantially overlaps with that of the consortium for IFAs. Three members of this consortium, and IoW, also have a prevention of offending contract which procures short term remand and emergency Police and Criminal Evidence (PACE) beds.

This framework contract covers residential child care, including emergency placements, special schools and independent education day schools. There are no lots or tiers. This is a framework agreement which is opened regularly to encourage new providers to develop services. The framework can be opened as often as needed, but will probably be opened once or twice a year. The contract is for 2 years with an extension for one year plus and one year further extension from 1 October 2014. Prices are fixed for two years. It operates like a select list. This framework is a pilot and if it works the consortium will move to a tender which is more formal and for longer.

Providers were asked to look at a list of needs and identify which needs they met at three levels in each category i.e. level one standard to level 3 just below very specialist provision such as secure welfare placements or tier 4 CAMHS. The consortium's assessment of the market was that it was not ready for something more formal and they should work to improve the arrangements so that the next iteration of this framework could be tighter. They identified compliance problems in parts of this market e.g. special schools that refuse to sign contracts. There is standardised paperwork for the operation of the framework: in practice, local authorities look at need and location and then send out their placement request.

Hampshire is the lead authority and there are 11 members, 9 of which are also part of the South Central IFA framework and two are not. These authorities are in the South West Region. There is a partnership agreement which reflects lessons learnt from the IFA agreement. There is a more formal setting out of the scope of what the lead authority will do under this agreement compared to the IFA framework. Allocation of costs to members is done proportionately as some local authorities are only in the consortium for some elements i.e. residential child care or special schools. If a local authority is in both elements then for a large council the cost is £8 to £9,000 a year and for a small council as low as £900 a year. The total cost of the contract management and monitoring is £38,000, which is about the same as for the IFA contract.

The consortium has reviewed cost savings by making a comparison of what they are paying under this framework agreement with what they paid at a previous point in time under the previous arrangements. In this agreement some prices remained the same, some went up and some down. There was an evening out of prices between members and it appears some local authorities were previously consistently paying more than others. There was an effort to consider value for money. The consortium knew the acceptable profit element and knew average price. They asked providers for a breakdown of costs. However, it was hard to get an agreed outcomes framework as their experience was that the market was not ready for this approach. The consortium could also see the impact of the property dimension on how these businesses are run. Many members are in areas with high and rising property prices. There was also consideration of the impact of each authority's residential care strategy and what the view within the local authority is of the future of their own provision.

### 3.8.3 West Sussex and Brighton and Hove Fostering and Residential Framework

This consortium is procuring independent fostering placements and residential children's services both with two tiers. It is limited to 10 IFAs at tier 1 and unlimited number of providers at tier 2. For residential children's services it is limited to 5 providers at tier 1. There are no lots. Providers are asked to price in terms of age bands. There is a distance criteria linked to the tiers. Tier one must have provision and a management presence within the authorities. Tier two can have provision within 20 miles of the authorities, and be able to demonstrate that they can successfully provide a management service to those placements.

The contract started on 1 November 2012 and is for four years with extensions for one year, plus one year and a further one year extension options. West Sussex led on commissioning and procurement.

This is a framework agreement with annual opening to apply to join or to apply to another tier, but not to apply for a price refresh. However, providers can apply for a change in prices where this is agreed with the local authorities. Prices quoted are maximum prices for that provider. The provider can lower prices if they chose to and there is negotiation of price on individual placements.

There is a memorandum of understanding for this consortium, which is substantially unchanged since it started in 2008. The contract operates by referral from either local authority which goes to all providers on the framework, IFA and residential child care. Tier 1 responses are considered first and they award the placement to the most appropriate provider, if not the award then goes to tier 2. In evaluating the response the consortium uses outcomes from Every Child Matters for provider responses and price is considered for all providers where there is sufficient quality: effectively a mini competition is run for each placement.

This framework has helped achieve substantial cost savings. The framework came after the end of the existing cost and volume arrangements and there have been no inflationary increases since 2008. However, the biggest savings came from individual placement tendering which led to reduced placements in residential child care. IFAs met needs of children who might otherwise have gone to residential child care. Residential placements fell over 50% in four years of the first contract, from 90 to 40, reducing costs of external placements. This has not happened post 2012, but the established pattern of lower use of residential has continued. This has achieved savings of about £9 million a year for West Sussex. There has been an overall small decline in LAC numbers.

Each authority does their own monitoring and shares the results with the other. The local authorities focus their monitoring on where their children are placed rather than allocating providers to each. The authorities meet regularly and allocate work on a short term basis. West Sussex holds the coordinated records of monitoring. The consortium believes that monitoring could be deeper as it is reliant on provider self-assessment. In addition, there are quarterly forums which are open to all providers on the framework. All providers are engaged and encouraged to work together.

While there are no plans for other local authorities to join this consortium West Sussex are delivering an innovation project to explore a wider regional arrangement. This will grow from the current DPS (see below). West Sussex aims to commission a DPS for residential schools, IFAs and residential child care. This will be across the SE region or the SE part of the SE region i.e. Surrey, East and West Sussex, Brighton and Hove, Kent and Medway. There is also potential for the ten South West London consortium local authorities to join. This project will be known as South East Together.

#### 3.8.4 West Sussex and Kent DPS for Residential and Specialist Fostering for Disabled Children

This DPS is for:

- Day and residential placements in independent and non-maintained special schools – all types of need in this sector.
- Placements of residential child care for children with disabilities.
- Residential short breaks for children with disabilities.
- Specialist foster care agencies for children with disabilities.

West Sussex established and procured the DPS, which started on 1 March 2012 and Kent joined as a partner on 1 May 2014. West Sussex and Kent are both part of other commissioning consortia.

It is a DPS with no lots or tiers and it is continuously open. The process for using the DPS is prescribed and both authorities adhere to it. This will still be the case for the development of a wider regional DPS South East Together.

The consortium is undertaking work to base line and model savings. Savings are difficult to measure for this DPS as previously all services were spot purchased. When the DPS was established a post was also established to manage the process, address relationships with providers and to get a much better understanding of costs so they could be challenged. The climate provided by the messages about austerity provided the opportunity for the consortium to address costs with providers and to drill down into costs and prices. It is thought that this greater scrutiny, and joint working, has led to savings, however, the consortium will have a clearer view of savings in 12 months' time. For now it is hard to attribute savings between the DPS and the better market management and relationships achieved by having a dedicated post holder focused on the area of service covered by the DPS.

The structure of the DPS, and the development of provider forums, has improved dialogue with providers and brought the potential to engage in more developmental dialogue with providers. There is limited capacity to monitor the DPS. Monitoring is done on an as-needs basis and relies on Ofsted to monitor and make judgments, but they log concerns raised e.g. by parents, social workers etc. Parents and others are quick to get back to them if there are issues. There is an annual contract compliance process and, based on this, the consortium monitors by exception. They would like to be more proactive, but they are not resourced for a more proactive role. Under the DPS there are 300 children placed in 70 different schools with 1.5WTE staff to monitor and manage this activity. The lead for each provider is with Kent or West Sussex and each authority has their own system.



### 3.8.5 South East Together

West Sussex are now working with a wider group of local authorities including those in the south east of the south east region and from south London to build on the West Sussex and Kent DPS to develop a second model which covers a wider group of services including residential child care and foster care. This project is funded as part of the DfE [innovation](#) programme and also receives contributions in kind from the partner authorities and independent providers.

As part of this work, South East Together are looking to review and update the national contracts for residential schools, residential child care and foster care, and use these as overarching contracts for the services that are commissioned. Whether or not these updated versions will be adopted as the formal national contracts will be dependent on the agreement of the National Contracts Steering Group that represents local authorities and providers. This project also includes the development of an outcomes framework and there is a proposal to link this with the contract documents. This in effect could be adopted as the national outcomes framework.

### 3.8.6 Kent County Council and Medway Council Joint Multi-Supplier Framework Agreement for Independent Fostering Provision

This is a Framework contract, which is closed for a defined period of time and includes lots and tiers. It is for all fostering services including disabled children and those with challenging behaviour. There are three lots: standard; specialist; and complex. Each has age bands or categories. Parent and child placements are included in the lots. Tiers are allocated on price. However, the consortium has reviewed the framework, which began in 2013, after two years and is looking to remove the tiers. The bulk of providers are in tier 1.

Kent is the lead local authority and undertook the commissioning and procurement in consultation with Medway. The two local authorities operate the contract separately. Kent developed a portal that allows providers to upload information on their performance management and both local authorities use this to manage the contract. Each authority is responsible for management and monitoring of the contract. Both authorities have developed the same performance and contract management tools and share information on a regular basis. There is a partnership agreement between the two local authorities and no money transfers between them.

The local authorities negotiate costs of placements and individual care packages of care which is done by their Access to Resources Teams to achieve best value for money. At the review point they will look at cost savings as part of the review and are introducing mini competitions. In addition, the Kent transformation programme carries out comparisons to other local authority's costs. There is a methodology used across the transformation programme for identifying cost savings developed by their transformation partner. The consortium has not defined value for money, but would like to look at whole term/whole life costs, i.e. high early investment pays off with later lower costs, as part of the review of the framework.

Kent and Medway hold six monthly forums with all providers. Operations managers attend as well as commissioning and procurement staff. Each authority monitors and contract monitors the providers they use although they do sometimes monitor for the other authority and sometimes jointly where this is agreed. The current resource is judged as just adequate for this task. They risk assess where to focus their monitoring effort.

### 3.8.7 Cross Regional Residential Project

This project is a contracting partnership of 6 local authorities, 5 of which are from the South East region and 1 from the Eastern region. All members are part of other partnerships or consortia.

This partnership was established to commission and procure 20 residential child care places and a special EBD school with 24 places, 20 of which are directly linked to the residential child care places. The school has four day student places. The provision is for children in KS3 and above and aged 11 to 18 years and includes therapeutic provision. Each partner has an allocation of beds. There has been reallocation of beds during the life of the project. The project has achieved 95% occupancy.

The partnership tendered a block contract, which was won by an independent provider, and was for five years plus three years. It started on 1 January 2010 and has now been now extended by two years to December 2017. These residential child care places were new provision as this group of local authorities had very little local provision prior to the partnership. A key aim of the project was to increase local, high quality therapeutic residential provision. The project has led to the establishment of six new children's homes in the area covered by the six local authorities and the school which is in High Wycombe, Buckinghamshire. The residential child care provision must be within 1 hour peak time travel time of the school, but within the locality of each of the 6 local authorities i.e. within 20 miles. Two are in Buckinghamshire, two in West Hertfordshire and two in Windsor and Maidenhead.

Oxfordshire was the original lead for the contract and still hold the contract but day to day management is with Buckinghamshire who have overall responsibility for monitoring and project management. The project manager is employed by Buckinghamshire but funded by the six participating local authorities. There is a rotating chair or lead for the project group which changes every six months so all authorities have to take the lead.

This partnership has a tight partnership agreement whereby if any partner leaves the partnership is dissolved. It was designed so that it would be hard for a partner to leave once the commitment to the project was made. This security was needed given the long term nature of the project and the need to ensure it could not be disrupted easily by changes of personnel or shorter term changes of view in participating local authorities. Developing and agreeing the partnership was time consuming and took a great deal of work. Renegotiation of aspects has also been difficult as there is a need to accommodate the differing needs and priorities of members with different needs and of very different sizes.

While the partnership has not commissioned other services they have worked together informally to manage the market locally. They have a dataset of all providers of residential child care and foster care but not of residential special schools. They have also looked at parent and baby placements and alternatives to remand. They have analysed their main providers and presented to each of them individually on their market position, changes in use over the years, strengths and weaknesses. This led to open dialogue and helped explain needs to them. For residential child care there were very few local providers and fewer beds than the local authorities needed. This work led to 3 of the 5 providers engaged in this exercise adding to their provision and doubling the level of local resource after they had the information even without any block or framework contract. This work runs in parallel to CCRAAG which a number of local authorities in the partnership are members of.

Work to support the partnership is shared across the 6 local authorities with Buckinghamshire undertaking more of the management activities. There is a charge to each member based on bed allocation which pays for a 0.5 WTE project manager, and legal and commercial service support.

The partnership estimates that the contract price has saved £500 per week per placement. For Buckinghamshire with 7 places this is a saving of £3,500 per week i.e. £200,000 per year. There is a focus on cost avoidance rather than saving per se. They considered value for money and total placement costs and savings made through more local provision which were calculated as £9,000 per year per child placed locally.

The six local authorities undertake contract monitoring activity, which is monthly by telephone conference and with quarterly face to face meetings with the provider to look at activity and quality. Each local authority has a home to monitor twice a year and uses CCRAAG forms B & C for assessment. There is a twice yearly school assessment by a virtual school head and an annual review of the therapeutic provision. Smaller local authorities report that they find the level of resource needed to support the running and monitoring of the contract hard to sustain so the larger authorities support them.

### **3.9 South West**

There are sixteen local authorities in the South West region and four sub-regional consortia as shown in the table below. Due to the size of the South West, commissioning activity related to looked after children is largely divided into two sub-regions: the local authorities based in or near the peninsula and local authorities based in the northern and eastern region of the South West. Both these sub-regions operate separately from each other and there is no overarching regional body overseeing commissioning activity across the region. Bournemouth and Poole are not members of any sub-regional consortia.

**Table 5 South West sub-regional consortia as at 22 May 2015**

<b>Peninsula Commissioning and Procurement Partnership</b>	<b>Peninsula Fostering Cost and Volume</b>	<b>North Region of the South West Fostering</b>	<b>South West Region Residential Child Care</b>
Cornwall	Devon	Bath & NES	<b>Bath &amp; NES (L)</b>
<b>Devon (L)</b>	<b>Plymouth (L)</b>	<b>Bristol (L)</b>	Bristol
Plymouth	Torbay	Dorset	Dorset
Somerset		Gloucestershire	Gloucestershire
Torbay		North Somerset	North Somerset
		S Gloucestershire	S Gloucestershire
		Swindon	Swindon
		Wiltshire	Wiltshire

### 3.9.1 Children's Peninsula Commissioning and Procurement Partnership

The Children's Peninsula Commissioning and Procurement Partnership is a longstanding collaboration between Cornwall Council, Devon County Council, Plymouth City Council, Somerset County Council, and Torbay Council. These authorities have an agreement to collaborate on the commissioning and procurement of children and young people's services and have jointly tendered for services since 2009, and co-operate on the monitoring of the quality of provision.

It is a requirement that providers are based in the South West in order to qualify to be on the peninsula framework. The framework includes 4 different lots:

- Lot 1 Independent residential child care.
- Lot 2 Independent fostering services.
- Lot 3 Day and residential independent and non-maintained special schools.
- Lot 4 Support and accommodation for 16-25 year olds (including care leavers and those who meet the threshold for local authority support).

Devon County Council led on the procurement on behalf of the peninsula authorities. Contributions by the local authorities vary and are proportional to the number of children in care, but on average each of the five participating local authorities pays £20,000 each year to fund the procurement activity, a full time manager and monitoring capacity. There is some funding set aside to facilitate meetings on average every six weeks for the Peninsula Board and Peninsula Team members. There is also funding to provide Peninsula provider events – usually two per year.

### 3.9.2 Peninsula Cost and Volume Fostering Contract

There are three local authorities participating in the Peninsula Cost and Volume contract. It was instigated by Plymouth in 2007 who commenced the commissioning activity and then invited other local authorities in the peninsula to join the project. This offer was accepted by Devon and Torbay in 2008. Seven providers are on the cost and volume contract and they offer a discount based on the overall spend rather than on the number of beds. The three local authorities send referrals to those providers on the cost and volume framework before it is sent to other providers on the peninsula framework.

The management of the contract is funded by Plymouth City Council and there are no contributions from Devon and Torbay. Plymouth has calculated that since 2007 they have saved over £1 million through the discounts that have been secured. An unexpected benefit of the cost and volume contract is that providers outside of the contract have negotiated their prices downwards.

Participating local authorities feel that the contract works well and that there is positive partnership working with providers who also work well amongst each other to share good practice. Providers have brought some healthy challenges to commissioners that have improved local authority commissioning practice and which have meant that there are fewer disputes to resolve. The main risk with the cost and volume contract is the possibility that placements may be chosen which may not fully meet a young person's needs, but which offer a local authority an attractive price. To date there has not been any independent evaluation of the placement decisions made under the contract and there are not any plans to do this.

### 3.9.3 North Region of the South West Fostering

This consortium procured a framework contract closed for a period of time for:

- Standard.
- Complex – primarily disability and health issues.
- Parent and child placements (which can include assessment which is included in the pricing schedule).

The framework does not cover short breaks for disabled children. There are no lots but the pricing schedule asked providers to submit prices for different groups outlined above. There are four tiers. These are different for each local authority in terms of which providers are on which tier. The prices offered from each provider are the same regardless of tier or location. Tiers are a mix of price and quality and there is an additional scoring on local capacity within each local authority i.e. a provider with lots of provision in one local authority, if they meet the price and quality threshold, will be on that local authority's tier 1, but in another local authority where they have little provision they would be on a lower tier.

The framework started on 1 April 2013 and was for two years plus two years. Prices were submitted for the first two years and then held for the next two years through negotiation.

Bristol is the lead authority and led on the commissioning and procurement for this contract. The eight members of the consortium share the costs of the procurement by paying an agreed amount to the lead local authority.

There are no plans for other local authorities to join this consortium and the membership is largely the same as the consortium for procurement of residential child care placements. This is a well-established and stable consortium which has in place a formal partnership agreement.

The participating local authorities individually monitor the providers they use. Information is shared informally with each other as appropriate. There is no central monitoring of individual contracts as part of this framework contract, however, the lead authority completes annual data collection from providers, for example carer capacity, which is shared with members of the consortium.

While the consortium has not formally evaluated what savings the contract has achieved across the local authorities there is confidence, based on local authorities' own information, that the framework has led to savings as prices on the framework are below those paid on spot purchased IFA placements.

The contract has achieved a reduction in the bureaucratic burden on local authorities and providers of completing numerous tenders and provides a clear message to the market about the needs of children in the consortium.

#### 3.9.4 South West Region Residential Child Care Tender

This is a dynamic purchasing system for the procurement of independent residential child care. It does not include residential provision linked to schools. The existing contract is due to expire on 31<sup>st</sup> January 2016. Each local authority will sign its own framework agreement contract with each provider and then individually manage and monitor each provider they use. Information from monitoring is shared within the consortium. The current procurement will cost each local authority £4,000 and is being led by Bath and North East Somerset Council. There is limited resource for ongoing management and monitoring.

It is anticipated that the new contract will run for four years and discussions are taking place regarding whether this will include lots and tiers. A provider engagement event was held in June to scope the structure of the contract and the arrangements to support it.

The DPS will be open at 6 monthly intervals to allow new entrants to the market place. There is a partnership agreement between the local authorities for their shared work. There is uncertainty about whether the existing framework has delivered savings. No formal work has been done to establish what if any savings have been achieved.

### 3.10 Children's Cross Regional Arrangements Group

The Children's Cross Regional Arrangements Group (CCRAG) is a partnership of, currently, eighteen local authorities from the East, South East and South West regions. Previously the group has had as many as 48 local authority members, but over recent years the size of the group has reduced. Following a review of CCRAG 18 months ago it became evident that not all local authorities were fully paid up members or were conducting monitoring visits. The steering group introduced a partnership agreement that all CCRAG members were requested to sign and return in order to ensure that they were clear about the expectations within the partnership.

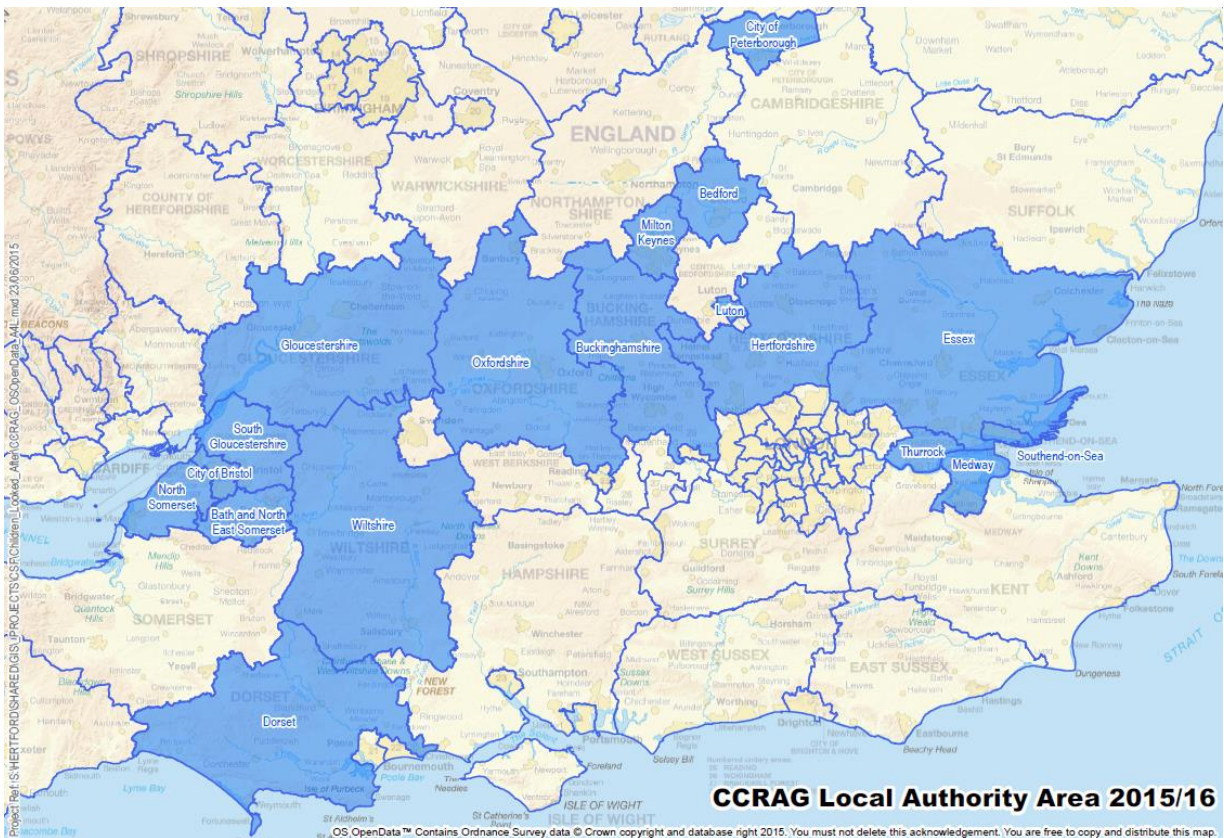
CCRAG is hosted by the Children and Young People's Commissioning Service in Hertfordshire County Council. Members commit to working together to develop and implement effective and consistent working practices throughout the CCRAG partnership. Subscriptions for CCRAG for 2015/16 are £1,966 plus VAT.

The partnership maintains the CCRAG Providers' Database, which supports the sourcing, contracting, monitoring and annual fee negotiations for children's placements. The database is best seen as a facilitated market place for residential child care, IFAs and residential schools with registered children's homes as their means of providing accommodation. It provides a set of managed information to support local authorities in making placement decisions and is a means for providers to offer themselves to local authority partners. Providers evidence Ofsted registration and grade, insurance and such like. The database holds quality assurance information from participating local authorities and there are expectations of what information providers will supply. Local authorities use the data base to undertake a search for a placement and then spot purchase directly from a provider. It includes maps and distance ratings to support local authorities to find provision local to their area/region.

Monitoring is done by each local authority undertaking this for allocated providers. This is coordinated by Hertfordshire with each participating local authority being allocated a provider to monitor. CCRAG is not involved in facilitating or developing communication with providers, but there are quarterly forums with delegated decision making for CCRAG. In addition, the steering group facilitates annual workshops for CCRAG members on recent initiatives, changes in policy and opportunities to share good practice.

CCRAG has recently commissioned a new database to update and hold more relevant information, including prices and vacancies. The revised and improved database is expected to attract new members who will see the contribution to CCRAG as value for money. There is some thought of procuring services together with CCRAG partners in order to support sufficiency audits and achieve cost savings in both the procurement of services and the cost of placements. CCRAG does not currently evaluate whether local authorities are achieving savings or improved value for money through use of the CCRAG database. However, the database will lend itself to far greater development and moving forwards CCRAG members are keen to utilise this platform as much as possible to support placement decisions and get best outcomes for children and young people nationally.

Figure 8 Map of CCRAG members as at 30 June 2015





## 4 What Did Key Stakeholders Tell Us?

As part of the detailed evaluation, a wide range of interviews were also conducted with the following types of organisations as well as a survey of provider organisations. The material here is the collected views of the participants. They are designed to triangulate views of the sector from a range of perspectives. A few provider organisations were represented more than once i.e. they responded to the survey and were also interviewed. A list of local authorities interviewed is shown in Appendix 2.

**Table 6 Interviews by type of organisation**

Type of organisation	Number of interviews conducted
Consortia lead local authorities	6
Consortia member local authorities	7
Local authorities not in consortia	4
Provider organisations	8
Other stakeholders e.g. ICHA, NAFFP, ADCS	4
<b>Total number of interviews</b>	<b>29</b>

### 4.1 Provider Survey

A survey was sent out to members of the [Nationwide Association of Fostering Providers](#) and the [Independent Children's Homes Association](#) in April and May 2015. In total 81 responses were received.

The survey asked respondents to indicate which of 30 consortia they were qualified providers for. The 81 respondents to the survey mentioned many qualified provider relationships, although most only worked with a small number. Half (41) worked with one or two consortia, with 20 providing services for one consortium only. Whereas 13 organisations were registered with 10 or more consortia, with one working with 20 different consortia.

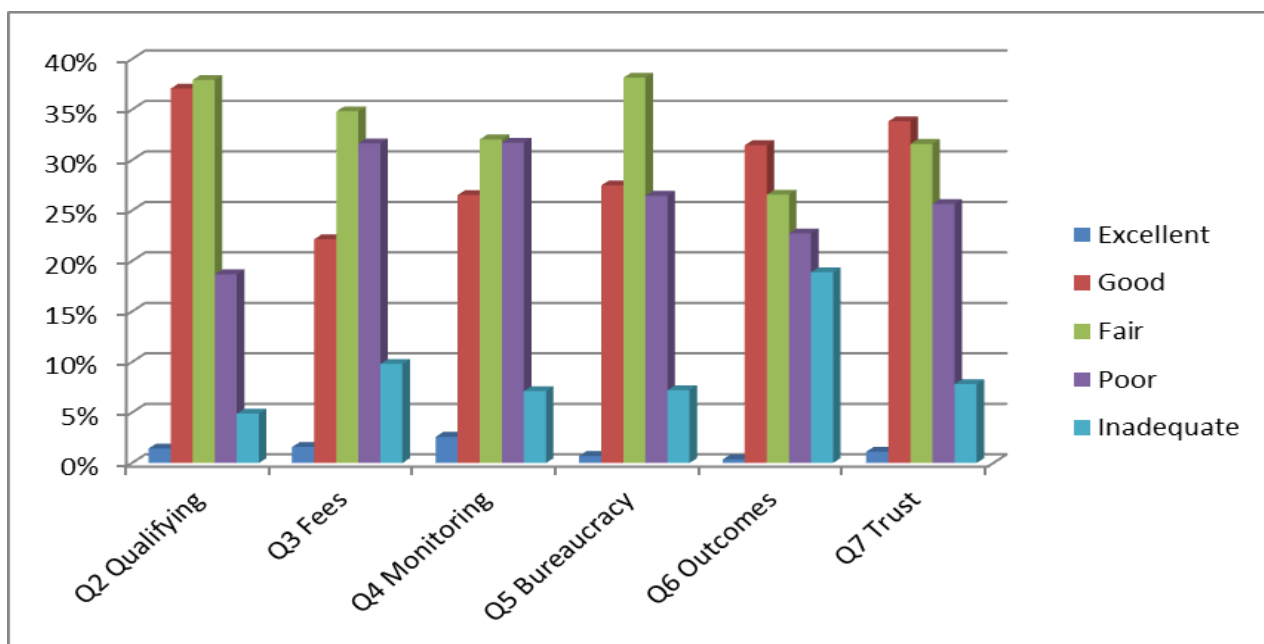
Providers were asked to rate different aspects of consortia arrangements such as their process for qualifying providers, monitoring the quality of the services, or keeping bureaucracy and paperwork to a minimum. A list of questions and a summary of the answers by consortia is given in Appendix 3.

Respondents were able to give more than one answer to these rating questions – as many worked with more than one consortium - so the number of responses do not sum to 81. The number of responses to each question is provided in table 7 below and the percentage breakdown of responses to each question is shown in Figure 9.

**Table 7 Number of responses by question**

Rating	Q2 How do you rate each consortia's process for qualifying providers?	Q3 How effective is the arrangement in enabling you to provide a fee that is fair and which offers value for money?	Q4 How effective is each consortia's arrangements for monitoring the quality of the services you provide?	Q5 How efficient are the consortia arrangements for keeping bureaucracy and paperwork to a minimum?	Q6 How well does the arrangement enable you to deliver the best possible outcomes for children and young people?	Q7 How well do the consortia facilitate a culture of trust and partnership working?
Excellent	5	5	8	2	1	3
Good	129	70	82	80	90	91
Fair	132	110	99	111	76	85
Poor	65	100	98	77	65	69
Inadequate	17	31	22	21	54	21

**Figure 9 Percentage breakdown of responses by question**



The majority of the responses to questions asking to rate the quality of different aspects of each consortium was generally positive, although the number considered to be 'excellent' was very low. Despite the positive response overall, it is striking that the number of 'poor' or 'inadequate' responses is also quite high. In short, providers' views were very mixed and often at opposite ends of the scale for the same consortium, which may indicate that providers are experiencing different behaviours or ways of operating consortium arrangements between local authority members within a consortium. In addition, there was no one consortium that stood out as being rated particularly good or particularly bad.

*“LAs in frameworks groups need to work collectively and not as individual LAs signed up to frameworks that are no more than an approved list of suppliers to which they have no real accountability.”*

Providers were also asked about particular consortia arrangements which worked well. The views expressed covered a wide range of experiences, with positive and negative comments. There was no single theme to the comments, either positive or negative.

Several consortia were mentioned as having aspects of their commissioning arrangements that worked well. For example, the Children's Commissioning Consortia Cymru (CCCC) was highlighted for the outcomes based framework which all the 15 authorities involved use.

*“Good relationships established and a clear understanding of what as a provider we are able to offer.”*

The use of stringent quality assurance visits required by the Children's Cross Regional Arrangements Group (CCRAG) was mentioned. Similarly, monitoring visits to children's homes by East Midlands were noted and the consortium was commended for the monitoring of progress through educational achievement. CCRAG was commended for the willingness to negotiate on fees. Others which were commended included the Cross Regional Project and Shropshire County Council, Wiltshire, Thurrock and Tower Hamlets.

Issues raised included the level of paperwork required in some areas. The South Central arrangement was praised but the 'disproportionate level of bureaucracy' was mentioned as a problem. Another comment expressed concern that the arrangement within one consortium was not focused on outcomes, instead being too concerned with price. The issue of price was mentioned in several responses as a challenge for providers.

*“Maximum fees may not result in fair fees or genuine value for money”*

*“They need to be clearer about expectations of placement. They need to be more realistic about what it costs to ensure adequate support.”*

*“There are two main problems with some consortia arrangements: 1. Where individual Local Authorities use providers who are not on the framework 2. When individual Local Authorities seek to reduce rates below what has been agreed in the framework agreement. Both issues undermine the whole purpose of being on a framework agreement.”*

Providers were also asked what would improve the way that consortia commission placements for looked after children. Suggestions covered a wide range of areas, but there were a number of clear themes, including duplication.

*“Too much repetition, all tenders are different and take a great deal of time. So much duplication of information, considering we are all governed and regulated by OFSTED.”*

*“Some NW authorities feel that they have to come out and do full-day residential home checks in line with Ofsted, however, we feel this is duplication as Ofsted do this and they do it well.”*

The process of decision making and allocation and the relationship between providers and commissioners were referred to a number of times. The need for good communication throughout the process was seen as being of central importance, as was the importance of ensuring that providers were fully involved in the commissioning process.

*“Many of the consortia have no arrangement in place for providers to play an active part in strategic planning.”*

*“Build positive relationships with the providers, understand what they do well and how they do it...”*

*“Create true partnerships and invite providers to create local and regional strategies. LAs to be obliged to consider the best option for a child and not to use price as the deciding factor.”*

A number of comments mentioned the importance of focusing on quality over price in the tender process, with the need to focus on the appropriate support over the whole term of the contract made many times. Several comments highlighted the complexity of individual cases with respondents mentioning the importance of placements being made by suitably qualified professionals and the length of time necessary to source, identify and arrange placements. A number of providers from both fostering organisations and residential child care referred to the needs to use residential care as a proactive choice rather than being considered as a ‘last resort’.

## **4.2 Summary of Interviews**

This section of the report summarises the deep dive interviews conducted with providers, other stakeholders, consortium leads, consortium members and commissioning leads for authorities not in a consortium. The material here is the collected views of the participants.

### **4.2.1 Providers and other stakeholders**

The provider and other stakeholder interviews are consistent with the provider survey responses and provide some more depth to those findings.

#### **4.2.1.1 Procurement and Contracting**

Providers reported that procurement and contracting processes are in the main cumbersome and bureaucratic. Providers recognise that working in consortia helps local authorities and also reduces the number of tenders providers may have to respond to, but that there are still considerable opportunities to streamline and standardise the process. Providers reported the following:

- To qualify to be on a framework or APL, this will often require providers to duplicate (albeit in a different format) much of the work undertaken to meet the requirements of the Ofsted registration and inspection process.
- Different consortia ask for the same things from providers but in slightly different ways or to different standards. Examples were given of different consortia requiring different safeguarding and emergency management policies. Not only did this add to providers' administrative cost, but providers are concerned that having different versions of a policy introduces a serious operational risk.
- Consortia asking for information that does not add value to the process.

Some providers reported that despite their attempts they have failed to qualify on framework agreements, as illustrated by this quote from the provider survey:

*"We are highly specialised and tailor our packages and fees to each individual child's unique needs. Everything, from the environment, the staffing, and the resources is designed around the individual. It has been impossible for us to complete the financial forms required in the tender process. We can't make our services fit into the boxes they want. As a result most of our placements are spot purchased. It's been okay for us and we have a waiting list."*

A number of providers were critical of some of the evaluative questions asked in procurement. They found it hard to see how some of the questions could be objectively evaluated.

Some of the smaller providers are particularly concerned that the complex and cumbersome procurement and contracting processes place smaller providers at a disadvantage and could further help the consolidation they already see taking place in the market. Providers interviewed made reference to their knowledge of smaller organisations leaving the sector due to their inability to respond to the scale of commissioning requirements.

There was strong support from providers for a national repository of pre-qualifying information. This was seen as potentially very useful in reducing duplication and associated wasted effort. There was also support for standardised national contracts and managing contract variations in a way that makes them easier to identify.

#### 4.2.1.2. Call Off Arrangements

Providers reported considerable diversity in how call off arrangements work for the procurement of individual placements under framework contracts. Providers reflected on the variability in practice between authorities within the same consortium. They saw how different authorities managed the relationship between the framework contract, the role of placement officers and the roles of social workers and their care planning practice. For some providers the process has become too transactional with insufficient focus on the child's needs and too little dialogue with social workers about children's needs. These relationships with social workers and their managers were seen as key to the success or otherwise of placements.

The variability in content and standard of referral forms was a difficulty for providers who reported this as a key area requiring improvement.

Providers were critical of local authority practice where they were often asked to provide emergency placements at short notice despite the local authority having been aware for some time beforehand that a placement was required for a particular child. Providers believed this reflected weaknesses in social work practice and was a possible consequence of sequential placement procedures where access to a choice of placements is controlled and restricted.

There was criticism that tiers are restricting access to the widest placement choice i.e. local authorities accessing the placements on tier one first when there may be more suitable provision on tier two. However some providers recognised that tiers are applied to help providers on tiered frameworks get the volume of business which enables them to offer lower prices. There is a trade-off between lower prices and access to the widest choice of placements.

Some providers informed us that, especially with regards to children with complex needs, providers will occasionally work together to try and find a placement for a child. If they receive a referral which they cannot accept and feel confident that a colleague from another organisation could offer a good placement for the child, the referral will be forwarded on to them. This will happen regardless of whether or not this other provider is on a framework contract.

The lack of relationships between commissioners, providers and social workers and their managers in the whole process was seen as a major difficulty by providers and as driving a lack of trust within the sector which inhibited collective problem solving and drove risk-averse behaviour by all concerned, which could add to costs.

Providers expressed a strong desire for more resources to be devoted to the development and maintenance of relationships between commissioners, placement officers, social workers and providers. They saw this as a means to improve the quality of placements and outcomes for children. Some providers reported that relationships were dysfunctional and would benefit from the use of independent mediators to help build a culture of trust.

#### 4.2.1.3. Monitoring

Providers commented on the variability of monitoring arrangements. All can see the need for and value of monitoring of provider organisations, their services and of individual placements. Where this is done well it contributes to positive outcomes for children and good relationships between the local authorities and the providers. However providers' experience is of considerable variability between and within consortia. It is evident to providers that some local authorities within consortia are much more effective in discharging their monitoring responsibilities than others. Generally, providers found those consortia with more robust central monitoring arrangements better to deal with.

For all providers they wanted assurance that the monitoring information they were asked for was used and that duplication with returns to Ofsted was minimised.

Providers reported that where monitoring of the service takes place this usually means an exchange of information between the provider and the local authority commissioning

team. It may also include meetings at the local authority offices or a visit from a contracts officer. Providers referred to what they saw as a lack of effective communication between social workers, IROs and commissioning teams. Providers felt that the disjointed monitoring arrangements created difficulties for all parties and that local authorities need to ensure these are improved and better co-ordinated.

Providers reported the difficulties they have in some cases with receiving Individual Placement Agreements which are meant to outline the clear purpose of the placement and the outcomes required. Without this key document setting out the terms of an individual placement, providers argue that it is difficult to undertake effective monitoring. They also reported difficulties some social workers have in specifying outcomes and completing a good Individual Placement Agreement. While providers want more commonality of approach one provider noted that no common approach will work well unless the staff using it have been well trained in its use and have the time and capacity to use the approach well.

Providers saw opportunities to work much more efficiently and effectively with savings achieved by streamlining monitoring activity.

Providers undertake their own quality assurance processes and there are opportunities for local authorities and consortia to make more use of this work where providers are willing to share this.

#### 4.2.1.4. Market Development

Providers all had experience of receiving information on what placements consortia needed. This was commonly at the point of tendering and then at refresh points during the contract. The information was usually about numbers and types of placements and characteristics of the children needing placements. These were not Market Position Statements (MPS) as they tended not to be forward looking or developmental in approach.

Providers would like to see more partnership working in the development of responses to changing needs. They see the information contained in referrals as a valuable source of market intelligence which is not used. Consortia do not have the capacity to collate referral information and use this to inform market development. Providers were frustrated at the lack of opportunities to become involved in market development. Examples were given of how providers working with a number of consortia may well identify trends and changing cohorts of needs across a region before this is realised by individual local authorities, but that there is a lack of opportunities for providers to share this type of data and become involved in strategic planning. There are examples of good dialogue between consortia and providers on their frameworks but there were also providers who felt local authorities were inhibited from taking part in dialogue by lack of trust and concerns about ensuring fairness to all providers.

Consortia with greater capacity e.g. West London Alliance seem to have made the most progress in taking on an explicit market development function. Other consortia which have a very wide spread of operation see market development as less central to their role and that this is better done at a more local level where it can reflect local strategies, needs and priorities.

Provider views were broadly in favour of developing common frameworks for descriptions of needs and outcomes. However all wanted these developed on a cross sector basis and there were degrees of caution about ensuring that any such descriptors do not become restrictive, lead to more “box ticking” approaches and lead to perverse incentives such as making providers and commissioners more risk averse than they already are.

The strongest message from providers is the need to develop a more relational approach to commissioning and to invest in the development of relationships with providers.

#### 4.2.1.5. Provider Views of Consortia

Most providers agreed that the framework contracts developed by consortia have led to savings but this was not a view shared by all. A few providers felt that the significant levels of bureaucracy brought about by the contract arrangements had led to significant inefficiency in the system. Providers were less sure whether frameworks had led to improvement in placement choice or outcomes for children. Some providers thought that framework agreements had led to more local placements being available.

There was acknowledgment that working in consortia has led to efficiencies compared to working with individual authorities, but frustration that the further opportunities to achieve common processes and consistency have not been realised. This especially applies to procurement, contracting and monitoring processes.

All the providers interviews wanted to see more focus on relationship development, more mutual trust and more subtle and individual approaches to describing and measuring outcomes for children. Providers reported that it was difficult to identify who the commissioning staff are in local authorities and that the turnover of commissioning staff inhibits the development of relationships and can lead to loss of knowledge and skills.

Providers would like to see more open evaluation of how consortia work and of local authority commissioning more widely with provider feedback sought as part of any evaluation.

Providers would be helped by consortia and local authorities providing information about how they work and who the key contacts are on local authority websites. Providers experience difficulties in finding out how placements are sourced.

### 4.2.2 Local Authorities in Consortia

#### 4.2.2.1. Governance and Structure

All the consortia examined have some kind of governance structure. They have a lead local authority which usually takes responsibility for convening and chairing the consortia meetings. Nearly all consortia have a partnership agreement which supports their work or if not a partnership agreement a memorandum of understanding. Some of the consortia e.g. East Midlands have a clear relationship to a wider regional commissioning group which in the case of the East Midlands includes Clinical Commissioning Groups and to the regional Directors of Children's Services (DCS)



group. These arrangements are more common where the region is well defined and the consortia cover most of the authorities in the region.

Governance structures are more formal where there are cash transfers between authorities to fund a central infrastructure for the consortia. In the consortia where the cash transfers is largest, i.e. West London Alliance, it is notable that this has one of the most formal structures and the structure put in place is seen as having some independence from the subscribing boroughs.

All consortia examined believe that the governance arrangements are sufficient to hold the members to account for their contributions to the consortium, primarily in kind and for the delivery of work agreed by the consortium. Where there are problems there are mechanisms for escalating these through the DCS networks.

#### 4.2.2.2. Resourcing Consortia

There are large variations in the cash resources committed by local authorities towards consortia, which range from no financial contribution to over £34,000 per authority per year. This level of financial contribution affects all aspects of the operation of the consortium including the quality of monitoring and placement information and market development.

The effective resourcing of databases to support commissioning was a common theme. Commissioners and providers both felt that local authority databases have not kept up to date with new technology and are under resourced. For example, they are not easily accessible on smart phones and the most recent posts on web pages are sometimes over three years old. Many referred to these databases as being unfit for purpose and as a result there are concerns about both providers and commissioners adhering to their obligations in keeping information up to date and a lack of resource to monitor this. Some consortia are looking to invest in improved technology. Whilst providers saw some merit in this, there was concern about the potential for numerous databases to be developed across England and the difficulties with capacity for managing the duplication of work in administering them.

There are substantial variations in the resources contributed in kind. These resources in kind are by far the largest proportion of resources provided to support consortia. It should be noted that there is a very wide variety of consortia arrangements and as such it is not helpful to compare the contributions members make as the projects cannot be compared on a like for like basis. For example, one consortium may contribute solely towards procurement costs and local authorities will provide officer time, whilst another consortium may agree a contribution which funds a dedicated post and which covers not just the procurement, but ongoing contract management and monitoring.

It was the view of both large and small local authorities in consortia that the larger local authorities who were often, but not always, the lead in a consortium took on more responsibility for the functioning of the consortium and put proportionately more resources into it. This was seen as reflecting the greater capacity which larger authorities had.

There was also evidence that within consortia there can be tensions over whether all participants are "pulling their weight". These tensions were dealt with within consortia

with the lead local authority usually having the role of holding consortia participants to account for their contributions. These differences in resourcing were most evident in the ability and capacity of the different local authorities to undertake their role in monitoring the providers on the consortia framework contracts.

#### 4.2.2.3. Procurement and Contracting

Regional and sub-regional consortia most commonly use framework agreements: 20 regional or sub-regional consortia have framework agreements, 4 use APLs/DPSs or similar, 2 have block contracts and there is one cost and volume contract. However, many placements continue to be purchased on a spot basis. The use of spot purchasing is more likely when a child with complex emotional and behavioural difficulties (EBD) is placed in residential child care. Due to the growing complexity of need and the fact that demand is outstripping supply, providers are in a strong position to negotiate the terms and conditions in such cases. In many cases, providers prefer the terms and conditions used when spot purchasing rather than those outlined in local authority framework agreements.

Most framework agreements have been set up with lots and tiers. There are some concerns about how well access to placement choice is facilitated in tiered frameworks – see section 2 re the proposed judicial review – and some commissioners reported that the tiered procedure is not always adhered to as the tiered approach means there can be a delay in sending referrals to providers who may be best placed to offer the most appropriate placement to a young person. We were informed that to avoid this delay, there are sometimes occasions when referrals are sent out to all providers on all tiers at the same time. The most common reason for not adhering to the prescribed call off procedure is that the placement is needed so urgently there is not time to go through a process of sequentially going out to each tier and the placement request goes to all tiers at the same time.

This potential non-compliance is a concern to procurement leads who view this practice as potentially being in breach of contract. There are also concerns that by not restricting the placement search to lower tier providers, the local authorities are not benefitting from the reduced prices that have been negotiated as part of the procurement exercise. However, there is also an acknowledgement of the importance to secure the right placement which can potentially offer the best chance of stability and outcomes for a child. Local authorities felt there is a trade-off between lower prices and access to the widest choice of placements. There is a move away from tiers in the more recently established consortia.

The majority of regional and sub-regional consortia have placed a geographical restriction on where providers must be based in order to qualify to be on a framework contract. This helps local authorities to better know their local markets and develop relationships that fulfil their obligations under the sufficiency duty. However, both commissioners and providers said there was risk in having too strict location criteria as there are instances where the need to meet a child's combination of rare or specific individual needs is more important than the location of a placement. There are also examples of unhelpful geographical restrictions. For example where provision in a neighbouring authority, which may have been the most appropriate, was not considered for a child despite it being within relatively close proximity of a child's home and school.

Consortia are largely unaware of the other consortia that exist across the country and there are limited opportunities to share learning. We heard of several examples where wheels were reinvented as commissioners had been unaware that similar work had been previously undertaken by another consortium. Local authorities did not know whether or not it was possible to access the qualified providers on the lists held by other consortia.

Framework agreements that are closed for a period of time can be rigid and may not serve this rapidly changing market well given changing children's needs. This is especially true for the residential child care market. There is more stability amongst providers in the independent foster care market. Theoretically a Dynamic Purchasing System (DPS) would allow new providers to more easily enter the market. However, there is confusion over whether or not Dynamic Purchasing Systems can be used in this sector. Some commissioners understand the requirements of the Public Contracts Regulations 2015 to be restrictive for DPSs and not conducive to commissioning looked after children's placements. We were informed that commissioners are receiving varied and conflicting legal advice about the use of Dynamic Purchasing Systems.

A focus for the deeper discussion with consortia was how far their procurement processes, and in particular the information sought at pre-qualification stage, duplicates what Ofsted have already done. Consortia recognise there is some duplication and some have tried to reduce this by focusing their pre-qualification questionnaires on areas that Ofsted registration and inspection does not cover i.e. financial and some of the business aspects. However, some consortia were led on these issues by their procurement colleagues who relied on a standard process for all procurements which took little account of what Ofsted may have already done. There were also examples given where local authorities were praised by Ofsted inspectors for not relying on Ofsted judgments or registration processes and doing their own checking of provision. From providers' perspective this appeared to generate duplication and consequent wasted effort.

For consortia the shared procurement process was seen as a key area of benefit. It reduced the effort for individual authorities of conducting their own procurements for framework or other contracts. Smaller authorities also benefited from the scale which being part of a consortium brought. They saw consortia as having "clout" in the market place and the ability to get the attention of providers that a smaller authority would struggle to do. Working in consortia also brought benefits in learning from other colleagues about procurement and the conduct of procurement exercises.

Nearly all consortia have adapted the national contracts for residential and foster care placements for use in their commissioning arrangements. Consortia reported that amendments had been made to specifications to reflect local needs; however it was also evident that some changes to terms and conditions had also been made. It was not always clear as to why these had been necessary to meet 'local need'. There was considerable difference between consortia in how they dealt with contract variation with some being careful to clearly identify variation within a separate document while others made variations within the core contract documentation. The latter practice was seen as unhelpful by some providers as it made it harder to identify contract changes.

The wide variety and variation in the national contracts for fostering and residential child care is not seen as a particular problem for local authorities, but is a significant concern

for providers for whom this adds very significant complexity and hence costs. Providers have no choice but to pass the cost of this on to local authorities. There was widespread recognition that the national contract needs to be updated and of the benefits of more consistency in use of the contracts.

In the deeper discussion with consortia the idea of a national repository of pre-qualifying information was tested out. The idea was generally well received. It was seen as useful in reducing effort and helping to achieve consistency. However, there were concerns about ensuring the currency of any information on a national database, about how validation and quality assurance would be undertaken and that everyone would agree to its use as without widespread participation it would quickly lose its utility.

The deeper discussion also explored the use of spot purchasing by consortium members. Most consortia said that spot purchasing with providers on their framework contracts was rare. However, it was becoming more common as some provision was only available 'off framework', either because it did not qualify under the framework specification or because providers purposefully kept some specialist provision off the frameworks. It was evident that within frameworks there is a good deal of flexibility for negotiation of additional services to meet need with the starting point for negotiations being the framework price.

The focus of discussions was on the role of the consortia in procurement and contracting. It was evident that a key element of the process is the role of individual placement officers and their interaction with social workers and managers making placement requests and the providers they are working with. The feedback from consortia leads, other commissioning leads in local authorities and providers all point to the critical nature of this role and how it is relatively underdeveloped in many local authorities and perhaps should have more attention and prominence in considering how well the whole process works for children. There appear to be significant differences in the capacity that placement officers have in different local authorities to project manage referrals, matching, contracting and monitoring.

#### 4.2.2.4. Monitoring

Commissioners identified shared monitoring of providers, and of the overall framework contract, as a key benefit of working as a consortium. However, all acknowledged that this is an area where there is considerable scope for further improvement. In particular, how well monitoring is conducted - in terms of its ability to impact on the quality and value for money of placements - and how efficiently it is done to avoid duplication of effort by commissioners and providers could be improved. There is recognition that contract monitoring arrangements are messy: even in the best organised consortia arrangements are variable. The coordination task for contract monitoring is potentially very complex especially where providers are engaged with a variety of different consortia.

A number of consortia said they have identified the need to improve monitoring arrangements. Issues of trust and capacity are key to improving the quality and efficiency of monitoring. Local authorities are most comfortable when they monitor all the providers with whom they have a significant relationship. They have a direct line of sight to what is provided for their children and know that the discharge or otherwise of their statutory duties is in their hands. Local authorities can be reluctant to rely on the

monitoring undertaken by another local authority and there is a lack of consensus regarding accountability where another local authority's monitoring practice does not identify risks and shortfalls. This, in the current risk averse atmosphere, leads to providers being monitored by multiple local authorities. Consequently providers have to set aside considerable resource to ensure they have capacity to respond to overlapping monitoring demands.

In adhering to their monitoring requirements, providers experience very different standards and demands from different local authorities. Some local authorities within a consortium will use different monitoring templates and have different processes for undertaking monitoring. In other consortia some providers will receive few or no site visits from local authorities. The majority of providers and commissioners interviewed said that monitoring was not efficiently undertaken and can be wasteful, but that there are opportunities for monitoring to be more efficient and effective.

Some consortia recognise the burden monitoring places on providers and that ultimately it is the local authorities that pay for this in higher charges. They are trying to reduce this by, for example, not asking for additional information beyond what providers are required to provide for OFSTED and through carefully considering what they do with information requested. Where there is central co-ordination of monitoring by a consortium this will either be:

- Providers are divided between the participating local authorities for monitoring purposes with the lead local authority organising and coordinating this process. The local authorities use a common process and completed monitoring templates are submitted to the lead local authority to collate and share with participating local authorities.

or

- A central monitoring team is funded by the consortia and this is resourced to monitor providers on behalf of all the participating local authorities. However, even where this arrangement is in place, there are still some participating local authorities that undertake their own individual monitoring of providers in addition to that which is provided and funded by the central resource. A culture of distrust and risk averseness was thought to be the reason for this duplication.

Most consortia recognised that while their monitoring of providers and consortia contracts was adequate this was an area where more resource could bring benefits in terms of quality and provider engagement and possibly financial benefit through improved monitoring of how well placements are working.

All consortia were aware of the need to connect feedback from individual placements and the monitoring of placements by social workers and independent reviewing officers with the monitoring of provider contracts and the framework contract as a whole. Efforts were being made to strengthen this process but it was another area where resource pressures, i.e. delays in individual placement agreements being put in place, was having an impact. Doing this well was seen as potentially powerful in improving quality of placements, outcomes for children and commissioning of placements in the future.

Some consortia operated a suspensions protocol which enabled them to suspend providers from a framework if there were safeguarding concerns or where an OFSTED grading was inadequate. However, there were some concerns about the OFSTED inspection framework and what had been seen by providers as inconsistent grading. This caused some consortia to look at how they could respond rapidly to concerns to quickly determine whether or not a provider should be suspended. This was a priority, particularly in respect of homes that offer placements for children with complex EBD.

We asked how consortia monitored local authority compliance and how they dealt with concerns that providers raised about participating local authorities. Responses to this were highly varied. Some consortia leads did not believe it was their role to become involved where providers raised concerns about local authorities. They were clear that they worked on behalf of the councils and would advise providers to follow the relevant local authority complaints procedures. However, some consortia leads were very clear that they believed they had a remit to also monitor the behaviour of local authorities.

*“I see my role as being a conduit between the two sides. I describe myself as a referee and will get involved in sorting disputes. The aim is usually to get the local authority and provider to compromise, but sometimes I do come down on one side or other. I think this is really valued by providers and commissioners and I get thanks for supporting them to resolve complex issues. As a third party I bring an independent and objective view and that helps to get past blockages. I believe we are seeing improved relationships as a result.”*

#### 4.2.2.5. Market Development

All the consortia spoken to in greater depth do see they have a role in market development but recognise that this is underdeveloped. No consortia had a Market Position Statement (MPS). All recognised the benefits of developing a more forward looking approach to describing what they need from the market and helping the market understand their needs. They all communicate with the market but this tends to be about numbers of placements made and of what type. The individual position of the consortia members is made available as they each have their own sufficiency statements.

There were differences of view amongst the consortia about how far consortia can develop the market. These differences reflected the different size of consortia and how they framed their purpose. Smaller consortia with tighter and better funded central support were more likely to see themselves as having a key role in market development working for their constituent local authorities. Larger consortia with less central structure did not see this as a key role. Their view was that the diversity of strategies between local authorities within the consortia was such that it would not have been possible to develop the market together. They saw that market development needed to take place at a more local level where it could reflect local strategies for service development and local circumstances e.g. having many local providers or having very few, investment in in house services or divestment of in house services. The larger consortia saw themselves as providing a baseline set of framework arrangements for access to the market on which their constituent members could build other more bespoke services that met their needs.

In discussion with consortia leads, other local authority leads and providers we discussed whether the idea of a national needs and outcomes framework would assist commissioning by providing more of a common language and framework for understanding needs and outcomes. Overall the responses were positive. The responses were more positive for outcomes than needs.

The key issue for all was the need to develop any such frameworks collaboratively across the sector and that they need to be developed so that they are easy to use. The example was given of the current outcomes tracker within the national fostering contract which is complex and requires substantial resource to administer and consequently this is not commonly used.

The notes of caution were:

- Not creating straightjackets – to be child centred requires flexibility to respond to each child's needs and the outcomes that are right for that child.
- Avoiding perverse incentives i.e. an outcomes framework which discourages providers from caring for children with the highest needs.
- Developing needs and outcomes descriptions which are strengths rather than deficit based.
- Perhaps describing the characteristics of children or enabling a focus on their emotional wellbeing might be more useful than their needs as it is how they present themselves rather than needs per se which is usually critical for the type of placement required.

Any such framework would depend for its success on the skills and capabilities of those using the framework to understand its principles and how it can be used to enable better analysis of children's needs and the outcomes sought and to help providers and social workers make better matching decisions for the children.

Finally, all would want such a framework, if developed, to have endorsements from DfE and sector leaders so that it has authority and is likely to be widely used.

### 4.2.3 Benefits and Issues of Consortia Working

#### 4.2.3.1. Cashable Savings

Most consortia reported generating cashable and non-cashable savings in varying degrees. Some consortia have developed well thought-through methodologies to quantify savings. The level of savings is typically 4-5% and some are as high as 10%. These methodologies usually involve identifying the costs of placements at a point in time, i.e. during the procurement exercise, and comparing the costs to meet similar needs during the life of the contract. The evaluation of savings is complex because the savings that some local authorities have achieved are attributable to both lower costs delivered through consortia framework contracts and changes in their practice and management of placements.

Working in a consortium gives local authorities scale and it is volume of business that helps to drive savings through enabling providers to lower prices. It also gives local

authorities market power and in a number of interviews there were comments that prior to working in consortia the local authorities felt that the market was driven by providers.

Consortia began to form approximately ten years ago when it was felt that providers were dominating the market place and seeking fees that were unreasonably high. The consortia arrangements enabled local authorities to gain some control over the market and to reduce fees to what they felt was a fairer level. These cashable savings were largely secured within the first couple of years of a consortium operating and the likelihood of generating cashable savings decreases the longer a consortium is in operation. Most consortia now focus on cost avoidance and there is some concern that further cashable savings may impact on the quality of placements.

There is concern that the complexity of arrangements, particularly within overarching regional consortia, might be counterproductive. For example, the London Care Service will qualify a provider, scrutinise their fees and negotiate a fee for them to deliver services to London Boroughs. This provider may also be asked to tender for a sub-regional London framework contract where they are required to reduce their prices further and may be expected to reduce their price at the point an individual child is placed. Providers have raised concern about their capacity to have these lengthy price negotiations, especially with some commissioners demanding breakdowns of costs in different formats. Some providers have stated that they are now considering increasing prices to cover the administrative and managerial costs incurred in having to respond to the different layered commissioning arrangements.

No consortia have an agreed definition of value for money or any rigorous methods to demonstrate value for money in their commissioning and purchasing of placements. This difficulty in establishing value for money reflects the absence of agreed measures of outcomes and of a robust methodology for establishing and quantifying value for money.

Some local authority commissioners commented that value for money can only be achieved if a long term view is taken and the placement decision is based on a 'whole life' costing approach which reduces the likelihood and levels of support being required in the future. Commissioners said that the requirement to work within the restrictions of annual budgets makes it more difficult to take a whole of life view of placement commissioning where this might lead to higher costs in the short to medium term. On the other hand there were commissioners that felt a focus on long term outcomes was misplaced and that it was important for the local authority to secure the best placement they could, for the lowest weekly fee, within the existing budgetary and resource restrictions.

These different views existed within consortia and even within local authority commissioning teams.

#### 4.2.3.2. Non-cashable Savings

All consortia are confident that working together brings non-cashable savings. These are primarily through sharing commissioning and procurement costs, sharing consultation and engagement with providers, and shared monitoring as well as through learning from each other. The costs of working in consortia are significant and in non-cashable terms will often amount to several days a month for one officer in each local



authority. However, authorities thought that these costs were worth paying. When presented with the alternative scenario, the local authorities currently in consortia all agreed that - if a consortium was not in place - they would want to develop consortia working.

#### 4.2.3.3. Other Benefits

Overall, consortia felt that working together had enabled better placement matching by widening placement choice. Consortia also felt they have contributed to improved quality. While providers expressed concern about poor coordination of monitoring by consortia most recognised that this problem was worse when there were no consortia and each local authority was acting on their own. This was also true of the providers' view of the procurement process.

Both providers and commissioners referred to the importance of knowing who the main contacts are in the consortium and in provider organisations. Both referred to the benefit of building positive relationships. Organisational cultures vary significantly across both local authorities and commissioners, but overall most individuals we spoke to recognised the need to improve relationships in the sector.

*"We are on a framework contract but we will not work with XXXX council. Even if we have a vacancy and know we can meet the child's needs. We have had such a bad experience of working with them that we sometimes just delete the referral without opening it"* (Quote from the provider survey)

One local authority commented that, even if a provider has qualified on a framework and makes an offer of a placement, the experience of working with them in the past may have a bearing on whether or not their placement offer is accepted.

A local authority also commented how they had invested in establishing a relationship with a manager of an independent children's home. There had been times when young people had presented such difficult behaviour that most providers would have terminated the contract. Instead they felt that the provider in question had put in additional effort to stabilise the placement because they wanted to maintain the positive relationship that had been established between the two parties.

Throughout the research we heard from both providers and commissioners about the importance of investing in relational commissioning, the importance of face to face engagement and the need to have sufficient capacity for this.

The sharing of learning and intelligence across the consortium was seen as a major benefit by local authorities. Especially for smaller authorities with small commissioning teams there were considerable benefits in having colleagues in other authorities to consult and learn from. Having said this, the level of connection between consortia was very low with few formal opportunities for learning across consortia and most contacts were personal rather than consortium to consortium.

Provider forums operate differently across the country and there were mixed views on their effectiveness. There was some criticism by both commissioners and providers that provider forums were sometimes poorly planned and resourced, that they mainly consisted of providers being talked at, and that providers had little or no input into the

planning of the forums. Conversely, some providers strongly commended some forums saying that they were jointly planned and chaired between providers and commissioners. Some forums were attended by local authority placement providers and there were opportunities to share good practice and to discuss issues affecting everyone in the sector.

#### 4.2.4 Local Authorities Not in Consortia

A small number of local authorities that are not in a consortium for either foster care or residential child care were interviewed in order to understand why they have not joined a consortium for these services.

Their decision to not participate in a fostering or residential child care consortium reflects their individual circumstances. Each has, at the relevant points, made a considered decision about what will work best for them and to enable them to meet the needs of the children they are looking after. The key reasons for not joining a consortium are:

1. Their local arrangements, which in some cases include their own framework contracts, are working well and enable them to meet their sufficiency duty and achieve savings.
2. They did not believe joining a local consortium would achieve better prices and improve value for money.
3. They are members of other arrangements such as London Care Placements or the Children's Cross Regional Arrangements group which gives them access to a wide range of placements within which they can develop their relationships with the providers they use.
4. For some they have good in house residential child care and fostering provision which greatly reduces their need for external purchasing.
5. They are in some cases very low users of residential provision, e.g. six placements, which means the effort of entering a complex consortium arrangement is not worthwhile.
6. They want to be unfettered in the development of their own strategy and approach to meeting the needs of their looked after children, including how they develop their own provision and work with their independent providers. In one case this reflected in part that the authority saw its needs through geography and demography as very different from the mainly urban other participants in their local consortium.
7. The evidence they have that, by working on their own, they can achieve good value and have strong partnership arrangements with providers which reflect the needs of their children. They believe they can achieve a better focus on the individual child as they are working at a smaller scale. They appeared to be better at connecting their child level monitoring with the monitoring of their contracts with providers.

None of the authorities interviewed had any philosophical objection to working in partnership and all would consider joining consortia or other joint commissioning arrangements where this is to their advantage e.g. joining a consortium procuring special education residential and day placements. Some recognised they did get benefits from consortia such as information on benchmarking for prices which they then could use.

Authorities not in consortia were all positive about the benefits of a repository of pre-qualifying information from providers and a national needs and outcomes framework.

Those authorities not in consortia were more sceptical of the benefits of central descriptions of needs and outcomes as they were concerned this might reduce their ability to focus on the individual child and the unique characteristics of each child's needs and the outcomes that are right for that child.

Providers not in a consortium saw advantage in being able to attend regional and sub-regional provider forums where they could network with a number of providers and local authority colleagues in one day.

## 5 Conclusions

Most local authorities take part in the wide variety of consortia and partnership arrangements that this report has identified. The local authorities that take part in regional, sub-regional and cross-regional collaborations realise tangible benefits from these arrangements, including:

- Improving access to the placements they need.
- Achieving significant savings on placement costs.
- Achieving economies of scale through commissioning and procuring together.
- Generating much improved market intelligence through working at scale.
- Access to a deeper and broader pool of commissioning and procurement expertise through working together: this is particularly important for smaller local authorities.
- Improving the monitoring of placements through sharing the task across a number of local authorities.
- Enabling consortia and partnerships to have well developed mechanisms for regular engagement with the providers on their frameworks or DPS arrangements. Both local authorities and providers believe, if well supported, these arrangements work well in developing communication between providers and the local authorities.

Some authorities have not joined consortium framework or DPS contracts or do not necessarily use the contractual arrangements they offer. These authorities have made carefully considered decisions about how they can best meet their placement needs. Usually their reasons for not taking part are because they can achieve as good or better value and enhance quality and flexibility of placements through commissioning on their own. They do not want their placement strategies fettered by having to work within a collective structure.

Whether there are, or have been, other regional commissioning and purchasing initiatives does seem to have some influence on the strength of regional and sub-regional arrangements. In particular, whether regional improvement and efficiency partnerships have been influential and provided funding for regional posts to support regional or sub-regional commissioning arrangements in children's and other services.

The strength of regional Association of Directors of Children's Services (ADCS) arrangements seems also to be an influence. Where there is leadership from regional ADCS that promotes collaboration across a range of activities this can facilitate regional commissioning by creating a culture of collaboration and desire to share practice and service development.

The scale of the region is also relevant as well as local market conditions. The bigger the region, in terms of number of local authorities and size, the more likely it is that there will be a variety of arrangements and less likely a single regional approach. Characteristics of weaker arrangements are perhaps most evident in London and the South east region with their many and very diverse local authorities.

There was a view by consortia leads that local authorities have to be convinced of the future benefits of collaborative working. It is easier to do so if there is evidence of cashable savings. It is widely agreed that cashable savings have been secured, particularly within the first couple of years that a consortium operated. However, there

is not a rigorous methodology for establishing and quantifying value for money. In addition, it is arguable that prices have already been reduced by consortia commissioning and are unlikely to be reduced much further. Therefore, it is becoming harder to evidence the financial benefits. The focus should now move to quality and outcomes and better commissioning – as opposed to procurement activities - to achieve these, but this may not carry as much weight as cashable savings, especially in these times of austerity. Some individuals interviewed said it is necessary for the sector to get smarter at evidencing the significant levels of cost avoidance that can be secured by effective commissioning.

Local authorities recognise some of the difficulties the current arrangements present. In particular, commissioning and procurement processes are costly for both commissioners and providers and there is recognition that engaging with many different frameworks and related different specifications and contracts is difficult for providers, especially small to medium sized organisations.

All the consortia, and those local authorities that are not in consortia, can see scope for improvement through greater commonality and standardisation of processes and documentation. For consortia to work well they need to be seen as offering proportionate value to both providers and local authorities. There is consensus between local authorities and providers that there is considerable scope to improve how well commissioning by consortia works. This applies particularly to the procurement and monitoring activities of the consortia which are the areas recognised by commissioners and experienced by providers as the most bureaucratic and wasteful.

There are a variety of views on whether the scale of some consortia, and the processes required to make consortia work, leads to more transactional approaches to commissioning. All consortia leads, local authority leads and providers agree on the importance of the development of relationships between providers, commissioners, placement officers and social workers. Current pressures for savings mean there is less resource available for this relationship development and maintenance work.

All engaged in this work recognise the importance of other aspects of the system in relation to whether commissioners and providers can successfully help ensure children are well placed. Critical is the quality of information from social workers to inform placement requests and the ability of social workers to specify the purpose of a placement, the outcomes required and what they hope a placement will achieve.

This desire to improve this aspect of the process is why so many supported the idea of a common needs and outcomes framework. However, there were some well-considered voices of caution that such an approach could become another “box ticking” exercise and that any such framework will only be as good as the training and capability of those operating the frameworks.

This concern links to the lack of recognition of the critical role of placement officers. This concern is shared by commissioners and providers.

The market development role of consortia is underdeveloped. There is potential for consortia to do more to improve understanding and facilitation of the care market, to facilitate partnership working, offer more practical commissioning help and advice to local authorities and act as a conduit to sharing good practice. There is no developed

mechanism for consortia to use the information gathered through placement requests to external and internal providers to better understand the needs of children requiring placement. The ability to develop the local market is one of the attractions for those local authorities that work outside consortia. Market development is potentially resource intensive and is seen more in those consortia with more substantial central resources.

To be able to share information on the benefits of consortia commissioning, in the experience of some consortia leads, there has to be capacity to talk to local authorities about how joint working can offer solutions and provide 'added value'. All regional leads talked about how their regional roles are not task centred, but how a significant amount of time is spent doing things that are not easily measurable. For example, sharing learning with other consortia, talking to providers interested in developing services, organising events to enable consultation, supporting partnership work and relationships, guiding and providing some training to commissioners and contract officers new in role.

Links between consortia are limited. Some consortia leads have a good awareness of other consortia across the country, but that is as far as it goes. There are virtually no formal links or means to facilitate shared learning between consortia and partnerships. For example, North West and Peninsula consortia are developing effective arrangements for commissioning post 16 support and accommodation. Both have created their own terms and conditions and minimum standards. There is opportunity to share this nationally to reduce the risk of numerous sub regional variations being developed. Similarly, mechanisms for dealing with concerns about provider performance are generally well developed within each consortium, but they would not enable cross consortia communication.

There are also some real concerns in the sector regarding the way that personal information is shared between agencies. The Information Commissioner's Office recently undertook research on the practice of maintaining and sharing information on looked after children and concerns were raised about practice by both local authorities and providers. This is a growing concern by both local authorities and providers who are keen to find secure and efficient ways of sharing information.

Finally, across all consortia there is concern about how the new EU procurement rules will work in practice. This concern reflects lack of knowledge and understanding of the rules rather than an evidenced view that they will be problematic. There is a clear need for guidance and staff development in this area.

## 6 Recommendations for the Department for Education

To promote continuing development and greater effectiveness of consortia commissioning, IPC recommends that the Department for Education (DfE) considers the following:

1. Working with the sector, and with the aim of reducing duplication of activities by providers, facilitate greater consistency of procurement and monitoring processes for placements for looked after children. This could include:
  - Promoting the development of a national repository for standard pre-qualification information.
  - Encouraging the development of consistent approaches to provider monitoring, including the appropriate use of Ofsted-registration and inspection information.
  - Supporting the development of a national outcomes framework, and if agreed as useful for the sector, to promote this for national use.
  - Supporting the development of a consistent approach to the definition and measurement of value for money of looked after children's placements.
2. Support the development of national or model contracts, including DfE endorsement and publication of any agreed contracts and explanatory notes produced by the sector for their ongoing use.
3. Sponsor the development of a facilitated good practice network and/or information sharing platform that would both enable providers to keep up to date with consortia commissioning arrangements and enable consortia to share learning and good practice nationally.
4. Share knowledge about and encourage further development of good practice examples around:
  - Market position statements, including how they can be used to improve outcomes for children through better placement provision. If the Innovation Fund is extended this could be a suitable area for support through that initiative.
  - Commissioning practice, including commissioning for outcomes.
  - The use of ICT systems to support placement finding and matching which could enhance choice and flexibility in how the market operates e.g. the potential of the current online adoption matching platform to be developed for wider use in matching children to other kinds of placements.
5. Facilitate work to enable commissioners to have a common understanding of the EU regulations, and to help increase confidence in the sector around their interpretation.

## 7 Considerations for the Sector

To complement this DfE agenda, IPC suggests that key sector representative organisations, including the Association of Directors of Children's Services (ADCS) and the Local Government Association, consider the following:

1. Develop and champion sector-led learning and support for commissioning consortia, commissioners and placement officers.
2. Lead the development of more consistent approaches to commissioning services for looked after children.
3. Sponsor greater engagement between senior local authority commissioners and leaders of provider organisations, including the bodies that represent independent providers such as ICHA and NAFFP. Support these parties to work in partnership to:
  - Develop more consistent approaches to monitoring the quality and outcomes delivered by placement providers.
  - Strengthen the market development role of consortia and/or other regional bodies.
  - Implement revised national or model contracts, and where necessary facilitate discussion and agreement on how variations are managed so that there is consistency in how they are used.
  - Develop a mechanism to share information about, and good practice within, consortia commissioning.
4. Continue to support, and promote, the key role which Directors of Children's Services and Lead Members for Children's Services play in promoting and enabling collaboration between local authorities.

**Institute of Public Care  
July 2015**



## 8 Appendix 1 Fostering and Residential Child Care Consortia as at 1 June 2015

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
North East	NE7 – Independent Foster Care Agencies Framework	7: <b>Newcastle</b> Durham Gateshead North Tyneside Northumberland South Tyneside Sunderland	No financial contribution, but time and officer hours. What is expected is detailed in the governance arrangements which give accountability.	Framework with 7 categories and no tiers. NE7 own terms & conditions apply.	Each local authority is allocated 3 or 4 providers to monitor. Quarterly provider forum and annual monitoring visits are held. Lead local authority supports members with mediation between commissioner and provider where needed.
	NE6 – Out of Authority Residential Child Care Approved Providers List	6: <b>Newcastle</b> Gateshead North Tyneside Northumberland South Tyneside Sunderland	NEPO lead on procurement (Newcastle lead on commissioning) and charge a fee for their services, split between the six local authorities.	This APL is for the individual placement of children into residential child care for standard, solo/specialist and children with disabilities placements. Using an amended version of 2011 national contract.	Provider forums about 3 times a year. Annual monitoring visit and conversation with link local authority. Each local authority has 10 homes to visit, therefore, smaller local authorities are undertaking proportionately more monitoring.
	Tees Valley - Independent Foster Care Agencies Framework	5: <b>Hartlepool</b> Darlington Middlesbrough Redcar and Cleveland Stockton on Tees	The work of contract monitoring and management is shared between the five members. There is no financial contribution, but the arrangements for managing and monitoring the contract are set out within the framework contract.	Framework contract from Jan 2014 – 2018 with no extension. For children aged 0 to 18 years, including mainstream services, 'staying put', mother and baby and remand placements. It has two tiers but no lots.	
	Tees Valley – Out of Authority Residential Child Care	4: <b>Darlington</b> Hartlepool Middlesbrough Redcar and Cleveland	This is a relatively new consortium working under the umbrella of the Tees Valley Commissioning Group. It is developing a framework contract for residential child care including some which will offer with education.	The framework contract is due to start on 1 April 2016. The consortium is currently developing the specification and plan to tender in autumn 2015.	They anticipate a shared approach across the participating authorities with common processes and recording systems. Darlington will lead the monitoring and contract management process and collate the information provided by the other participants.

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
North West	Placements North West – overarching regional consortia for LAC	22: Tameside host PNW and all local authorities in the NW region except Cumbria are members of PNW	Contributions are proportional to LAC numbers. Local authorities pay this regardless of whether or not they are part of a framework or not. Funded as a service more than for specific activities. There is wider support and intelligence that is provided. i.e. local authorities get benchmarking info, monitoring info, expertise, input into national consultations etc.	Supports the development of the contracts that are used by the sub-regional consortia. The North West Strategic Leads for Safeguarding Vulnerable Children steer the work plan and agree priorities.	Each local authority is responsible for monitoring the providers it uses. PNW collates information and retains an overview of how each of the contracts operates.
	North West Fostering Framework	21: Manchester lead the consortium and all local authorities in the region except Cumbria and Lancashire are members	Some funds received from PNW to undertake the procurement exercise and provide ongoing contract management for the duration of the contract.	Framework launched April 2014 on a 2 year plus 1 plus 1 basis. Standard and Enhanced lots. Divided into 3 age categories, each of which has 3 tiers.	As above
	Greater Manchester Residential Child Care Framework	10: <b>Trafford</b> Bolton Bury Cheshire East Oldham Rochdale Salford Stockport Tameside Wigan	Some funds received from PNW to undertake the procurement exercise and provide ongoing contract management for the duration of the contract.	Framework launched April 2014 on a 2 year plus 1 plus 1 basis. Contract was awarded on a 60% quality and 40% cost basis. Four lots: standard residential - 3 tiers; therapeutic and specialist medical - 3 tiers; solo placements - 1 tier; and rural and complex - 1 tier.	As above
	Merseyside Residential Child Care Framework	10: <b>Wigan</b> Cheshire East Cheshire West & Chester	£4,000 received from PNW to undertake the procurement exercise and £1,000 per annum to provide ongoing contract management for	Framework launched April 2014 on a 2 year plus 1 plus 1 basis. Lots are based around varied cohorts of need: standard, complex, disabilities, short breaks. Each lot	There is a standard template for monitoring services and this is used by all participating local authorities. Although each local authority is responsible for monitoring the

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
		Halton Knowsley Liverpool Sefton St Helens Warrington Wirral	the duration of the contract.	has different tiers which have been awarded on a 40% quality and 60% cost basis. Local authorities are expected to approach providers on one tier before moving on to the next.	services is uses, there is recognition that this is resulting in some duplication of work.
Yorkshire and the Humber	White Rose Fostering Framework	11: <b>Leeds</b> Barnsley Bradford Calderdale Doncaster Kingston upon Hull Kirklees NE Lincolnshire Sheffield Wakefield York	Leeds City Council leads on procurement, but does not charge the other local authority members. Hence there is no central pot of money and resources are in kind – there is a commissioning group which allocates activities between members of the group e.g. developing the specification.	Framework contract with three lots: Standard; Solo Fostering; Parent and Child. Each Lot has three age bands 0 to 4, 5 to 10 and 11 to 18 years. There are three tiers with each lot. Covers all fostering services but add-ons can be purchased within the contract. Using an amended version of 2012 national contract.	Participating local authorities each monitor allocated providers using shared templates and share findings. Each local authority resources its own monitoring.
	White Rose Residential Child Care Framework	10: <b>Leeds</b> Barnsley Bradford Calderdale Doncaster Kingston upon Hull Kirklees Rotherham Sheffield Wakefield	As above	Framework contract with four lots: Standard; Specialist; Specialist with education; and Parent and child. Using an amended version of 2012 national contract.	As above

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
East Midlands	East Midlands Regional Framework for Fostering, Residential Child Care and SEN	6: <b>Northamptonshire</b> Derby Derbyshire Nottingham City Nottinghamshire Rutland	Three monitoring staff based in Northants. They are paid for by a % split between the local authorities depending on their use of the framework. Plus development manager's post.	Framework contract covers residential care and fostering. Three lots for fostering with no divisions for age: Core; Enhanced; Complex. Two lots for residential care: Enhanced and Complex. Using an amended version of national fostering contract. Unsure about basis of residential contract.	Participating local authorities centrally fund capacity for monitoring activity and share the findings. Posts are based in Northants.
	Nottingham City and Nottinghamshire Residential Child Care Partnership	2: <b>Nottingham City</b> and Nottinghamshire	Contributions of time from placement and commissioning team managers in each local authority. They shared the work, which is easier to manage with just two partners.	A joint procurement between Nottinghamshire and Nottingham City for two separate block contracts for children's residential care for 44 places. Three providers across the two contracts. All contracts started on 1st April 2015. Unsure of basis for terms and conditions.	The two local authorities monitor the contracts together unless the issue is a specific concern about one of the authority's children.
West Midlands	West Midlands Placements Database (WMPD) - overarching regional consortia for LAC	14: Improvement and Efficiency West Midlands (IEWM) host WMPD and all local authorities in the WM region are members of WMPD	IEWM funds a manager to co-ordinate and manage the commissioning process (from RIEP legacy funding). Each authority funded their own procurement activity but some funding provided by IEWM for additional costs incurred (for example financial checks).	Have a database that both local authorities and providers are supposed to enter information on. But there are difficulties with getting all parties to keep this up to date and use it properly and so it is not as effective as it could be. IEWM provides a regional service i.e. supporting development of sub-regional contracts, information sharing, training, facilitating forums, consultations and events. Acts as channel for information to be passed between consortia and the ADCS.	The manager co-ordinates, but different local authorities have different resource for monitoring. Commissioners meet up and will discuss provider performance. It is expected that each local authorities will be responsible for resolving any issues. However, if a provider has significant shortfalls, this is highlighted on the WMPD via an information sharing document.

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
	Herefordshire and Worcestershire Fostering	2: <b>Worcestershire</b> and Herefordshire	As above, the WMCSG provides practical support and project facilitation. Hereford and Worcestershire put in officer time to undertake the procurement activity.	Framework contract covering a wide variety of fostering services. In 2016 will be looking to merge into West Midlands wide framework. Using an amended version of national contract.	All providers are on frameworks registered on the WMPD. This ensures up to date docs and checks. Each provider has link local authority, which are monitoring very differently and this causes some difficulty. No resource for coordinating monitoring.
	Solihull, Stoke Coventry & Warwickshire Fostering	4: <b>Solihull</b> Stoke on Trent Coventry Warwickshire	As above	Framework contract covering a wide variety of fostering services. The new framework consists of lots and tiers and commenced on 1st May 2014.	As above
	West Midlands Residential Child Care	14: <b>Sandwell</b> Birmingham Coventry Dudley Herefordshire Shropshire Solihull Staffordshire Stoke on Trent Telford and Wrekin Walsall Warwickshire Wolverhampton Worcestershire	As above	Framework contract covering residential care and residential care with education. Based on size of home: solo, standard, complex, and specialist. Using an amended version of national contract for the framework and the national contract for spot purchases.	As above

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
Eastern Region	ER4 - Fostering	4: <b>Suffolk</b> Cambridgeshire Essex Thurrock	Suffolk is the lead and coordinates the Select Lists procurement process, however, each of the four participating councils has a role in the evaluation of the bids to share the work load. They jointly developed a common specification and requirements.	Foster Care Rolling Select List. Three levels of need: Limited support, standard and intensive. Also parent and child with assessment and parent and child without. Three tiers. The list is open once a year for new entrants to join. Using an amended version of national contract.	The procurement process establishes a select list for each of the participating councils, which is then contract managed by that council using a commonly agreed approach with shared responsibility regarding annual contract monitoring visits. Monitoring is done by each local authority monitoring their own providers using a common approach and sharing the findings.
	Bedford and Luton & Central Bedfordshire Fostering	3: <b>Luton</b> Bedford Central Bedfordshire Initially there were two other authorities in the consortium - one from the Eastern region and one from the South East region – but they withdrew at the time the framework went out to tender.		The contract started on 1 November 2011 and was for three years plus two years extension. There are eighteen preferred providers on the framework, which has no lots or tiers. The framework has standard and preferred providers with the same specification, but there are criteria for a placement to be classified as enhanced and these placements have different bands for pricing.	Monitoring of the contract is shared by the three members with each leading for a number of providers and Luton providing overall coordination of the information from the monitoring activity.
London	London Care Services - overarching regional consortia for LAC	London Care Services (LCS) is hosted by London Councils and has 41 members - 33 London boroughs and 8 partner members from the South East and Eastern regions (Buckinghamshire, Essex, Hertfordshire,	Each of the 41 local authorities pays an annual subscription of £5,800 (with exception of City of London that pays less). The development of sub-regional consortia has led to some local authorities questioning that they may be funding duplication of work.	Team evaluates applications and scrutinises fees before approving providers to join the LC S database which is accessed by participating local authorities. Providers have to agree to sign up to the London Model Contract developed by LCS. Recently 5 sub-regional consortia have developed and these lists / frameworks are utilised first before	Undertake an annual fee review. Used to have a LCS Quality Monitoring role, but local authority subscriptions were reduced and this function was deleted. Plan for website to have a new function for providers to be able to upload location assessment, safeguarding, missing, quality of care review

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
		Oxfordshire, Milton Keynes, Peterborough, Slough, and Windsor and Maidenhead)		the wider LCS database is approached. Introduces further layers as providers now have to submit applications to more than one body.	report and regulation 44s.
	North London Children's Efficiency Programme (NLCEP) - Fostering	5: <b>Haringey</b> Camden Enfield Hackney Islington	Local authorities pay £17,000 each to fund NLCEP. This funds both the SEN and LAC work. Includes facilitating shared training.	Have a select list for fostering with own contract. Will use LCS and London Model Contracts for foster care placements made off the select list and for residential placements.	Shared monitoring for select list. Each borough has about 5 each. All use same template. Recognises there is some duplication with LCS. Hosts provider forums and chairs joint meetings with providers.
	East London Solutions - Fostering	6: <b>Newham</b> Barking and Dagenham Havering Redbridge Tower Hamlets Waltham Forest		Use NLCEP select list and the LCS database. Do not have own arrangement.	Each local authority monitors the provision is uses.
	West London Alliance - Fostering	9: <b>Hillingdon</b> Barnet Brent Ealing Hammersmith & Fulham Harrow Hounslow Kensington & Chelsea Westminster	Subscription from each local authority.	IFA framework based on the London Model contract but adapted for sub-regional use.	The consortium is working with local residential child care providers to share information on what is needed. As yet there is no plan to establish a framework and the Alliance continue to use the LCS database to make residential placements.

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
	South East London consortia - Fostering	7: <b>Lambeth</b> Bexley Bromley Croydon Greenwich Merton Southwark	Group of local authorities work together, but no funding has been agreed for lead role.	Haven't tendered for any framework contracts. Are working together quite informally. Lambeth have a fostering framework but no other local authorities in group, which use LCS database.	No formal arrangements as yet.
	South West London consortia - Fostering	5: <b>Richmond</b> Kingston upon Thames Merton Sutton Wandsworth		An APL is used in addition to LCS database.	
South East	South Central - Fostering	11: <b>Hampshire</b> Bracknell Forest Oxfordshire Portsmouth Reading Slough Southampton Surrey West Berkshire Windsor & Maidenhead Wokingham	Local authorities pay on bed night usage for the infrastructure of the framework and coordination of monitoring. The framework involves £50m to £55m value per year. Likely use for the next two years at this level.	Foster care placements including parent and child and disabled children but not short breaks for disabled children. Three lots: C & YP 0 to 4, 5 to 10 and 11+ years; parent and child; and disabled children. There are three tiers in each lot. The framework did not use the national contract.	Monitoring is co-ordinated by Hampshire. Each local authority conducts annual review of providers allocated to them and Hampshire collates KPIs.
	Cross Regional Project - Residential Child Care	6: <b>Buckinghamshire</b> Bracknell Forest Milton Keynes Oxfordshire Reading	Costs shared across the 6 – with Bucks providing the service. Charge to each member based on bed allocation. Cash transfer involved of, roughly, £28K a year divided by 21 places. The	20 residential child care places and a special EBD school with 24 places, 20 of which are directly linked to the residential child care places. School has 4 day student places. For KS3 and above children	Contract monitoring (by Bucks) monthly by tele conference and monthly for commissioners with quarterly meeting together with provider to look at activity and quality. Each local authority has a



Region	Description	Members	Resource Contribution	Contract Description	Monitoring
		Hertfordshire	partnership has enabled a better analysis of needs and market management. Long relationships within the partnership have enabled trust to develop.	and YP. 11 to 18 yrs. Block contract for 5 years plus 3 years starting January 1st 2010 and now extended by two years to December 2017. Used predecessor of 2011 national contract.	home to monitor twice a year and uses CCRAAG forms B & C for assessment. Annual review of therapeutic provision by ICHA.
	Mid Southern – SEN and Residential	11: <b>Hampshire</b> Bracknell Forest Buckinghamshire Isle of Wight Portsmouth Reading Slough Southampton Surrey Swindon Wiltshire	Allocation of costs to members is done proportionately as some local authorities are only in the consortium for some elements. If a local authority is in both elements then for a large council the cost is £8 to £9K a year and for a small council as low as £900 a year. The total cost of the contract management and monitoring is £38K, which is provided by Hants.	This framework has no lots or tiers and it is opened regularly to encourage new providers to develop services. The contract is for 2 years with an extension for 1 + and 1 + years from 1 October 2014. It is a looser, pilot arrangement and if it works the consortium will move to a tender which is more formal and for longer.	
	West Sussex, Brighton and Hove Partnership - Fostering, Residential Child Care and SEN	2: <b>West Sussex</b> and Brighton and Hove		This is a framework contract with annual opening to apply to join. IFA are procured at both tier 1 and tier 2, as well as residential children's services. There are no lots and no distance criteria and no age bands for IFA and no lots or tiers for residential services. The contract started on 1 November 2012 and is for 4 years with extensions 1+ 1+ and 1+.	Each authority does their own monitoring and shares the results with the other. The local authorities focus their monitoring on where their children are placed rather than allocating providers to each. They meet regularly and allocate work on a short term basis. West Sussex holds the coordinated records of monitoring. Also quarterly forums which are open to all providers on the framework. All providers are engaged and encouraged to work together.

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
	Kent & Medway – Fostering	2: <b>Kent</b> and Medway	There is a partnership agreement between the two local authorities and there are no money transfers between them.	This is a Framework contract, which is closed for a defined period of time and includes lots and tiers. There are three lots: standard; specialist; and complex. Each has age bands or categories. Tiers are allocated on price. However, the consortium has reviewed the framework, which began in 2013, after two years and is looking to remove the tiers.	Six monthly forums with all providers. Each authority monitors and contract monitors the providers they use although they do sometimes monitor for the other authority and sometimes jointly where this is agreed. The current resource is judged as just adequate for this task. They risk assess where to focus their monitoring effort.
	West Sussex and Kent – DPS residential and specialist fostering for children with disabilities	2: <b>West Sussex</b> and Kent	West Sussex established and procured the DPS, which started on 1 March 2012 and Kent joined as a partner on 1 May 2014.	It is a DPS with no lots or tiers and it is continuously open. The process for using the DPS is prescribed and both authorities adhere to it.	There is limited capacity to monitor the DPS. Monitoring is done on an as-needs basis and relies on Ofsted to monitor and make judgments, but they log concerns raised e.g. by parents, SWs etc. There is an annual contract compliance process and, based on this, the consortium monitors by exception. The lead for each provider is with Kent or West Sussex and each authority has their own system.
South West	Peninsula Fostering, Residential Child Care and SEN	5: <b>Devon</b> Cornwall Plymouth Somerset Torbay	Contributions to the consortium are proportional to LAC numbers (average £20k per annum), which funds procurement activity, coordination of monitoring and a regional manager who co-ordinates and manages the consortia.	It is a requirement that providers are based in the South West in order to qualify to be on the peninsula framework. The framework includes 4 different lots.	

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
	Peninsula Fostering Cost and Volume	3: <b>Plymouth</b> Devon Torbay	No contributions made from Torbay or Devon	Cost and volume contract with 7 providers who offer a discount based on overall spend rather than number of beds. Referrals are sent to these 7 providers first before being sent to other providers on the peninsula framework.	
	North Region South West – Fostering	8: <b>Bristol</b> Bath & NE Somerset Dorset Gloucestershire North Somerset South Gloucestershire Swindon Wiltshire	The lead local authority leads on commissioning and tender evaluation, but each local authority signs up to their own framework. There is no resource for ongoing management.	Framework contract closed for a period of time with tiers but no lots.	Monitoring is by each local authority of the providers they use with information shared within the consortia informally.
	South West Region Residential Child Care Tender	8: <b>Bath &amp; NE Somerset</b> Bristol Dorset Gloucestershire North Somerset South Gloucestershire Swindon Wiltshire	A DPS is being procured. The current procurement will cost each local authority £4,000 and is being led by Bath and North East Somerset Council. There is limited resource for ongoing management and monitoring.	It is anticipated that the new contract will run for four years and discussions are taking place regarding whether this will include lots and tiers. The DPS will be open at 6 monthly intervals to allow new entrants to the market place	Each local authority will sign its own framework agreement contract with each provider and then individually manage and monitor each provider they use. Information from monitoring is shared within the consortium.

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
Cross Regional	CCRAG Partnership - Fostering and Residential Child Care	18: Hertfordshire Bath & NE Somerset Bedford Bristol Buckinghamshire Dorset Essex Gloucestershire Luton Medway Milton Keynes North Somerset Oxfordshire Peterborough South Gloucestershire Southend Thurrock Wiltshire	Members commit to working together to develop and implement effective and consistent working practices throughout the CCRAG partnership. Subscriptions for CCRAG for 2015/16 are £1,966 plus VAT. It is hosted by the Children and Young People's Commissioning Service in Hertfordshire County Council, and is part of the steering group of local authorities from Thurrock, Buckinghamshire, Luton, South Gloucestershire and Bristol.	The partnership maintains the CCRAG Providers' Database, which supports the sourcing, contracting, monitoring and annual fee negotiations for children's placements. It provides a set of managed information to support local authorities in making placement decisions and is a means for providers to offer themselves to the local authorities. Providers evidence Ofsted registration and grade, insurance and such like. The database holds quality assurance information from participating local authorities and there are expectations of what information providers will supply. Local authorities use the data base to undertake a search for a placement and then purchase directly from a provider; the purchase will be a spot purchase.	Monitoring is done by each local authority undertaking this for allocated providers. This is coordinated by Hertfordshire. CCRAG is not involved in facilitating or developing communication with providers, but there are quarterly forums with delegated decision making for CCRAG. In addition the steering group facilitates annual workshops for CCRAG members on recent initiatives, changes in policy and opportunities to share good practice.

## 9 Appendix 2 Local Authorities Interviewed

Local authorities interviewed:

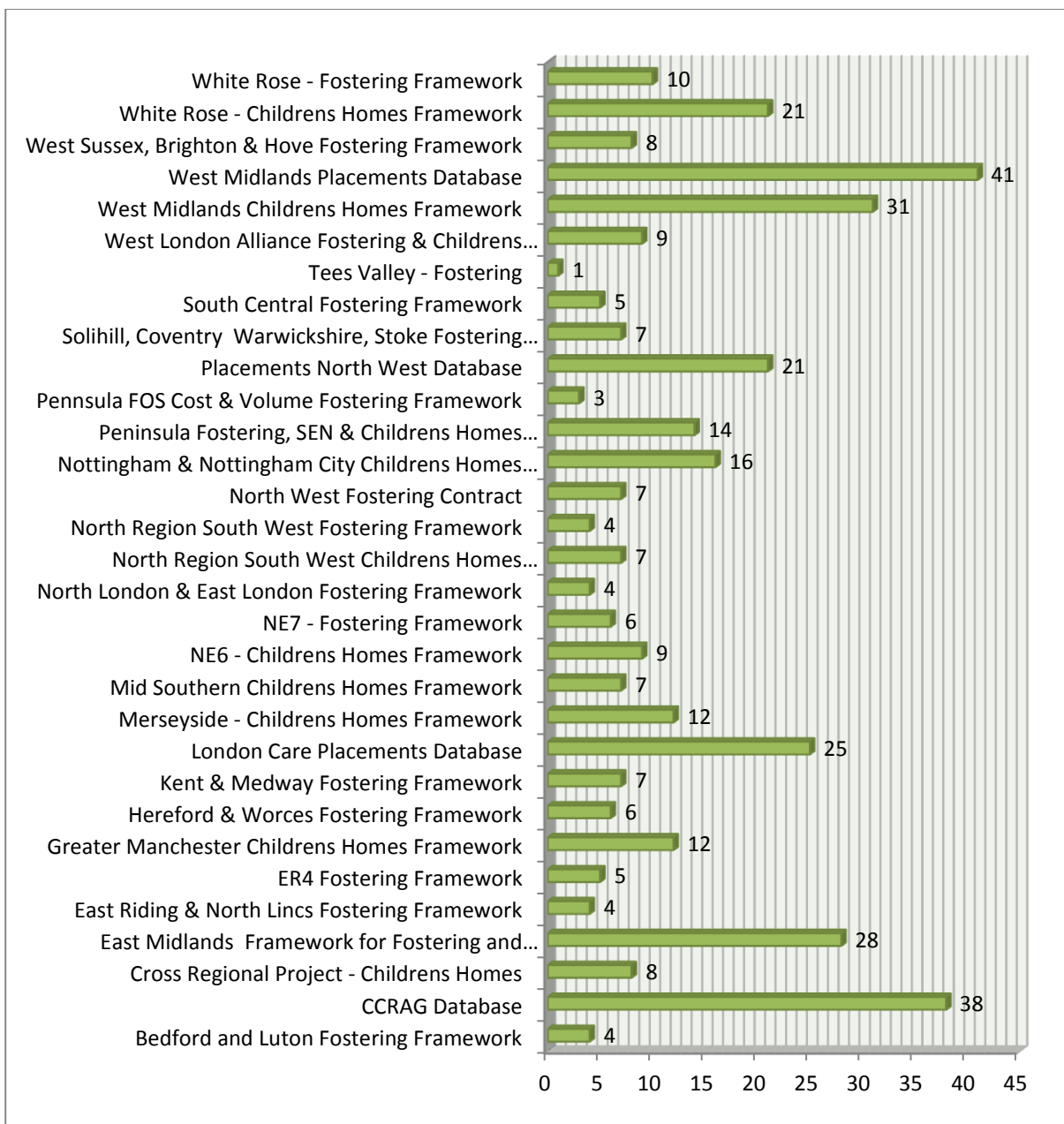
- Worcestershire CC.
- Hampshire CC.
- Reading BC.
- Slough BC.
- East Sussex CC.
- Milton Keynes C.
- Peterborough CC.
- North Yorkshire CC.
- Barnsley MB.
- Leeds CC.
- Suffolk CC.
- Luton BC.
- Kent CC.
- West Sussex CC.
- Newcastle CC.
- Hartlepool BC.
- Derby CC.
- Nottingham CC.
- Hertfordshire CC.
- Buckinghamshire CC.
- Bristol CC.
- Bath and North East Somerset Council.

## 10 Appendix 3 Provider Survey

A survey was sent out to members of the National Fostering Association and the Independent Children's Homes Association. 81 responses were received.

The survey asked respondents to indicate which of 30 consortia they were qualified providers for. The 81 respondents to the survey mentioned 370 qualified provider relationships, although most only worked with a small number. '

**Figure 10: Number of organisations responding to the survey who are qualified providers for named consortia**

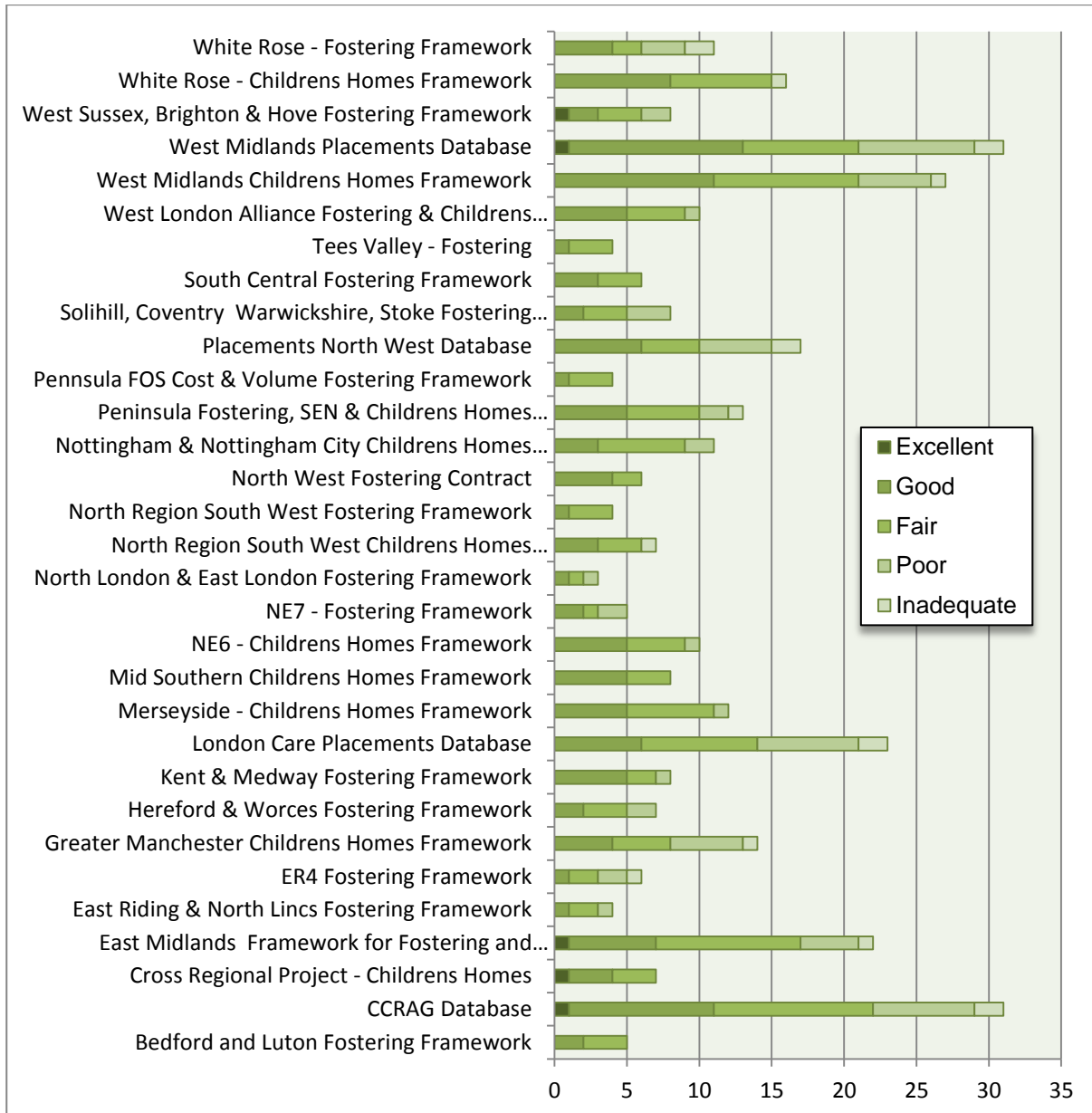


**Other consortia mentioned:**

- Children's Commissioning Consortia Cymru.
- Bristol, Southampton.
- The Chest.
- Children's Commissioning Support Resource Wales.
- North Wales Commissioning Hub.
- YORTENDER.
- White Rose SEN Framework.
- NE12 for SEN led placements coming into fruition.
- South East Wales, Wiltshire/Gloucestershire/Bristol/North Somerset.
- West Sussex and Brighton & Hove Children's Residential Framework.
- South and Mid Wales Framework Agreement (Residential Care Services) and DCE 174 Framework agreement with Wiltshire as the lead authority.
- West Sussex and Kent DPS.
- Bristol, Gloucestershire, Wiltshire area.

**Question 2: How do you rate each consortium's process for qualifying providers? Please provide an answer for any of the consortia you have been involved with, even if you were an unsuccessful bidder.**

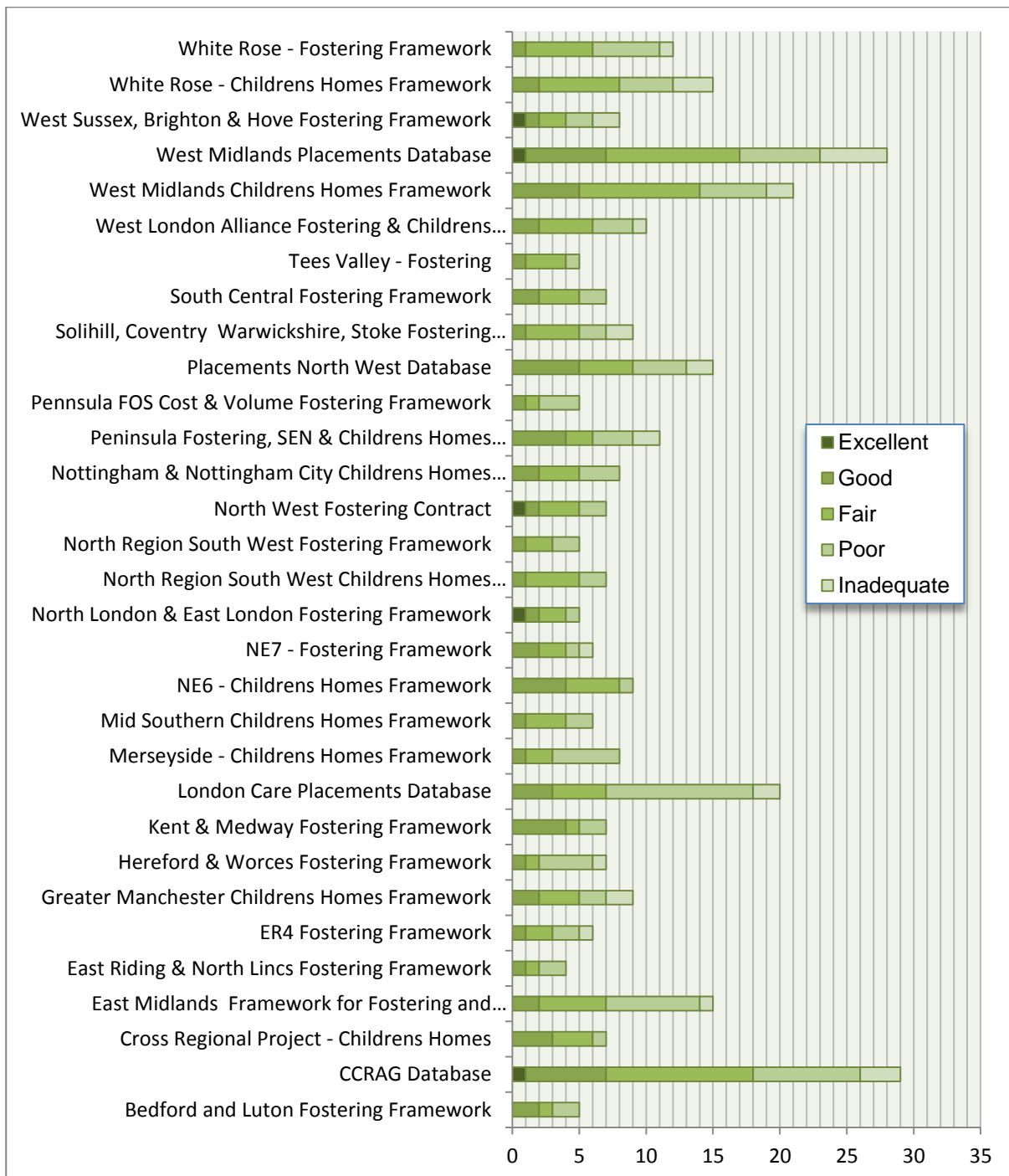
Excellent – 5  
 Good – 129  
 Fair – 132  
 Poor – 65  
 Inadequate – 17





**Question 3: How effective is the arrangement in enabling you to provide a fee that is fair and which offers value for money?**

Excellent – 5  
 Good – 70  
 Fair – 110  
 Poor – 100  
 Inadequate – 31



There was an opportunity for providers to give specific comments relating to questions 3-7 and a summary of those comments are given for each question.

For question 3 the responses about fees were decidedly mixed. Concerns were expressed over fees as part of the consortia arrangement.

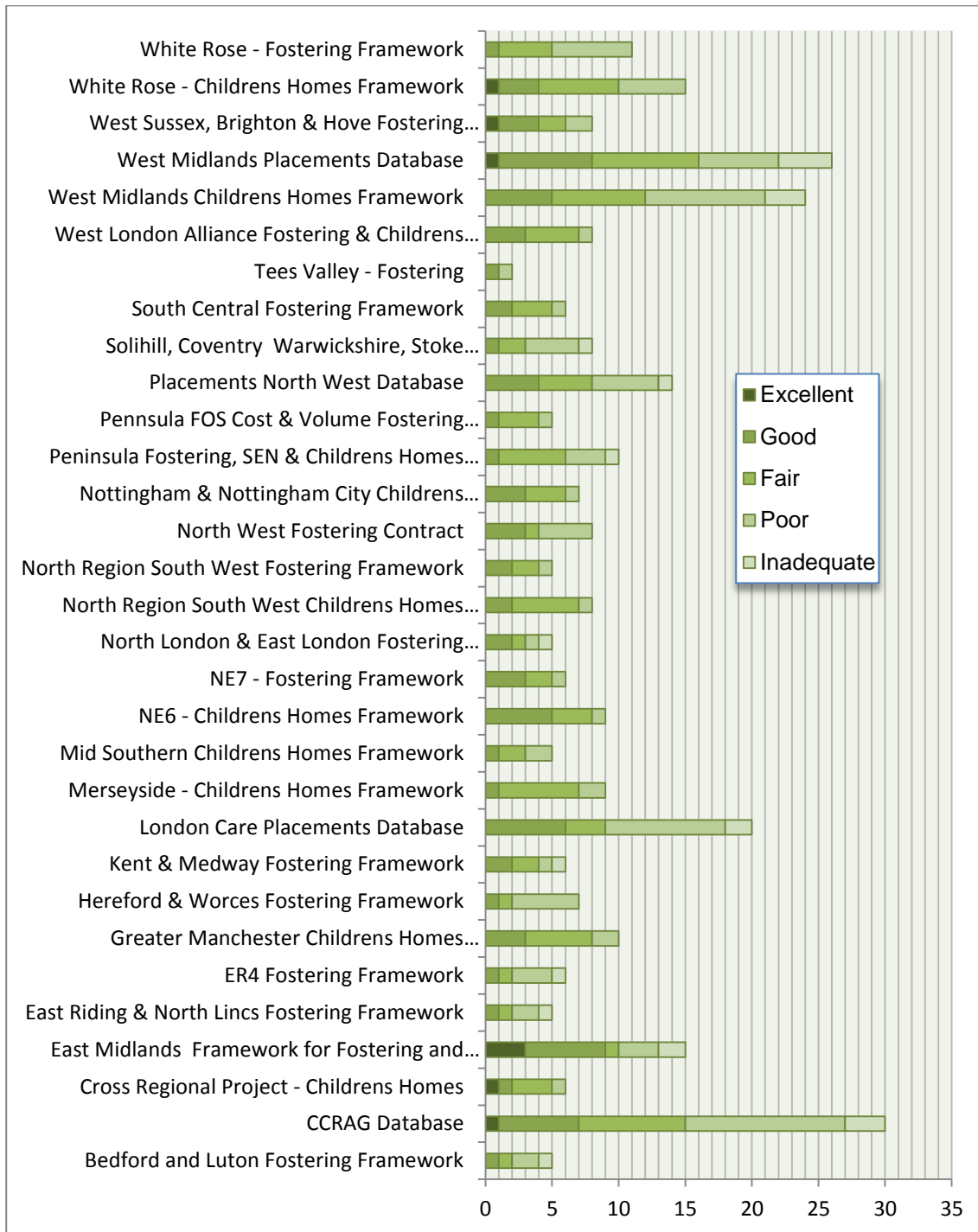
*“There is a worrying focus on price rather than actual costs. “*

A considerable number of responses noted that the ability to provide a fair fee rate existed in many of the consortia but a large number of responses described this as poor (100) and 31 inadequate. There was no obvious regional divergence in the responses.

*“Senior management and middle management costs within LAs are also often noticeably higher than the equivalent task in an IFP.”*

**Question 4: How effective is each consortia's arrangements for monitoring the quality of the services you provide?**

- Excellent – 8
- Good – 82
- Fair – 99
- Poor – 98
- Inadequate – 22

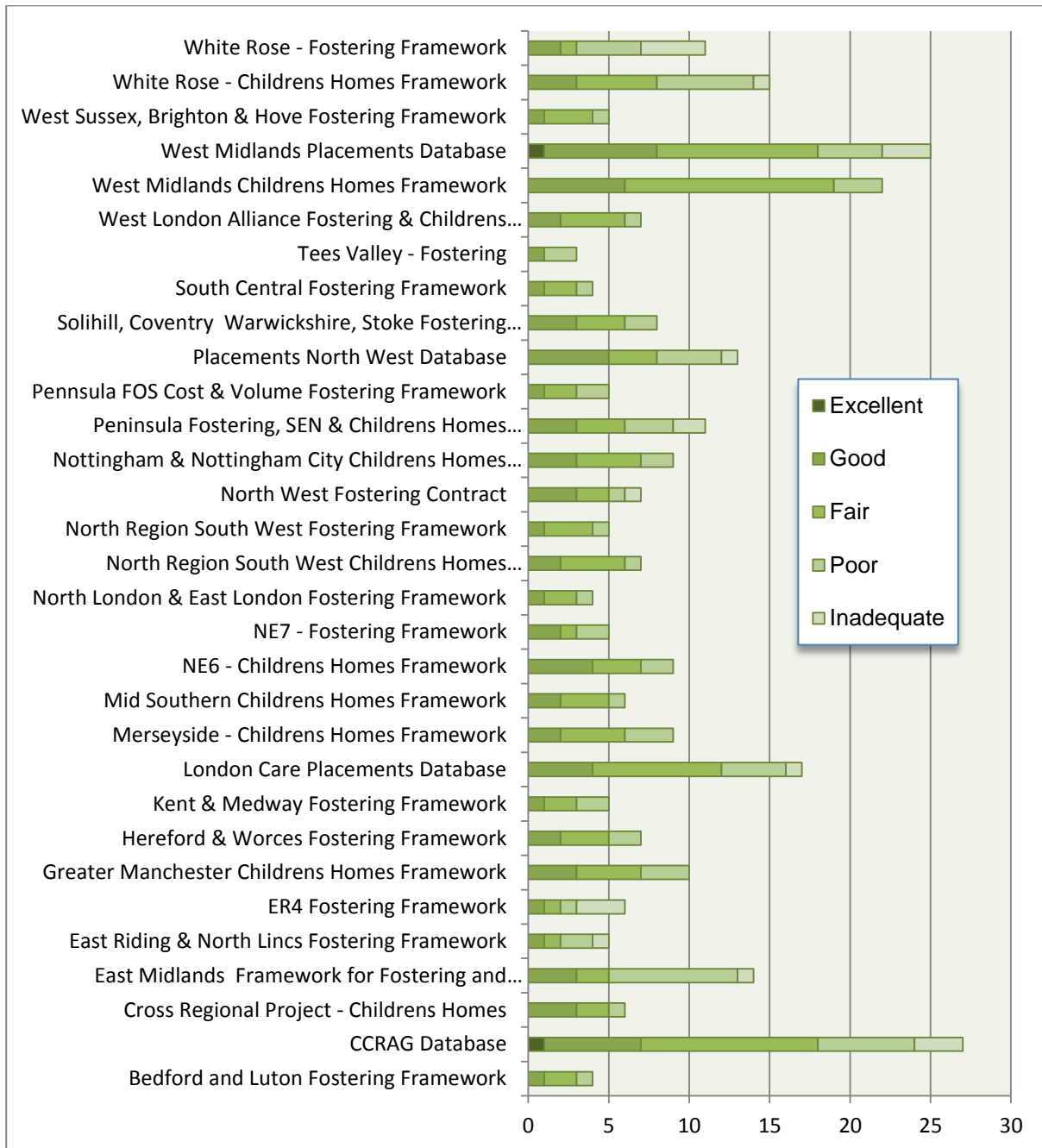


There was a similarly mixed response to the question about monitoring quality. A significant number of people rated this poorly but it might be significant to note that there were just four additional comments out of 81 responses to the survey.

*“Focus is still on quantitative rather than qualitative outcomes.”*

**Question 5: How efficient are the consortia arrangements for keeping bureaucracy and paperwork to a minimum?**

Excellent – 2  
 Good – 80  
 Fair – 111  
 Poor – 77  
 Inadequate – 21

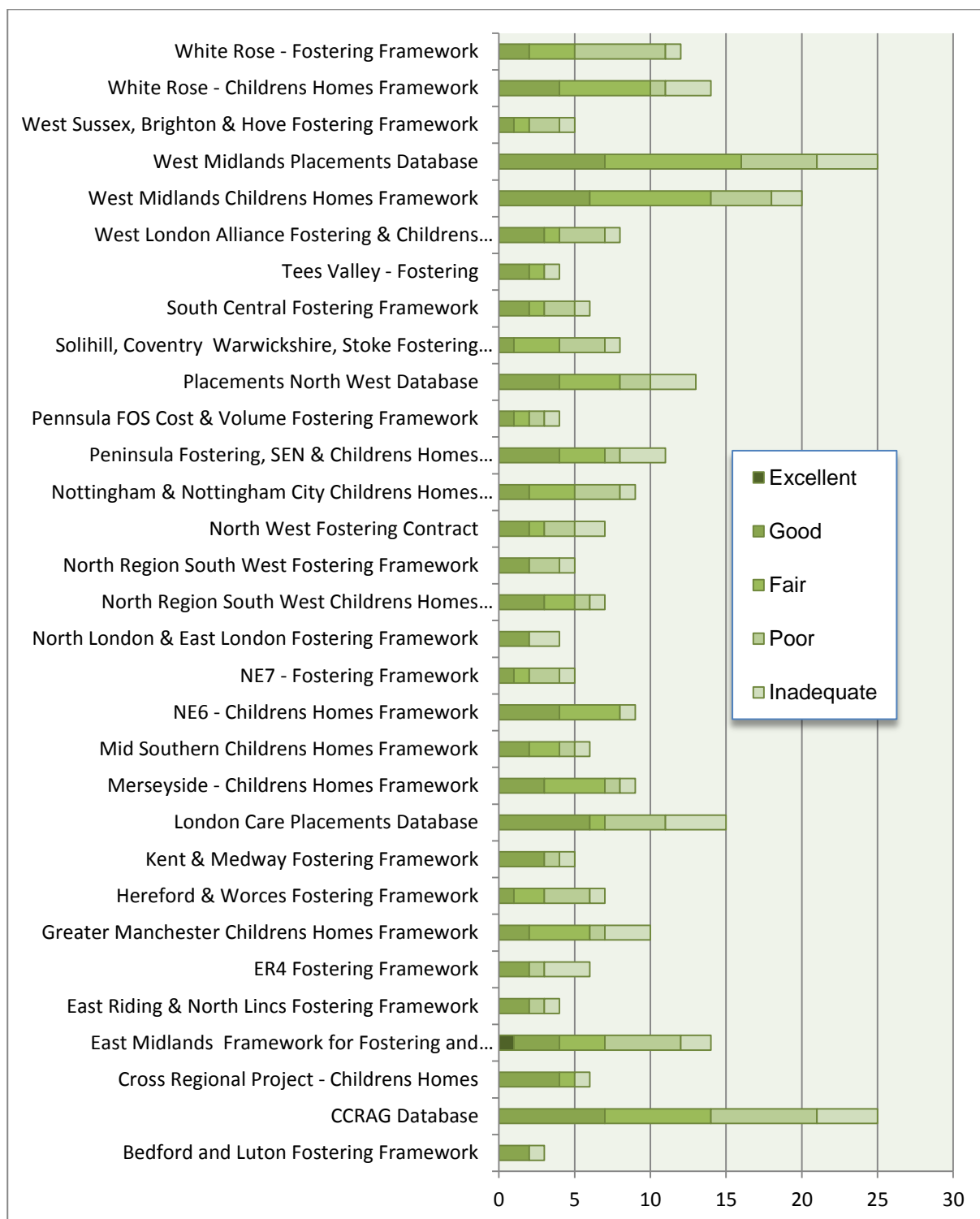


A majority of responses considered consortia arrangements for keeping paperwork to a minimum to be good, although a significant number rated this aspect poorly. Only two of the consortia were judged to be excellent by respondents.

*“The tenders are huge pieces of work, referrals can be quite straight forward, contracts are signed and thankfully we can then get on with the actual caring and supporting of young people not just caring that a document looks right!”*

**Question 6: How well does the arrangement enable you to deliver the best possible outcomes for children and young people?**

- Excellent – 1
- Good – 90
- Fair – 76
- Poor – 65
- Inadequate – 54



*"Many of the commissioners are not qualified social workers, having backgrounds in business & finance. They appear often to be more interested in the financial inputs than in the long term outcomes for children."*

*"All seek to provide a good service but waste too much time and money on overcoming or managing a poor commissioning process to benefit the children we care for. More process than care."*

*"None of them have a coherent method for tracking progress. Lack of clarity re aims of placement mean that tracking is impossible"*

A majority of responses consider the consortia arrangements to be fair or good, with 167 of 286 responses broadly positive. However, a considerable number of responses view them as poor or inadequate.

*"When trying to be creative about packages of care to meet a child's need we are often told that it "doesn't fit in a box" on their paperwork."*

The individual comments provided suggest that there are concerns over the delivery of outcomes for the children and young people being supported and the ability to match delivery to the requirements of individual consortia.



**Question 7: How well do the consortia facilitate a culture of trust and partnership working?**

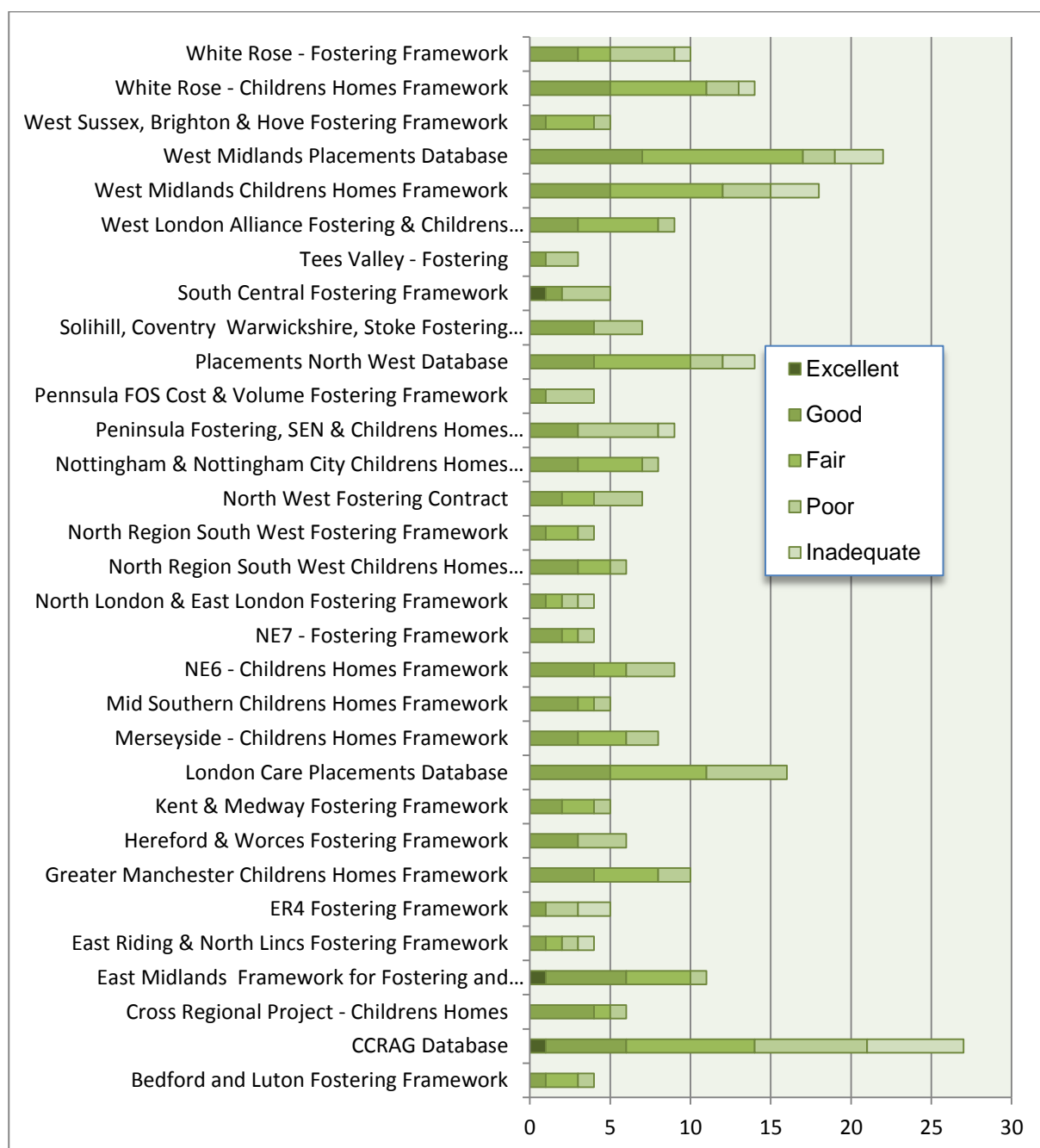
Excellent – 3

Good – 91

Fair – 85

Poor – 69

Inadequate – 21



The relationship between providers and consortia appears to be a concern to a number of providers.

*"Many of the consortia have no arrangement in place for providers to play an active part in strategic planning."*

The comments received often referred to the lack of involvement of providers in the process of placements, with one referring to an 'us and them' culture persisting.

*"There appears to be poor working relationships & mistrust between the local authorities in the consortium which can be difficult"*